



TRIYARDS HOLDINGS LIMITED (CO. REG. NO.: 201210555Z)

**Financial Statements And Dividend Announcement
For the Third Quarter ended 31 May 2015**

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

1(a) (i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

(Amounts expressed in United States dollars)

CONSOLIDATED INCOME STATEMENT

	Group 3 months ended			Group 9 months ended		
	31 May 2015	31 May 2014	Incr/ (decr)	31 May 2015	31 May 2014	Incr/ (decr)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	63,905	55,289	16	181,710	219,851	(17)
Cost of sales	(49,798)	(42,810)	16	(140,920)	(181,164)	(22)
Gross profit	14,107	12,479	13	40,790	38,687	5
Other income, net	725	87	nm	5,350	252	nm
Administrative expenses	(8,116)	(4,251)	91	(21,519)	(10,944)	97
Profit from operations	6,716	8,315	(19)	24,621	27,995	(12)
Financial income	4	1	nm	13	5	nm
Financial expenses	(1,045)	(1,169)	(11)	(4,112)	(3,225)	28
Profit before tax	5,675	7,147	(21)	20,522	24,775	(17)
Tax	(251)	(857)	(71)	(1,773)	(3,407)	(48)
Profit after tax	5,424	6,290	(14)	18,749	21,368	(12)
Attributable to:						
Owners of the Company	5,424	6,290	(14)	18,749	21,368	(12)
	5,424	6,290	(14)	18,749	21,368	(12)

nm – not meaningful

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group 3 months ended			Group 9 months ended		
	31 May 2015 US\$'000	31 May 2014 US\$'000	Incr/ (decr) %	31 May 2015 US\$'000	31 May 2014 US\$'000	Incr/ (decr) %
Profit after tax	5,424	6,290	(14)	18,749	21,368	(12)
Other comprehensive income:						
Exchange differences on translating foreign operations	(188)	-	nm	(550)	-	nm
Fair value changes on cash flow hedges	127	-	nm	127	-	nm
Other comprehensive income for the financial period, net of tax	(61)	-		(423)	-	
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	5,363	6,290	(15)	18,326	21,368	(14)
Total comprehensive income attributable to:						
Owners of the Company	5,363	6,290	(15)	18,326	21,368	(14)
	5,363	6,290	(15)	18,326	21,368	(14)

Profit before tax was stated after (charging)/crediting:-

	Group			Group		
	3 months ended		Incr/ (decr)	9 months ended		Incr/ (decr)
	31 May 2015	31 May 2014		31 May 2015	31 May 2014	
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Depreciation of fixed assets	(2,996)	(1,999)	50	(8,822)	(5,746)	54
Gain on disposal of fixed assets	4	14	(71)	28	27	4
Fixed assets written off	(24)	(4)	nm	(26)	(5)	420
Interest income	4	1	300	13	5	160
Exchange gain/(loss), net	82	(26)	nm	402	(257)	nm
Negative goodwill on acquisition of subsidiaries*	-	-	nm	3,881	-	nm

* Negative goodwill on acquisition of subsidiaries is provisional and subject to change after the purchase price allocation exercise is completed in accordance to FRS 103 *Business Combination*.

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

(Amounts expressed in United States dollars)

	Group		Company	
	31 May 2015 US\$'000	31 August 2014 US\$'000	31 May 2015 US\$'000	31 August 2014 US\$'000
Non-current assets				
Fixed assets	140,771	107,220	-	-
Intangible assets	8,181	7,633	-	-
Investments in subsidiaries	-	-	182,468	182,468
Available-for-sale ("AFS") investments	38	-	-	-
Deferred tax assets	236	201	-	-
Current assets				
Inventories and work-in-progress	59,371	30,979	-	-
Trade receivables	98,494	156,860	-	-
Other receivables	13,285	4,193	9	50
Other current assets	18,840	4,866	221	488
Derivative financial instruments	127	-	-	-
Balances due from				
- subsidiaries	-	-	51,662	33,599
- ultimate holding company	34	37	34	37
- related companies	16,888	23,205	424	382
- affiliated companies	7	3,556	-	42
Cash and cash equivalents	39,288	22,779	201	198
Cash pledged	2,662	-	-	-
	248,996	246,475	52,551	34,796
Current liabilities				
Trade payables	23,611	27,102	-	-
Other payables	52,702	37,872	562	838
Balances due to				
- subsidiaries	-	-	10,881	18,067
- ultimate holding company	2,454	1,725	-	-
- related companies	12,354	11,444	4	-
- affiliated companies	807	-	-	-
Bills payable to banks	36,670	20,411	-	-
Lease obligations	363	23	-	-
Bank term loans	47,472	83,380	-	-
Provision for tax	2,786	4,396	-	-
	179,219	186,353	11,447	18,905
Net current assets	69,777	60,122	41,104	15,891
Non-current liabilities				
Lease obligations	(1,265)	(91)	-	-
Bank term loans	(15,726)	(5,597)	-	-
Deferred tax liabilities	(1,177)	(241)	-	-
NET ASSETS	200,835	169,247	223,572	198,359
EQUITY				
Share capital	209,544	193,802	209,544	193,802
Accumulated profits	171,061	154,792	14,028	4,557
Merger reserve	(179,347)	(179,347)	-	-
Translation reserve	(550)	-	-	-
Hedging reserve	127	-	-	-
TOTAL EQUITY	200,835	169,247	223,572	198,359

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

	31 May 2015		31 August 2014	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Amount repayable in one year or less, or on demand	51,635	32,870	77,107	26,707
Amount repayable after one year	15,488	1,503	3,091	2,597

Details of any collaterals

The group's borrowings are primarily secured by way of legal mortgage on the property, plant and machinery and assignment over the benefits arising from shipbuilding contract including the work in progress, first ranking security over the earnings account vessel under construction.

1(c) A statement of cashflows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

(Amounts expressed in United States dollars)

	Group		Group	
	3 months ended 31 May 2015 US\$'000	3 months ended 31 May 2014 US\$'000	9 months ended 31 May 2015 US\$'000	9 months ended 31 May 2014 US\$'000
Cash flows from operating activities				
Profit before tax	5,675	7,147	20,522	24,775
Adjustments:				
Depreciation of fixed assets	2,996	1,999	8,822	5,746
Gain on disposal of fixed assets	(4)	(14)	(28)	(27)
Fixed assets written off	24	4	26	5
Unrealised exchange loss/(gain)	281	(166)	341	(106)
Interest expense	1,045	1,169	4,112	3,225
Interest income	(4)	(1)	(13)	(5)
Negative goodwill on acquisition of subsidiaries	-	-	(3,881)	-
Operating profit before working capital changes	10,013	10,138	29,901	33,613
(Increase)/decrease in:				
Inventories and work-in-progress	(10,400)	3,744	(27,037)	(3,523)
Trade receivables	52,335	(13,666)	86,489	(64,725)
Other receivables and other current assets	(5,615)	(223)	(19,319)	(967)
Due from ultimate holding company	2	-	3	(64)
Due from related companies	11,878	(9,228)	6,317	13,547
Due from affiliated companies	57	(19)	3,549	(3,499)
Increase/(decrease) in:				
Trade payables	(2,106)	(2,242)	(17,694)	(2,457)
Other payables	(22,528)	6,075	3,033	19,266
Due to ultimate holding company	428	189	729	352
Due to related companies	396	(972)	910	(4,839)
Due to affiliated companies	651	-	807	-
Cash generated from/(used in) operations	35,111	(6,204)	67,688	(13,296)
Interest paid	(1,045)	(1,169)	(4,112)	(3,225)
Interest income received	4	1	13	5
Tax paid	(942)	(1,919)	(4,907)	(3,371)
Net cash generated from/(used in) operating activities	33,128	(9,291)	58,682	(19,887)
Cash flows from investing activities				
Purchase of fixed assets	(9,913)	(2,335)	(15,795)	(6,709)
Additions to intangible assets	(548)	-	(548)	-
Proceeds from disposal of fixed assets	5	17	37	35
Increase in cash pledged	(2,662)	-	(2,662)	-
Acquisition of subsidiaries, net of cash paid	-	-	(15,656)	-
Net cash used in investing activities	(13,118)	(2,318)	(34,624)	(6,674)
Cash flows from financing activities				
(Repayment)/proceeds from lease obligations, net	(89)	119	1,660	119
Proceeds from issuance of placement shares, net of transaction cost	-	-	15,742	-
Proceeds from bank term loans and bills payable to banks	39,516	32,059	125,598	138,475
Repayment of bank term loans and bills payable to banks	(40,088)	(30,068)	(147,786)	(115,530)
Dividends paid on ordinary shares	-	-	(2,480)	(4,628)
Net cash (used in)/generated from financing activities	(661)	2,110	(7,266)	18,436
Net increase/(decrease) in cash and cash equivalents	19,349	(9,499)	16,792	(8,125)
Effects of exchange on cash and cash equivalents	108	20	(283)	59
Cash and cash equivalents at beginning of financial period	19,831	16,873	22,779	15,460
Cash and cash equivalents at end of financial period	39,288	7,394	39,288	7,394

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

(Amounts expressed in United States dollars)

Group	Attributable to owners of the Company					Total equity attributable to owners of the Company US\$'000
	Share capital US\$'000	Accumulated profits US\$'000	Merger reserve US\$'000	Translation reserve US\$'000	Hedging reserve US\$'000	
Group						
Balance at 1 September 2013	193,802	132,755	(179,347)	-	-	147,210
Total comprehensive income for the financial period	-	21,368	-	-	-	21,368
Dividends on ordinary shares	-	(4,628)	-	-	-	(4,628)
Balance at 31 May 2014	193,802	149,495	(179,347)	-	-	163,950
Balance at 1 September 2014	193,802	154,792	(179,347)	-	-	169,247
Total comprehensive income for the financial period	-	18,749	-	(550)	127	18,326
Issuance of shares by way of placement	16,243	-	-	-	-	16,243
Share issuance expense	(501)	-	-	-	-	(501)
Dividends on ordinary shares	-	(2,480)	-	-	-	(2,480)
Total transactions with owners in their capacity as owners	15,742	(2,480)	-	-	-	13,262
Balance at 31 May 2015	209,544	171,061	(179,347)	(550)	127	200,835
Company	Attributable to owners of the Company					
	Share capital US\$'000	Accumulated profits US\$'000	Total Equity US\$'000			
Balance at 1 September 2013	193,802	6,368	200,170			
Total comprehensive income for the financial period	-	(365)	(365)			
Dividends on ordinary shares	-	(4,628)	(4,628)			
Balance at 31 May 2014	193,802	1,375	195,177			
Balance at 1 September 2014	193,802	4,557	198,359			
Total comprehensive income for the financial period	-	11,951	11,951			
Issuance of shares by way of placement	16,243	-	16,243			
Share issuance expense	(501)	-	(501)			
Dividends on ordinary shares	-	(2,480)	(2,480)			
Total transactions with owners in their capacity as owners	15,742	(2,480)	13,262			
Balance at 31 May 2015	209,544	14,028	223,572			

- 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**

Share Placement Exercise

On 29 September 2014, the Company issued and allotted 29,500,000 new ordinary shares in the capital of the Company ("the Placement Shares") pursuant to a private placement at an issue price of S\$0.70 for each Placement Share to raise gross proceeds of S\$20.65 million. The utilisation of the proceeds was announced on SGXnet on 8 January 2015 and 13 January 2015.

As at 31 May 2015, the Company's total issued shares is 324,508,913 (31 May 2014: 295,008,913). The Company does not hold any treasury shares.

- 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 the immediately preceding year**

The Company's total issued shares excluding treasury shares is 324,508,913 as at 31 May 2015 (31 August 2014: 295,008,913).

- 1(d)(iv) A statement showing all sales, transfers, disposal, 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 auditors.

- 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**

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the third quarter ended 31 May 2015 as the most recently audited financial statements for the financial year ended 31 August 2014 ("FY14").

- 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**

The Group has adopted the new and revised FRSs and Interpretation of FRS (INT FRS) that are effective for annual periods beginning on or after 1 September 2014. The adoption of these new/revised FRS and INT FRSs did not have material effect on the financial performance or position of the Group.

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: -

	9 months ended 31 May 2015	9 months ended 31 May 2014
Net profit attributable to owners of the Company (US\$'000)	18,749	21,368
Weighted average number of ordinary shares on issue for calculation of ('000):		
- Basic earnings per share	321,483	295,009
- Diluted earnings per share	321,483	295,009
Earnings per ordinary share ("EPS") (US cents) of the Group:		
(a) Based on the weighted average number of ordinary shares on issue	5.83	7.24
(b) On a fully diluted basis	5.83	7.24

7. Net asset value (for the issuer and group) per ordinary share based on 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

	Group		Company	
	As at 31 May 2015	As at 31 August 2014	As at 31 May 2015	As at 31 August 2014
Net asset value per ordinary share (US cents)	61.89	57.37	68.90	67.24

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; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

Acquisition Exercise Completed in October 2014

Pursuant to the acquisition exercise completed in October 2014, whereby the Group had acquired 100% of the issued share capital of Strategic Marine (S) Pte. Ltd. and the charter capital of Strategic Marine (V) Company Limited (collectively, the "SM Group"), the assets and liabilities of both target companies were consolidated in the Group's statement of financial position as at 31 May 2015. This represents one of the reasons for respective increases in assets and liabilities of the Group as at 31 May 2015, as compared to 31 August 2014. The post-acquisition results were consolidated in the Group's income statement for the period of nine months ended 31 May 2015.

REVIEW OF PERFORMANCE:

Revenue

9 months ended 31 May 2015 ("9M15")

Group's revenue decreased by US\$38.1 million (17%) for the nine months ended 31 May 2015 ("9M15"), when compared to the corresponding period for the nine months ended 31 May 2014 ("9M14").

The main reason for the decrease in 9M15 was due to *Lewek Constellation* and three units of self-elevating units ("SEUs") – two units from BH450 series and one from BH335 series, which contributed significantly in 9M14, were either delivered to the client or at final completion stage as at 31 May 2015.

However, the decreases were partially offset by:

- (i) Three units of SEU – two from BH335 series and one from BH300 L4T – which had reached advanced stages of construction as at 31 May 2015;
- (ii) Contributions from the acquisition of SM Group;
- (iii) Four units of SEU, contracts of which were awarded in 9M15, had made significant contributions during the financial period; and
- (iv) Certain industrial and offshore fabrication projects.

3 months ended 31 May 2015 ("3Q15")

Group's revenue increased by US\$8.6 million (16%) for the three months ended 31 May 2015 ("3Q15"), when compared to the corresponding period for the three months ended 31 May 2014 ("3Q14").

The increase was mainly due to significant contributions from the four units of SEU as mentioned above, which have progressed into advanced stages of construction during 3Q15, and partly due to contributions from SM Group.

Gross profit

9 months ended 31 May 2015 ("9M15")

The improvement of gross margins in 9M15 from its comparative period was mainly due to higher margin from certain industrial and offshore fabrication projects.

3 months ended 31 May 2015 ("3Q15")

The increase in gross profit in 3Q15 from its comparative period was due to increase in revenue derived mainly from the four units of SEU as mentioned above, which have progressed into advanced stages of construction during 3Q15.

Other income, net

Other income for 9M15 and 3Q15 increased by US\$5.1 million and US\$0.6 million respectively, compared to 9M14 and 3Q14. The increases were mainly due to provisional negative goodwill of US\$3.9 million recognised on acquisition of the SM Group, increase in sales of scrap and foreign exchange gain.

Administrative expenses

Administrative expenses for 9M15 and 3Q15 increased by US\$10.6 million and US\$3.9 million respectively, compared to 9M14 and 3Q14. The increases were mainly due to additions from the SM Group as well as increase in marketing related expenses.

REVIEW OF PERFORMANCE (CONT'D):

Financial expenses

9 months ended 31 May 2015 ("9M15")

Financial expenses for 9M15 increased by US\$0.9 million (28%), compared to 9M14. The increase was due to higher amount of loan drawdowns to finance the working capital of the various projects especially during the first half of FY15 and additions from the SM Group.

3 months ended 31 May 2015 ("3Q15")

Financial expenses for 3Q15 decreased by US\$0.1 million (11%), compared to 3Q14. The decreases were due to net repayment of bank term loans and bills payable to banks during 3Q15.

Profit before tax

Profit before tax for 9M15 and 3Q15 decreased by US\$4.2 million (17%) and US\$1.5 million (21%) respectively, compared to 9M14 and 3Q14. The decreases were mainly due to the increase in administrative expenses, which was partially offset by the increase in gross profit and other income as explained above.

Tax

The decrease in tax expense in 9M15 and 3Q15 was in line with the decrease in profit before tax and partly due to one-off adjustment in 3Q15 for certain tax incentive derived from Singapore operation.

REVIEW OF STATEMENT OF FINANCIAL POSITION AND CASH FLOWS:

Non-current assets

The increase in non-current assets was mainly due to the acquisition of SM Group and purchase of operating equipment and upgrade of the facilities at one of the yards in Vietnam.

Current assets

The increase in current assets was mainly due to:-

- (i) Increase in inventories and work-in-progress reflecting higher stockholding mainly to support some SEU projects, construction of aluminium crew boats and wind farm vessels of SM Group towards end of 3Q15;
- (ii) Increase in other receivables arising from higher amount of value added tax and import tax claimable for purchase of materials and equipment in Vietnam;
- (iii) Increase in other current assets, mainly as a result of downpayments made to certain equipment suppliers; and
- (iv) Increase in cash pledged, cash and cash equivalents.

The above increases were partially offset by receipts from customers, related and affiliated companies.

Current liabilities

The decrease in current liabilities was mainly due to:-

- (i) Payment made to suppliers;
- (ii) Repayment of bank term loans; and
- (iii) Lower provision for tax.

The above decreases were partially offset by:

- (i) Increase in bills payable to banks arising from higher borrowings for working capital; and
- (ii) Increase in other payables resulting from increase in advance billings to customers as well as accruals for costs of certain equipment delivered during the financial period.

REVIEW OF STATEMENT OF FINANCIAL POSITION AND CASH FLOWS (CONT'D):

Non-current liabilities

The increase in non-current liabilities was mainly due to reclassification from current liabilities to non-current liabilities for the bank loans and increase in deferred tax liabilities resulting from excess of capital allowances over deprecation.

Equity

The increase in shareholders' equity was due to profit generated during the financial period and net proceeds from share placement. This was partially offset by dividends paid during the period.

Cash flows

The Group recorded net cash inflow in operating activities of US\$58.7 million in 9M15 and US\$33.1 million in 3Q15 respectively, mainly due to receipts from customers. These were partially offset by increase in inventories and work-in-progress and payments to suppliers.

Net cash used in investing activities was US\$34.6 million in 9M15 and US\$13.1 million in 3Q15 respectively, spent mainly to acquire the SM Group, increase in cash pledged and purchase of operating equipment and upgrade of the facilities at one of the yards in Vietnam.

Net cash used in financing activities was US\$7.3 million in 9M15 and US\$0.7 million in 3Q15 respectively, as a result of net loan repayments and dividends paid. These were partially offset by net proceeds from issuance of placement shares.

Financial ratios

The Group's net debt to equity ratio (defined as ratio of total external indebtedness (net of cash and cash equivalents) owing to bank and financial institutions to shareholders' equity) decreased from 0.51 to 0.30 times, in 3Q15 compared to FY14. Approximately 89% of the Group borrowings as at 31 May 2015 relates to working capital financing.

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

Not applicable.

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

Continued weakened oil prices could potentially lead to reduction or delay of oil & gas capital expenditure especially for exploration activities. However the primary business of TRIYARDS focuses on full value chain – fabricating assets which are involved in construction, production and decommissioning, to inspection and maintenance of offshore infrastructure servicing the existing offshore fields. Therefore the Group believes that there will be continued demand for its offering, notwithstanding competitive and challenging environment which the Group anticipates in next 12 months.

11. Dividend

(a) *Current Financial Period Reported On*

Any dividend declared for the current financial period reported on?

No.

(b) *Corresponding Period of the Immediately Preceding Financial Year*

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) *Date payable*

Not applicable.

(d) *Books closure date*

Not applicable.

12. If no dividend has been declared/recommendeded, a statement to that effect

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

13. If the Group has obtained a general mandate from shareholders for 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.

Aggregate value of interested person transactions, pursuant to the IPT mandate renewed on 31 December 2014, is as follows.

Name of interested person	Aggregate value of all interested person transactions during nine months of FY2015 (excluding transactions less than US\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual during nine months of FY2015 (excluding transactions less than US\$100,000)
	US\$'000	US\$'000
<u>Revenue (Recognised)</u>		
Lewek Constellation Pte Ltd	—	13,683
Ezra Marine Services Pte Ltd	—	6,121
Emas Offshore Services Pte Ltd	—	764
Emas Energy Services (Thailand) Limited	—	401
Emas-AMC Pte Ltd	—	132
London Marine Consultants Limited	—	544
<u>Purchase of Goods and Services</u>		
Ezra Holdings Ltd	—	1,155
Ezra Marine Services Pte Ltd	—	2,948
EMAS IT Solutions Pte Ltd	—	481
Lewek Victory Shipping Pte Ltd	3,976	—

**Confirmation by the Board
Pursuant to SGX Listing Rule 705(5)**

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the third quarter ended 31 May 2015 to be false or misleading.

On behalf of the Board of Directors



**Lee Kian Soo
Chairman (Non-Executive)**



**Loy Juat Boey
Independent Director**

7 July 2015