

8TELECOM INTERNATIONAL HOLDINGS CO. LTD.

(Registration No. 34713)
(Incorporated in Bermuda)

1(a) (i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME (RMB'000)

For the second quarter ended 30 June 2016

	<u>GROUP</u>			<u>GROUP</u>		
	<u>Q2 2016</u>	<u>Q2 2015</u>	<u>+/(-) %</u>	<u>H1 2016</u>	<u>H1 2015</u>	<u>+/(-) %</u>
<u>Continuing operations</u>						
Revenue	-	-	-	-	-	-
Cost of sales	-	-	-	-	-	-
Gross profit	-	-	-	-	-	-
Other operating (expense) income	(17)	-	NM	(17)	99	NM
Selling expenses	-	-	-	-	-	-
Administrative expenses	(886)	(67)	1,222.39	(1,443)	(475)	203.79
Finance costs	(7)	(2)	250	(7)	(10)	(30.0)
Loss before income tax	(910)	(69)	1,218.84	(1,467)	(386)	280.05
Income tax expense	-	-	-	-	-	-
Loss for the period from continuing operations	(910)	(69)	1,218.84	(1,467)	(386)	280.05
<u>Discontinued operations (Note A)</u>						
(Loss) Profit for the period from discontinued operations	(15,386)	3,127	NM	(13,876)	5,080	NM
(Loss) Profit for the period, representing total comprehensive (loss) income for the period, attributable to equity holders of the company	(16,296)	3,058	NM	(15,343)	4,694	NM

nm: not meaningful.

Note A - Discontinued operations

On 15 March 2016, the Company has obtained shareholders' approval at the Special General Meeting ("SGM") for the Proposed Disposal of the Company's entire interests in its two wholly-owned subsidiaries, East Jade International Limited and Aim Tech Network Investment Limited ("Disposal Group") to Manfaith Investments Ltd. for a consideration of RMB420 million.

The Company has completed the disposal of the entire interest in the Disposal Group on 21 July 2016. Pursuant to the Completion, an amount equivalent to the cash consideration has been paid by the purchaser.

Discontinued operations (RMB'000)

	<u>GROUP</u>			<u>GROUP</u>		
	<u>Q2 2016</u>	<u>Q2 2015</u>	<u>+/(-) %</u>	<u>H1 2016</u>	<u>H1 2015</u>	<u>+/(-) %</u>
Revenue	115,512	136,562	(15.41)	223,022	255,715	(12.78)
Cost of sales	(97,133)	(109,944)	(11.65)	(190,002)	(208,891)	(9.04)
Gross profit	18,379	26,618	(30.95)	33,020	46,824	(29.48)
Other operating income	262	304	(13.82)	3,502	1,507	132.38
Changes in fair value of futures contracts and other financial assets	-	331	(100)	-	634	(100)
Selling expenses	(7,166)	(6,458)	10.96	(11,146)	(9,381)	18.81
Administrative expenses	(22,994)	(11,067)	107.77	(31,872)	(21,509)	48.18
Finance costs	(4,060)	(3,883)	4.59	(5,834)	(8,750)	(33.33)
(Loss) Profit before income tax	(15,579)	5,845	NM	(12,330)	9,325	NM
Income tax credit (expense)	193	(2,718)	NM	(1,546)	(4,245)	(63.58)
Net (loss) profit after income tax from discontinued operations	(15,386)	3,127	NM	(13,876)	5,080	NM

1(a)(ii) Profit before income tax was arrived at after (crediting) charging the following (RMB'000):

	<u>GROUP</u>			<u>GROUP</u>		
	<u>Q2 2016</u>	<u>Q2 2015</u>	<u>+/(-) %</u>	<u>H1 2016</u>	<u>H1 2015</u>	<u>+/(-) %</u>
<u>Continuing operations</u>						
Finance cost	7	2	250.0	7	10	(30.0)
Net foreign exchange loss (gain)	17	(500)	NM	17	(500)	NM
<u>Discontinued operations</u>						
Allowance for doubtful trade receivables	240	1,135	(78.85)	587	2,597	(77.40)
Depreciation and amortisation expense	2,437	1,986	22.71	4,926	4,264	15.53
Finance cost	4,067	3,885	4.68	5,841	8,750	(33.25)
Interest income	(122)	(277)	(55.96)	(577)	(1,088)	(46.97)
Government grants	(220)	(261)	(15.71)	(2,755)	(1,042)	164.40
Research costs	5,791	6,327	(8.47)	9,459	11,940	(20.78)
Net foreign exchange loss (gain)	-	27	(100)	-	28	(100)

nm: not meaningful.

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENT OF FINANCIAL POSITION (RMB'000)

As at 30 June 2016

	<u>GROUP</u>		<u>Company</u>	
	<u>As at</u> <u>30/06/2016</u>	<u>As at</u> <u>31/12/2015</u>	<u>As at</u> <u>30/06/2016</u>	<u>As at</u> <u>31/12/2015</u>
ASSETS				
Current assets:				
Cash and bank balances	4,153	211,332	4,153	474
Trade receivables	-	102,087	-	-
Amount due from subsidiaries	-	-	126,484	127,166
Other receivables and prepayments	459	34,547	459	361
Construction contracts	-	80,296	-	-
Inventories	-	14,816	-	-
Properties under development	-	545,946	-	-
	4,612	989,024	131,096	128,001
Assets classified as held for sale (Note B)	1,475,179	-	-	-
Total current assets	1,479,791	989,024	131,096	128,001
Non-current assets:				
Investment in subsidiaries	-	-	60,000	60,000
Investment in associate	-	-	-	-
Investment properties	-	195,304	-	-
Derivative financial instrument	9,782	9,782	9,782	9,782
Property, plant and equipment	-	87,401	-	-
Prepayments	-	20,838	-	-
Intangible assets	-	658	-	-
Total non-current assets	9,782	313,983	69,782	69,782
Total assets	1,489,573	1,303,007	200,878	197,783

	<u>GROUP</u>		<u>Company</u>	
	<u>As at</u> <u>30/06/2016</u>	<u>As at</u> <u>31/12/2015</u>	<u>As at</u> <u>30/06/2016</u>	<u>As at</u> <u>31/12/2015</u>
LIABILITIES AND EQUITY				
Short-term bank borrowings	-	317,500	-	-
Trade payables	-	72,714	-	-
Amount due to subsidiaries	-	-	-	214
Other payables and accrued expenses	6,089	108,837	6,089	1,313
Income tax payable	-	939	-	-
Provision for land appreciation tax	-	34,055	-	-
	6,089	534,045	6,089	1,527
Liabilities directly associated with assets classified as held for sale (Note B)	955,695	-	-	-
Total current liabilities	961,784	534,045	6,089	1,527
Non-current liabilities:				
Other payables	9,782	9,782	9,782	9,782
Long-term bank loans	-	168,182	-	-
Deferred tax liabilities	-	57,648	-	-
	9,782	235,612	9,782	9,782
Equity				
Shareholders' equity	518,007	533,350	185,007	186,475
Total equity	518,007	533,350	185,007	186,475
Total liabilities and equity	1,489,573	1,303,007	200,878	197,784

Note B - Assets classified as held for sale

The assets and liabilities attributable to the Disposal Group have been classified as a disposal group held for sale and are presented separately in the statement of financial position.

The net assets of Disposal Group net of amount owing to 8Telecom International Holding Co Ltd. amounted to RMB393,000,000 as at 30 June 2016.

The proceeds of disposal are expected to exceed the net carrying amount of the relevant assets and liabilities and, accordingly, no impairment loss has been recognised on the classification of these operation as held for sale.

The major classes of assets and liabilities comprising the Disposal Group classified as held for sale are as follows:

	<u>30/06/2016</u>
	<u>RMB'000</u>
<u>Current assets</u>	
Cash and bank balances	252,628
Trade receivables	127,269
Other receivables and prepayments	22,703
Amount due from related parties	14,519
Construction contracts	97,737
Inventories	11,492
Properties under development	645,805
	<u>1,172,153</u>
<u>Non-current assets</u>	
Investment properties	195,304
Property, plant and equipment	85,996
Prepayments	21,082
Intangible assets	644
	<u>303,026</u>
Total assets classified as held for sale	<u>1,475,179</u>
<u>Current liabilities</u>	
Short-term bank borrowings	329,100
Trade payables	94,225
Other payables and accrued expenses	394,773
Income tax payable	1,894
Provision for land appreciation tax	34,055
	<u>854,047</u>
<u>Non-current liabilities</u>	
Long-term bank loans	44,000
Deferred tax liabilities	57,648
	<u>101,648</u>
Liabilities directly associated with assets classified as held for sale	<u>955,695</u>
Net assets of Disposal Group ⁽¹⁾	<u>519,484</u>

- ⁽¹⁾ The net assets of Disposal Group excluder the amount owing to 8Telecom International Holdings Co. Ltd. amounting to RMB126,484,000 as at 30 June 2016 which has been eliminated at Group level.

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Discontinued operations

Amount repayable in one year or less, or on demand

<u>As at 30 June 2016</u>		<u>As at 31 December 2015</u>	
<u>RMB'000</u>		<u>RMB'000</u>	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
329,100	-	315,191	9,400

Amount repayable after one year

<u>As at 30 June 2016</u>		<u>As at 31 December 2015</u>	
<u>RMB'000</u>		<u>RMB'000</u>	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
-	44,000	123,981	44,200

Details of any collateral

	<u>As at 30 June 2016</u>	<u>As at 31 December 2015</u>
	<u>RMB'000</u>	<u>RMB'000</u>
Secured by fixed deposits	106,863	49,057
Secured by land use right	21,869	21,354
Secured by investment properties	195,304	195,304
Secured by properties under development	-	545,946
Secured by building	50,607	51,929

In addition, maximum guarantee of RMB63 million (2015: RMB306 million) is guaranteed by a company in which a director has interest in and maximum guarantee of RMB100 million (2015: RMB328 million) is guaranteed by a director.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF CASH FLOWS (RMB'000)

For the second quarter ended 30 June 2016

	GROUP	
	<u>Q2 2016</u>	<u>Q2 2015</u>
Operating activities:		
(Loss) Profit before income tax:		
- Continuing operations	(910)	(69)
- Discontinued operations	(15,579)	5,845
	(16,489)	5,776
Adjustments for:		
Depreciation and amortisation expense	2,437	1,986
Loss on disposal of property, plant and equipment	264	-
Finance costs	4,067	3,885
Interest income	(122)	(277)
Allowance for doubtful trade receivables	240	1,135
Changes in fair value of other financial assets	-	(331)
Operating (Loss) profit before working capital changes	(9,603)	12,174
Trade receivables	(39,800)	(6,833)
Other receivables and prepayments	(852)	(5,837)
Construction contracts	15,803	(8,718)
Inventories	2,808	4,505
Properties under development	(75,997)	(32,555)
Trade payables	8,231	11,643
Other payables and accrued expenses	243,544	1,450
Cash generated from (used in) operations	144,134	(24,171)
Interest received	122	277
Interest paid	(9,474)	(7,388)
Income tax paid	(99)	(2,934)
Net cash from (used in) operating activities	134,683	(34,216)
Investing activities:		
Advances to a related party	(10,431)	(789)
Purchase of land use rights	(230)	-
Purchase of property, plant and equipment	(675)	(1,129)
Net cash used in investing activity	(11,336)	(1,918)
Financing activities:		
Repayments of short-term bank loans	(182,400)	(198,157)
Increase in short-term bank borrowings	180,800	284,860
Increase in long-term bank loans	-	23,700
Repayments of long-term bank loans	(130,070)	-
Advances from a related party	-	31,500
Repayment of advances to a related party	-	(22,950)
Dividends paid	-	(5,594)
Pledged fixed deposits	(45,360)	(50,420)
Net cash (used in) from financing activities	(177,030)	62,939

CONSOLIDATED STATEMENT OF CASH FLOWS (RMB'000)
For the first quarter ended 30 June 2016 (cont'd)

	GROUP	
	Q2 2016	Q2 2015
Net (decrease) increase in cash and cash equivalents	(53,683)	26,805
Cash and cash equivalents at beginning of period	203,601	30,275
Cash and cash equivalents at end of period (Note 1)	149,918	57,080

Note 1:

	GROUP	
	Q2 2016	Q2 2015
Cash and bank balances	256,781	219,117
Less: Fixed deposits pledged	(106,863)	(162,037)
Cash and cash equivalents at end of period	<u>149,918</u>	<u>57,080</u>

1(d)(i) 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, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	← Attributable to equity holders of the Company →								
	Share Capital	Treasury Shares	Share Premium	Other Reserve	Capital Reserve	Share Based Payment Reserve	Asset Revaluation Reserve	Accumulated Profits	Total equity
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
<u>Group</u>									
Balance as at 1 April 2016	79,369	(12,883)	118,574	71,020	(10,925)	1,527	20,692	266,929	534,303
Loss for the period, representing total comprehensive loss for the period	-	-	-	-	-	-	-	(16,296)	(16,296)
Balance as at 30 June 2016	79,369	(12,883)	118,574	71,020	(10,925)	1,527	20,692	250,633	518,007
Balance as at 1 April 2015	79,369	(12,883)	118,574	66,864	(10,925)	1,527	20,692	269,182	532,400
Profit for the period, representing total comprehensive income for the period	-	-	-	-	-	-	-	3,058	3,058
Dividends paid, representing transactions with owners of the Company recognised directly in equity	-	-	-	-	-	-	-	(5,594)	(5,594)
Balance as at 30 June 2015	79,369	(12,883)	118,574	66,864	(10,925)	1,527	20,692	266,646	529,864

	Share Capital <u>RMB'000</u>	Treasury Shares <u>RMB'000</u>	Share Premium <u>RMB'000</u>	Share-Based Payment Reserve <u>RMB'000</u>	Accumulated (Losses) Profits <u>RMB'000</u>	Total Equity <u>RMB'000</u>
<u>Company</u>						
Balance as at 1 April 2016	79,369	(12,883)	118,574	1,527	(670)	185,917
Loss for the period, representing total comprehensive loss for the period	-	-	-	-	(910)	(910)
Balance as at 31 June 2016	79,369	(12,883)	118,574	1,527	(1,580)	185,007
Balance as at 1 April 2015	79,369	(12,883)	118,574	1,527	7,701	194,288
Loss for the period, representing total comprehensive loss for the period	-	-	-	-	(69)	(69)
Dividends paid, representing transaction with owners of the Company recognised directly in equity	-	-	-	-	(5,594)	(5,594)
Balance as at 30 June 2015	79,369	(12,883)	118,574	1,527	2,038	188,625

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares of the issuer, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were no changes in the company's share capital during the second quarter ended 30 June 2016.

As announced by the Company on 15 March 2016, the Proposed Capital Reorganisation has been duly approved by the Shareholders at the Special General Meeting of the Company held on 15 March 2016. As announced on 22 July 2016, the Proposed Capital Reorganisation was completed on 23 July 2016.

The number of ordinary shares held as treasury shares as at 30 June 2016 was 3,150,000 shares (30 June 2015: 3,150,000 shares).

As at 30 June 2016, there were no shares that may be issued on conversion of any outstanding convertibles or share option (2015: Nil).

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares excluding treasury shares as at 30 June 2016 is 92,630,849 shares (30 June 2015: 92,630,849 shares).

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the current financial period reported on.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the unaudited financial statements for the current financial period as those of the audited financial statements for the year ended 31 December 2015, as well as all the applicable International Financial Reporting Standards ("IFRSs") which became effective for the financial year beginning on or after 1 January 2016. The adoption of these new and revised IFRSs has no material effect on the unaudited financial statements for the current financial period.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

There have been no changes in accounting policies and methods of computation.

6. (Loss) Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	<u>GROUP</u>	
	<u>2016Q2</u>	<u>2015Q2</u>
<u>Continuing operations</u>		
Basic EPS (RMB cents)	(0.98)	(0.07)
Diluted EPS (RMB cents)	(0.98)	(0.07)
<u>Discontinued operations</u>		
Basic EPS (RMB cents)	(16.61)	3.38
Diluted EPS (RMB cents)	(16.61)	3.38

The calculation of basic (loss) earnings per ordinary share for 2016Q2 was based on 92,630,849 (2015Q2: 92,630,849) ordinary shares in issued.

7. 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:-
(a) current financial period reported on; and
(b) immediately preceding financial year.

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>30/06/2016</u>	<u>31/12/2015</u>	<u>30/06/2016</u>	<u>31/12/2015</u>
Net asset value per ordinary share (RMB cents)	559.22	575.78	199.73	201.31

Net asset value per share is based on the existing number of shares in issue of 92,630,849 ordinary shares (2015: 92,630,849 ordinary shares) as at 30 June 2016.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
- any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Consolidated Statement of Profit and Loss and Other Comprehensive Income

A breakdown of the Group's revenue by product segments:

<u>Discontinued operations</u>	2016H1 RMB '000	2015H1 RMB '000	Chg %
Revenue by business segments:			
Telecommunication pipes	17,291	16,048	7.75
Telecommunication & other towers	97,006	152,225	(36.27)
Telecommunication engineering services	105,559	83,247	26.80
Property	3,166	4,195	(24.53)
Total revenue	223,022	255,715	(12.78)

Consolidated Statement of Profit and Loss and Other Comprehensive Income

For discontinued operations, the Group announced revenue of RMB223.02 million for the first half of FY2016 ("1H2016"), a decrease of 12.78% compared to the first half of FY2015 ("1H2015"). The Group reported a 7.75% revenue increase year-on-year to RMB17.29 million for its telecommunication pipes segment, Revenue from telecommunication engineering services segment improved by 26.8% to RMB105.56 million in 1H2016. This was offset by a 36.27% decrease for its telecommunication and other towers segment amounting to RMB97 million and a decrease 24.53% from revenue generated for property business segment revenue to RMB3.17 million. Overall, revenue for telecommunications business segment fell by 12.59% to RMB219.86million.

Gross profit for 1H2016 weakened by 29.48% to RMB33.02 million. Gross profit margin for 1H2016 approximated at 14.81%, which has decreased by 3.50% on account for higher operating cost as compared to 18.31% in 1H2015.

Other operating income during 1H2016 has increased by RMB1.99 million to RMB3.50 million as compared to RMB1.51 million during 1H2015 due to higher government grants received during current period.

The Group's total selling and administrative expenses and finance costs for continuing and discontinued operations has increased by RMB10.17 million from RMB40.13 million in 1H2015 to RMB50.30 million in 1H2016. This is mainly due to pre-launch expenses of agency fee, advertising and marketing expenses incurred for the commercial property project in Wuchang (Bafang City). The first phase of this project is expected to be launched in 2H2016. In addition, there were professional fees incurred for the disposal of subsidiaries and capital re-organisation during 1H2016.

As a result of higher selling and administrative expenses and finance costs incurred in 1H2016, the Group recorded total comprehensive loss of RMB15.34 million in 1H2016 as compare to total comprehensive income of RMB4.69 million generated in 1H2015.

Statement of Financial Position

Total assets stood at RMB1,489.57 million as at 30 June 2016, which comprised of RMB1,475.18 million of assets classified as held for sale, RMB4.61 million of current assets and RMB9.78 million of non-current assets.

Total liabilities stood at RMB971.57 million as at 30 June 2016, these include RM955.70 million of liabilities directly associated with assets classified as held for sale, RMB6.09 million of current liabilities and RMB9.78 million of non-current liabilities.

Consolidated Statement of Cash Flows

There was an inflow of RMB134.68 million from operating activities for 2Q2016 as compared with an outflow of RMB34.22 million for 2Q2015 mainly on account of cash from construction, other payables and accrued expenses.

Cash and cash equivalents as at 30 June 2016 is approximately RMB149.92 million, an increase of RMB92.84 million as compared to RMB57.08 million as at 30 June 2015.

9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Telecommunications

Following the completion of disposal of East Jade International Limited and Aim Tech Network Investment Limited as announced on 21 July 2016, the Group shall focus on developing the business of information-communication services through Arete M Pte. Ltd, which the group currently holds a 51% stake. The management of 8Telecom has been actively involved in the Arete M's operation immediately following the disposal of the businesses in People's Republic of China.

The financial results of the previous telecommunication infrastructure solution provision services business in the People's Republic of China are reflected in the discontinued operations section of the financial results.

Property

Following the disposal of East Jade International Limited and Aim Tech Network Investment Limited as announced on 21 July 2016, the Group has exited its previous property business in People's Republic of China. The financial results of the property business is reflected in the discontinued operations section of the financial results.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

As announced by the Company on 15 March 2016, the Proposed Dividend being a special one-tier tax-exempt dividend of RMB4.486 (equivalent to SGD0.9044) per share has been duly approved by the Shareholders at the Special General Meeting of the Company held on 15 March 2016.

As announced by the Company on 16 March 2016, 13 July 2016 and 22 July 2016, the Proposed Disposal and the Proposed Capital Reorganisation was completed on 21 July 2016 and 23 July 2016 respectively. Accordingly, the Proposed Dividend of RMB4.486 (equivalent to SGD0.9044) per share have paid on 25 July 2016.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommendeded, a statement to that effect.

Not applicable.

13. Confirmation pursuant to Rule705(5) of the SGX Listing Manual

The Board has confirmed that to the best of its knowledge, nothing has come to its attention which may render the unaudited financial statements of the Company or the unaudited consolidated financial statements of the Group for the second quarter ended 30 June 2016 to be false or misleading in any material respect.

14. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders for IPTs as these transactions are related to the discontinued operation which the Group has disposed on 21 July 2016.

Name of the Interested Person	Aggregate value of all IPT During the year (excluding Transactions below \$100,000 and transactions conducted under the shareholders' mandate pursuant to Rule 920) RMB'000	Aggregate value of all IPT Conducted under shareholders' mandate pursuant to Rule 902 (excluding transactions below \$100,000) RMB'000
Recharge of electricity charge to companies in which a director has interest in.	1,018	-
Advances to Zhejiang Andison Information and Technology Co.,Ltd.(Note)	14,000	-
Advances from Zhejiang Andison Information and Technology Co.,Ltd. (Note)	43,519	-

Note: Zhejiang Andison Information and Technology Co.,Ltd is a company in which a director has interest in.

15. **Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

The Company confirms that all the required undertakings under the Rule 720(1) of the SGX Listing Manual have been obtained from its Directors in the format set out in Appendix 7.7 of the SGX Listing Manual. As at the date of this announcement, the Group has no executive officers (excluding directors).

FOR AND ON BEHALF OF THE BOARD

Mr Joseph Tang
Executive Director and CFO
12 August 2016