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TAN CHONG INTERNATIONAL LIMITED

陳唱國際有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 693)

**ANNOUNCEMENT OF FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2017 OF SUBSIDIARY
– ZERO CO., LTD.**

THIS IS NOT THE ANNOUNCEMENT OF THE FINANCIAL RESULTS OF TAN CHONG INTERNATIONAL LIMITED (THE "COMPANY"). THIS ANNOUNCEMENT IS MADE BY THE COMPANY PURSUANT TO PART XIVA OF THE SFO AND RULE 13.09(2)(a) OF THE LISTING RULES TO PROVIDE SHAREHOLDERS OF THE COMPANY WITH FINANCIAL INFORMATION ON A LISTED SUBSIDIARY OF THE COMPANY, ZERO, WHICH ON 10 AUGUST 2017 HAS FILED ITS FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2017.

This announcement is made pursuant to Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "**SFO**") and Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Zero Co., Ltd. ("**Zero**"), a non-wholly owned subsidiary of the Company, whose shares are listed on the Second Section of Tokyo Stock Exchange, Inc. ("**TSE**") has on 10 August 2017 filed an earning report with TSE which contains the financial results of Zero and its subsidiaries ("**Zero Group**") for year ended 30 June 2017, in accordance with the timely disclosure obligations applicable to a TSE Second Section listed company.

The financial results of Zero Group so filed and contained in the aforementioned earning report have been prepared in accordance with International Financial Reporting Standards.

Zero has filed its aforementioned earning report with TSE in Japanese only and such report is accessible at TSE's website (<http://www.tse.or.jp>). The Company has posted the English translation of the same earning report as an overseas regulatory announcement on the websites of The Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk>) and the Company (http://www.tanchong.com/en/investor_relations.aspx).

The summary of the consolidated financial statements of Zero Group for the year ended 30 June 2017 together with the comparative figures of the previous corresponding financial periods as filed are provided below:

**1. Consolidated Financial Results for the Fiscal Year Ended June 30, 2017
(From July 1, 2016 to June 30, 2017)**

(1) Consolidated operating results (cumulative)
Percentages indicate year-on-year changes

(Amounts less than one million yen are rounded down.)

	Sales revenue		Operating income		Profit before tax		Net income		Profit attributable to owners of parent company		Total comprehensive income of the Fiscal year	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended of June 30, 2017	79,134	1.7	5,630	4.4	5,568	1.4	3,455	Δ0.0	3,455	Δ0.0	3,893	28.7
Fiscal year ended of June 30, 2016	77,829	3.3	5,391	39.6	5,492	43.2	3,455	48.1	3,455	48.1	3,026	17.1

	Basic earnings per share	Diluted earnings per share	Equity profit ratio attributable to owners of parent company	Total assets rate of return before tax	Rate of returns of sales revenue and operating income
	Yen	Yen	%	%	%
Fiscal year ended June 30, 2017	207.69	207.29	18.0	15.1	7.1
Fiscal year ended June 30, 2016	207.57	207.17	20.7	15.8	6.9

(Remarks) Investment profit and loss on equity method Fiscal year ended of June 2017 Δ18 Million yen Fiscal year ended of June 2016 118 Million yen

(2) Consolidated financial position

	Total assets	Total capital	Equity attributable to owners of parent company	Equity ratio attributable to owners of parent company	Equity attributable to owners of parent company per stock
	Millions of yen	Millions of yen	Millions of yen	%	Yen
Fiscal year ended of June, 2017	38,007	20,672	20,661	54.4	1,248.04
Fiscal year ended of June, 2016	35,852	17,741	17,741	49.5	1,069.23

(3) Consolidated cash flow position

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended of June, 2017	3,391	Δ591	Δ2,623	8,101
Fiscal year ended of June, 2016	5,050	Δ512	Δ2,469	7,924

2. Cash dividends

	Annual dividends per share					Dividend total (Total)	Dividend payout ratio (Consolidated)	Equity dividend ratio attributable to owners of parent company(Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
Fiscal year ended of June, 2016	Yen ---	Yen 13.00	Yen ---	Yen 37.40	Yen 50.40	Millions of yen 854	% 24.3	% 5.1
Fiscal year ended of June, 2017	---	15.00	---	36.90	51.90	874	25.0	4.5
Fiscal year ending of June, 2018 (forecast)	---	15.00	---	35.00	50.00		25.0	

By the order of the Board
Tan Chong International Limited
Teo Siok Ghee
Liew Daphnie Pingyen
Joint Company Secretaries

Hong Kong, 10 August 2017

Website: <http://www.tanchong.com>

As at the date of this announcement, the executive Directors are Mr. Tan Eng Soon, Mr. Tan Kheng Leong, Mdm. Sng Chiew Huat and Mr. Glenn Tan Chun Hong. The non-executive Director is Mr. Joseph Ong Yong Loke. The independent non-executive Directors are Mr. Ng Kim Tuck, Mr. Azman Bin Badrillah, Mr. Prechaya Ebrahim and Mr. Teo Ek Kee.