

MSM International Limited
(Co. Regn. No: 200918800R)

**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE HALF YEAR ENDED
30 JUNE 2016**

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Prime Partners Corporate Finance Pte. Ltd. (the "Sponsor"), for compliance with the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

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UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE HALF YEAR ENDED 30 JUNE 2016

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF YEAR RESULTS

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

Group statement of comprehensive income for HY2016 and HY2015.

	Group		
	HY2016 (Unaudited)	HY2015 (Unaudited)	Increase/ (Decrease)
	RM'000		%
Revenue	41,172	39,781	3.5%
Cost of sales	(29,243)	(26,942)	8.5%
Gross Profit	11,929	12,839	(7.1%)
Other income - net	479	1,043	(54.1%)
Expenses			
- Selling and distribution	(3,076)	(3,508)	(12.3%)
- Administrative	(7,219)	(7,271)	(0.7%)
- Finance	(1,423)	(1,507)	(5.6%)
Profit before income tax	690	1,596	(56.8%)
Income tax expense	(144)	(461)	(68.8%)
Total comprehensive income	546	1,135	(51.9%)
Net profit attributable to:			
Equity holders of the Company	206	1,221	(83.1%)
Non-controlling interests	340	(86)	NM
	546	1,135	(51.9%)

NM: Not meaningful

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Note:

Profit before income tax is arrived at after charging/(crediting) the following:

	Group	
	HY2016 (Unaudited)	HY2015 (Unaudited)
	RM'000	
Reversal of allowance for impairment of trade receivables	(227)	(49)
Depreciation and amortisation of investment properties	29	29
Depreciation of property, plant and equipment	2,000	1,993
Directors' remuneration	765	761
Net foreign exchange loss/(gain)	55	(189)
Loss/(gain) on disposal of property, plant and equipment	4	(112)
Interest income	(19)	(12)
Interest expense	1,423	1,507
Rental expenses	417	359
Rental income	(258)	(327)
Staff costs	9,561	9,779

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

	Group		Company	
	As at 30/6/16 (Unaudited)	As at 31/12/15 (Audited)	As at 30/6/16 (Unaudited)	As at 31/12/15 (Audited)
	RM'000	RM'000	RM'000	RM'000
ASSETS				
Current assets				
Cash and bank balances	8,242	7,574	*	*
Trade and other receivables	25,863	22,585	6,500	6,500
Inventories	28,551	27,046	-	-
Other current assets	3,990	5,099	15	15
Income tax recoverable	539	204	-	-
	67,185	62,508	6,515	6,515
Non-current assets				
Property, plant and equipment	45,215	43,457	-	-
Investment properties	3,739	3,688	-	-
Investment in subsidiary corporations	-	-	19,404	19,404
	48,954	47,145	19,404	19,404
Total assets	116,139	109,653	25,919	25,919
LIABILITIES				
Current liabilities				
Trade and other payables	19,691	15,876	4,423	3,954
Borrowings	33,732	30,460	-	-
	53,423	46,336	4,423	3,954
Non-current liabilities				
Borrowings	19,845	21,006	-	-
Deferred income tax liabilities	241	227	-	-
	20,086	21,233	-	-
Total liabilities	73,509	67,569	4,423	3,954
NET ASSETS	42,630	42,084	21,496	21,965
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	26,862	26,862	26,862	26,862
Retained earnings/(accumulated losses)	15,469	15,263	(5,366)	(4,897)
Currency translation reserve	(61)	(61)	-	-
	42,270	42,064	21,496	21,965
Non-controlling interests	360	20	-	-
Total equity	42,630	42,084	21,496	21,965

* Denotes amounts below RM1,000

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

Amount repayable in one year or less, or on demand

	Group	
	As at 30/6/16 (Unaudited)	As at 31/12/15 (Audited)
RM'000		
Bank overdrafts	9,341	8,561
Bank borrowings	2,679	2,271
Bills payables	19,467	16,931
Finance lease liabilities	2,245	2,697
	33,732	30,460

Amount repayable after one year

	Group	
	As at 30/6/16 (Unaudited)	As at 31/12/15 (Audited)
RM'000		
Bank borrowings		
- due within two to five years	5,554	6,151
- due after five years	9,564	8,973
Finance lease liabilities		
- due within two to five years	4,356	5,640
- due after five years	371	242
	19,845	21,006

Details of collaterals

All of the above bank borrowings are fully secured. The bank overdrafts, bank borrowings, bills payable and finance lease liabilities are secured on:

- (i) Legal mortgages over the Group's freehold and leasehold land and buildings. As at 30 June 2016, the Group's freehold and leasehold land and buildings with carrying amounts of approximately RM26.4 million were mortgaged for bank borrowings. As at 30 June 2016, the Group's investment properties with carrying amounts of approximately RM3.7 million were mortgaged for bank borrowings;
- (ii) Short-term bank deposits; and
- (iii) Joint and personal guarantee of certain directors and a controlling shareholder.

In the case of finance leases in respect of plant and machinery, motor vehicles and computer equipment, the terms of these leases typically provide for the repossession by the finance company of these plant, machinery, motor vehicle and equipment upon a default by the lessee.

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

	Group	
	HY2016 (Unaudited)	HY2015 (Unaudited)
	RM'000	
Cash flows from operating activities		
Net profit	546	1,135
Adjustments for:		
- Income tax expense	144	461
- Depreciation for property, plant and equipment	2,000	1,993
- Depreciation and amortisation of investment properties	29	29
- Property, plant and equipment written off	18	-
- Loss/(gain) on disposal of property, plant and equipment	4	(112)
- Interest income	(19)	(12)
- Interest expense	1,423	1,507
Change in working capital, net of effects	4,145	5,001
- Trade and other receivables	(3,278)	2,512
- Inventories	(1,505)	(1,368)
- Other current assets	81	(886)
- Trade and other payables	2,208	(4,204)
- Bills payable	2,536	737
Cash generated from operations	4,187	1,792
Interest paid	(814)	(324)
Interest received	19	12
Income tax refund/(paid) - net	(465)	2,727
Net cash generated from operating activities	2,927	4,207
Cash flow from investing activities		
Purchase of property, plant and equipment	(1,373)	(330)
Purchase of investment properties	(80)	-
Proceeds from disposals of property, plant and equipment	426	114
Net cash used in investing activities	(1,027)	(216)

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	Group	
	RM'000	
	HY2016 (Unaudited)	HY2015 (Unaudited)
Cash flows from financing activities		
Drawdown of term loan	1,534	-
Short-term bank deposits pledged	(20)	(12)
Repayment of bank borrowings	(1,132)	(985)
Repayment of finance lease liabilities	(1,805)	(2,067)
Interest paid	(609)	(1,183)
Proceeds from issuance of subsidiary's shares to non-controlling interest	-	49
Net cash used in financing activities	(2,032)	(4,198)
Net decrease in cash and cash equivalents	(132)	(207)
Cash and cash equivalents at beginning of financial period	(2,254)	(2,370)
Cash and cash equivalents at end of financial period	(2,386)	(2,577)

Note:

For the purpose of presenting the statements of cash flows, the cash and cash equivalents comprise the following:

	Group	
	HY2016 (Unaudited)	HY2015 (Unaudited)
	RM'000	
Cash and bank balances	8,242	8,513
Less: Short-term bank deposits pledged	(1,287)	(1,720)
Less: Bank overdraft	(9,341)	(9,370)
Cash and cash equivalents at end of financial period per Statements of Cash Flows	(2,386)	(2,577)

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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.

Group	Share capital	Translation reserve	Retained earnings	Total	Non-controlling Interest	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2016	26,862	(61)	15,263	42,064	20	42,084
Total comprehensive income for the financial period	-	-	206	206	340	546
Balance as at 30 June 2016	26,862	(61)	15,469	42,270	360	42,630
Balance as at 1 January 2015	26,862	-	16,502	43,364	(87)	43,277
Total comprehensive income for the financial period	-	-	1,221	1,221	(86)	1,135
Issue of subsidiary's shares to non-controlling interests	-	-	-	-	49	49
Balance as at 30 June 2015	26,862	-	17,723	44,585	(124)	44,461

Company	Share capital	Translation reserve	Accumulated losses	Total	Non-controlling Interest	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2016	26,862	-	(4,897)	21,965	-	21,965
Total comprehensive losses for the financial period	-	-	(469)	(469)	-	(469)
Balance as at 30 June 2016	26,862	-	(5,366)	21,496	-	21,496
Balance as at 1 January 2015	26,862	-	(3,834)	23,028	-	23,028
Total comprehensive losses for the financial period	-	-	(389)	(389)	-	(389)
Balance as at 30 June 2015	26,862	-	(4,223)	22,639	-	22,639

Save for the foregoing, there are no other (i) changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders.

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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, 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 HY2016.

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 are no outstanding convertibles or treasury shares.

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.

	As at 30 June 2016	As at 31 December 2015
Total number of issued shares (excluding treasury shares)	90,000,000	90,000,000

The Company has no treasury shares or convertibles outstanding as at 30 June 2016 and 31 December 2015.

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.

Not applicable.

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

The figures have not been audited nor reviewed by the Company's auditors.

3. Whether 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.

Save as disclosed in Note 5, the Group had consistently applied the same accounting policies and methods of computation in the Group's financial statement for the current financial period as those applied for the most recently audited financial statements for the financial year ended 31 December 2015.

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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.

In the current financial period, the Group adopted the new/revised Financial Reporting Standards. In the current financial period, the Group adopted the new/revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2016.

- FRS 114 *Regulatory Deferral Accounts*
- Amendments to FRS 1 *Disclosure Initiative*
- Amendments to FRS 27 *Equity Method in Separate Financial Statements*
- Amendments to FRS 16 and FRS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to FRS 16 and FRS 41 *Agriculture: Bearer Plants*
- Amendments to FRS 111 *Accounting for Acquisitions of Interests in Joint Operations*
- Amendments to FRS 110, FRS 112 and FRS 28 *Investment Entities: Applying the Consolidation Exception*
- Improvements to FRSs (November 2014)
 - Amendments to FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*
 - Amendments to FRS 107 *Financial Instruments: Disclosures*
 - Amendment to FRS 19 *Employee Benefits*
 - Amendment to FRS 34 *Interim Financial Reporting*

The management anticipates that the adoption of the above FRSs, INT FRSs and amendments to FRS in the future periods will not have a material impact on the financial statements of the Group in the period of their initial adoption.

6. 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.

	Group	
	HY2016	HY2015
Earnings attributable to equity holders of the Company, after deducting any provision for preference dividends (RM'000)	206	1,221
Weighted average number of shares used in computation of basic EPS	90,000,000	90,000,000
Basic EPS attributable to equity holders of the Company (Malaysian sen)	0.23	1.36
Diluted EPS attributable to equity holders of the Company (Malaysian sen)	0.23	1.36

Basic EPS is computed by dividing the earnings attributable to the equity holders of the Company in each financial period by the weighted average number of ordinary shares outstanding as at the end of the respective financial period.

Fully diluted EPS is the same as the basic EPS as the Company did not have any outstanding instruments convertible into, rights to subscribe for and options in respect of its ordinary shares during the respective financial periods.

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7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued share capital of the issuer at the end of the:**
(a) **current financial period reported on; and**
(b) **immediately preceding financial year.**

	Group		Company	
	As at		As at	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
NAV per ordinary share (Malaysian sen)	47.37	46.76	23.88	24.41
Number of shares used in computation of NAV per share	90,000,000	90,000,000	90,000,000	90,000,000

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:**
(a) **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**
(b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Commentary on Financial Results

Revenue

Revenue increased by approximately RM1.4 million or 3.5% from approximately RM39.8 million in HY2015 to RM41.2 million in HY2016. This was mainly due to increase in sales from OEM contract manufacturing segment and kitchen appliances, equipment and related services segment amounting to RM3.2 million and RM3.9 million respectively offset by the decrease in cleanroom and laboratories segment and oil and gas segment amounting to RM1.3 million and RM4.4 million respectively in HY2016. The decrease in revenue of oil and gas segment was mainly due to decrease in demand by customers and cleanroom and laboratories was mainly due to certain projects are only due to be delivered and invoiced in the second half of FY2016.

Cost of sales and gross profit

Cost of sales increased by approximately RM2.3 million or 8.5% from approximately RM26.9 million in HY2015 to RM29.2 million in HY2016 corresponding with the increase in revenue. The gross profit margin decreased by 3.3% compared to HY2015 was mainly due to higher purchase cost and lower contribution and margin from oil and gas segment.

Other income

Other income decreased by approximately RM0.5 million or 54.1% from approximately RM1.0 million in HY2015 to approximately RM0.5 million in HY2016. This was mainly due to absence of factory damages insurance claimed in HY2015 of approximately RM0.2 million, lower foreign exchange gain of approximately RM0.3 million and lower gain on disposal of property, plant and equipment of approximately RM0.1 million offset by the reversal of allowance for impairment of trade receivables of approximately RM0.2 million.

Selling and distribution expenses

Selling and distribution expenses decreased by approximately RM0.4 million or 12.3% from approximately RM3.5 million in HY2015 to approximately RM3.1 million in HY2016. This was mainly due to the decrease in transportation expenses of approximately RM0.2 million as a result of reduction in export sales for oil and gas customers and commission paid of approximately RM0.1 million.

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Commentary on Financial Position

Assets

Cash and bank balances increased by approximately RM0.6 million from approximately RM7.6 million as at 31 December 2015 to approximately RM8.2 million as at 30 June 2016. The increase in cash and bank balances was mainly due to higher utilisation of bills payable facilities for payment to suppliers.

Trade and other receivables increased by approximately RM3.3 million from approximately RM22.6 million as at 31 December 2015 to approximately RM25.9 million as at 30 June 2016. Below is the breakdown of the trade and other receivables.

	Group	
	30 June 2016	31 December 2015
	RM'000	
Trade receivables	23,959	21,363
Other receivables	1,904	1,222
	25,863	22,585

Trade receivables increased by approximately RM2.6 million from RM21.4 million as at 31 December 2015 to approximately RM24.0 million as at 30 June 2016 in line with the increase in revenue and the retention sum from customers. Other receivables increased by approximately RM0.7 million from approximately RM1.2 million as at 31 December 2015 to approximately RM1.9 million as at 30 June 2016 was mainly due to the GST receivables of approximately RM0.3 million arising from tax relief and capital goods acquired.

Inventories increased by approximately RM1.5 million from approximately RM27.0 million as at 31 December 2015 to approximately RM28.5 million as at 30 June 2016. This was mainly due to certain orders especially cleanroom and laboratories segment and oil and gas segment to be delivered and invoiced in July 2016.

Other current assets decreased by approximately RM1.1 million from approximately RM5.1 million as at 31 December 2015 to approximately RM4.0 million as at 30 June 2016. This was mainly due to the deposit of approximately RM1.0 million for the acquisition of property which, upon its completion during the year, was subsequently capitalised under property, plant and equipment and prepayments for exhibition reduced by approximately RM0.1 million."

Property, plant and equipment increased by approximately RM1.8 million from approximately RM43.4 million as at 31 December 2015 to approximately RM45.2 million as at 30 June 2016. This was mainly due to purchase of property, plant and equipment of approximately RM4.2 million, where RM2.0 million was to purchase a piece of land at Batu Kawan and RM2.2 million was to purchase plant and equipment, to increase production capacity owing to customers. The increase in property, plant and equipment was offset by the depreciation of property, plant and equipment of approximately RM2.0 million and disposal of property, plant and equipment of approximately RM0.4 million.

Liabilities

Trade and other payables increased by approximately RM3.8 million from approximately RM15.9 million as at 31 December 2015 to approximately RM19.7 million as at 30 June 2016. Trade payables increased by approximately RM0.1 million which is consistent with last year. Other payables increased by approximately RM3.7 million mainly due to the purchase of the plant and machineries of approximately RM1.7 million and increased in trade deposits received of approximately RM1.6 million.

Total borrowings increased by approximately RM2.1 million from approximately RM51.5 million as at 31 December 2015 to approximately RM53.6 million as at 30 June 2016. This was mainly due to increase in utilisation of bills payable of approximately RM2.5 million, net drawdown of bank overdraft and term loan of approximately RM0.8 million and RM0.4 million respectively offset by the repayment of finance lease liabilities of approximately RM1.8 million.

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Commentary on Financial Cash Flow

The Group's cash and cash equivalents position reduced by approximately RM0.1 million in HY2016 as compared to HY2015.

The Group generated a net cash inflow from operating activities of approximately RM2.9 million. This was derived from operating profit before working capital changes of approximately RM4.1 million, adjusted by net working capital inflow of approximately RM0.1 million, net interest paid of approximately RM0.8 million and net income tax paid of approximately RM0.5 million. The net working capital inflow was mainly due to:

- (a) Increase in bills payable of approximately RM2.5 million for the payment to suppliers for purchase of materials and bank guarantee for trade deposit received from customers;
- (b) Increase in trade and other payables of approximately RM2.2 million mainly due to trade deposit receive from customers;
- (c) Decrease in other current assets of approximately RM0.1 million mainly due to reduction in deposits paid for exhibition.

Partially off-set by:

- (d) Increase in trade and other receivables of approximately RM3.3 million due to increase in sales and GST receivables of approximately RM0.3 million arising from tax relief and capital goods acquired;
- (e) Increase in inventories of approximately RM1.5 million mainly due to the customers' orders for cleanroom and laboratories segment and oil and gas segments to be delivered and invoiced in July 2016.

Net cash used in investing activities amounted to approximately RM1.0 million mainly due to purchase of property, plant and equipment and investment properties of approximately RM1.3 million and RM0.1 million respectively offset by the proceeds from disposal of property, plant and equipment of approximately RM0.4 million.

Net cash used in financing activities amounted to approximately RM2.0 million mainly due to the repayment of term loan and finance lease liabilities which included interest payment amounting to approximately RM3.5 million offset by the drawdown of bank loans of approximately RM1.5 million to finance the property.

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

Not applicable. No forecast or prospect statement has been previously disclosed to the shareholders.

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.

The Group remained profitable during the HY2016 despite the oil and gas segment which had been affected significantly due to global reduction in oil prices. The Board of Directors believe that the outlook continues to be challenging for the next 12 months. The Group will continue to explore strategic opportunities for the expansion of its sales and marketing reach locally and abroad, new product developments for all four segments and viable investments and acquisitions to enhance the Group's revenue stream.

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11. If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No dividend has been declared or recommended for HY2016.

(b) (i) Amount per share (cents)

Not applicable.

(b) (ii) Previous corresponding period (cents)

Not applicable. No dividend had been declared or recommended for HY2015.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable

(d) The date the dividend is payable.

Not applicable

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable

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

No dividend has been declared or recommended for the half year ended 30 June 2016.

13. If the group has obtained a general mandate from shareholders for interested person transactions ("IPT"), 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 does not have a general mandate from shareholders for interested person transactions. By way of disclosure, the Company wishes to inform that there have been transactions with Welch (M) Sdn Bhd, Globalink Metal Sdn Bhd, Globalink Metal Stamping Sdn Bhd, Eminent Food Industries Sdn Bhd, Chan Strategy Sdn Bhd, Mr Chan Kee Sieng, and Mr Chan Kit Moi during HY2016.

Mr Chan Kee Sieng (a controlling shareholder and Executive Chairman of the Company), Mr Chan Kit Moi (a controlling shareholder and Executive Director of the Company) and Mr Chan Wen Chau (the Executive Director and Chief Executive Officer of the Company) are each regarded as an "interested person" under the provisions of Chapter 9 of the SGX-ST Listing Manual Section B: Rules of Catalist (the "Catalist Rules").

Welch (M) Sdn Bhd is regarded as an "interested person" under the provisions of Chapter 9 of the Catalist Rules because it is associated to Mr Chan Kee Sieng and Mr Chan Wen Chau.

Globalink Metal Sdn Bhd is regarded as an "interested person" under the Catalist Rules because it is associated to Mr Chan Kee Sieng, Mr Chan Kit Moi and Mr Chan Wen Chau.

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Globalink Metal Stamping Sdn Bhd is regarded as an “interested person” under the Catalist Rules because it is associated to Mr Chan Kee Sieng, Mr Chan Kit Moi and Mr Chan Wen Chau.

Eminent Food Industries Sdn Bhd is regarded as an “interested person” under Catalist Rules because it is associated to Mr Chan Kee Sieng and Mr Chan Kit Moi. On 21 March 2016, Mr. Chan Kee Sieng and Mr Chan Kit Moi have disposed their entire shares in Eminent Food Industries Sdn Bhd.

Chan Strategy Sdn Bhd is regarded as an “interested person” under the Catalist Rules because it is associated to Mr Chan Kee Sieng and Mr Chan Kit Moi.

None of these transactions (individually) were of a value that exceeded S\$100,000. Set out below is the voluntary disclosure of information concerning these transactions in HY2016.

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (including transactions less than S\$100,000 and excluding transactions conducted under shareholders’ mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders’ mandate pursuant to Rule 920 (including transactions less than S\$100,000)
	RM'000	RM'000
Sale of goods to: Globalink Metal Sdn Bhd Globalink Metal Stamping Sdn Bhd Welch (M) Sdn Bhd	* 6 50	- - -
Purchase of material from: Globalink Metal Sdn Bhd	36	-
Service charges charged to: Eminent Food Industries Sdn Bhd	6	-
Rental expenses paid to: Mr Chan Kee Sieng and Mr Chan Kit Moi in respect of the premises No. 3 Taman Kencana, Selangor, Malaysia. Chan Strategy Sdn Bhd in respect of the premises No. 39, Taman Taming Jaya, Selangor, Malaysia.	42 9	- -
Subcontract expenses paid to: Globalink Metal Sdn Bhd	13	

* Denotes amounts below RM1,000

14. Confirmation pursuant to Rule 720(1) of the Catalist Listing Manual

The company has procured undertakings from all its directors and executive officer under Rule 720 (1).

**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE HALF YEAR ENDED
30 JUNE 2016**

**15. Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual Section B:
Rules of Catalist**

On behalf of the Board of Directors of the Company, we hereby confirm that to the best knowledge of the Directors of the Company nothing has come to the attention of the Board of Directors which may render the unaudited financial statements for HY2016 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Chan Kee Sieng
Executive Chairman

Chan Kit Moi
Executive Director

BY ORDER OF THE BOARD

Chan Kee Sieng
Executive Chairman
12 August 2016