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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 UNAUDITED FINANCIAL RESULTS FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 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 9 FEBRUARY 2018 HAS FILED ITS UNAUDITED FINANCIAL RESULTS FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 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 9 February 2018 filed an interim earning report with TSE which contains the unaudited financial results of Zero and its subsidiaries ("**Zero Group**") for the six-month period ended 31 December 2017, in accordance with the timely disclosure obligations applicable to a TSE Second Section listed company.

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

Zero has filed its aforementioned interim 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 interim 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 unaudited consolidated financial statements of Zero Group for the six-month period ended 31 December 2017 together with the comparative figures of the previous corresponding financial periods as filed are provided below:

**1. Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending June 30, 2018 (IFRS)
(From July 1, 2017 to December 31, 2017)**

(Amounts less than one million yen are rounded down)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes)

	Sales revenue		Operating income		Profit before tax		Quarterly income		Profit attributable to owners of parent company		Total comprehensive income of the quarter	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2Q FY2017	38,559	1.2	1,929	Δ28.0	1,923	Δ27.8	969	Δ39.2	972	Δ39.0	1,201	Δ25.6
2Q FY2016	38,088	Δ1.4	2,677	2.7	2,664	Δ0.2	1,595	Δ8.4	1,595	Δ8.4	1,615	Δ0.3

	Basic quarterly earnings per share	Diluted quarterly earnings per share
	Yen	Yen
2Q FY2017	58.59	58.51
2Q FY2016	95.83	95.73

(2) Consolidated financial position

	Total assets	Total capital	Equity attributable to owners of parent company	Equity ratio attributable to owners of parent company
	Millions of yen	Millions of yen	Millions of yen	%
2Q FY2017	38,123	21,295	21,285	55.8
FY2016	38,007	20,672	20,661	54.4

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2016	---	15.00	---	36.90	51.90
FY2017	---	15.00			
FY2017 (forecast)			---	35.00	50.00

(Note) Amendment from the most recently announced dividend forecast: None

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

Hong Kong, 9 February 2018

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

As at the date of this announcement, the executive Directors are Mr. Tan Eng Soon, Mr. Glenn Tan Chun Hong, Mr. Tan Kheng Leong and Mdm. Sng Chiew Huat. 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.