

Third Quarter Financial Statements

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3), HALF-YEAR AND FULL YEAR RESULTS

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 INCOME STATEMENT

	GROUP 3rd Quarter Ended 30 September			GROUP Year to Date Ended 30 September		
	2016 S\$'000	2015 S\$'000	+/(-) %	2016 S\$'000	2015 S\$'000	+/(-) %
Revenue	98,856	104,112	(5.0)	290,502	312,190	(6.9)
Cost of sales	(75,355)	(81,271)	(7.3)	(223,067)	(245,343)	(9.1)
Gross profit	23,501	22,841	2.9	67,435	66,847	0.9
Other income	157	412	(61.9)	1,595	1,433	11.3
Distribution expenses	(10,720)	(11,298)	(5.1)	(32,237)	(33,590)	(4.0)
Administrative expenses	(7,385)	(7,753)	(4.7)	(22,261)	(22,985)	(3.2)
Other expenses	926	720	28.6	(2,342)	(37)	n.m.
Results from operating activities	6,479	4,922	31.6	12,190	11,668	4.5
Net finance income/(cost)	541	(382)	(241.6)	846	3,244	(73.9)
Profit before tax	7,020	4,540	54.6	13,036	14,912	(12.6)
Tax expense	(1,469)	(1,269)	15.8	(3,428)	(3,579)	(4.2)
Profit for the period	5,551	3,271	69.7	9,608	11,333	(15.2)
Attributable to:						
Owners of the Company	4,057	1,936	109.6	5,759	7,335	(21.5)
Non-controlling interests	1,494	1,335	11.9	3,849	3,998	(3.7)
Profit for the period	5,551	3,271	69.7	9,608	11,333	(15.2)

n.m. - not meaningful

1(a)(ii) Notes to the Income Statement

	GROUP		GROUP	
	3rd Quarter Ended		Year to Date Ended	
	30 September		30 September	
	2016	2015	2016	2015
	S\$'000	S\$'000	S\$'000	S\$'000
Profit before tax is stated after (crediting) / charging:				
Interest income	(539)	(476)	(1,579)	(1,432)
Dividend income	(1)	(1)	(2)	(2)
Amortisation of deferred income	(36)	(31)	(88)	(93)
(Gain)/loss on disposal of:				
- available-for-sale financial assets	-	-	-	(2,069)
- financial assets designated at fair value through profit or loss	-	-	-	(1,018)
- property, plant and equipment	(33)	(31)	187	(192)
Income from liquidation of an associate	-	-	(914)	-
(Write-back)/provision of allowance for stock obsolescence	(534)	67	(606)	109
Allowance made for doubtful receivables	165	504	431	1,271
Depreciation of investment properties	5	5	15	16
Depreciation of property, plant and equipment	2,154	2,272	6,430	6,914
Net (increase)/decrease in fair value of financial assets designated at fair value through profit or loss	(239)	485	56	11
Bad debts written off	12	1	6	10
Inventories written off	11	36	19	40
Property, plant and equipment written off	13	6	19	44
Exchange (gain)/loss	(1,084)	(1,491)	1,596	(1,380)
Change in fair value of financial derivatives	-	-	102	-
Interest on borrowings	239	374	679	1,266
Taxation				
Current year tax	1,604	1,333	4,262	3,925
Under/(over) provision of tax in respect of prior years	82	70	226	(189)
Current year deferred tax	(238)	(134)	(533)	(150)
Under/(over) provision of deferred tax in respect of prior years	21	-	(527)	(7)
	1,469	1,269	3,428	3,579

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	GROUP			GROUP		
	3rd Quarter Ended			Year to Date Ended		
	30 September			30 September		
	2016	2015	+ / (-)	2016	2015	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit for the period	5,551	3,271	69.7	9,608	11,333	(15.2)
Other comprehensive income - Items that are or may be reclassified subsequently to profit or loss:						
Foreign currency translation differences - foreign operations	516	1,862	(72.3)	(6,707)	2,499	n.m.
Effective portion of changes in fair value of cash flow hedges	5	-	n.m.	(2)	-	n.m.
Net change in fair value of available-for-sale financial assets	-	(7)	(100.0)	(1)	(9)	(88.9)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-	-	n.m.	-	(1,472)	n.m.
Other comprehensive income for the period, net of tax	521	1,855	(71.9)	(6,710)	1,018	n.m.
Total comprehensive income for the period	6,072	5,126	18.5	2,898	12,351	n.m.
Attributable to:						
Owners of the Company	4,328	2,795	54.8	1,608	7,230	n.m.
Non-controlling interests	1,744	2,331	(25.2)	1,290	5,121	n.m.
Total comprehensive income for the period	6,072	5,126	18.5	2,898	12,351	n.m.

n.m. - not meaningful

1(a)(ii) Brief Review of Financial Performance

The Group recorded revenue of S\$98.86 million in the third quarter of 2016 (Q3 2016). This was S\$5.25 million (5.0%) lower than the third quarter of 2015 (Q3 2015) of S\$104.11 million. The decrease in Q3 2016 was mainly due to reduction in the franchise outlets of the Consumer Business in Singapore. In addition, weaker demand from major customers in Packaging Business (Tat Seng Group) also led to decrease in the Group's revenue. This decrease was partially off-set by higher revenue contributed by the Consumer Business in Malaysia.

The gross profit for the Group increased by 2.9% from S\$22.84 million in Q3 2015 to S\$23.50 million in Q3 2016 despite lower revenue achieved. The increase was due to improvement in gross profit margin for Q3 2016 by 1.9% to 23.8% as compared to 21.9% for Q3 2015 attributed to favourable product mix.

Other income of S\$0.16 million in Q3 2016 was lower than S\$0.41 million in Q3 2015 mainly due to lower rental income by S\$0.16 million upon the termination of rental agreement and lower government grants and incentives by S\$0.05 million in Q3 2016 as compared to the same period in 2015.

Distribution expenses decreased by 5.1% (S\$0.58 million) in Q3 2016 mainly due to lower A&P expenses and staff costs in logistic department resulted from lower revenue in Q3 2016 as compared to the same period last year.

Administrative expenses decreased by 4.7% (S\$0.37 million) in Q3 2016 mainly due to reversal of provision of professional fees for Consumer Business in Singapore.

Other expenses was recorded as income in both Q3 2016 (S\$0.93 million) and Q3 2015 (S\$0.72 million) mainly due to foreign exchange gain of S\$1.08 million and S\$1.49 million recorded in Q3 2016 and Q3 2015 respectively. For Q3 2016, the foreign exchange gain was mainly due to the strengthening of Hong Kong Dollars ("HKD") and Australian Dollars ("AUD") against SGD on foreign currencies fixed deposits. Despite the gain reported in Q3 2016, the Group is still recording an exchange loss of S\$1.60 million up to September 2016 ("YTD Sep 2016") as compared to foreign exchange gain of S\$1.38 million in YTD Sep 2015.

The results from operating activities were S\$6.48 million in Q3 2016 as compared to S\$4.92 million in Q3 2015, an increase of S\$1.56 million.

Net finance income were S\$0.54 million in Q3 2016 as compared to net finance costs of S\$0.38 million in Q3 2015 mainly due to net fair value gain (S\$0.24 million) on financial assets designated at fair value through profit or loss in Q3 2016 as compared to net fair value loss (S\$0.49 million) on financial assets designated at fair value through profit or loss in Q3 2015. In addition, interest expense on bank borrowings was lower in Q3 2016 by S\$0.14 million as compared to the same period in 2015.

The Group achieved a higher profit before tax of S\$7.02 million in Q3 2016 as compared to S\$4.54 million for the corresponding period last year. Excluding foreign exchange gain of S\$1.08 million in Q3 2016 (Q3 2015: S\$1.49 million), the profit before tax would be S\$5.94 million in Q3 2016 compared to S\$3.05 million in Q3 2015.

The Group's net profit after tax for Q3 2016 was S\$5.55 million as compared to S\$3.27 million reported for Q3 2015. The net profit attributable to shareholders was S\$4.06 million for Q3 2016 as compared to S\$1.94 million reported for Q3 2015.

1(b)(i) CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		GROUP		COMPANY	
	Note	30/09/2016	31/12/2015	30/09/2016	31/12/2015
		S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets					
Property, plant and equipment		75,860	76,108	10,213	9,548
Investment properties		793	808	-	-
Subsidiaries		-	-	40,189	40,189
Other financial assets		47	47	47	47
Intangible assets		1,116	1,188	-	-
Deferred tax assets		2,035	1,608	-	-
		79,851	79,759	50,449	49,784
Current assets					
Other financial assets, including derivatives	1	1,810	1,978	1,810	1,972
Inventories	2	31,709	38,393	318	8,734
Trade and other receivables	3	126,349	136,508	42,475	50,388
Cash and cash equivalents	4	166,424	155,871	105,518	95,204
Assets held for sale		46,103	49,043	-	-
		372,395	381,793	150,121	156,298
Total assets		452,246	461,552	200,570	206,082
Equity attributable to equity holders of the Company					
Share capital		200,100	200,100	200,100	200,100
Reserves		65,514	63,906	(12,999)	(11,980)
		265,614	264,006	187,101	188,120
Non-controlling interests		48,185	48,633	-	-
Total equity		313,799	312,639	187,101	188,120
Non-current liabilities					
Loans and borrowings	5	1,867	1,413	-	-
Deferred income		1,159	1,198	-	-
Deferred tax liabilities		1,127	1,781	-	-
		4,153	4,392	-	-
Current liabilities					
Trade and other payables, including derivatives	6	102,254	110,446	13,469	17,962
Loans and borrowings	5	30,094	32,543	-	-
Deferred income		114	107	-	-
Current tax liabilities		1,832	1,425	-	-
		134,294	144,521	13,469	17,962
Total liabilities		138,447	148,913	13,469	17,962
Total equity and liabilities		452,246	461,552	200,570	206,082

Note:

- 1 Other financial assets decreased by S\$0.17 million and S\$0.16 million for the Group and the Company respectively mainly due to decrease in fair value of financial assets designated at fair value through profit or loss.
- 2 Inventories decreased by S\$6.68 million in Q3 2016 mainly due to higher stockholding in December 2015 in preparation for the festive season. In addition, the lower sales demand in Packaging Business in China in Q3 2016 led to lower stockholding as compared to Q4 2015. However, it was partially off-set by higher stockholding in Consumer Business in Malaysia to cater for higher demand from customers.
- 3 The decrease of S\$10.16 million in trade and other receivables was mainly due to reduction in bill receivables in the Packaging Business in China and unfavourable exchange rate in Renminbi ("RMB") against Singapore Dollar ("SGD") as compared to last quarter of 2015. However, it was partially off-set by higher other receivables in Consumer Business in Singapore as a result of down payment paid for new machinery for production plant expansion.
- 4 Refer to the consolidated statement of cash flow on Page 6 for details of movements in cash and cash equivalents.
- 5 Total loans and borrowings decreased by S\$2.00 million was mainly due to repayment of term loan and lower utilisation of bills payables of S\$0.78 million and S\$1.21 million respectively by the Packaging Business.
- 6 The decrease of S\$8.19 million in trade and other payables was due to lower purchases of raw materials and supplies for the Consumer and Packaging Businesses in tandem with the decrease in sales.

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

	As at	
	30/09/2016	31/12/2015
	S\$'000	S\$'000
Amount repayable in one year or less, or on demand		
- secured	23,604	26,917
- unsecured	6,490	5,626
	<u>30,094</u>	<u>32,543</u>
Amount repayable after one year		
- secured	385	1,413
- unsecured	1,482	-
	<u>1,867</u>	<u>1,413</u>
Total	<u><u>31,961</u></u>	<u><u>33,956</u></u>

Details of any collateral :

The total secured borrowings of S\$23.99 million as at 30 September 2016 include:

Bank loans and bill payables of S\$23.94 million, secured by the leasehold land, certain leasehold buildings and certain plant and machinery held by the Packaging Business with carrying amount of approximately S\$25.06 million, cash and bank balances of S\$2.85 million and bills receivables of S\$3.07 million.

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

		GROUP	
		3rd Quarter Ended	
		30 September	
Note		2016	2015
		S\$'000	S\$'000
Operating activities			
	Profit for the period	5,551	3,271
	Adjustments for:		
	Tax expense	1,469	1,269
	Depreciation of investment properties	5	5
	Depreciation of property, plant and equipment	2,154	2,272
	Gain on disposal of property plant and equipment	(33)	(31)
	Property, plant and equipment written off	13	6
	Amortisation of deferred income	(36)	(31)
	Unrealised exchange gain	(976)	(2,479)
	Net (increase)/decrease in fair value of financial assets designated at fair value through profit or loss	(239)	485
	Net finance income	(302)	(103)
		7,606	4,664
	Changes in:		
	- Inventories	1	1,641
	- Trade and other receivables	2	(8,398)
	- Trade and other payables	3	7,181
			(2,405)
	Cash generated from operations	8,030	12,787
	Tax paid	(1,527)	(1,328)
	Net cash from operating activities	6,503	11,459
Investing activities			
	Interest received	298	333
	Proceeds from disposal of property, plant and equipment	40	59
	Purchase of property, plant and equipment	(2,011)	(3,176)
	Deposit received in relation to assets held for sale	-	9,172
	Net cash (used in)/from investing activities	(1,673)	6,388
Financing activities			
	Interest paid	(238)	(374)
	Dividends paid	(605)	(605)
	Payment of finance lease liabilities	(4)	(4)
	Decrease in pledged deposits	875	1,542
	Proceeds from borrowings	4	14,105
	Repayment of borrowings	4	(8,076)
			(17,321)
	Net cash from/(used in) financing activities	6,057	(3,169)
	Net increase in cash and cash equivalents	10,887	14,678
	Cash and cash equivalents at beginning of the period	151,766	130,880
	Effect of exchange rate fluctuations on cash held	925	1,411
	Cash and cash equivalents at end of the period	163,578	146,969
	Comprising:		
	Cash at bank and in hand	49,212	45,920
	Fixed deposits with banks	117,212	105,007
		166,424	150,927
	Deposits pledged	(2,846)	(3,958)
		163,578	146,969

Note:

- 1 Please refer to note 2 in consolidated statement of financial position.
- 2 Please refer to note 3 in consolidated statement of financial position.
- 3 Please refer to note 6 in consolidated statement of financial position.
- 4 Please refer to note 5 in consolidated statement of financial position.

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	Issued Capital	Treasury Shares	Share Capital	Other Reserves	Fair Value Reserve	Hedging Reserve	Translation Reserve	Retained Earnings	Total	Non- Controlling Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 July 2016	204,327	(4,227)	200,100	6,357	31	2	(3,790)	58,586	261,286	47,046	308,332
Total comprehensive income for the period											
Profit for the period	-	-	-	-	-	-	-	4,057	4,057	1,494	5,551
Other comprehensive income											
Foreign currency translation differences - foreign operations	-	-	-	-	-	-	267	-	267	249	516
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	4	-	-	4	1	5
Net change in fair value of available-for-sale financial assets	-	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	4	267	-	271	250	521
Total comprehensive income for the period	-	-	-	-	-	4	267	4,057	4,328	1,744	6,072
Transactions with owners, recognised directly in equity											
Contributions by and distributions to owners											
Dividends paid	-	-	-	-	-	-	-	-	-	(605)	(605)
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	-	(605)	(605)
At 30 September 2016	204,327	(4,227)	200,100	6,357	31	6	(3,523)	62,643	265,614	48,185	313,799
At 1 July 2015	204,327	(4,227)	200,100	5,066	39	-	1,631	57,818	264,654	46,390	311,044
Total comprehensive income for the period											
Profit for the period	-	-	-	-	-	-	-	1,936	1,936	1,335	3,271
Other comprehensive income											
Foreign currency translation differences - foreign operations	-	-	-	-	-	-	866	-	866	996	1,862
Net change in fair value of available-for-sale financial assets	-	-	-	-	(7)	-	-	-	(7)	-	(7)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	(7)	-	866	-	859	996	1,855
Total comprehensive income for the period	-	-	-	-	(7)	-	866	1,936	2,795	2,331	5,126
Transactions with owners, recognised directly in equity											
Contributions by and distributions to owners											
Dividends paid	-	-	-	-	-	-	-	-	-	(605)	(605)
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	-	(605)	(605)
At 30 September 2015	204,327	(4,227)	200,100	5,066	32	-	2,497	59,754	267,449	48,116	315,565

Company	Issued Capital	Treasury Shares	Share Capital	Other Reserves	Fair Value Reserve	Accumulated Losses	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 July 2016	204,327	(4,227)	200,100	491	31	(14,674)	185,948
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	1,153	1,153
Other comprehensive income							
Net change in fair value of available-for-sale financial assets	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	1,153	1,153
At 30 September 2016	204,327	(4,227)	200,100	491	31	(13,521)	187,101
At 1 July 2015	204,327	(4,227)	200,100	491	39	(3,258)	197,372
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	1,076	1,076
Other comprehensive income							
Net change in fair value of available-for-sale financial assets	-	-	-	-	(7)	-	(7)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(7)	1,076	1,069
At 30 September 2015	204,327	(4,227)	200,100	491	32	(2,182)	198,441

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.

(i) Share Capital

Group and Company

In issue at 1 July and 30 September

2016	2015
No. of shares	No. of shares
570,996,746	570,996,746

(ii) Treasury shares

Group and Company

Balance as at the end of the period

2016	2015
No. of shares	No. of shares
17,581,000	17,581,000

The total number of issued shares excluding treasury shares as at the end of the current financial period was 553,415,746 (30 September 2015: 553,415,746).

(iii) HANWELL Executives' Share Option Scheme 2003

During the financial period ended 30 September 2016, there was no new issuance nor exercise of share options in respect of unissued ordinary shares under the HANWELL Executives' Share Option Scheme 2003. The balance of issued non-discounted options, including options issued in 2003 was 10,150,000 as at 30 September 2016. 10,150,000 shares may be issued on conversion of all the outstanding options at the end of the current period.

- 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	
	30/09/2016	31/12/2015
Total number of issued shares	553,415,746	553,415,746

- 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 as at the end of the current financial period.

- 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.

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

Other than the adoption of the new and revised Financial Reporting Standards (FRS) which took effect from the current financial year, there were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited annual financial statements as at 31 December 2015.

- 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.**

The adoption of the new and revised FRSs have no material impact to the financial statements of the Group and of the Company.

- 6 Earning per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	GROUP		GROUP	
	3rd Quarter Ended		Year to Date Ended	
	30/09/2016	30/09/2015	30/09/2016	30/09/2015
	cents	cents	cents	cents
Earnings per ordinary share of the group for the financial period based on net profit attributable to shareholders:				
Basic earnings per share	0.73	0.35	1.04	1.33
Diluted earnings per share	0.73	0.35	1.03	1.32

- 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 period reported on and (b) immediately preceding financial year.**

	GROUP		COMPANY	
	30/09/2016	31/12/2015	30/09/2016	31/12/2015
	cents	cents	cents	cents
Net asset value per ordinary share based on issued share capital at the end of the period reported on	48.00	47.70	33.81	33.99

- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cashflow, working capital, assets or liabilities of the group during the current financial period reported on.**

Consumer Business

Revenue decreased by S\$2.56 million or 5.8% in Q3 2016, from S\$44.51 million in Q3 2015 to S\$41.95 million in Q3 2016. The decrease was due to the reduction in franchise outlets of the Consumer Business in Singapore. However, the reduction in revenue was partially off-set by higher distribution sales in Malaysia as a result of higher demand from customers and new agencies products.

The Consumer Business recorded a PBIT of S\$2.01 million in Q3 2016 as compared to S\$0.42 million in the same period last year. Excluding foreign currency exchange gains of S\$1.12 million in Q3 2016 (Q3 2015: S\$1.33 million), the Consumer Business recorded a PBIT of S\$0.89 million in Q3 2016 as compared to a loss of S\$0.91 million in Q3 2015.

Packaging Business

Tat Seng Packaging Group Ltd is a listed company on SGX and is not required to make announcements of its first and third quarters' results by virtue of its market capitalisation. Accordingly, there would not be any comments made on the specific financial results of Tat Seng Group in Hanwell Holdings Limited's announcement of its Q3 2016 results.

- 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 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 continues to consolidate its consumer business and is showing positive results in this competitive FMCG industry. We are working on refreshing our packaging for some of our products and have put more emphasis on new product development to enhance range offerings and growth potentials.

The Group's packaging business expects the business environment for both Singapore and China to remain challenging. The division will continue to improve and enhance its existing business and actively explore new business opportunities. In addition, the division will continue to focus on cost control and enhancing production productivity to stay competitive.

11 Dividend

(a) Current Financial Period Reported On

The directors do not recommend any declaration of dividend for the current financial period reported on.

(b) Corresponding Period of the Immediately Preceding Financial Year

No dividend was declared for the corresponding period of the preceding financial year.

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

No dividend was declared / recommended for the current financial period reported on.

- 13 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 Company has not obtained a general mandate from shareholders pursuant to Rule 920 of the Listing Manual.

- 14 NEGATIVE ASSURANCE CONFIRMATION ON INTERIM FINANCIAL RESULTS PURSUANT TO RULE 705(5) OF THE LISTING MANUAL**

The Board of Directors has confirmed that, to the best of their knowledge, nothing has come to their attention which may render these interim financial results to be false or misleading in any material aspect.

- 15 Confirmation of Undertakings from Directors and Executive Officers pursuant to Rule 720(1) of the Listing Manual**

The Company has procured undertakings in the format set out in Appendix 7.7 from all its directors and executive officers under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Dr Allan Yap

Chairman

11 November 2016