
GRANT OF WAIVERS OF THE PRESENTATION OF COMPARATIVE STATEMENTS FOR:

- (A) **THE FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014 ("FY2014") (THE "FY2014 FINANCIAL STATEMENTS")**; AND
- (B) **THE FINANCIAL RESULTS FOR (I) THE FIRST QUARTER ENDED 31 MARCH 2015 (THE "1Q15 FINANCIAL STATEMENTS"), (II) THE SECOND QUARTER ENDED 30 JUNE 2015 (THE "2Q15 FINANCIAL STATEMENTS") AND (III) THE THIRD QUARTER ENDED 30 SEPTEMBER 2015 (THE "3Q15 FINANCIAL STATEMENTS", TOGETHER WITH THE 1Q15 FINANCIAL STATEMENTS AND 2Q15 FINANCIAL STATEMENTS, THE "QUARTERLY FY2015 FINANCIAL STATEMENTS")**
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Unless otherwise defined herein, all capitalised terms used herein shall have the same meanings ascribed to them in the Company's announcements on 25 February 2015, 30 June 2015, 19 May 2016, 30 September 2016 and 20 October 2016.

1. On 12 December 2016, the Company made an application to SGX-ST to:
- (a) seek a waiver of the following comparative statement requirements in Appendix 7.2 of the Listing Manual for the Quarterly FY2015 Financial Statements (the "**Quarterly Comparative Statement Requirements**"):
- (i) pursuant to paragraph 1(a)(i) of Appendix 7.2 of the Listing Manual, a comparative statement for the corresponding period of the immediately preceding financial year of an income statement and statement of comprehensive income, or a statement of comprehensive income, for the group;
 - (ii) pursuant to paragraph 1(b)(i) of Appendix 7.2 of the Listing Manual, a comparative statement as at the end of the immediately preceding financial year of a statement of financial position (for the issuer and group);
 - (iii) pursuant to paragraph 1(c) of Appendix 7.2 of the Listing Manual, a comparative statement for the corresponding period of the immediately preceding financial year of a statement of cash flows (for the group);
 - (iv) pursuant to paragraph 1(d)(i) of Appendix 7.2 of the Listing Manual, a comparative statement for the corresponding period of the immediately preceding financial year of a statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders;
 - (v) pursuant to paragraph 6 of Appendix 7.2 of the Listing Manual, earnings per ordinary share of the group for the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends (i) based on the weighted average number of ordinary shares on issue and (ii) on a fully diluted basis (dealing any adjustments made to the earnings); and
 - (vi) pursuant to paragraph 7 of Appendix 7.2 of the Listing Manual, the net asset value (for the issuer and group) per ordinary share based on the

total number of issued shares excluding treasury shares of the issuer at the end of the immediately preceding financial year; and

- (b) seek a waiver of the following comparative statement requirements in Appendix 7.2 of the Listing Manual for the FY2014 Financial Statements (the "**Full Year Comparative Statement Requirements**"):
- (i) the Quarterly Comparative Statement Requirements;
 - (ii) pursuant to paragraph 16 of Appendix 7.2 of the Listing Manual, comparative information for the immediately preceding year of the segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited financial statements; and
 - (iii) pursuant to paragraph 18 of Appendix 7.2 of the Listing Manual, a comparison (in the format provided therein) of the breakdown of sales in the previous financial year,

(collectively, the "**Comparative Statements Waiver**").

The rationale for this application is set out in paragraph 2 below.

Reasons for the Application

2. The Company made the application in paragraph 1 on the following grounds:

- (a) As announced by the Company on 30 June 2015, the Company's HK Counsel conducted the Initial Investigations, which revealed that there were irregular accounting practices at two of the Company's subsidiaries in 2008 and 2009. Meanwhile, the Company's external auditors, PwC, raised the following issues (the "**Accounting Issues**"):
- (i) uncertainty regarding (A) accounts receivables from certain past transactions amongst the Company, certain clients and vendors; and (B) the collectability of such accounts receivables; and
 - (ii) uncertainty regarding (A) asset values recorded in respect of certain suppliers; and (B) the Company's tangible and intangible assets which correspond to transactions with such suppliers.

As such, the Company commenced the Expanded Investigations and engaged the Forensic Accountant to conduct independent forensic investigative procedures relating to the Expanded Investigations.

- (b) Based on the findings of the Initial Investigations, the board of directors highlighted in the Company's announcement on 22 April 2016 that (i) the unaudited tangible and intangible fixed assets attributable to certain transactions in question for FY2014 amounting to approximately US\$28 million remains unsubstantiated due to the lack of documentary evidence for the transactions in question and (ii) the Company is uncertain as to the collectability of the unaudited account receivables and other receivables for FY2014 amounting to approximately US\$378 million.
- (c) As announced by the Company on 19 May 2016, due to the substantial costs of continuing the Expanded Investigations and the fees for completing the audit on the

Company relating to the FY2014 Financial Statements (the "**FY2014 Audit**"), the board of directors decided to suspend the Expanded Investigations and the FY2014 Audit until such time that the Company is able to meet the fees.

- (d) For the purposes of completing the FY2014 Audit, the Company is exploring alternative options with PwC to undertake an extended scope audit in respect of the FY2014 Financial Statements. To this end, PwC is currently working with the Company on an extended scope audit in respect of the FY2014 Financial Statements, the FY2015 Financial Statements and the FY2016 Financial Statements (the "**Extended Scope Audits**").
- (e) The Company is intending to make certain accounting adjustments to the FY2014 Financial Statements, the Quarterly FY2015 Financial Statements and the financial results for the year ended 31 December 2015 in view of the Accounting Issues to exclude certain past transactions that do not meet the relevant accounting criteria pursuant to the applicable accounting standards (the "**Accounting Adjustments**"). Given the Accounting Adjustments in view of the Accounting Issues, it would not be meaningful for shareholders, investors and other stakeholders to rely on the comparative statements required by the Full Year Comparative Statement Requirements in relation to the FY2014 Financial Statements, and the Quarterly Comparative Statement Requirements in relation to the Quarterly FY2015 Financial Statements.
- (f) The financial figures required to be presented under the Full Year Comparative Statement Requirements in relation to the FY2014 Financial Statements, and the Quarterly Comparative Statement Requirements in relation to the Quarterly FY2015 Financial Statements, subject to the outcome of the Extended Scope Audits and the Expanded Investigations, may no longer represent a true and fair view of the financial position of the Company for the financial year ended 31 December 2013 and the first three quarters of the financial year ended 31 December 2014. It would be difficult for the Company to present such comparative statements in the FY2014 Financial Statement and the Quarterly FY2015 Financial Statements as the underlying financial figures are likely to be inaccurate.
- (g) As the Extended Scope Audits and the Expanded Investigations cannot be completed by the deadline of the release of the FY2014 Financial Statements and the Quarterly FY2015 Financial Statements, being 31 December 2016, the Company is proposing to release the FY2014 Financial Statements and the Quarterly FY2015 Financial Statements in a limited format to ensure that investors, shareholders and other stakeholders are informed on the financial position of the Company during the financial periods represented by the FY2014 Financial Statements and Quarterly FY2015 Financial Statements pending completion of the Extended Scope Audits and the Expanded Investigations.

Conditions to the Comparative Statement Waiver

3. The Comparative Statement Waiver is subject to the following conditions:
 - (a) the Company announcing the Comparative Statement Waiver granted, the reasons for seeking the Comparative Statement Waiver and the conditions as required under Rule 107 of the Listing Manual; and
 - (b) submission of a written confirmation from the Company that the Comparative Statement Waiver does not contravene any laws and regulations governing the Company and the Bye-Laws.

Shareholders are advised to exercise caution when dealing in the securities of the Company and to refrain from taking any action in relation to their shares which may be prejudicial to their interests.

BY ORDER OF THE BOARD

Iwao Oishi
Executive Director, Vice Chairman, and Acting Chief Executive Officer
Date: 30 December 2016