



(Company Registration No. 200100075E)

## Unaudited Half-Year Financial Statements and Dividend Announcement for the Financial Period Ended 30 June 2014

### PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENT

1(a) A Statement of Comprehensive Income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

The Group	Six Months Period Ended		Increase/ (Decrease) %
	30-Jun-14 S\$ '000	30-Jun-13 S\$ '000	
Revenue	8,126	2,882	182.0
Cost of construction	(5,287)	(1,509)	250.4
<b>Gross profit</b>	<b>2,839</b>	<b>1,373</b>	<b>106.8</b>
Other income	52	146	(64.4)
Selling and distribution expenses	(72)	(50)	44.0
Administrative expenses	(1,486)	(1,290)	15.2
Other operating expenses	(40)	(27)	48.1
Finance expenses	(1)	(1)	0.0
<b>Profit before income tax</b>	<b>1,292</b>	<b>151</b>	
Income tax expense	(89)	(25)	
<b>Net profit</b>	<b>1,203</b>	<b>126</b>	
<b>Other comprehensive income:</b>			
Available-for-sale financial assets			
- Fair value (losses)/gains	(5)	16	
<b>Other comprehensive income, net of tax</b>	<b>(5)</b>	<b>16</b>	
<b>Total comprehensive income</b>	<b>1,198</b>	<b>142</b>	
<b>Profit attributable to :</b>			
Equity holders of the Company	1,203	126	
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Company	1,198	142	
<b>Earnings per share (cents)</b>			
Basic	0.63	0.07	
Diluted	0.61	0.06	

Profit before income tax is arrived at after charging / (crediting) the following items:

The Group	Six Months Period Ended	
	30-Jun-14 S\$ '000	30-Jun-13 S\$ '000
Interest income	(39)	(30)
Net gain on disposal of available-for-sale financial assets	-	(20)
Interest expense – Finance lease	1	1
Depreciation of property, plant and equipment	47	65

**The Group**

	Six Months Period Ended	
	30-Jun-14	30-Jun-13
	S\$ '000	S\$ '000
Allowance for impairment of trade receivables	17	-
Loss on disposal of property, plant and equipment	3	-
Insurance claim for stolen construction materials	-	85

**1(b)(i) A statement of financial position (for the Issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.**

	Group		Company	
	30-Jun-14	31-Dec-13	30-Jun-14	31-Dec-13
	S\$ '000	S\$ '000	S\$ '000	S\$ '000
<b>ASSETS</b>				
<b>Non-current Assets</b>				
Property, plant and equipment	179	229	41	61
Investment in subsidiaries	-	-	26,350	26,350
Available-for-sale financial assets	73	78	-	-
	252	307	26,391	26,411
<b>Current Assets</b>				
Inventories	-	2	-	-
Trade and other receivables	5,676	9,330	291	835
Cash and cash equivalents	13,578	11,237	2,394	2,335
	19,254	20,569	2,685	3,170
<b>Total Assets</b>	<b>19,506</b>	<b>20,876</b>	<b>29,076</b>	<b>29,581</b>
<b>LIABILITIES</b>				
<b>Non-current Liabilities</b>				
Finance lease liabilities	-	12	-	12
<b>Current Liabilities</b>				
Trade and other payables	2,567	4,898	148	366
Finance lease liabilities	23	22	23	22
Current income tax liabilities	131	73	-	-
	2,721	4,993	171	388
<b>Total Liabilities</b>	<b>2,721</b>	<b>5,005</b>	<b>171</b>	<b>400</b>
<b>Net Assets</b>	<b>16,785</b>	<b>15,871</b>	<b>28,905</b>	<b>29,181</b>
<b>EQUITY</b>				
Share capital	4,169	4,169	39,764	39,764
Other reserves	(101)	(98)	114	112
Retained profits /(accumulated losses)	12,717	11,800	(10,973)	(10,695)
<b>Total Equity</b>	<b>16,785</b>	<b>15,871</b>	<b>28,905</b>	<b>29,181</b>

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

Amount repayable in one year or less, or on demand				Amount repayable after one year			
As at 30-Jun-14		As at 31-Dec-13		As at 30-Jun-14		As at 31-Dec-13	
S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000	S\$ '000
Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
23	-	22	-	-	-	12	-

Certain property, plant and equipment with an aggregate carrying amount of approximately S\$ 41,000 (31 Dec 2013: S\$61,000) are pledged under existing finance lease agreement.

**1(c) A Statement of Cash Flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

<b>The Group</b>	<b>Six Months Period Ended</b>	
	<b>30-Jun-14</b> <b>S\$'000</b>	<b>30-Jun-13</b> <b>S\$'000</b>
<b>Cash flows from operating activities</b>		
Net profit	1,203	126
Adjustments for:		
Income tax expense	89	25
Depreciation of property, plant and equipment	47	65
Loss on disposal of property, plant and equipment	3	-
Allowance for impairment of trade receivables	17	-
Interest expense	1	1
Interest income	(39)	(30)
Net gain on disposal of available-for-sale financial assets	-	(20)
Employee share option expense	2	28
<b>Operating profit before working capital changes</b>	<b>1,323</b>	<b>195</b>
<b>Change in working capital:</b>		
Inventories	2	-
Trade and other receivables	3,624	(896)
Trade and other payables	(2,331)	(610)
<b>Cash generated from/(used in) operations</b>	<b>2,618</b>	<b>(1,311)</b>
Income tax paid	(31)	(42)
<b>Net cash provided by/(used in) operating activities</b>	<b>2,587</b>	<b>(1,353)</b>
<b>Cash flows from investing activities</b>		
Additions to property, plant & equipment	-	(92)
Purchase of available-for-sale financial assets	-	(60)
Proceeds from disposal of available-for-sale financial assets	-	209
Interest received	52	81
<b>Net cash provided by investing activities</b>	<b>52</b>	<b>138</b>
<b>Cash flows from financing activities</b>		
Repayment of finance lease liabilities	(11)	(10)
Interest paid	(1)	(1)
Dividends paid to equity holders of the Company	(286)	-
<b>Net cash used in financing activities</b>	<b>(298)</b>	<b>(11)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>2,341</b>	<b>(1,226)</b>
Cash and cash equivalents at beginning of the period	10,544	11,812
<b>Cash and cash equivalents at end of the period</b>	<b>12,885</b>	<b>10,586</b>

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

<b>The Group</b>	<b>Six Months As At</b>	
	<b>30-Jun-14</b> <b>S\$'000</b>	<b>30-Jun-13</b> <b>S\$'000</b>
Short-term fixed deposits	8,314	7,354
Cash and bank balances	5,264	3,918
	13,578	11,272
Less: Fixed deposits pledged to banks	(693)	(686)
	<b>12,885</b>	<b>10,586</b>



**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.**

<b><u>The Group</u></b>	<b>Attributable to equity holders of the Company</b>			
	<b>Share Capital</b>	<b>Other Reserves</b>	<b>Retained Profits</b>	<b>Total Equity</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>At 1 January 2014</b>	4,169	(98)	11,800	15,871
Total comprehensive income for the period	-	(5)	1,203	1,198
Dividend relating to 2013 paid	-	-	(286)	(286)
Employee Share Option Scheme				
- Value of employee services	-	2	-	2
<b>At 30 June 2014</b>	<b>4,169</b>	<b>(101)</b>	<b>12,717</b>	<b>16,785</b>
<b>At 1 January 2013</b>	4,169	(131)	10,830	14,868
Total comprehensive income for the period	-	16	126	142
Employee Share Option Scheme				
- Value of employee services	-	28	-	28
<b>At 30 June 2013</b>	<b>4,169</b>	<b>(87)</b>	<b>10,956</b>	<b>15,038</b>

<b><u>The Company</u></b>	<b>Share Capital</b>	<b>Other Reserves</b>	<b>Accumulated Losses</b>	<b>Total Equity</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>At 1 January 2014</b>	39,764	112	(10,695)	29,181
Total comprehensive income for the period	-	-	8	8
Dividend relating to 2013 paid	-	-	(286)	(286)
Employee share option scheme				
- Value of employee services	-	2	-	2
<b>At 30 June 2014</b>	<b>39,764</b>	<b>114</b>	<b>(10,973)</b>	<b>28,905</b>
<b>At 1 January 2013</b>	39,764	59	(10,996)	28,827
Total comprehensive income for the period	-	-	(12)	(12)
Employee share option scheme				
- Value of employee services	-	28	-	28
<b>At 30 June 2013</b>	<b>39,764</b>	<b>87</b>	<b>(11,008)</b>	<b>28,843</b>

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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, 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.

Ordinary Shares

	<u>Number of shares</u>	<u>Share capital</u>
Ordinary shares (excluding treasury shares) as 31 December 2013 and 30 June 2014	191,058,497	S\$ 39,763,742

There was no change in the Company's share capital from 1 January 2014 to 30 June 2014.

Options

The number of unissued ordinary shares of the Company under share options in relation to the Koyo International Employee Share Option Scheme ("ESOS") and Koyo International Employee Share Option Scheme 2011 ("KSOS") outstanding as at 30 June 2014 are as follows:

Type of employee share options	Date of grant	No. of unissued ordinary shares				Exercise price per share	Exercise period
		Balance as at 1 January 2014	Granted	Lapsed	Balance as at 30 June 2014		
<u>As at 30 June 2014</u>							
2004 ESOS II - Market Price Options*	Jun 2004	15,750	-	(15,750)	-	-	Expired on 21 June 2014
2004 ESOS II - Incentive Options*	Jun 2004	15,750	-	(15,750)	-	-	Expired on 21 June 2014
2011 Options - KSOS	Dec 2011	5,165,000	-	-	5,165,000	S\$0.04	15.12.13 - 14.12.16
2013 Options - KSOS	Jan 2013	400,000	-	-	400,000	S\$0.053	23.01.15 – 22.01.18
		5,596,500	-	(31,500)	5,565,000		
<u>As at 30 June 2013</u>							
2004 ESOS II - Market Price Options*	Jun 2004	15,750	-	-	15,750	S\$1.08	21.06.05 – 21.06.14
2004 ESOS II - Incentive Options*	Jun 2004	15,750	-	-	15,750	S\$0.92	21.06.06 – 21.06.14
2011 Options - KSOS	Dec 2011	5,165,000	-	-	5,165,000	S\$0.04	15.12.13 - 14.12.16
2013 Options - KSOS	Jan 2013	-	400,000	-	400,000	S\$0.053	23.01.15 – 22.01.18
		5,196,500	400,000	-	5,596,500		

\* Share options consolidated and exercise price adjusted after the completion of the RTO and resulted in a 4-for-1 share consolidation.

Save for the above, the Company does not have any treasury shares and/or other outstanding convertible instruments as at 30 June 2014 and 30 June 2013.

**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 immediately preceding year.**

	<b><u>Group &amp; Company</u></b>
	<b><u>No. of shares</u></b>
<b><u>Fully paid ordinary shares, with no par value</u></b>	
At 30 June 2014 and 31 Dec 2013	<u>191,058,497</u>

The Company did not hold any treasury shares as at 30 June 2014 and 31 December 2013.

**1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares 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.**

The figures have not been audited or reviewed by the Company's independent auditor.

**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.**

Save as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the six months period ended 30 June 2014 as those used in the most recently audited financial statements for the financial year ended 31 December 2013.

**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.**

On 1 January 2014, the Group adopted the new or amended Singapore Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are mandatory for the financial period. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in any substantial changes to the Group's accounting policies nor has any material impact on the financial statements of the Group for the current financial period reported on.



**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.**

	Six months ended	
	30-Jun-14	30-Jun-13
Earnings per ordinary share of the Group based on weighted average number of ordinary shares in issue:		
(a) Basic (in cents)	0.63	0.07
(b) Fully diluted (in cents)	0.61	0.06
Earnings per share was calculated based on weighted average number of ordinary shares in issue: ('000)		
(a) Basic	191,059	191,059
(b) Fully diluted	196,623	196,573

For the purpose of calculating diluted earnings per share, the weighted average number of ordinary shares are calculated based on the weighted average number of ordinary shares in issue after adjusting for the effects of all dilutive potential ordinary shares assuming the 5,565,000 share options granted under the 2011 option (KSOS) and 2013 option (KSOS) have been fully exercised and converted into 5,565,000 ordinary shares in the share capital of the Company.

**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.**

	The Group		The Company	
	30-Jun-14	31-Dec-13	30-Jun-14	31-Dec-13
Net asset value per ordinary share based on existing issued share capital as at end of the period (in cents/share)	8.79	8.31	15.13	15.27

The calculation of net asset value per ordinary share is based on 191,058,497 shares as at 30 June 2014 and 31 December 2013.

**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**

**Six months ended 30 June 2014 ("HY2014") vs Six months ended 30 June 2013 ("HY2013")**

**REVIEW OF RESULTS OF OPERATIONS**

**i) Revenue**

	<b>GROUP</b>					
	<b>Six Month Ended 30 June</b>					
	<b>2014</b>		<b>2013</b>		<b>Increase/ (decrease)</b>	
	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>%</b>
Mechanical Engineering	5,144	63.3	1,127	39.1	4,017	356.4
Electrical Engineering	3	0.0	(10)	(0.3)	13	(130.0)
Facilities Management	2,979	36.7	1,765	61.2	1,214	68.8
<b>Total</b>	<b>8,126</b>	<b>100.0</b>	<b>2,882</b>	<b>100.0</b>	<b>5,244</b>	<b>182.0</b>

**ii) Gross Profit**

	<b>GROUP</b>					
	<b>Six Month Ended 30 June</b>					
	<b>2014</b>		<b>2013</b>		<b>Increase/ (decrease)</b>	
	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>%</b>
Mechanical Engineering	2,457	86.5	1,062	77.4	1,395	131.4
Electrical Engineering	0	0.0	(140)	(10.2)	140	(100.0)
Facilities Management	382	13.5	451	32.8	(69)	(15.3)
<b>Total</b>	<b>2,839</b>	<b>100.0</b>	<b>1,373</b>	<b>100.0</b>	<b>1,466</b>	<b>106.8</b>

**iii) Gross Profit Margin**

	<b>2014</b>	<b>2013</b>	<b>Increase/ (decrease)</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Mechanical Engineering	47.8	94.2	(46.4)
Electrical Engineering	n.m	n.m	n.m
Facilities Management	12.8	25.6	(12.8)
<b>Total</b>	<b>34.9</b>	<b>47.6</b>	<b>(12.7)</b>

n.m: not meaningful

The total revenue increased by 182.0% to approximately S\$8.1 million for HY2014. This is mainly attributable to the ongoing mechanical engineering projects and the facilities management contract. Contribution from the mechanical engineering segment increased by approximately S\$4.0 million as compared to HY2013. This is due to the recognition of revenue from two significant ongoing mechanical engineering projects.

Revenue for facilities management segment increased by 68.8% to approximately S\$3.0 million for HY2014, compared to S\$1.8 million for HY2013. This is mainly due to more variation works carried out for the existing facilities management contracts during the current financial period reported on.

Cost of construction increased by 250.4% to approximately S\$5.3 million for HY2014, mainly attributable to project works carried out during the financial period reported on and the increase is in line with the increase in revenue. Gross profit increased by 106.8% to approximately S\$2.8 million for HY2014.

Gross profit margin reduced from 47.6% in HY2013 to 34.9% in HY2014. The decrease is mainly due to a 46.4% decrease in gross profit margin for the mechanical engineering projects and 12.8% decrease in gross profit margin for the facilities management segment in HY2014.

Gross profit margin for mechanical engineering projects was higher in HY2013 due to the recognition of variation orders of projects previously completed. As some mechanical engineering projects for HY2014 are still in progress, variation orders with higher gross profit margin have not been recognised. The decrease in gross profit margin for facilities management segment is mainly due to increase in subcontractor costs.



#### **iv) Other Income**

Other income decreased by 64.4% from S\$146,000 in HY2013 to S\$52,000 in HY2014. The decrease was mainly due to the one-off net gain on disposal of available-for-sale financial assets and insurance claims on construction contracts recognised in HY2013.

#### **v) Selling and Distribution Expenses**

Selling and distribution expenses increased by 44% to S\$72,000 for HY2014, mainly due to an increase in freight and handling charges for materials purchased and travelling expenses.

#### **vi) Administrative Expenses**

Administrative expenses increased by 15.2% to approximately S\$1.5 million for HY2014, mainly due to an increase in staff costs as a result of increased hiring, foreign worker levy and labour market adjustment.

#### **vii) Other Operating Expenses**

Other operating expenses increased by 48.1% to S\$40,000 for HY2014, mainly as a result of the provision of allowance for impairment of trade receivables.

#### **viii) Income Tax Expenses**

Income tax expense is increased as a result of an increase in the Group's profit before income tax.

**8(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 STATEMENT OF FINANCIAL POSITION**

**Total assets as at 30 June 2014 have decreased as compared to 31 December 2013, and are mainly attributable to the following :-**

- 1. Property, plant and equipment** decreased by S\$50,000 or 21.8% from S\$229,000 as at 31 December 2013 to S\$179,000 as at 30 June 2014 due to the scrapping of motor vehicles and depreciation charges of S\$47,000 in the current financial period.
- 2. Available-for-sale financial assets** decreased by S\$5,000 or 6.4% from S\$78,000 as at 31 December 2013 to S\$73,000 as at 30 June 2014 as a result of fair value loss for the current financial period.
- 3. Trade and other receivables** decreased by S\$3.6 million or 39.2%, from S\$9.3 million as at 31 December 2013 to S\$5.7 million as at 30 June 2014. This is mainly due to a decrease in the amount due from customers on construction contract work-in-progress as one of the mechanical engineering projects is approaching completion. Receivables turnover days improved from 96 days to 49 days at the end of the current financial period.
- 4. Cash and cash equivalents** increased by S\$2.4 million or 21.4% from S\$11.2 million as at 31 December 2013 to S\$13.6 million as at 30 June 2014. The increase was partially offset by a payment of final dividend of S\$286,000 in the current financial period for dividend declared for FY2013.

**Total liabilities as at 30 June 2014 have decreased as compared to 31 December 2013, and are mainly attributable to the following :-**

- 1. Trade and other payables** decreased by approximately S\$2.3 million or 46.9%, from S\$4.9 million as at 31 December 2013 to S\$2.6 million as at 30 June 2014. The decrease is due to the payment of purchases and subcontractors' cost.

## REVIEW OF STATEMENT OF CASH FLOWS

The Group generated positive operating cash flow of about S\$1.3 million from its operation before changes in working capital. Further, the decrease in trade and other receivable of S\$3.6 million and a decrease in trade and other payables of S\$2.3 million, couple with an income tax paid of S\$31,000 has resulted in a positive net cash generated from operating activities of S\$2.6 million. The net cash flow generated from investing activities amounted to S\$52,000. The net cash used in financing activities amounting to S\$298,000 was mainly pursuant to dividends of S\$286,000 paid during HY2014 for dividend declared in respect of FY2013.

As at 30 June 2014, the Group has cash and cash equivalents of S\$12.9 million after excluding fixed deposits of S\$693,000 pledged to banks.

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

Not applicable. No forecast or prospect statement had been previously disclosed to shareholders for the current reporting period.

### **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.**

At the date of this announcement, the Group has approximately S\$12.3 million worth of contracts on hand with completion dates ranging from financial years 2014 to 2015. As such, barring any unforeseen circumstances, we expect the Group to remain profitable in this financial year.

### **11. If a decision regarding dividend has been made:-**

#### **(a) Whether an interim (final) ordinary dividend has been declared (recommended); and**

No dividends have been declared or recommended for the current reporting period.

#### **(b)(i) Amount per share (cents)**

Not applicable.

#### **(b)(ii) Previous corresponding period (cents)**

Not applicable.

#### **(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated).**

Not applicable.

#### **(d) The date the dividend is payable.**

Not applicable.

#### **(e) Book closure date**

Not applicable.

### **12. If no dividend has been declared/recommended, a statement to that effect.**

No dividend has been declared/recommended for the current financial period reported on.


**13. If the Group has obtained a general mandate from shareholders for Interested Person Transactions ("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.**


There were no Interested Party Transactions that were above S\$100,000 during the current financial period and the Group does not have a general IPT mandate.

**14. CONFIRMATION PURSUANT TO THE RULE 705(5) OF THE LISTING MANUAL**

We, Messrs Lee Chen Chong and Foo Chek Heng, being two directors of Koyo International Limited (the "Company"), do hereby confirm on behalf of the Board of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of the Company which would render the unaudited financial results for the half year ended 30 June 2014 to be false or misleading in any material respect.

On behalf of the Board

  
**Lee Chen Chong**  
Chairman

  
**Foo Chek Heng**  
Managing Director

**BY ORDER OF THE BOARD**

Mr Foo Chek Heng  
Managing Director  
13th August 2014

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Mark Liew, Managing Director, Corporate Finance, at 20 Cecil Street, #21-02 Equity Plaza, Singapore 049705, telephone (65) 6229-8088.