



**SBS TRANSIT LTD**

Company Registration No.: 199206653M

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**Full Year Financial Statements and Dividend Announcement**

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The Board of Directors announces the audited results for the year ended 31 December 2015.

**1 GROUP INCOME STATEMENT**

	<b>Group</b>		
	<b>Full Year 2015</b>	<b>Full Year 2014</b>	<b>Incr/ (Decr)</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
<b>Revenue</b>	1,023,923	951,035	7.7
Staff costs	491,723	448,114	9.7
Repairs and maintenance costs	115,870	110,271	5.1
Fuel and electricity costs	173,961	184,030	(5.5)
Premises costs	45,270	39,272	15.3
Depreciation expense	85,360	70,978	20.3
Other operating costs	86,578	77,691	11.4
<b>Total operating costs</b>	<b>998,762</b>	<b>930,356</b>	<b>7.4</b>
<b>Operating profit</b>	<b>25,161</b>	<b>20,679</b>	<b>21.7</b>
Net income from investments	242	293	(17.4)
Finance costs	(5,843)	(4,785)	22.1
<b>Profit before taxation</b>	<b>19,560</b>	<b>16,187</b>	<b>20.8</b>
Taxation	(2,846)	(1,904)	49.5
<b>Profit attributable to shareholders</b>	<b>16,714</b>	<b>14,283</b>	<b>17.0</b>

## 2 STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and bank balances	4,379	4,987	3,907	4,542
Trade receivables	9,577	9,120	9,142	8,803
Other receivables and prepayments	82,429	34,261	160,257	83,269
Inventories	48,365	43,727	45,130	41,661
<b>Total current assets</b>	<b>144,750</b>	<b>92,095</b>	<b>218,436</b>	<b>138,275</b>
<b>Non-current assets</b>				
Subsidiary	-	-	5,000	5,000
Investment	5,337	5,487	5,337	5,487
Prepayments	21,592	40,483	21,334	40,483
Vehicles, premises and equipment	904,506	1,033,337	888,368	1,024,242
Deferred tax assets	14,961	8,551	-	-
<b>Total non-current assets</b>	<b>946,396</b>	<b>1,087,858</b>	<b>920,039</b>	<b>1,075,212</b>
<b>Total assets</b>	<b>1,091,146</b>	<b>1,179,953</b>	<b>1,138,475</b>	<b>1,213,487</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Borrowings	87,500	200,950	87,500	200,950
Trade and other payables	247,669	233,351	223,393	225,409
Deposits received	4,452	3,169	3,816	3,160
Insurance premiums payable and provision for accident claims	26,652	28,916	26,652	28,916
Fuel price equalisation account	19,992	19,992	19,992	19,992
Income tax payable	43	62	43	62
<b>Total current liabilities</b>	<b>386,308</b>	<b>486,440</b>	<b>361,396</b>	<b>478,489</b>
<b>Non-current liabilities</b>				
Borrowings	250,000	281,576	250,000	281,576
Deferred grants	8,426	7,754	8,426	7,754
Deposits received	5,921	5,507	5,131	4,502
Deferred tax liabilities	71,545	58,207	71,545	58,207
Provision for service benefits and long service awards	10,260	10,398	10,186	10,351
Fuel price equalisation account	19,992	19,992	19,992	19,992
<b>Total non-current liabilities</b>	<b>366,144</b>	<b>383,434</b>	<b>365,280</b>	<b>382,382</b>
<b>Total liabilities</b>	<b>752,452</b>	<b>869,874</b>	<b>726,676</b>	<b>860,871</b>
<b>Capital and reserves</b>				
Share capital	94,786	94,579	94,786	94,579
Other reserves	(17,492)	(37,427)	(17,017)	(37,427)
Accumulated profits	261,400	252,927	334,030	295,464
<b>Total equity</b>	<b>338,694</b>	<b>310,079</b>	<b>411,799</b>	<b>352,616</b>
<b>Total liabilities and equity</b>	<b>1,091,146</b>	<b>1,179,953</b>	<b>1,138,475</b>	<b>1,213,487</b>

### 3 AGGREGATE AMOUNT OF GROUP'S BORROWINGS

	<b>31 Dec 2015</b>	<b>31 Dec 2014</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Secured</b>		
Amount repayable in one year or less, or on demand	-	8,950
Amount repayable after one year	-	131,576
	<u>-</u>	<u>140,526</u>
<b>Unsecured</b>		
Amount repayable in one year or less, or on demand	87,500	192,000
Amount repayable after one year	250,000	150,000
	<u>337,500</u>	<u>342,000</u>
<b>Total</b>		
Amount repayable in one year or less, or on demand	87,500	200,950
Amount repayable after one year	250,000	281,576
	<u>337,500</u>	<u>482,526</u>

#### Details of any collateral

The charges secured over the Bus Service Enhancement Programme (BSEP) buses and related accessories have been discharged following the repayment of the associated loans on 31 December 2015.

#### 4 GROUP CASH FLOW STATEMENT

	<b>Group</b>	
	<b>Full Year</b>	<b>Full Year</b>
	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Operating activities</b>		
Profit before taxation	19,560	16,187
Adjustments for:		
Depreciation expense	85,360	70,978
Finance costs	5,843	4,785
Net gain on disposal of vehicles and equipment	(703)	(1,581)
Interest income	(242)	(293)
Grant income	(95,010)	(60,382)
Operating cash flows before movements in working capital	14,808	29,694
Changes in working capital	(13,091)	3,663
Cash generated from operations	1,717	33,357
Income tax paid	(68)	(66)
Net cash from operating activities	1,649	33,291
<b>Investing activities</b>		
Interest received	242	343
Proceeds from disposal of:		
Vehicles and equipment	218,801	1,594
Investment	-	5,000
Purchase of vehicles, premises and equipment	(155,801)	(214,404)
Net cash from (used in) investing activities	63,242	(207,467)
<b>Financing activities</b>		
New loans raised	466,946	346,311
Repayment of borrowings	(611,972)	(217,878)
Proceeds from share issue	190	657
Grants received	93,180	57,013
Interest paid	(5,535)	(4,872)
Dividends paid	(8,346)	(6,641)
Others	38	79
Net cash (used in) from financing activities	(65,499)	174,669
Net (decrease) increase in cash and cash equivalents	(608)	493
Cash and cash equivalents at beginning of year	4,987	4,494
<b>Cash and cash equivalents at end of year</b>	<b>4,379</b>	<b>4,987</b>

5 GROUP COMPREHENSIVE INCOME STATEMENT

	<b>Group</b>	
	<b>Full Year</b>	<b>Full Year</b>
	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Profit attributable to shareholders</b>	16,714	14,283
<i>Items that may be reclassified subsequently to profit or loss</i>		
Fair value adjustment on cash flow hedges	20,169	(42,483)
Fair value adjustment on investment	(150)	(107)
<b>Total comprehensive income (expense) attributable to shareholders</b>	<u>36,733</u>	<u>(28,307)</u>

## 6 STATEMENTS OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity for the year ended 31 December 2015:

	Group			
	Attributable to shareholders of the Company			
	Share capital \$'000	Other reserves \$'000	Accumulated profits \$'000	Total equity \$'000
<b>Balance at 1 January 2014</b>	93,875	5,225	245,191	344,291
<b>Total comprehensive income (expense) for the year</b>				
Profit for the year	-	-	14,283	14,283
Other comprehensive expense for the year	-	(42,590)	-	(42,590)
<b>Total</b>	-	(42,590)	14,283	(28,307)
<b>Transactions recognised directly in equity</b>				
Exercise of share options	704	(47)	-	657
Payment of dividends	-	-	(6,641)	(6,641)
Other reserves	-	(15)	94	79
<b>Total</b>	704	(62)	(6,547)	(5,905)
<b>Balance at 31 December 2014</b>	94,579	(37,427)	252,927	310,079
<b>Total comprehensive income for the year</b>				
Profit for the year	-	-	16,714	16,714
Other comprehensive income for the year	-	20,019	-	20,019
<b>Total</b>	-	20,019	16,714	36,733
<b>Transactions recognised directly in equity</b>				
Exercise of share options	207	(17)	-	190
Payment of dividends	-	-	(8,346)	(8,346)
Other reserves	-	(67)	105	38
<b>Total</b>	207	(84)	(8,241)	(8,118)
<b>Balance at 31 December 2015</b>	94,786	(17,492)	261,400	338,694

Statement of Changes in Equity of the Company for the year ended 31 December 2015:

	<b>Company</b>			
	<b>Share capital</b>	<b>Other reserves</b>	<b>Accumulated profits</b>	<b>Total equity</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at 1 January 2014</b>	93,875	5,225	267,024	366,124
<b>Total comprehensive income (expense) for the year</b>				
Profit for the year	-	-	34,987	34,987
Other comprehensive expense for the year	-	(42,590)	-	(42,590)
<b>Total</b>	-	(42,590)	34,987	(7,603)
<b>Transactions recognised directly in equity</b>				
Exercise of share options	704	(47)	-	657
Payment of dividends	-	-	(6,641)	(6,641)
Other reserves	-	(15)	94	79
<b>Total</b>	704	(62)	(6,547)	(5,905)
<b>Balance at 31 December 2014</b>	94,579	(37,427)	295,464	352,616
<b>Total comprehensive income for the year</b>				
Profit for the year	-	-	46,807	46,807
Other comprehensive income for the year	-	20,494	-	20,494
<b>Total</b>	-	20,494	46,807	67,301
<b>Transactions recognised directly in equity</b>				
Exercise of share options	207	(17)	-	190
Payment of dividends	-	-	(8,346)	(8,346)
Other reserves	-	(67)	105	38
<b>Total</b>	207	(84)	(8,241)	(8,118)
<b>Balance at 31 December 2015</b>	94,786	(17,017)	334,030	411,799

## **7 CHANGES IN COMPANY'S SHARE CAPITAL**

### Share Capital

Since 30 September 2015, no new ordinary share was issued by the Company.

As at 31 December 2015, the total number of issued shares was 309,164,766 (31 December 2014: 309,044,766).

### Outstanding Shares – SBS Transit Share Option Scheme

The SBS Transit Share Option Scheme was not renewed following its expiry on 8 June 2010.

As at 31 December 2015, there were unexercised options for 4,570,000 (31 December 2014: 5,418,750) of unissued ordinary shares under the SBS Transit Share Option Scheme.

As at 31 December 2015, the Company does not hold any treasury shares.

## **8 AUDIT**

The financial statements have been audited in accordance with the Singapore Standards on Auditing.

## **9 AUDITORS' REPORT**

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SBS TRANSIT LTD

#### *Report on the Financial Statements*

We have audited the financial statements of SBS Transit Ltd (the "Company") and its subsidiary (the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 December 2015, and the income statement, comprehensive income statement, statement of changes in equity and cash flow statement of the Group and the statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Opinion*

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date.

#### *Report on Other Legal and Regulatory Requirements*

In our opinion, the accounting and other records required by the Act to be kept by the Company and by the subsidiary corporation incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provision of the Act.

Deloitte & Touche LLP  
Public Accountants and  
Chartered Accountants

Jeremy Toh Yew Kuan  
Partner

Singapore  
5 February 2016

## **10 ACCOUNTING POLICIES**

The Group has applied accounting policies and methods of computation in the financial statements for the current reporting year consistent with those of the audited financial statements for the year ended 31 December 2014, except for the early adoption of FRS109 – *Financial Instruments*.

In the current financial year, the Group has adopted all the new and revised Financial Reporting Standards ("FRSs") that are relevant to its operations and effective for annual periods beginning on 1 January 2015.

In the current financial year, the Group has applied FRS 109 in advance of its effective date. The Group has applied FRS 109 in accordance with the transitional provisions set out in FRS 109.

The adoption of these new and revised FRSs has no material effect on the amounts reported for the current or prior years. The early adoption of FRS 109 has no impact on the amounts reported for the current or prior years as disclosed in paragraph 11.

## 11 CHANGES IN ACCOUNTING POLICIES AND METHODS OF COMPUTATION

The Group has early adopted FRS 109 for the period beginning 1 January 2015. The accounting policies were changed to comply with FRS 109. FRS 109 replaces the provisions of FRS 39 – *Financial Instruments: Recognition and Measurement* that relate to the classification and measurement of financial assets and financial liabilities and impairment of financial assets.

As at 31 December 2015, the initial application of FRS 109 has had an impact on the classification of the Group's investments in bonds. These investments which were previously classified as available-for-sale financial assets under FRS 39 have been classified as fair value through other comprehensive income under FRS109. The reclassification of the Group's investments has had no impact on the amounts recorded in the Group's Income Statement and Statements of Financial Position for both years. Hence, the comparative figures have not been restated.

## 12 GROUP EARNINGS PER ORDINARY SHARE AND EARNINGS BEFORE INTEREST, TAXATION, DEPRECIATION AND AMORTISATION (EBITDA)

### Earnings per ordinary share

	Group	
	Full Year 2015	Full Year 2014
Earnings per ordinary share for the year based on profit attributable to Shareholders:-		
(i) Based on the weighted average number of ordinary shares in issue (cents)	5.41	4.62
(ii) On a fully diluted basis (cents)	5.41	4.62

### EBITDA

	Group	
	Full Year 2015	Full Year 2014
(i) EBITDA (\$'000)	110,521	91,657
(ii) EBITDA margin (%)	10.8	9.6

## 13 NET ASSET VALUE PER ORDINARY SHARE

	Group		Company	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
Net asset value per ordinary share based on issued share capital at the end of the year (dollars)	1.10	1.00	1.33	1.14

## 14 REVIEW OF GROUP PERFORMANCE

### Performance Review

Group revenue of \$1,023.9m for 2015 increased by 7.7% or \$72.9m from \$951.0m for 2014 while Group operating costs of \$998.8m increased by 7.4% or \$68.4m from \$930.4m for 2014.

Group operating profit of \$25.2m for 2015 was 21.7% or \$4.5m higher than that of \$20.7m for 2014.

Net income from investments of \$0.2m for 2015 was lower than that of \$0.3m for 2014 by 17.4% or \$0.1m.

Finance costs of \$5.8m for 2015 were 22.1% or \$1.0m higher than that of \$4.8m for 2014.

Consequently, Group profit before tax of \$19.6m for 2015 was 20.8% or \$3.4m higher than that of \$16.2m for 2014.

Taxation of \$2.8m for 2015 was higher than that of \$1.9m for 2014 by 49.5% or \$0.9m due mainly to higher profits for 2015.

Group profit attributable to shareholders of the Company of \$16.7m for 2015 was 17.0% or \$2.4m higher than that of \$14.3m for 2014.

A segmental breakdown by business is provided under paragraph 18.

Revenue from the Bus segment of \$810.5m for 2015 was higher by 7.5% or \$56.5m compared to \$754.0m for 2014 due mainly to the increases in average daily ridership and average fare and higher other operating income. Average daily ridership increased by 2.8% to 2.8m passenger trips for 2015. Operating profit of \$22.0m for 2015 increased by 78.2% or \$9.6m compared to 2014 due mainly to higher revenue and lower fuel costs, offset by higher staff costs, higher depreciation, higher repairs and maintenance costs and higher other operating costs.

Revenue from the Rail segment of \$213.4m for 2015 was higher by 8.3% or \$16.4m compared to \$197.0m for 2014 due mainly to the increases in average daily ridership and average fare. For 2015, average daily ridership for the North-East Line (NEL) grew by 4.6% to 537k passenger trips and that for the Light Rail Transit (LRT) increased by 14.1% to 99k passenger trips as compared to 2014. Average daily ridership for Downtown Line (DTL) grew by 23.5% to 76k passenger trips. Operating profit for 2015 was \$3.2m, a decrease of 61.9% or \$5.2m compared to 2014 due mainly to higher staff costs from the build-up of staff for DTL Stage 2, higher premises costs and higher other operating costs, offset by higher revenue and lower electricity costs.

## **Statement of Financial Position**

As at 31 December 2015, total equity for the Group increased by 9.2% or \$28.6m to \$338.7m as compared to 31 December 2014 due to profits generated from operations and an increase in other reserves, partially offset by payment of dividends.

Group total assets decreased by 7.5% or \$88.8m to \$1,091.1m due to a decrease in non-current assets of \$141.5m, partially offset by an increase in current assets of \$52.7m. The decrease in non-current assets was due mainly to the disposal of buses and a decrease in prepayments for new buses, partially offset by an increase in deferred tax assets. The increase in current assets was due mainly to an increase in other receivables and inventories.

Group total liabilities decreased by 13.5% or \$117.4m to \$752.5m due to a decrease in current liabilities of \$100.1m and a decrease in non-current liabilities of \$17.3m. The decrease in current liabilities was due mainly to lower borrowings, partially offset by an increase in trade and other payables. The decrease in non-current liabilities was due mainly to lower borrowings, partially offset by an increase in deferred tax liabilities.

## **Cash Flow**

The net cash outflow of \$0.6m for 2015 was mainly from the repayment of borrowings, purchase of buses, payments of dividends and interest, partially offset by the new loans raised, proceeds from disposal of buses mainly from the BSEP buses, grants received and net cash generated from operations.

As at 31 December 2015, the Group had cash and bank balances of \$4.4m. After accounting for the borrowings of \$337.5m, the Group had a net debt position of \$333.1m and a net gearing ratio of 98.4% which was lower than that of 154.0% as at 31 December 2014. The Group's gross gearing ratio was 99.7% as at 31 December 2015 compared to 155.6% as at 31 December 2014. The lower gearing ratios as at 31 December 2015 were due mainly to the repayment of the loans associated with the BSEP buses.

## **15 ANY VARIANCE BETWEEN PROSPECT STATEMENT PREVIOUSLY DISCLOSED AND THE ACTUAL RESULTS**

No forecast or prospect statement has been previously disclosed.

## **16 GROUP OUTLOOK**

Revenue is expected to be higher with higher ridership mainly from the commencement of revenue service of DTL Stage 2.

The Bus and Rail segments will continue to face challenges. With the headcount increases for BSEP and DTL Stage 2, staff costs are expected to be higher. Operating expenses for the Rail segment will continue to increase as more repairs and maintenance are expected to be carried out.

**17 DIVIDEND****(a) Current Financial Period Reported on**

The Directors are pleased to propose a tax-exempt one-tier final dividend of 1.05 cents (2014: 1.05 cents) per ordinary share.

Name of Dividend	Final
Dividend Type	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	1.05 cents
Tax Rate	Exempt one-tier

**(b) Corresponding Period of the Immediate Preceding Financial Year**

Name of Dividend	Final
Dividend Type	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	1.05 cents
Tax Rate	Exempt one-tier

**(c) Date Payable**

The proposed final dividend, if approved by the Shareholders at the Twenty-Third Annual General Meeting of the Company to be held on 27 April 2016, will be payable on 13 May 2016.

**(d) Books Closure Date**

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 7 May 2016 for the purposes of determining Shareholders' entitlements to the proposed final dividend.

Duly completed and stamped transfers received by the Company's Share Registrar, B.A.C.S. Private Limited, 8 Robinson Road, #03-00 ASO building, Singapore 048544, up to 5.00 p.m. on 6 May 2016 will be registered to determine Shareholders' entitlements to the final dividend.

Shareholders (being depositors) whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 6 May 2016 will be entitled to the proposed final dividend.

## 18 GROUP SEGMENTAL INFORMATION

By Business Activity

	<u>Bus</u> \$'000	<u>Rail</u> \$'000	<u>Total</u> \$'000
<b><u>Full Year 2015</u></b>			
Revenue	810,520	213,403	1,023,923
<b><u>Results</u></b>			
Segment results	21,983	3,178	25,161
Net income from investments			242
Finance costs			(5,843)
Profit before taxation			<u>19,560</u>
Taxation			(2,846)
Profit after taxation			<u><u>16,714</u></u>
<b><u>Full Year 2014</u></b>			
Revenue	754,044	196,991	951,035
<b><u>Results</u></b>			
Segment results	12,336	8,343	20,679
Net income from investments			293
Finance costs			(4,785)
Profit before taxation			<u>16,187</u>
Taxation			(1,904)
Profit after taxation			<u><u>14,283</u></u>

## 19 BREAKDOWN OF REVENUE

	<u>Full Year</u> <u>2015</u> \$'000	<u>Full Year</u> <u>2014</u> \$'000	<u>Incr/</u> <u>(Decr)</u> %
(a) Revenue reported for first half year	502,060	457,951	9.6
(b) Profit after taxation reported for first half year	10,861	8,261	31.5
(a) Revenue reported for second half year	521,863	493,084	5.8
(b) Profit after taxation reported for second half year	5,853	6,022	(2.8)

**20 BREAKDOWN OF TOTAL ANNUAL DIVIDEND (IN DOLLAR VALUE)**

	<b>Full Year 2015 \$'000</b>	<b>Full Year 2014 \$'000</b>
Ordinary shares (tax-exempt one-tier)		
- Interim	5,101	3,863
- Final (proposed)	3,246	3,245
<b>Total</b>	<b>8,347</b>	<b>7,108</b>

**21 INTERESTED PERSON TRANSACTIONS**

The Company does not have any shareholders' mandate for interested person transactions pursuant to Rule 920 of the Listing Manual.

**22 DISCLOSURE OF PERSONS OCCUPYING MANAGERIAL POSITIONS**

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, we confirm that as at 31 December 2015, none of the persons occupying managerial positions in the Company or its subsidiary is a relative of a Director or Chief Executive Officer or Substantial Shareholder of the Company.

**23 CONFIRMATION PURSUANT TO RULE 720(1) OF THE LISTING MANUAL**

The Company confirms that it has procured the Undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 pursuant to Rule 720(1) of the Listing Manual.

**BY ORDER OF THE BOARD**

Chan Wan Tak, Wendy  
Company Secretary

5 February 2016