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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 2018 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 2018 HAS FILED ITS FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2018.**

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 2018 filed an earning report with TSE which contains the financial results of Zero and its subsidiaries ("**Zero Group**") for year ended 30 June 2018, 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](http://www.tanchong.com/en/investor_relations.aspx)).

The summary of the consolidated financial statements of Zero Group for the year ended 30 June 2018 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, 2018  
(From July 1, 2017 to June 30, 2018)**

(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                               | %     |
| FY 2017 | 81,376          | 2.8 | 4,116            | Δ26.9 | 4,094             | Δ26.5 | 2,112           | Δ38.8 | 2,129   | Δ38.4 | 2,254   | Δ42.1 |
| FY 2016 | 79,134          | 1.7 | 5,630            | 4.4   | 5,568             | Δ1.4  | 3,455           | Δ0.0  | 3,455   | Δ0.0  | 3,893   | 28.7  |

|         | Basic earnings of this year per share | Diluted earnings of this year per share | Profit ratio attributable to owners of parent company | Total capital profit ratio before tax | Sales revenue operating profit ratio |
|---------|---------------------------------------|---|---|---------------------------------------|--------------------------------------|
|         | Yen                                   | Yen                                     | %   | %                                     | %                                    |
| FY 2017 | 128.33                                | 128.18                                  | 10.0  | 10.7                                  | 5.1                                  |
| FY 2016 | 207.69                                | 207.29                                  | 18.0  | 15.1                                  | 7.1                                  |

(Remarks) Investment profit and loss through equity method FY2017: 7 Million yen

FY2016: Δ18 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 per share attributable to owners of parent company |
|---------|-----------------|-----------------|---|---|---|
|         | Millions of yen | Millions of yen | Millions of yen                                 | %   | Yen   |
| FY2017  | 38,290          | 22,119          | 22,108  | 57.7  | 1,332.15  |
| FY 2016 | 38,007          | 20,672          | 20,661  | 54.4  | 1,248.04  |

(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                          |
| FY2017 | 3,051                                | Δ2,890                               | Δ2,953                               | 5,273                                    |
| FY2016 | 3,391                                | Δ591                                 | Δ2,623                               | 8,101                                    |

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     |                        |                                      |   |
| FY2016             | Yen ---                    | Yen 15.00       | Yen ---         | Yen 36.90       | Yen 51.90 | Million yen 874        | % 25.0                               | % 4.5   |
| FY2017             | ---                        | 15.00           | ---             | 17.10           | 32.10     | 541                    | 25.0                                 | 2.5   |
| FY 2018 (forecast) | ---                        | 15.00           | ---             | 18.10           | 33.10     |                        | ---                                  |   |

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

Hong Kong, 10 August 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.