

NEW TOYO
International Holdings Ltd



MOVING FORWARD
FASTER & FURTHER

FINANCIAL STATEMENTS ANNOUNCEMENT
for the period ended 30 September 2016

Unaudited results for the third quarter and period ended 30 September 2016

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

Consolidated Income Statement

	Group			Group		
	3Q	3Q		9-months	9-months	
	30/09/16	30/09/15	Change	30/09/16	30/09/15	Change
	Unaudited	Unaudited		Unaudited	Unaudited	
	SGD'000	SGD'000	%	SGD'000	SGD'000	%
Revenue	64,931	65,790	(1.3)	181,291	195,884	(7.4)
Cost of sales	(56,195)	(53,720)	4.6	(153,603)	(165,433)	(7.2)
Gross profit	8,736	12,070	(27.6)	27,688	30,451	(9.1)
Other income	1,557	1,734	(10.2)	4,465	5,457	(18.2)
Distribution expenses	(1,499)	(1,582)	(5.2)	(4,308)	(4,841)	(11.0)
Administrative expenses	(4,917)	(4,611)	6.6	(14,335)	(13,733)	4.4
Net foreign exchange gain/(loss)	281	1,524	(81.6)	(1,249)	1,835	n.m
Other expenses	(2,222)	(759)	192.8	(2,394)	(4,811)	(50.2)
Operating profit	1,936	8,376	(76.9)	9,867	14,358	(31.3)
Finance income	242	188	28.7	665	610	9.0
Finance expenses	(154)	(229)	(32.8)	(501)	(692)	(27.6)
Net finance income/(expenses)	88	(41)	n.m	164	(82)	n.m
Share of profit of equity-accounted investees, net of tax	289	1,152	(74.9)	928	2,542	(63.5)
Profit before taxation	2,313	9,487	(75.6)	10,959	16,818	(34.8)
Taxation	(884)	(1,554)	(43.1)	(2,630)	(2,708)	(2.9)
Profit for the period	1,429	7,933	(82.0)	8,329	14,110	(41.0)
Attributable to :						
Equity holders of the Company	960	5,434	(82.3)	6,006	10,152	(40.8)
Non-controlling interests	469	2,499	(81.2)	2,323	3,958	(41.3)
Profit for the period	1,429	7,933	(82.0)	8,329	14,110	(41.0)

Statement of Comprehensive Income

	Group			Group		
	3Q	3Q		9-months	9-months	
	30/09/16	30/09/15	Change	30/09/16	30/09/15	Change
	Unaudited	Unaudited		Unaudited	Unaudited	
	SGD'000	SGD'000	%	SGD'000	SGD'000	%
Profit for the period	1,429	7,933	(82.0)	8,329	14,110	(41.0)
Other comprehensive income/(loss)						
Items that are or may be reclassified to profit or loss :						
Foreign currency differences for foreign operations	1,548	(1,280)	n.m	(3,200)	(4,007)	(20.1)
Other comprehensive income/(loss) for the period, net of tax	1,548	(1,280)	n.m	(3,200)	(4,007)	(20.1)
Total comprehensive income for the period	2,977	6,653	(55.3)	5,129	10,103	(49.2)
Attributable to :						
Equity holders of the Company	2,263	5,459	(58.5)	3,147	8,691	(63.8)
Non-controlling interests	714	1,194	(40.2)	1,982	1,412	40.4
Total comprehensive income for the period	2,977	6,653	(55.3)	5,129	10,103	(49.2)

n.m. - not meaningful

1(a) An income statement and statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year (Cont'd)

Disclosure to Income Statement

	Group			Group		
	3Q	3Q		9-months	9-months	
	30/09/16	30/09/15	Change	30/09/16	30/09/15	Change
	Unaudited	Unaudited		Unaudited	Unaudited	
	SGD'000	SGD'000	%	SGD'000	SGD'000	%
Other income including interest income	1,800	1,913	(5.9)	5,122	5,934	(13.7)
Interest on borrowings	(154)	(229)	(32.8)	(501)	(692)	(27.6)
(Allowance for)/Reversal of inventory obsolescence	(430)	93	n.m	(68)	218	n.m
Depreciation and amortisation	(2,727)	(2,788)	(2.2)	(8,171)	(10,852)	(24.7)
(Loss)/Gain on disposal of property, plant and equipment	(1)	9	n.m	8	133	(94.0)
Reversal of doubtful trade receivables and bad debts written off	8	2	300.0	9	11	(18.2)
Impairment loss on investment properties	(4)	-	n.m	(4)	-	n.m
Impairment loss on property, plant and equipment	(5)	-	n.m	(5)	-	n.m
Inventory written-off	(119)	(246)	(51.6)	(119)	(366)	(67.5)
Property, plant and equipment written-off	(2)	-	n.m	(2)	-	n.m
Under provision of tax in respect of prior years	(89)	(454)	(80.4)	(96)	(320)	(70.0)

n.m. - not meaningful

Other expenses comprise the following:

	Group			Group		
	3Q	3Q		9-months	9-months	
	30/09/16	30/09/15	Change	30/09/16	30/09/15	Change
	Unaudited	Unaudited		Unaudited	Unaudited	
	SGD'000	SGD'000	%	SGD'000	SGD'000	%
<u>Non-operating Item:</u>						
Termination benefits	(1,659)	34	n.m	(1,659)	(2,580)	(35.7)

n.m. - not meaningful

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.

Statement of Financial Position

		Group		Company	
	Note	30/09/16 Unaudited SGD'000	31/12/15 Audited SGD'000	30/09/16 Unaudited SGD'000	31/12/15 Audited SGD'000
Non-current assets					
Property, plant and equipment		85,933	85,499	336	404
Investment properties		6,902	7,668	-	-
Subsidiaries		-	-	99,510	100,996
Associates and joint venture	1	12,678	10,403	1,246	1,246
Other investments		2,138	2,148	685	626
Intangible assets		4,708	5,001	-	-
Deferred tax assets		640	657	-	-
Other receivables		2,986	3,183	-	-
		115,985	114,559	101,777	103,272
Current assets					
Inventories	2	39,679	42,974	-	-
Trade and other receivables	3	52,230	39,450	25,847	12,186
Cash and cash equivalents	4	66,416	78,965	24,488	35,496
		158,325	161,389	50,335	47,682
Total assets		274,310	275,948	152,112	150,954
Equity attributable to equity holders of the Company					
Share capital		132,102	132,102	132,102	132,102
Other reserves		(13,881)	(11,194)	77	77
Accumulated profits/(losses)		50,699	48,743	(13,703)	(12,871)
		168,920	169,651	118,476	119,308
Non-controlling interests		48,166	41,903	-	-
Total Equity		217,086	211,554	118,476	119,308
Non-current liabilities					
Other payables	5	530	517	-	-
Financial liabilities	6	2,392	3,855	30	64
Deferred tax liabilities		3,101	3,126	11	11
		6,023	7,498	41	75
Current liabilities					
Trade and other payables	5	35,592	31,759	33,434	31,396
Financial liabilities	6	13,962	23,668	44	43
Current tax payable		1,647	1,469	117	132
		51,201	56,896	33,595	31,571
Total liabilities		57,224	64,394	33,636	31,646
Total equity and liabilities		274,310	275,948	152,112	150,954

Notes :

- 1) The increase was mainly due to the formation of a jointly controlled entity, Lum Chang Tien Wah Property Sdn Bhd, and share of current year profit from an associate.
- 2) The decrease was mainly due to lower purchases from Printed Cartons and Labels division, in line with lower revenue.
- 3) The increase was due to timing of repayment by customers and deposits paid for purchase of property, plant and equipment.
- 4) Please refer to the Consolidated Statement of Cash Flow and related commentaries.
- 5) The increase was mainly due to the timing of payment to suppliers, a deposit received from a jointly controlled entity and the provision for termination benefits.
- 6) The decrease was mainly due to repayment of bank borrowings.

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

	As at 30/09/16		As at 31/12/15	
	Secured SGD'000	Unsecured SGD'000	Secured SGD'000	Unsecured SGD'000
Amount repayable in one year or less, or on demand	47	13,915	2,654	21,014
Amount repayable after one year	31	2,361	66	3,789

Details of any collateral

The bank loans for the period ended December 2015 and September 2016 were secured on inventories and assets under fixed term lease financing.

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

Consolidated Statement of Cash Flow

		3Q 30/09/16 Unaudited SGD'000	3Q 30/09/15 Unaudited SGD'000	9-months 30/09/16 Unaudited SGD'000	9-months 30/09/15 Unaudited SGD'000
	Note				
Operating activities					
Profit before income tax		2,313	9,487	10,959	16,818
Adjustments for :					
Amortisation of other investment		1	1	4	4
Depreciation and amortisation		2,726	2,787	8,167	10,848
Dividend income from an associate		3	-	(170)	(96)
Dividend income from quoted securities		(3)	(6)	(13)	(18)
Loss/(Gain) on disposal of property, plant and equipment		1	(9)	(8)	(133)
Impairment loss on property, plant and equipment		5	-	5	-
Interest income		(242)	(188)	(665)	(610)
Interest expense		154	229	501	692
Property, plant and equipment written-off		2	-	2	-
Provision for termination benefits		179	-	179	968
Impairment loss on investment properties		4	-	4	-
Share of profit of equity-accounted investees		(289)	(1,152)	(928)	(2,542)
Operating profit before working capital changes		4,854	11,149	18,037	25,931
Changes in working capital :					
Inventories		2,570	(1,783)	2,969	(337)
Trade and other receivables		(9,066)	3,751	(12,235)	(9,022)
Trade and other payables		3,927	1,556	3,426	1,274
Employee benefits		(105)	(221)	78	(1,367)
Cash flows from operations		2,180	14,452	12,275	16,479
Income taxes paid		(1,840)	(351)	(3,097)	(2,036)
Cash flows from operating activities	1	340	14,101	9,178	14,443
Investing activities :					
Dividends received from an associate		(3)	-	170	96
Dividends received from quoted securities		3	6	13	18
Formation of equity-accounted investees		-	-	(1,673)	-
Interest received		242	188	665	610
Purchase of property, plant and equipment		(5,310)	(1,407)	(9,345)	(4,221)
Additions to investment property		-	(22)	-	(172)
Proceeds from disposal of property, plant and equipment		1	75	20	206
Cash flows used in investing activities	2	(5,067)	(1,160)	(10,150)	(3,463)
Financing activities :					
Capital contribution from non-controlling shareholder pursuant to a rights issue of a subsidiary		7,241	-	7,241	-
Dividends paid to shareholders		-	-	(4,394)	(2,637)
Dividends paid to non-controlling shareholders		-	(80)	(2,444)	(1,034)
Interest paid		(154)	(229)	(501)	(692)
Principal payments under hire purchase obligations		(11)	(11)	(34)	(17)
Proceeds from bank borrowings		44	1,700	5,109	6,119
Repayment of bank borrowings		(8,883)	(4,078)	(15,479)	(10,700)
Cash flows used in financing activities	3	(1,763)	(2,698)	(10,502)	(8,961)
Net (decrease)/increase in cash and cash equivalents		(6,490)	10,243	(11,474)	2,019
Cash and cash equivalents at beginning of period		72,403	62,875	78,965	71,571
Effect of exchange rate changes on balances held in foreign currency		503	(85)	(1,075)	(557)
Cash and cash equivalents at end of period		66,416	73,033	66,416	73,033
Deposits with financial institutions		29,617	25,142	29,617	25,142
Cash at banks and in hand		36,799	47,891	36,799	47,891
		66,416	73,033	66,416	73,033

Note 1 : Lower operating cash inflows in Q3FY2016 was mainly due to lower operating profit, timing of repayment by customers and increase in deposits paid for purchase of property, plant and equipment partially offset by lower inventories level in Printed Cartons and Labels division and timing of payments to suppliers.

Note 2 : Higher cash flows used in investing activities in Q3FY2016 was mainly due to purchase of property, plant and equipment by a newly incorporated subsidiary.

Note 3 : Lower cash flows used in financing activities in Q3FY2016 was mainly due to repayment of bank borrowings offset by capital contributions received from non-controlling interests pursuant to a rights issue of a subsidiary.

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

Consolidated Statement of Changes in Equity

	Share capital SGD'000	Capital reserve SGD'000	Other reserve SGD'000	Other reserves Currency translation reserve SGD'000	Fair value reserve SGD'000	Accumulated (losses)/ profits SGD'000	Total SGD'000	Non-controlling interests SGD'000	Total Equity SGD'000
Group									
At 1 July 2015	132,102	564	77	(13,272)	413	41,423	161,307	38,923	200,230
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(80)	(80)
Total comprehensive income for the period	-	-	-	25	-	5,434	5,459	1,194	6,653
At 30 September 2015	132,102	564	77	(13,247)	413	46,857	166,766	40,037	206,803
At 1 July 2016	132,102	738	77	(16,236)	239	49,221	166,141	40,727	206,868
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	516	516	(516)	-
Capital contribution by non-controlling interests pursuant to a rights issue of a subsidiary	-	-	-	-	-	-	-	7,241	7,241
Changes in capital reserve	-	(2)	-	-	-	2	-	-	-
Total comprehensive income for the period	-	-	-	1,303	-	960	2,263	714	2,977
At 30 September 2016	132,102	736	77	(14,933)	239	50,699	168,920	48,166	217,086
Company									
At 1 July 2015	132,102	-	77	-	-	(16,665)	115,514	-	115,514
Total comprehensive income for the period	-	-	-	-	-	3,823	3,823	-	3,823
At 30 September 2015	132,102	-	77	-	-	(12,842)	119,337	-	119,337
At 1 July 2016	132,102	-	77	-	-	(13,813)	118,366	-	118,366
Total comprehensive income for the period	-	-	-	-	-	110	110	-	110
At 30 September 2016	132,102	-	77	-	-	(13,703)	118,476	-	118,476

- 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.**

Not applicable.

- 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 30/09/16	As at 31/12/15
Total number of issued shares	439,424,603	439,424,603

The Company did not hold any treasury shares as at 30 September 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 or reviewed.

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation as those in the audited financial statements for the year ended 31 December 2015 except for the adoption of accounting standards and interpretations applicable for the financial period beginning 1 January 2016.

The adoption of the new/revised accounting standards and interpretations applicable for the financial period beginning 1 January 2016 did not result in a significant change to the Group's accounting policies and did not have a material impact on the Group results.

- 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.**

Not applicable

- 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 3Q		Group 9-months	
	30/09/16	30/09/15	30/09/16	30/09/15
Earnings per share ("EPS") for the period				
(a) Based on the average number of ordinary shares	0.22 cts	1.24 cts	1.37 cts	2.31 cts
(b) On a fully diluted basis	0.22 cts	1.24 cts	1.37 cts	2.31 cts

Basic EPS and fully diluted EPS have been calculated based on 439,424,603 shares.

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

	Group		Company	
	As at 30/09/16	As at 31/12/15	As at 30/09/16	As at 31/12/15
Net asset value per ordinary share based on existing share capital	38.44 cts	38.61 cts	26.96 cts	27.15 cts

The net asset value per ordinary share has been calculated based on 439,424,603 shares.

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.**

(i) Current Quarter against Previous Year Corresponding Quarter

The Group's turnover decreased slightly by 1.3% to S\$64.93 million in Q3FY2016, mainly due to lower revenue in Printed Cartons and Labels divisions partially offset by higher revenue in Specialty Papers and Trading divisions

Gross profit for Q3FY2016 decreased by 27.6% to S\$8.74 million compared to S\$12.07 million in the previous corresponding quarter. This was mainly due to lower demand and change of pricing of some products to a major customer in the Printed Cartons and Labels division. The higher gross profit in Q3FY2015 was also attributed to adjustment on depreciation savings from the beginning of FY2015 to the second quarter ended 30 June 2015 being effected in Q3FY2015, which amounted to approximately S\$0.75 million. This adjustment pertained to the re-assessment of useful life of certain property, plant and equipment for the Printed Cartons and Labels division.

Other income decreased by S\$0.18 million to S\$1.56 million mainly due to lower contributions from the supplies of ink to customers.

Distribution expenses reduced by 5.2% to S\$1.50 million, in line with the reduction in revenue. Administrative expenses increased by S\$0.31 million to S\$4.92 million mainly due to higher staff costs and related benefits. Exchange gains were lower by S\$1.24 million in Q3FY2016 due mainly to a marginal appreciation of US Dollar since the beginning of Q3FY2016, as compared to the corresponding quarter last year. Other expenses increased from S\$0.76 million to S\$2.22 million for Q3FY2016 due mainly to recognition of termination benefits of S\$1.66 million

The decrease in the share of profit of equity-accounted investees was attributed to a lower profit from an associate and share of losses from joint ventures.

As a result of the above factors, the Group's profit before tax decreased by S\$7.18 million or 75.6% to S\$2.31 million in Q3FY2016 (S\$9.49 million in Q3FY2015).

Overall, the Group's profit after tax attributable to equity holders of the Company decreased by S\$4.47 million or 82.3% to S\$0.96 million in Q3FY2016 (S\$5.43 million in Q3FY2015).

(ii) Current Year-to-date against Previous Year-to-date

For the nine months ended 30 September 2016, the Group's turnover decreased by S\$14.59 million or 7.4% to S\$181.29 million mainly due to lower revenue contributions from Trading and Printed Cartons and Labels divisions

Gross profit decreased by S\$2.76 million or 9.1% to S\$27.69 million for the 9 months period as compared to S\$30.45 million last year, in line with lower revenue

The decrease in other income and distribution expenses, and increase in administrative expenses for the 9 months period ended 30 September 2016 were largely due to the same contributing factors as mentioned above for Q3FY2016. An exchange loss of approximately S\$1.25 million was incurred for the 9 months period mainly due to depreciation of US Dollar since the beginning of FY2016, as compared to an exchange gain of approximately S\$1.84 million last year same period

Lower profit contribution from an associate and share of losses from joint ventures attributed to the decrease in the share of profit of equity-accounted investees.

Consequent to the aforesaid, the Group's profit before tax for the 9 months period decreased by S\$5.86 million or 34.8% to S\$10.96 million from S\$16.82 million in the same period last year

Overall, the Group's profit after tax attributable to equity holders of the Company decreased by S\$4.14 million or 40.8% to S\$6.01 million for the 9 months period ended 30 September 2016 (S\$10.15 million in the same period last year).

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

Not applicable. The Group did not make any forecast previously.

10 A commentary at the date of the announcement of the significant trend 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 has been streamlining its operations and embarking on strategies for long-term growth since the last two years. To augment our positions as one of the largest producers of specialty packaging materials in the Asia Pacific, we accelerated our pace in 2016 seeking out opportunities to foray beyond our current business and markets and to expand our network of production facilities.

On 8 March 2016, the Group's listed subsidiary, Tien Wah Press Holdings Berhad ("TWPH"), incorporated a new wholly owned subsidiary, Alliance Print Technologies FZE ("APTF"), in Jebel Ali Free Zone, Dubai, United Arab Emirates, with a share capital of AED1,000,000 which represents the entire share capital of APTF. The principal activity of APTF is in packing and packaging material manufacturing which is in line with the long term strategic plans of TWPH to gain footprint in the Middle East market.

On 16 May 2016, Tien Wah Properties Sdn Bhd, a wholly owned subsidiary of TWPH entered into a Shareholders' Agreement ("JVSA") with Kemensah Holdings Pte Ltd, a wholly owned subsidiary of Lum Chang Holdings Limited, to form and operate a joint venture company known as Lum Chang Tien Wah Property Sdn Bhd ("JV Co") with a total issued and paid-up share capital of RM 10,000,000 comprising 10,000,000 ordinary shares of RM1 each held by the JVSA Parties in equal proportion as per the JVSA. The principal activity of the JV Co is in property development. The expected gain on disposal has not been recognised as at Q3FY2016.

On 3 November 2016, TWPH through its subsidiaries, Max Ease International Company Limited ("MEIL") and Max View Holdings Limited ("MVHL", a wholly-owned subsidiary of MEIL), entered into a Conditional Sale and Purchase of Shares Agreement with PT Bentoel Prima and PT Lestari Putra Wirasejati (together, the "Sellers") for the proposed acquisition of 100% of the issued and paid-up share capital of PT Bintang Pesona Jagat ("BPJ") for IDR304 billion (approximately SGD32.4 million) (the "Proposed Acquisition"). The Sellers and BPJ are subsidiary companies of PT Bentoel International Investama Tbk ("PTBINI"), a listed company on Bursa Efek Indonesia or Indonesian Stock Exchange. TWPH is listed on Bursa Malaysia. TWPH owns 51% of the issued shares of MEIL and the Company holds the remaining 49%.

The Proposed Acquisition of BPJ also comes with a 6 years' exclusive supply agreement with each of PT. Bentoel Prima, PT. Perusahaan Dagang Dan Industri Tresno, PT. Bentoel Internasional Investama Tbk and PT. Perusahaan Dagang Suburaman which will commence from 1 January 2017 until 31 December 2022 when it shall expire.

In view of the above developments, the Group going forward will benefit from the new markets as well as lower production costs.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None

(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.

Not applicable

- 13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions are 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.

- 14 Negative confirmation pursuant to Rule 705(5).**

The Directors of New Toyo International Holdings Ltd (the “Company”), do hereby confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results of the third quarter and period ended 30 September 2016 to be false or misleading in any material aspect.

- 15 Confirmation pursuant to Rule 720(1).**

The Company has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Lee Wei Hsiung
Company Secretary
9 November 2016