

THE HOUR GLASS

THE HOUR GLASS LIMITED

Co. Registration No: 197901972D

Unaudited Third Quarter and Nine Months Financial Statement For The Period Ended 31 December 2016

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

		Group					
		Third Quarter ended			Nine Months ended		
Note		31 Dec 16	31 Dec 15	Change	31 Dec 16	31 Dec 15	Change
		\$'000	\$'000	%	\$'000	\$'000	%
	Revenue	195,964	186,369	5%	507,262	521,028	-3%
	Other income	1,212	1,330	-9%	3,385	3,600	-6%
	Total revenue and other income	197,176	187,699	5%	510,647	524,628	-3%
	Cost of goods sold	152,230	139,975	9%	394,721	399,925	-1%
	Salaries and employees benefits	10,762	12,067	-11%	30,466	33,315	-9%
	Depreciation of property, plant and equipment	1,877	1,601	17%	5,430	4,848	12%
	Selling and promotion expenses	4,532	5,248	-14%	12,073	13,277	-9%
	Rental expenses	7,937	7,048	13%	22,378	20,236	11%
	Finance costs	390	435	-10%	1,245	1,240	0%
	Foreign exchange loss	141	133	6%	363	818	-56%
	Other operating expenses	2,628	4,398	-40%	7,588	12,345	-39%
	Total costs and expenses	180,497	170,905	6%	474,264	486,004	-2%
	Share of results of associates	484	1,592	-70%	2,514	4,811	-48%
	Profit before taxation	17,163	18,386	-7%	38,897	43,435	-10%
	Taxation	3,533	3,641	-3%	8,382	7,968	5%
	Profit for the period	13,630	14,745	-8%	30,515	35,467	-14%
	Profit attributable to:						
	Owners of the Company	13,396	14,506	-8%	29,901	34,627	-14%
	Non-controlling interests	234	239	-2%	614	840	-27%
		13,630	14,745	-8%	30,515	35,467	-14%

Note:

(i) Other income

		Group					
		Third Quarter ended			Nine Months ended		
		31 Dec 16	31 Dec 15	Change	31 Dec 16	31 Dec 15	Change
		\$'000	\$'000	%	\$'000	\$'000	%
	Rental income	600	697	-14%	1,761	2,085	-16%
	Interest income	144	142	1%	437	402	9%
	Management fee	173	195	-11%	508	523	-3%
	Others	295	296	0%	679	590	15%
		1,212	1,330	-9%	3,385	3,600	-6%

1(a)(ii) Amount of any adjustment for under or overprovision of tax in respect of prior years

Income Tax

- Over provision of tax in respect of prior years

Group					
Third Quarter ended			Nine Months ended		
31 Dec 16	31 Dec 15	Change	31 Dec 16	31 Dec 15	Change
\$'000	\$'000	%	\$'000	\$'000	%
(266)	(9)	2856%	(164)	(14)	1071%

1(a)(iii) Statement of comprehensive income

Profit for the period

Other comprehensive income:

Items that will not be reclassified to profit or loss:

Net surplus on revaluation of an investment property

Items that may be reclassified subsequently to profit or loss:

Foreign currency translation

Other comprehensive income/(loss) for the period, net of tax

Total comprehensive income for the period

Total comprehensive income attributable to:

Owners of the Company

Non-controlling interests

Group					
Third Quarter ended			Nine Months ended		
31 Dec 16	31 Dec 15	Change	31 Dec 16	31 Dec 15	Change
\$'000	\$'000	%	\$'000	\$'000	%
13,630	14,745	-8%	30,515	35,467	-14%
-	271	NM	-	271	NM
-	271	NM	-	271	NM
3,806	1,776	114%	5,785	(4,672)	NM
3,806	1,776	114%	5,785	(4,672)	NM
3,806	2,047	86%	5,785	(4,401)	NM
17,436	16,792	4%	36,300	31,066	17%
16,379	16,602	-1%	34,836	30,023	16%
1,057	190	456%	1,464	1,043	40%
17,436	16,792	4%	36,300	31,066	17%

NM – Not Meaningful

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

	Group		Company	
	31 Dec 16	31 Mar 16	31 Dec 16	31 Mar 16
	\$'000	\$'000	\$'000	\$'000
Assets				
Non-current assets				
Property, plant and equipment	36,665	34,962	12,142	13,109
Investment properties	66,957	66,682	12,719	12,719
Intangible assets	4,489	4,619	95	156
Investment in subsidiaries	-	-	52,074	52,074
Investment in associates	23,893	20,082	-	-
Loan to subsidiaries	-	-	807	762
Loan to an associate	2,219	2,095	-	-
Other receivables	8,525	7,806	3,696	3,696
Deferred tax assets	491	490	353	353
	143,239	136,736	81,886	82,869
Current assets				
Stocks	320,989	320,127	187,688	184,485
Trade and other receivables	24,228	15,391	10,328	3,789
Prepaid operating expenses	1,342	518	523	148
Amount due from associates	71	76	-	-
Amount due from subsidiaries	-	-	8,862	8,725
Cash and cash equivalents	95,138	93,898	29,885	32,092
	441,768	430,010	237,286	229,239
Total assets	585,007	566,746	319,172	312,108
Equity and liabilities				
Current liabilities				
Loans and borrowings	51,772	39,060	27,861	36,000
Trade and other payables	48,621	45,110	27,148	20,226
Provision for taxation	4,673	4,200	2,887	1,585
	105,066	88,370	57,896	57,811
Net current assets	336,702	341,640	179,390	171,428
Non-current liabilities				
Loans and borrowings	3,648	24,362	-	-
Provisions	282	282	-	-
Deferred tax liabilities	749	764	-	-
Other non-current liabilities	1,083	722	1,083	722
	5,762	26,130	1,083	722
Total liabilities	110,828	114,500	58,979	58,533
Net assets	474,179	452,246	260,193	253,575
Equity attributable to owners of the Company				
Share capital	67,638	67,638	67,638	67,638
Reserves	392,970	372,234	192,555	185,937
	460,608	439,872	260,193	253,575
Non-controlling interests	13,571	12,374	-	-
Total equity	474,179	452,246	260,193	253,575
Total equity and liabilities	585,007	566,746	319,172	312,108

1(b)(ii) Aggregate amount of Group's borrowings and debt securities as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:

Amount repayable in one year or less, or on demand

As at 31 Dec 16		As at 31 Mar 16	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
20,848	30,924	-	39,060

Amount repayable after one year

As at 31 Dec 16		As at 31 Mar 16	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
3,648	-	24,362	-

Details of any collateral

The unsecured term loans of subsidiaries are covered by corporate guarantees given by the Company. Loans of \$24,496,000 (31 March 2016: \$24,362,450) are secured on certain properties of a subsidiary and corporate guarantees given by the Company.

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

	Group			
	Third Quarter ended		Nine Months ended	
	31 Dec 16	31 Dec 15	31 Dec 16	31 Dec 15
	\$'000	\$'000	\$'000	\$'000
Operating activities				
Profit before taxation	17,163	18,386	38,897	43,435
Adjustments for:				
Finance costs	390	435	1,245	1,240
Interest income	(144)	(142)	(437)	(402)
Depreciation of property, plant and equipment	1,877	1,601	5,430	4,848
Amortisation of intangible assets	43	43	130	134
Foreign currency translation adjustment	(120)	362	340	(69)
Net loss on disposal of property, plant and equipment	68	42	144	42
Share of results of associates	(484)	(1,592)	(2,514)	(4,811)
Operating cash flows before changes in working capital	18,793	19,135	43,235	44,417
(Increase)/decrease in stocks	(7,205)	(26,869)	1,062	(50,693)
Increase in receivables	(8,085)	(3,593)	(8,862)	(8,235)
(Increase)/decrease in prepaid operating expenses	(179)	3	(818)	(751)
Decrease/(increase) in amount due from associates	2	(14)	9	(36)
Increase in payables	9,046	8,718	3,164	12,825
Cash flows from/(used in) operations	12,372	(2,620)	37,790	(2,473)
Income taxes paid	(3,108)	(5,067)	(7,975)	(12,798)
Interest paid	(390)	(435)	(1,245)	(1,240)
Interest received	144	142	437	402
Net cash flows from/(used in) operating activities	9,018	(7,980)	29,007	(16,109)
Investing activities				
Proceeds from disposal of property, plant and equipment	-	3	-	3
Purchase of property, plant and equipment	(725)	(2,036)	(7,012)	(5,414)
Net cash flows used in investing activities	(725)	(2,033)	(7,012)	(5,411)
Financing activities				
Proceeds from loans and borrowings	1,804	5,000	8,823	13,872
Repayment of loans and borrowings	(1,303)	-	(16,967)	(3,576)
Acquisition of non-controlling interests	-	(1,615)	-	(1,615)
Dividends paid to non-controlling interests	(79)	(100)	(267)	(168)
Dividends paid on ordinary shares	-	-	(14,100)	(15,510)
Net cash flows from/(used in) financing activities	422	3,285	(22,511)	(6,997)
Net increase/(decrease) in cash and cash equivalents	8,715	(6,728)	(516)	(28,517)
Effects of exchange rate changes on cash and cash equivalents	1,163	181	1,756	(353)
Cash and cash equivalents at beginning of financial period	85,260	76,009	93,898	98,332
Cash and cash equivalents at end of financial period	95,138	69,462	95,138	69,462

Cash and cash equivalents at the end of the period comprise the following:

Cash and bank balances
Fixed Deposits with banks

Group	
31 Dec 16	31 Dec 15
\$'000	\$'000
71,922	56,289
23,216	13,173
95,138	69,462

1(d)(i) A statement (for the Company 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.

	Share capital \$'000	Foreign currency translation reserve \$'000	Capital Reserve \$'000	Asset revaluation reserve \$'000	Revenue reserve \$'000	Total attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
Group								
Balance at 1 April 2015	67,638	(8,071)	-	3,101	346,062	408,730	13,226	421,956
Total comprehensive income								
Profit for the period	-	-	-	-	10,474	10,474	316	10,790
Other comprehensive income								
Foreign currency translation	-	(5,297)	-	-	-	(5,297)	(226)	(5,523)
Total other comprehensive loss	-	(5,297)	-	-	-	(5,297)	(226)	(5,523)
Total comprehensive (loss)/income	-	(5,297)	-	-	10,474	5,177	90	5,267
Balance at 30 June 2015	67,638	(13,368)	-	3,101	356,536	413,907	13,316	427,223
Balance at 1 July 2015	67,638	(13,368)	-	3,101	356,536	413,907	13,316	427,223
Total comprehensive income								
Profit for the period	-	-	-	-	9,647	9,647	285	9,932
Other comprehensive income								
Foreign currency translation	-	(1,403)	-	-	-	(1,403)	478	(925)
Total other comprehensive (loss)/income	-	(1,403)	-	-	-	(1,403)	478	(925)
Total comprehensive (loss)/income	-	(1,403)	-	-	9,647	8,244	763	9,007
Contributions by and distributions to owners								
Dividends on ordinary shares	-	-	-	-	(15,510)	(15,510)	-	(15,510)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(68)	(68)
Total transactions with owners	-	-	-	-	(15,510)	(15,510)	(68)	(15,578)
Balance at 30 September 2015	67,638	(14,771)	-	3,101	350,673	406,641	14,011	420,652
Balance at 1 October 2015	67,638	(14,771)	-	3,101	350,673	406,641	14,011	420,652
Total comprehensive income								
Profit for the period	-	-	-	-	14,506	14,506	239	14,745
Other comprehensive income								
Net surplus on revaluation of an investment property	-	-	-	271	-	271	-	271
Foreign currency translation	-	1,825	-	-	-	1,825	(49)	1,776
Total other comprehensive income/(loss)	-	1,825	-	271	-	2,096	(49)	2,047
Total comprehensive income	-	1,825	-	271	14,506	16,602	190	16,792
Contributions by and distributions to owners								
Dividends paid to non-controlling interests	-	-	-	-	-	-	(100)	(100)
Total contributions by and distributions to owners	-	-	-	-	-	-	(100)	(100)
Change in ownership interest in a subsidiary								
Acquisition of non-controlling interest without a change in control	-	-	(142)	-	-	(142)	(1,473)	(1,615)
Total change in ownership interest in a subsidiary	-	-	(142)	-	-	(142)	(1,473)	(1,615)
Total transactions with owners	-	-	(142)	-	-	(142)	(1,573)	(1,715)
Balance at 31 December 2015	67,638	(12,946)	(142)	3,372	365,179	423,101	12,628	435,729

1(d)(i) Statement of Changes in equity (Cont'd)

Group	Share capital	Foreign currency translation reserve	Capital Reserve	Asset revaluation reserve	Revenue reserve	Total attributable to owners of the Company	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 April 2016	67,638	(13,872)	(142)	3,372	382,876	439,872	12,374	452,246
Total comprehensive income								
Profit for the period	-	-	-	-	8,188	8,188	114	8,302
Other comprehensive income								
Foreign currency translation	-	(2,478)	-	-	-	(2,478)	(33)	(2,511)
Total other comprehensive loss	-	(2,478)	-	-	-	(2,478)	(33)	(2,511)
Total comprehensive (loss)/income	-	(2,478)	-	-	8,188	5,710	81	5,791
Contributions by and distributions to owners								
Dividends paid to non-controlling interests	-	-	-	-	-	-	(188)	(188)
Total transactions with owners	-	-	-	-	-	-	(188)	(188)
Balance at 30 June 2016	67,638	(16,350)	(142)	3,372	391,064	445,582	12,267	457,849
Balance at 1 July 2016	67,638	(16,350)	(142)	3,372	391,064	445,582	12,267	457,849
Total comprehensive income								
Profit for the period	-	-	-	-	8,317	8,317	266	8,583
Other comprehensive income								
Foreign currency translation	-	4,430	-	-	-	4,430	60	4,490
Total other comprehensive income	-	4,430	-	-	-	4,430	60	4,490
Total comprehensive income	-	4,430	-	-	8,317	12,747	326	13,073
Contributions by and distributions to owners								
Dividends on ordinary shares	-	-	-	-	(14,100)	(14,100)	-	(14,100)
Total transactions with owners	-	-	-	-	(14,100)	(14,100)	-	(14,100)
Balance at 30 September 2016	67,638	(11,920)	(142)	3,372	385,281	444,229	12,593	456,822
Balance at 1 October 2016	67,638	(11,920)	(142)	3,372	385,281	444,229	12,593	456,822
Total comprehensive income								
Profit for the period	-	-	-	-	13,396	13,396	234	13,630
Other comprehensive income								
Foreign currency translation	-	2,983	-	-	-	2,983	823	3,806
Total other comprehensive income	-	2,983	-	-	-	2,983	823	3,806
Total comprehensive income	-	2,983	-	-	13,396	16,379	1,057	17,436
Contributions by and distributions to owners								
Dividends paid to non-controlling interests	-	-	-	-	-	-	(79)	(79)
Total transactions with owners	-	-	-	-	-	-	(79)	(79)
Balance at 31 December 2016	67,638	(8,937)	(142)	3,372	398,677	460,608	13,571	474,179

1(d)(i) Statement of Changes in equity (Cont'd)

<u>Company</u>	Share capital \$'000	Revenue reserve \$'000	Total equity \$'000
Balance at 1 April 2015	67,638	173,112	240,750
Total comprehensive income			
Profit for the period	-	2,629	2,629
Total comprehensive income	-	2,629	2,629
Balance at 30 June 2015	67,638	175,741	243,379
Balance at 1 July 2015	67,638	175,741	243,379
Total comprehensive income			
Profit for the period	-	17,263	17,263
Total comprehensive income	-	17,263	17,263
Contributions by and distributions to owners			
Dividends on ordinary shares	-	(15,510)	(15,510)
Total transactions with owners	-	(15,510)	(15,510)
Balance at 30 September 2015	67,638	177,494	245,132
Balance at 1 October 2015	67,638	177,494	245,132
Total comprehensive income			
Profit for the period	-	3,553	3,553
Total comprehensive income	-	3,553	3,553
Balance at 31 December 2015	67,638	181,047	248,685
Balance at 1 April 2016	67,638	185,937	253,575
Total comprehensive income			
Profit for the period	-	2,644	2,644
Total comprehensive income	-	2,644	2,644
Balance at 30 June 2016	67,638	188,581	256,219
Balance at 1 July 2016	67,638	188,581	256,219
Total comprehensive income			
Profit for the period	-	12,608	12,608
Total comprehensive income	-	12,608	12,608
Contributions by and distributions to owners			
Dividends on ordinary shares	-	(14,100)	(14,100)
Total transactions with owners	-	(14,100)	(14,100)
Balance at 30 September 2016	67,638	187,089	254,727
Balance at 1 October 2016	67,638	187,089	254,727
Total comprehensive income			
Profit for the period	-	5,466	5,466
Total comprehensive income	-	5,466	5,466
Balance at 31 December 2016	67,638	192,555	260,193

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 Company, 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 has been no change in the number of issued shares in the capital of the Company since the end of the previous period reported on.

The Company does not have any outstanding share convertibles and treasury shares at the end of the period under review.

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

31 Dec 16	31 Mar 16
705,011,880	705,011,880

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 or reviewed by the auditors.

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 Company’s most recently audited annual financial statements have been applied

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 March 2016, except as disclosed in paragraph 5 below.

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 effect of, the change

In the current financial year, the Group has adopted all the new and revised Financial Reporting Standards (“FRSs”) and Interpretations of FRSs (“INT FRSs”) that are relevant to its operations and effective for annual periods beginning on 1 April 2016. The adoption of these new/revised “FRSs” and “INT FRSs” does not result in substantial changes to the Group’s and the Company’s accounting policies and has no material effect on the amounts reported for the current or prior periods.

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			
	Third Quarter ended		Nine Months ended	
	31 Dec 16	31 Dec 15	31 Dec 16	31 Dec 15
(a) Weighted average number of ordinary shares for calculation of basic and diluted earnings per share	705,011,880	705,011,880	705,011,880	705,011,880
(b) Basic and diluted earnings per share (cents)	1.90	2.06	4.24	4.91

EPS is calculated by dividing the Group's profit attributable to owners of the Company with the weighted average number of ordinary shares during the period. The weighted average number of ordinary shares outstanding during the period is the number of ordinary shares outstanding at the beginning of the period, adjusted by the number of ordinary shares issued during the period multiplied by a time-weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the period.

There is no dilutive effect for EPS as the Company does not have any outstanding share convertibles as at 31 December 2016.

7. Net asset value (for the Company and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the Company at the end of the

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

	Group		Company	
	31 Dec 16	31 Mar 16	31 Dec 16	31 Mar 16
Number of issued shares	705,011,880	705,011,880	705,011,880	705,011,880
Net asset value per ordinary share (in \$)	0.65	0.62	0.37	0.36

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**

3Q FY2017 vs 3Q FY2016

Revenue for the quarter ended 31 December 2016 ("3Q FY2017") rose 5% to \$196.0 million against \$186.4 million achieved in the same period last year ("3Q FY2016").

Gross margin was 22.3% (3Q FY2016: 24.9%). Operating expenses were lower than the previous period primarily due to a reduction in staff costs and the absence of the one-time charitable donation. Profit after tax was \$13.6 million, a decrease of 8% compared to 3Q FY2016.

9M FY2017 vs 9M FY2016

For the 9 month period ended 31 December 2016 ("9M FY2017"), revenue was \$507.3 million (9M FY2016: \$521.0 million). Gross margin was at 22.2% (9M FY2016: 23.2%) whilst profit after tax was \$30.5 million (9M FY2016: \$35.5 million). The watch industry in 2016 suffered from a contraction in global demand and the process of rightsizing production output to the consumers' needs continues.

As at 31 December 2016, group inventory was at \$321.0 million. Cash and cash equivalents was at \$95.1 million. Consolidated net assets were \$460.6 million or \$0.65 per share.

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

The Group's performance for the period under review is in line with the prospect statement in the results announcement for the period ended 30 September 2016.

10. **A commentary at the date of 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 uncertainties in the global economy continue to impact consumer sentiment and discretionary spending.

Barring any unforeseen circumstances, the Group expects to remain profitable for the financial year.

11. **Dividend**

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

None.

11. Dividend (Cont'd)

(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/recommended, a statement to that effect.

No dividend is declared or recommended in respect of the current financial period reported on.

13. If the Company has obtained a general mandate from shareholders for interested person transactions ("IPT mandate"), 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 does not have an IPT mandate.

14. Statement Pursuant to Rule 705(5) of the Listing Manual

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and the Company (comprising the statements of financial position, statements of changes in equity, consolidated income statement, consolidated statement of comprehensive income, and consolidated statement of cash flow together with their accompanying notes) for the nine months ended 31 December 2016 to be false or misleading in any material respect.

Signed by Dr Kenny Chan Swee Kheng and Mr Michael Tay Wee Jin on behalf of the Board of Directors.

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

The Hour Glass Limited confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the SGX-ST Listing Manual.

BY ORDER OF THE BOARD

Christine Chan
Company Secretary
9 February 2017

Statement Pursuant to Rule 705(5) of the Listing Manual

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and the Company (comprising the statements of financial position, statements of changes in equity, consolidated income statement, consolidated statement of comprehensive income, and consolidated statement of cash flow together with their accompanying notes) for the nine months ended 31 December 2016 to be false or misleading in any material respect.

On behalf of the Board of Directors



Michael Tay Wee Jin
Group Managing Director



Kenny Chan Swee Kheng
Group Managing Director

Singapore
9 February 2017