CHINA HONGXING SPORTS LIMITED (Company Registration Number 36746)
(Incorporated in Bermuda)

Half Year Financial Statement And Related Announcement for Period Ended 30 June 2017

CAUTIONARY NOTE:

The financial results disclosed in this announcement include financial information provided by the Company's subsidiaries in the People's Republic of China ("PRC"), namely Fujian Hongxing Erke Sports Goods Co., Ltd ("Hongxing Erke") and Quanzhou Hongrong Light Industry Co., Ltd. ("Hongrong Light Industry") (collectively Hongxing Erke and Hongrong Light Industry are hereinafter referred as "PRC Key Subsidiaries") as well as Xiamen Hongxing Erke Apparel Co., Ltd. ("Hongxing Apparel").

The Company wishes to highlight that as disclosed in the Company's announcement entitled "Appointment of Special Accountant" and "Request for Suspension of Trading in Shares" released on 25 February 2011, the Company and its external auditors, Ernst & Young LLP ("EY"), encountered certain difficulties in respect of the finalization of the audit of the Company's consolidated financial statements for the financial year ended 31 December 2010 ("FY2010"), particularly with reference to cash and bank balances, accounts receivable, accounts payable and other expenses of the Company's PRC Key Subsidiaries.

The Company also wishes to highlight that the financial results disclosed in this announcement are subject to the background and limitations relating to the preparation of the Company's consolidated statements of financial position as at 30 June 2017 and as at 30 June 2016 and the consolidated statements of comprehensive income for the quarter ended 30 June 2017 ("2Q2017"), the quarter ended 30 June 2016 ("2Q2016"), the half-year ended 30 June 2017 ("1H2017") and the half-year ended 30 June 2016 ("1H2016") as set out below ("Limitations"):

a) **On 1 March 2011, the Company appointed nTan Corporate Advisory Pte Ltd as Special Auditor, to carry out an independent investigation into the matters raised in the Company's announcement entitled "Appointment of Special Accountant" and "Request for Suspension of Trading in Shares" released on 25 February 2011 ("Independent Investigation").**

b) **The Special Auditor completed the Independent Investigation and submitted their report on the Independent Investigation ("Report") to the Audit Committee and the Singapore Exchange Securities Trading Limited ("SGX-ST") on 20 July 2012. The Audit Committee will determine, in consultation with the Company's lawyers, auditors and other professionals, the appropriate actions to be taken.**

c) **On 27 February 2012, the Company announced that it had submitted its trading resumption proposal pursuant to Rule 1304(1) of the Listing Manual. On 12 April 2012, the Company announced that SGX-ST had granted the Company an extension of time until 28 June 2012 to submit a fuller trading resumption proposal. On 20 July 2012, the Company announced that the SGX-ST had granted the Company an extension of time until 25 July 2012 to submit the aforementioned fuller trading resumption proposal.**

d) **On 25 July 2012, the Company announced that the Company had submitted the fuller trading resumption proposal to SGX-ST. On 25 September 2012, the Company announced that SGX-ST had responded to the Company's trading resumption proposal and commented on matters that require further consideration by the Company and also the additional steps that must be undertaken by the Company to formulate a trading resumption proposal.**

e) **The Company has since undertaken and implemented various steps to re-submit its trading resumption proposal, taking into account SGX-ST's comments to the Company. On 28 May 2013, the Company re-submitted its trading resumption proposal to SGX-ST.**

f) **It was announced on 29 August 2014 that the Company was not in a position to and will not be proceeding with the Company's trading resumption proposal.**

g) **It was announced on 31 December 2014 that a potential offer in relation to the possible delisting of the Company from the SGX-ST ("Potential Offer") was being considered by a potential offeror and that professional parties have been appointed to carry out work in relation to the Potential Offer.**

h) It was announced on 3 May 2017 that it is unlikely the Potential Offer will materialise. The Board understands that a substantial shareholder is considering making an offer to acquire the PRC assets and business of the Company and a Singapore law firm has been appointed to deal with the matter. The Board cautions that there is no certainty the potential acquisition will materialise.

i) The financial results disclosed in this announcement have not been reviewed or audited by the Company's external auditors. As such, the Company would like to remind Shareholders that the financial results disclosed in this announcement may be subject to further adjustments and revisions after the audit by the Company's external auditors.

The board of directors of the Company cautions that the financial results disclosed in this announcement are unaudited.

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

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

1 (a)(i) UNAUDITED INCOME STATEMENT FOR 6 MONTHS ENDED 30 JUNE

Group	3 months ended		Change	6 months ended		Change
(RMB'000)	30 Jun 2017	30 Jun 2016	%	30 Jun 2017	30 Jun 2016	%
Revenue	301,325	310,171	(2.9)	771,340	633,547	21.7
Cost of goods sold	(231,832)	(234,915)	1.3	(605,186)	(489,794)	(23.6)
Gross profit	69,493	75,256	(7.7)	166,154	143,753	15.6
Other income	683	1,263	(45.9)	1,414	2,154	(34.4)
Selling and distribution expenses	(90,420)	(92,920)	2.7	(166,435)	(170,910)	2.6
Administrative expenses	(27,503)	(35,118)	21.7	(59,457)	(69,059)	13.9
Loss from operations	(47,747)	(51,519)	7.3	(58,324)	(94,062)	38.0
Finance costs	(49)	(58)	15.5	(90)	(88)	(2.3)
Loss before tax	(47,796)	(51,577)	7.3	(58,414)	(94,150)	38.0
Income tax expense	(1,060)	(3,363)	68.5	(13,225)	(8,669)	(52.6)
Loss attributable to shareholders	(48,856)	(54,940)	11.1	(71,639)	(102,819)	30.3

STATEMENT OF COMPREHENSIVE INCOME FOR 6 MONTHS ENDED 30 JUNE

Group	3 months ended		Change	6 months ended		Change
(RMB'000)	30 Jun 2017	30 Jun 2016	%	30 Jun 2017	30 Jun 2016	%
Loss attributable to shareholders	(48,856)	(54,940)	11.1	(71,639)	(102,819)	30.3
Other comprehensive income	-	-		-	-	
Total comprehensive income for the period	(48,856)	(54,940)	11.1	(71,639)	(102,819)	30.3

Note:

The financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (the "IFRS").

1(a)(ii) Other information:

Group	3 months ended		Change	6 months ended		Change
(RMB'000)	30 Jun 2017	30 Jun 2016	%	30 Jun 2017	30 Jun 2016	%
Profit before tax is arrived at after charging/(crediting) the following:						
Sundry income	(539)	(1,112)	(51.5)	(1,118)	(1,842)	(39.3)
Interest income	(144)	(151)	(4.6)	(296)	(312)	(5.1)
	(683)	(1,263)	(45.9)	(1,414)	(2,154)	(34.4)
Refurbishment expenses	9,559	9,732	(1.8)	16,790	24,107	(30.4)
Depreciation and amortisation						
- cost of goods sold	11,976	12,689	(5.6)	23,578	24,711	(4.6)
- selling and distribution expenses	926	787	17.7	1,850	1,745	6.0
- administrative expenses	2,372	2,412	(1.7)	4,754	5,005	(5.0)
	15,274	15,888	(3.9)	30,182	31,461	(4.1)
Research and development costs	9,886	10,325	(4.3)	21,805	20,222	7.8

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

UNAUDITED STATEMENTS OF FINANCIAL POSITION

(RMB'000)	Group		Company	
	30 Jun 2017	31 Dec 2016	30 Jun 2017	31 Dec 2016
NON-CURRENT ASSETS				
Property, plant and equipment	456,233	473,122	-	-
Land use rights	23,465	23,903	-	-
Deferred tax assets	15,952	15,952	-	-
Investments in subsidiaries	-	-	249,298	249,298
	495,650	512,977	249,298	249,298
CURRENT ASSETS				
Inventories, at cost	350,825	355,130	-	-
Trade receivables	294,035	275,167	-	-
Land use rights – current portion	878	878	-	-
Prepayments, deposits and other receivables	5,657	6,012	-	-
Due from a subsidiary	-	-	3,008,672	3,008,672
Bank and cash balances	19,149	89,670	60	60
	670,544	726,857	3,008,732	3,008,732
Total assets	1,166,194	1,239,834	3,258,030	3,258,030
EQUITY				
Issued capital	56,595	56,595	56,595	56,595
Share premium	2,978,708	2,978,708	2,978,708	2,978,708
Statutory reserve	125,518	125,518	-	-
Foreign currency translation reserve	(27,822)	(27,822)	43,125	43,125
Contributed surplus	31,494	31,494	31,494	31,494
Revaluation reserve	21,554	21,554	-	-
(Accumulated loss)/retained profits	(2,782,412)	(2,710,773)	80,948	82,458
	403,635	475,274	3,190,870	3,192,380
LIABILITIES				
Current liabilities				
Trade payables	475,660	490,719	-	-
Accruals and other payables	173,691	171,820	2,777	2,777
Amounts due to shareholders	64,383	62,873	64,383	62,873
Current tax liabilities	47,914	38,237	-	-
	761,648	763,649	67,160	65,650
NON-CURRENT LIABILITIES				
Deferred tax liabilities	911	911	-	-
Total liabilities	762,559	764,560	67,160	65,650
Total equity and liabilities	1,166,194	1,239,834	3,258,030	3,258,030

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

Amount repayable in one year or less, or on demand

	As at 30 Jun 2017		As at 31 Dec 2016	
	Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
Interest-bearing loans	-	-	-	-

The Group does not have any outstanding borrowings and debt securities as at 30 June 2017 and as at 31 December 2016.

Details of any collateral

Not applicable.

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

(RMB'000)	Group 3 months 30/6/17	Group 3 months 30/6/16	Group 6 months 30/6/17	Group 6 months 30/6/16
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax	(47,796)	(51,577)	(58,414)	(94,150)
Adjustments for:				
Depreciation and amortisation	15,274	15,888	30,182	31,461
Other interest expenses	49	58	90	88
Interest income	(144)	(151)	(296)	(312)
Operating loss before working capital changes	(32,617)	(35,782)	(28,438)	(62,913)
(Increase)/decrease in inventories	(5,535)	10,294	4,305	44,118
Decrease/(increase) in trade receivables	24,204	99,287	(18,868)	79,604
(Increase)/decrease in prepayments, deposits and other receivables	(871)	(6,665)	355	(1,038)
Decrease in trade payables	(4,527)	(60,508)	(15,059)	(79,527)
Increase/(decrease) in accruals and other payables	8,837	6,620	1,871	(10,009)
Increase in amounts due to shareholders	1,510	-	1,510	-
Cash (used in)/generated from operations	(8,999)	13,246	(54,324)	(29,765)
Income tax paid	(1,187)	(2,674)	(3,548)	(5,292)
Other interest paid	(49)	(58)	(90)	(88)
Net cash (used in)/generated from operating activities	(10,235)	10,514	(57,962)	(35,145)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of property, plant and equipment	(8,544)	(3,200)	(12,855)	(4,559)
Interest received	144	151	296	312
Net cash used in investing activities	(8,400)	(3,049)	(12,559)	(4,247)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(18,635)	7,465	(70,521)	(39,392)
Effect of foreign exchange rate changes	-	-	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	37,784	110,033	89,670	156,890
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	19,149	117,498	19,149	117,498
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS				
Bank and cash balances	19,149	117,498	19,149	117,498
Less: Fixed bank deposits over three months	-	-	-	-
Cash and cash equivalents	19,149	117,498	19,149	117,498

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.

UNAUDITED STATEMENTS OF CHANGES IN EQUITY – ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

(RMB'000)	Issued Capital	Share Premium	Statutory Reserve	Foreign currency translation Reserve	Contributed Surplus	Revaluation Reserve	Retained Profits	Total
Group – Current Period								
Balance as at 1/1/2017	56,595	2,978,708	125,518	(27,822)	31,494	21,554	(2,710,773)	475,274
Total comprehensive income for the financial period	-	-	-	-	-	-	(71,639)	(71,639)
Balance as at 30/6/2017	56,595	2,978,708	125,518	(27,822)	31,494	21,554	(2,782,412)	403,635
Group – Previous Period								
Balance as at 1/1/2016	56,595	2,978,708	125,518	(27,822)	31,494	21,554	(2,486,423)	699,624
Total comprehensive income for the financial period	-	-	-	-	-	-	(102,819)	(102,819)
Balance as at 30/6/2016	56,595	2,978,708	125,518	(27,822)	31,494	21,554	(2,589,242)	596,805
Company – Current Period								
Balance as at 1/1/2017	56,595	2,978,708	-	43,125	31,494	-	82,458	3,192,380
Total comprehensive income for the financial period	-	-	-	-	-	-	(1,510)	(1,510)
Balance as at 30/6/2017	56,595	2,978,708	-	43,125	31,494	-	80,948	3,190,870
Company – Previous Period								
Balance as at 1/1/2016	56,595	2,978,708	-	43,125	31,494	-	82,458	3,192,380
Total comprehensive income for the financial period	-	-	-	-	-	-	-	-
Balance as at 30/6/2016	56,595	2,978,708	-	43,125	31,494	-	82,458	3,192,380

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held 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 options granted and issue of shares pursuant to the Employee's share option scheme.
There were no shares that may be issued on conversion of all the outstanding convertibles.
There were no treasury shares and subsidiary holdings.

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 2017 and 31 December 2016, the share capital of the Company comprised 2,800,000,000 ordinary shares.

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

The Company does not have any treasury shares.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings 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.

These figures have neither been audited nor reviewed. Please also refer to the Cautionary Note above.

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 in the financial statements for the current reporting period as those of the audited financial statements for the financial year ended 31 December 2010 ("FY2010").

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 Group has adopted the applicable new/revised IFRS that are mandatory for annual period beginning on 1 January 2017. For the current reporting period ended 30 June 2017, the adoption of the applicable new/revised IFRS did not result in material changes to the Group's results.

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.

	3 months ended 30/6/17	3 months ended 30/6/16	6 months ended 30/6/17	6 months ended 30/6/16
Loss per share – basic (RMB cents)	(1.74) [2]	(1.96) [2]	(2.56) [1]	(3.67) [1]

Notes:

(1) Loss per ordinary share for 6 months ended 30 June 2017 and 30 June 2016 were calculated based on unaudited loss attributable to shareholders divided by weighted average number of 2,800,000,000 ordinary shares.

(2) Loss per ordinary share for 3 months ended 30 June 2017 and 30 June 2016 were calculated based on unaudited loss attributable to shareholders divided by weighted average number of 2,800,000,000 ordinary 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	**Group**	**Company**	**Company**
	30/6/17	**31/12/16**	**30/6/17**	**31/12/16**
Based on the issued capital at the end of the financial period/year (RMB cents)	14.42	16.97	113.96	114.01
Number of ordinary shares of HK$0.02 each in issue as at the end of the financial period/year in calculating net asset value	2,800,000,000	2,800,000,000	2,800,000,000	2,800,000,000

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

Review of the Group's Performance for 1H2017 as compared to the Group's Performance for 1H2016

Revenue

Revenue increased by RMB137.8 million or 21.7% from RMB633.5 million in 1H2016 to RMB771.3 million in 1H2017. The increase was mainly due to increased orders in sports footwear in 1H2017 as compared with 1H2016. Revenue decreased by RMB8.9 million or 2.9% from 310.2 million in 2Q2016 to RMB301.3 million in 2Q2017.

The size of retail network was 4,558 ERKE Points of Sale ("**ERKE POS**") as at 30 June 2017 (31 December 2016: 4,592).

Revenue by product segments

	6 months ended 30 Jun 2017		6 months ended 30 Jun 2016		Revenue growth
	RMB'000	**% of revenue**	**RMB'000**	**% of revenue**	%
Footwear	552,376	71.6	361,969	57.1	52.6
Apparel	210,729	27.3	260,783	41.2	(19.2)
Accessories	8,235	1.1	10,795	1.7	(23.7)
Total	771,340	100.0	633,547	100.0	21.7

Revenue from sports footwear increased by RMB190.4 million or 52.6% from RMB362.0 million in 1H2016 to RMB552.4 million in 1H2017 mainly due to increased order volumes by distributors.

Revenue from sports apparel decreased by RMB50.1 million or 19.2% from RMB260.8 million in 1H2016 to RMB210.7 million in 1H2017 mainly due to decreased order volumes by distributors.

Revenue from sports accessories decreased by RMB2.6 million or 24.1% from RMB10.8 million in 1H2016 to RMB8.2 million in 1H2017 due to decreased order volumes of a variety of bags, hats and socks by distributors.

Cost of goods sold and gross profit margin

Cost of goods sold increased by RMB115.4 million or 23.6% from RMB489.8 million in 1H2016 to RMB605.2 million in 1H2017. This was in line with the increase in revenue.

Gross profit increased by RMB22.4 million or 15.6% from RMB143.8 million in 1H2016 to RMB166.2 million in 1H2017. Gross profit margin decreased from 22.7% in 1H2016 to 21.5% in 1H2017. Gross profit in 1H2017 increased as compared to 1H2016 mainly due to higher revenue as a result of increase in order volumes of sports footwear by distributors, but partially offset by decrease in order volumes of sports apparel by distributors.

Operating expenses (Selling and distribution expenses and administrative expenses)

Operating expenses decreased by RMB14.1 million or 5.9% from RMB240.0 million in 1H2016 to RMB225.9 million in 1H2017. As a percentage of revenue, operating expenses has decreased from 37.9% in 1H2016 to 29.3% in 1H2017.

Selling and distribution expenses decreased by RMB4.5 million or 2.6% from RMB170.9 million in 1H2016 to RMB166.4 million in 1H2017. The major item contributing to the decrease was the advertising expenses which decreased from RMB107.5 million in 1H2016 to RMB107.4 million in 1H2017, and the refurbishment expenses which decreased from RMB24.1 million in 1H2016 to RMB16.8 million in 1H2017.

Advertising expenses include trade fairs, promotion campaigns, sponsorship activities, advertising on television, advertising on internet, advertising on print media such as billboards, sports magazines and newspapers.

Administrative expenses decreased by RMB9.6 million or 13.9% from RMB69.1 million in 1H2016 to RMB59.5 million in 1H2017. The Group has continued to exercise tight control over administrative expenses.

The major item of administrative expenses was research and development costs which increased by RMB1.6 million or 7.9% from RMB20.2 million in 1H2016 to RMB21.8 million in 1H2017 due to the higher staff costs and the costs of the materials used for R&D.

Income tax expense

The tax charge represents applicable PRC enterprise income tax provided for the period.

The applicable corporate income tax rate for the subsidiaries of the Group in the PRC is 25%.

Deferred tax assets represented temporary differences arising from advertising fees.

Profit attributable to shareholders

The Group recorded a loss before tax of some RMB58.4 million in 1H2017 as compared to a loss before tax of some RMB94.2 million in 1H2016 and a net loss attributable to shareholders of some RMB71.6 million in 1H2017 as compared to a net loss attributable to shareholders of some RMB102.8 million in 1H2016.

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

Review of the Group's Financial Position as at 30 June 2017 as compared to the Group's Financial Position as at 31 December 2016

Bank and cash balances of the Group decreased from RMB89.7 million as at 31 December 2016 to RMB19.1 million as at 30 June 2017.

The Group recorded a net cash outflow from operating activities of some RMB58.0 million for the period ended 30 June 2017. This was mainly due to the loss before tax of some RMB58.4 million, net increase in trade receivables of some RMB18.9 million, net decrease in trade payables of some RMB15.1 million and net decrease in inventories of some RMB4.3 million.

Carrying amount of PPE decreased by RMB16.9 million or 3.6% from RMB473.1 million as at 31 December 2016 to RMB456.2 million as at 30 June 2017. This was mainly due to the depreciation amounting to some RMB29.7 million in 1H2017 as offset by the acquisition of production machinery and office equipment of some RMB12.9 million in 1H2017.

Land use rights, including its current portion classified under current assets which will be amortised over the next 12 months, decreased by RMB0.4 million due mainly to amortisation charge for the period.

Deferred tax assets represented temporary differences arising from advertising fees.

Inventories decreased by some RMB4.3 million or 1.2% from RMB355.1 million as at 31 December 2016 to RMB350.8 million as at 30 June 2017.

Trade receivables increased by some RMB18.8 million or 6.8% from RMB275.2 million as at 31 December 2016 to RMB294.0 million as at 30 June 2017.

Trade payables decreased by RMB15.0 million or 3.1% from RMB490.7 million as at 31 December 2016 to RMB475.7 million as at 30 June 2017 due to settlement of outstanding trade debts in 1H2017.

Accruals and other payables increased by RMB1.9 million or 1.1% from RMB171.8 million as at 31 December 2016 to RMB173.7 million as at 30 June 2017.

The "Amount due to shareholders" represented amounts due to Mr Wu Rongguang and Mr Denis Wu.

Deferred tax liabilities represented temporary differences arising from revaluation of property, plant and equipment.

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

There is no variation between the prospect statement made in paragraph 10 of the Company's 1Q2017 Results and its actual 1H2017 Results.

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.

In view of the downturn of the China economy, the Group expects that it will continue to face challenges as market conditions are expected to remain highly competitive in the next 12 months. As a result, the Group has concerns over the reduced spending on discretionary purchases.

The Group will continue to exercise stringent cash control.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(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 had been declared or recommended for the period ended 30 June 2017.

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.

No IPT mandate has been obtained from shareholders for the period ended 30 June 2017.

14. Confirmation Pursuant to SGX Listing 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 of the Company which may render the above unaudited 1H2017 financial results to be materially false or misleading.

On behalf of the Board of Directors

Bernard Tay
Independent Director
14 August 2017

Alfred Cheong
Independent Director

15. Confirmation of Directors and Executive Officers' Undertakings Pursuant to SGX Listing Rule 720(1) of the Listing Manual

The Company has procured required undertakings to comply with the Exchange's listing rules from all the Independent Directors and Executive Officers of the Company.

BY ORDER OF THE BOARD

Charles Chan
Independent Director
14 August 2017