

CONFIDENTIAL

HUP SENG INDUSTRIES BERHAD (226098-P)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS**Condensed Consolidated Statement of Comprehensive Income****For the period ended 30 June 2017****The figures have not been audited**

	Note	<u>2017</u> CURRENT QUARTER ENDED 30 June RM'000	<u>2016</u> CURRENT QUARTER ENDED 30 June RM'000	<u>2017</u> 6 MONTHS CUMULATIVE TO DATE RM'000	<u>2016</u> 6 MONTHS CUMULATIVE TO DATE RM'000
Revenue		69,250	65,853	143,104	138,260
Cost of sales		(43,665)	(39,425)	(88,799)	(80,878)
Gross profit		25,585	26,428	54,305	57,382
Other income		1,012	1,041	2,280	2,243
Administrative expenses		(5,146)	(5,270)	(10,227)	(10,593)
Selling and marketing expenses		(9,242)	(8,208)	(18,638)	(16,840)
Operating profit		12,209	13,991	27,720	32,192
Finance cost		-	-	-	-
Profit before tax	10	12,209	13,991	27,720	32,192
Income tax expense	23	(3,188)	(3,561)	(7,120)	(8,167)
Profit for the period		9,021	10,430	20,600	24,025
Total comprehensive income for the period, net of tax		9,021	10,430	20,600	24,025
Profit attributable to :					
Owners of the Parent		9,021	10,430	20,600	24,025
Total Comprehensive Income for the period, net of tax attributable to :					
Owners of the Parent		9,021	10,430	20,600	24,025
Earnings per share attributable to Owners of the Parent (sen) :					
-Basic	33(a)	1.13	1.30	2.58	3.00
-Diluted	33(b)	1.13	1.30	2.58	3.00

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements)

<u>Additional information</u>					
<i>Proposed/Declared</i>					
<i>Net dividends per share (sen)</i>		<i>2.00</i>	<i>2.00</i>	<i>2.00</i>	<i>2.00</i>
<i>Net assets per share (RM)</i>		<i>0.21</i>	<i>0.22</i>	<i>0.21</i>	<i>0.22</i>
<i>Gross interest income</i>		<i>800</i>	<i>873</i>	<i>1,718</i>	<i>1,784</i>
<i>Gross interest expenses</i>		<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>

HUP SENG INDUSTRIES BERHAD (226098-P)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS**Condensed Consolidated Statement of Financial Position****As at 30 June 2017****The figures have not been audited**

	Note	As at 30/06/2017 RM'000	As at 31/12/2016 RM'000
<u>ASSETS:</u>			
Non-current assets:			
Property, Plant and Equipment		76,677	77,086
Investment property		211	213
Deferred tax assets		46	55
<i>Sub total</i>		76,934	77,354
Current assets:			
Inventories		28,428	22,780
Trade and other receivables	11	30,426	38,720
Prepayments		829	798
Tax recoverable		50	-
Cash and cash equivalents	12	91,455	105,694
<i>Sub total</i>		151,188	167,992
TOTAL ASSETS		228,122	245,346
<u>EQUITY AND LIABILITIES:</u>			
Equity attributable to			
Owners of the Company :			
Share capital		80,000	80,000
Retained earnings		91,671	103,071
TOTAL EQUITY	<i>Sub total</i>	171,671	183,071
Non-current liabilities :			
Deferred tax liabilities		6,803	6,959
<i>Sub total</i>		6,803	6,959
Current liabilities:			
Trade and other payables		42,575	49,700
Income tax payable		7,073	5,616
<i>Sub total</i>		49,648	55,316
TOTAL LIABILITIES		56,451	62,275
TOTAL EQUITY AND LIABILITIES		228,122	245,346

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements)

<i>Net assets per share (RM)</i>	0.21	0.23
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HUP SENG INDUSTRIES BERHAD (226098-P)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS**Condensed Consolidated Statement of Changes in Equity****The figures have not been audited****For the period ended 30 June 2017**

	Attributable to owners of the parent		
	Non-distributable	Distributable	Total
	Share capital RM'000	Retained earnings RM'000	
Opening balance at 1 January 2017	80,000	103,071	183,071
Total comprehensive income for the period	-	20,600	20,600
Transaction with the owners			
Dividends on ordinary shares	-	(32,000)	(32,000)
Total transaction with the owners	-	(32,000)	(32,000)
Closing balance at 30 June 2017	80,000	91,671	171,671

For the corresponding period ended 30 June 2016

	Attributable to owners of the parent		
	Non-distributable	Distributable	Total
	Share capital RM'000	Retained earnings RM'000	
Opening balance at 1 January 2016	80,000	85,665	165,665
Total comprehensive income for the period	-	24,025	24,025
Transaction with the owners			
Dividends on ordinary shares	-	(16,000)	(16,000)
Total transaction with the owners	-	(16,000)	(16,000)
Closing balance at 30 June 2016	80,000	93,690	173,690

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements)

HUP SENG INDUSTRIES BERHAD (226098-P)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS**Condensed Consolidated Statement of Cash Flows****For the period ended 30 June 2017****The figures have not been audited**

	Note	2017 6 months ended 30/06/2017 RM'000	2016 6 months ended 30/06/2016 RM'000
Cash flows from operating activities:			
Profit before tax		27,720	32,192
Adjustments for:			
Allowance for doubtful debts		32	25
Bad debts written off		7	3
Depreciation of property, plant and equipment		2,868	2,651
(Gain)/loss on disposal of property, plant and equipment		(79)	19
Interest income		(1,718)	(1,784)
Inventories written off		48	20
Property, plant and equipment written off		19	4
Total adjustments		1,177	938
Operating profit before changes in working capital		28,897	33,130
Changes in working capital			
Increase in inventories		(5,696)	(2,544)
Decrease in trade and other receivables		8,255	7,073
Increase in prepayments		(31)	(17,741)
Decrease in trade and other payables		(7,125)	(8,690)
Total changes in working capital		(4,597)	(21,902)
Cash flows from operations		24,300	11,228
Taxes paid		(5,860)	(7,062)
Net cash flows from operating activities		18,440	4,166
Cash flows from investing activities			
(Placement)/withdrawal of deposits for more than 3 months with licensed bank		(3,070)	5,139
Interest received		1,718	1,784
Proceeds from disposal of property, plant and equipment		199	41
Purchase of property, plant and equipment		(2,596)	(1,423)
Net cash (used in)/from investing activities		(3,749)	5,541
Cash flows from financing activities			
Dividends paid on ordinary shares		(32,000)	(32,000)
Net cash used in financing activities		(32,000)	(32,000)
Net decrease in cash and cash equivalents		(17,309)	(22,293)
Cash and cash equivalents at beginning of financial year		98,067	109,323
Cash and cash equivalents at end of financial period	12	80,758	87,030

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements)

Part A: Explanatory notes pursuant to MFRS 134
For the period ended 30 June 2017

1. Corporate information

Hup Seng Industries Berhad is a public limited liability company incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

2. Basis of Preparation

These condensed consolidated interim financial statements, for the period ended 30 June 2017, have been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the Group's annual audited financial statements for the year ended 31 December 2016. The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2016.

3. Significant accounting policies

The significant accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual financial statements for the year ended 31 December 2016 except for the adoption of the following which are applicable to the financial statements and are relevant to the operations:

(i) Adoption of standards and interpretations

	Effective for annual periods beginning <u>on or after</u>
Amendments to MFRS 107: Disclosure Initiative	1 January 2017
Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to MFRS 12: Disclosure of Interests in Other Entities	1 January 2017

The adoption of the above standards and interpretations does not have significant financial impact to the Group's consolidated financial statements for the current quarter.

(ii) Standards and interpretations issued but not yet effective

At the date of authorisation of these interim financial statements, the followings standards and interpretations were issued but not yet effective and have not been applied by the Group:

Part A: Explanatory notes pursuant to MFRS 134
For the period ended 30 June 2017

	Effective for annual periods beginning <u>on or after</u>
Annual Improvements to MFRSs 2014-2016 Cycle	1 January 2018
Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4: Insurance Contracts	1 January 2018
Amendments to MFRS 140: Transfers of Investment Property	1 January 2018
MFRS 2: Classification and Measurement of Share-based Payment Transactions (Amendments to MFRS 2)	1 January 2018
MFRS15 Revenue from Contracts with Customers	1 January 2018
MFRS 9 Financial Instruments	1 January 2018
IC Interpretation 22: Foreign Currency Transactions and Advance Consideration	1 January 2018
MFRS 16 Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

4. Comments about seasonal or cyclical factors

The Group's business operations are normally affected by seasonal factors occurring in certain periods of the financial year, such as Hari Raya Puasa, Chinese New Year, etc.

5. Unusual Items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows for the cumulative financial period ended 30 June 2017.

6. Changes in estimates

There were no changes in estimates that have had a material effect in the current quarter results.

7. Capital management, debt and equity securities

The Group's objectives of managing capital are to safeguard the Group's ability to continue in operations as a going concern in order to provide fair returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain the optimal capital structure, the Group may, from time to time, adjust the dividend payout to shareholders, return capital to shareholders and issue new shares, where necessary. For capital management purposes, the Group considers shareholders' equity and total liabilities to be the key components in the Group's capital structure. The Group monitors capital on the basis of the gearing ratio. The ratio is calculated as the total liabilities to total equity. Total equity is the sum of total equity attributable to shareholders. The gearing ratio as at 30 June 2017 and 31 December 2016, which are within the Group's objectives for capital management, are as follows:

Part A: Explanatory notes pursuant to MFRS 134
For the period ended 30 June 2017

	As at 30.06.2017 <u>RM'000</u>	As at 31.12.2016 <u>RM'000</u>
Total liabilities	56,451	62,275
Total equity	171,671	183,071
Total capital	80,000	80,000
Gearing ratio	33%	34%

The decrease in the gearing ratio is mainly due to the decrease in trade and other payables.

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the financial period to date.

8. Dividends

	<u>Date of payment</u>	<u>Cumulative to date 30.06.2017 RM'000</u>
Dividend paid on per ordinary share:		
-Interim dividend of 2 sen per share (single-tier) and a special dividend of 2 sen per share (single-tier) for 2016 declared on 2 March 2017	10.04.2017	<u>32,000</u>

9. Operating Segments

For management purposes, the Group is organised into business units based on their products and services, and has three reportable operating segments as follows:

- I. The biscuit manufacturing segment is in the business of manufacture and sales of biscuits.
- II. The beverage manufacturing segment is in the business of manufacture and wholesale of coffee mix and all kinds of foodstuff.
- III. The trading division segment is in the business of sales and distribution of biscuits, confectionery and other foodstuff.

Quarter ended 30.06.2017	Biscuit manufacturing division RM'000	Beverage manufacturing division RM'000	Trading division RM'000	Total RM'000
Revenue *	51,043	2,112	47,531	100,686
Profit for reportable segments	7,280	19	5,527	12,826
6 months cumulative to date				
Revenue *	105,037	4,072	100,360	209,469
Profit for reportable segments	16,028	102	12,858	28,988

Part A: Explanatory notes pursuant to MFRS 134
For the period ended 30 June 2017

Reconciliation of profit or loss

Profit or loss for the financial period ended 30.06.2017	Quarter ended RM'000	Cumulative to date RM'000
Total profit for reportable segments	12,826	28,988
Profit from inter-segment sales	41	36
Other income	219	389
Unallocated expenses	(877)	(1,693)
Profit before tax	12,209	27,720

* Revenue reported above represents revenue generated from the reportable segments. Inter-segment sales for the current quarter and 6 months cumulative to date are RM31,436,000 and RM66,365,000 respectively.

10. Profit before tax

Included in the profit before tax are the following items:

	Quarter ended		Cumulative to date	
	30.06.2017 RM'000	30.06.2016 RM'000	30.06.2017 RM'000	30.06.2016 RM'000
Interest income	(800)	(873)	(1,718)	(1,784)
Rental income	(5)	(5)	(10)	(10)
Reversal of impairment losses on trade receivable (Note 11)	(4)	(3)	(5)	(11)
Allowance for doubtful debts (Note 11)	17	7	32	25
Bad debts written off	7	2	7	3
Depreciation of property, plant and equipment	1,429	1,328	2,868	2,651
Loss/(gain) on disposal of property, plant and equipment	2	19	(79)	19
Inventories written off	14	10	48	20
Property, plant and equipment written off	9	2	19	4
Realised exchange loss	154	149	268	372

11. Trade and other receivables

	As at	
	30.06.2017 RM'000	31.12.2016 RM'000
Current		
Trade receivables		
Third parties	30,035	38,196
Less: Allowance for doubtful debts	(244)	(224)
Trade receivables, net	29,791	37,972
Other receivables	635	748
Total trade and other receivables	30,426	38,720

Part A: Explanatory notes pursuant to MFRS 134
For the period ended 30 June 2017

Trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	As at	
	30.06.2017	31.12.2016
	RM'000	RM'000
Neither past due nor impaired	19,878	28,977
1 to 30 days past due not impaired	7,955	7,779
31 to 60 days past due not impaired	1,480	977
61 to 90 days past due not impaired	305	154
91 to 120 days past due not impaired	86	53
More than 121 days past due not impaired	87	32
	9,913	8,995
Impaired	244	224
	<u>30,035</u>	<u>38,196</u>

Receivables that are impaired

Movement in allowance accounts (individually impaired):

At 1 January	224	232
Charge for the period/year (Note 10)	32	53
Written off	(7)	(39)
Reversal of impairment losses (Note 10)	(5)	(22)
	<u>244</u>	<u>224</u>

12. Cash and bank balances

Cash and bank balances comprised the following amounts:

	As at	
	30.06.2017	31.12.2016
	RM'000	RM'000
Cash and bank balances	12,118	6,737
Short-term deposits with licensed banks	68,640	91,330
Cash and cash equivalents	80,758	98,067
Short-term deposits of more than 3 months with licensed banks	10,697	7,627
	<u>91,455</u>	<u>105,694</u>

13. Foreign exchange exposure

The Group's exposures to foreign currency are as follows:

	As at	
	30.06.2017	31.12.2016
	RM'000	RM'000
Trade and other receivable		
USD	1,382	2,663
SGD	2,412	2,454
	<u>2,412</u>	<u>2,454</u>

The Group does not engage in any formal hedging activities.

Part A: Explanatory notes pursuant to MFRS 134
For the period ended 30 June 2017

14. Events after the reporting period

There were no material events subsequent to the end of the current quarter.

15. Changes in composition of the Group

There were no changes in the composition of the Group for the current quarter and financial period to date.

16. Changes in contingent liabilities and contingent assets

The Group has no contingent liabilities or contingent assets since the last annual date of the statement of financial position as at 31 December 2016.

17. Capital commitments

Authorized capital commitments not recognised in the interim financial statements as at 30 June 2017 are as follows:

	RM'000
Contracted but not provided for:	
Purchase plant and equipment	<u>307</u>

18. Related party transactions

	Current quarter ended 30.06.2017 <u>RM</u>	6 months cumulative to date 30.06.2017 <u>RM</u>
Rental of premises payable to:		
-Hup Seng Brothers Holdings Sdn. Bhd. #	<u>30,000</u>	<u>60,000</u>

Note: Certain directors of the Group are also directors and shareholders of Hup Seng Brothers Holdings Sdn. Bhd.

The Directors are of the opinion that the above transactions have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

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Part B: Explanatory notes pursuant to Main Market Listing Requirements of
Bursa Malaysia Securities Berhad
For the period ended 30 June 2017

19. Performance review

Financial review for current quarter and financial year to date

	3 months Quarter ended		Changes		6 months cumulative to date		Changes	
	30.06.2017 RM'000	30.06.2016 RM'000	Amount RM'000	%	30.06.2017 RM'000	30.06.2016 RM'000	Amount RM'000	%
Revenue	69,250	65,853	3,397	5	143,104	138,260	4,844	4
Operating profit	12,209	13,991	(1,782)	(13)	27,720	32,192	(4,472)	(14)
Profit before interest and tax	12,209	13,991	(1,782)	(13)	27,720	32,192	(4,472)	(14)
Profit before tax	12,209	13,991	(1,782)	(13)	27,720	32,192	(4,472)	(14)
Profit after tax	9,021	10,430	(1,409)	(14)	20,600	24,025	(3,425)	(14)
Profit attributable to: Owners of the Parent	9,021	10,430	(1,409)	(14)	20,600	24,025	(3,425)	(14)

The Group's revenue for the current quarter ended 30 June 2017 has increased by 5% to RM69,250,000 from RM65,853,000 in the quarter ended 30 June 2016 mainly due to strong export sales which grew by 23%. Other than the significant existing markets, the development of new market such as China over the past has also started to bear fruits contributing to the pleasant growth.

The Group registered a profit before tax of RM12,209,000 as compared to a profit before tax of RM13,991,000 in the preceding corresponding quarter, a decrease of about 13%. The result for the current quarter was adversely affected by higher material costs.

The Group's revenue for the six months ended 30 June 2017 has increased by 4% to RM143,104,000 from RM138,260,000 as compared with the preceding year corresponding period. Domestic sales registered a drop of 2% or about RM2 million mainly due to some problem in East Malaysia market. However, this decline was more than offset by a 20% growth in export sales or RM7 million propelled by higher demand from existing distributors due to concerted effort of promotion activities as well as contribution from a new distributor in China whom the Group nurtured since 2016.

The profit before tax, on the other hand, has decreased to RM27,720,000 when compared with the preceding year corresponding period of RM32,192,000. The overall rise in raw material prices during the first half of the year depressed the profit performance.

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Part B: Explanatory notes pursuant to Main Market Listing Requirements of
Bursa Malaysia Securities Berhad
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20. Comment of material change in profit before taxation

Financial review for current quarter compared with immediate preceding quarter

	Current quarter	Immediate preceding quarter	Changes	
	30.06.2017 RM'000	31.03.2017 RM'000	Amount RM'000	%
Revenue	69,250	73,854	(4,604)	(6)
Operating profit	12,209	15,511	(3,302)	(21)
Profit before interest interest and tax	12,209	15,511	(3,302)	(21)
Profit before tax	12,209	15,511	(3,302)	(21)
Profit after tax	9,021	11,579	(2,558)	(22)
Profit attributable to: Owners of the Parent	9,021	11,579	(2,558)	(22)

Group's revenue has decreased 6% to RM69,250,000 in the current quarter ended 30 June 2017 as compared to RM73,854,000 in the preceding quarter mainly due to slower off takes as a result of Hari Raya Puasa during the quarter.

Profit before tax has decreased by about 21% to RM12,209,000 as compared to RM15,511,000 in the preceding quarter mainly due to weaker domestic demand during the current quarter.

21. Commentary of prospects

In view of the weak local market sentiments and the rising raw materials cost coupled with volatility of Malaysian Ringgit, the Group expects the operating environment will be tougher in the forthcoming quarter. Nevertheless, the Group will continue its efforts to enhance operating efficiency programmes to mitigate as much as possible the impact of higher input costs. The Group will continue to focus in improving the Group's performance by innovating products portfolio, broadening the distributor network to safeguard the Group's revenue and profitability.

22. Profit forecast or profit guarantee

The disclosure requirements for explanatory notes for the variance of actual profit after tax and non-controlling interest and forecast profit after tax and non-controlling interest and for the shortfall in profit guarantee are not applicable.

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Part B: Explanatory notes pursuant to Main Market Listing Requirements of
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For the period ended 30 June 2017

23. Income tax expense

	3 months		6 months	
	Quarter ended		cumulative to date	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
	RM'000	RM'000	RM'000	RM'000
Current income tax :				
-Malaysia income tax	3,166	3,507	7,268	8,217
-Deferred taxation	22	54	(148)	(50)
	<u>3,188</u>	<u>3,561</u>	<u>7,120</u>	<u>8,167</u>

Major components of tax expenses

	Current	6 months
	Quarter end	cumulative
	30.06.2017	to date
	RM'000	RM'000
Current tax expense	3,166	7,268
Deferred tax expense	22	(148)
	<u>3,188</u>	<u>7,120</u>
Profit before taxation	12,209	27,720
Taxation at the Malaysian statutory tax rate of 24%	2,930	6,653
Adjustments:		
-Non-deductible expenses	264	487
-Expenses with double deduction	(6)	(20)
Income tax expense	<u>3,188</u>	<u>7,120</u>
Effective tax rate	26.1%	25.7%

24. Sale of unquoted investments and properties

There were no sale of unquoted investments and properties for the current quarter and financial year to date.

25. Quoted securities

There were no purchase and sale of quoted securities for the current quarter and financial year to date.

26. Corporate proposals

There were no corporate proposals announced but not completed not earlier than seven (7) days from 15 August 2017.

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Part B: Explanatory notes pursuant to Main Market Listing Requirements of
Bursa Malaysia Securities Berhad
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27. Borrowings and debt securities

There were no group borrowings and debt securities as at the end of the reporting period.

28. Derivative financial instruments

As at the reporting date of 30 June 2017, the Group has no outstanding derivative financial instruments.

29. Gains / Losses arising from fair value changes of financial liabilities

There are no gains/losses arising from fair value changes of any financial liabilities.

30. Breakdown of realised and unrealised profit or losses of the Group

	At end of current quarter 30.06.2017 <u>RM'000</u>	At end of current quarter 31.03.2017 <u>RM'000</u>
Total retained profits		
Realised	140,177	131,165
Unrealised	2,015	2,038
	<hr/>	<hr/>
	142,192	133,203
Less: Consolidation adjustments	(50,521)	(50,553)
Retained profits as per statement of financial position	<hr/>	<hr/>
	91,671	82,650

31. Changes in material litigation

There were no material litigation not earlier than seven (7) days from 15 August 2017.

32. Dividend payable

Other than as disclosed in Note 8 above, the Board of Directors recommends the payment of an interim single-tier dividend of 2 sen per ordinary share in respect of the year ending 31 December 2017 for the financial quarter under review. The entitlement date will be announced in due course.

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Part B: Explanatory notes pursuant to Main Market Listing Requirements of
Bursa Malaysia Securities Berhad
For the period ended 30 June 2017

33. Earnings per share

Basic earnings per share is calculated by dividing the profit for the period by the weighted average number of ordinary shares in issue during the period.

	3 months Quarter ended		6 months Quarter ended	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
(a) Basic				
Profit for the period (RM'000)	9,021	10,430	20,600	24,025
Weighted average number of ordinary share for earnings per share ('000)	800,000	800,000	800,000	800,000
Basic earnings per share (sen)	1.13	1.30	2.58	3.00
(b) Diluted				
Diluted earnings per share (sen)	1.13	1.30	2.58	3.00

34. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2016 was not qualified.

35. Authorization for Issue

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the directors on 15 August 2017.