



Second Quarter and Half Year Financial Statements And Dividend Announcement

1(a)(i) The Board of Directors of Lee Metal Group Ltd is pleased to announce the unaudited results of the Group for the Second Quarter and Half Year ended 30 June 2016.

INCOME STATEMENT FOR SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2016

	Notes	2nd Qtr ended 30 June			Half Year ended 30 June		
		2016 \$'000	2015 \$'000	+ / (-) %	2016 \$'000	2015 \$'000	+ / (-) %
Turnover		72,703	122,466	(40.6%)	149,221	254,230	(41.3%)
Other operating income	A	130	158	(17.7%)	390	243	60.5%
Changes in inventories of finished goods and work-in-progress, raw materials and consumables used and finished goods purchased		(54,254)	(100,428)	(46.0%)	(114,988)	(210,346)	(45.3%)
Employee benefits expense	B	(5,206)	(6,189)	(15.9%)	(10,946)	(12,349)	(11.4%)
Depreciation and amortisation	C	(2,631)	(2,804)	(6.2%)	(5,159)	(5,544)	(6.9%)
Insurance, freight and transportation	D	(908)	(1,577)	(42.4%)	(1,834)	(2,526)	(27.4%)
Rental and utilities	E	(1,602)	(2,362)	(32.2%)	(3,430)	(4,412)	(22.3%)
Repair and maintenance	F	(749)	(1,153)	(35.0%)	(1,598)	(2,232)	(28.4%)
Other operating expenses	G	(2,389)	(2,332)	2.4%	(3,851)	(5,440)	(29.2%)
Financial expense	H	(315)	(771)	(59.1%)	(866)	(1,539)	(43.7%)
Financial income	I	38	117	(67.5%)	84	339	(75.2%)
Share of results of associate	J	87	(8)	n.m	131	(215)	n.m
Profit before tax		4,904	5,117	(4.2%)	7,154	10,209	(29.9%)
Income tax expense		(894)	(786)	13.7%	(1,216)	(1,789)	(32.0%)
Profit attributable to equity holders of the Company		4,010	4,331	(7.4%)	5,938	8,420	(29.5%)

STATEMENTS OF COMPREHENSIVE INCOME FOR SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2016

	2nd Qtr ended 30 June			Half Year ended 30 June		
	2016 \$'000	2015 \$'000	+ / (-) %	2016 \$'000	2015 \$'000	+ / (-) %
Profit attributable to equity holders of the Company	4,010	4,331	(7.4%)	5,938	8,420	(29.5%)
Other comprehensive income (Item that may be reclassified subsequently to profit or loss):-						
- Foreign currency translation reserve	52	(492)	n.m	(1,045)	427	n.m
Total comprehensive income attributable to equity holders of the Company	4,062	3,839	5.8%	4,893	8,847	(44.7%)

1(a)(ii) Notes to the Income Statement

	2nd Qtr ended 30 June			Half Year ended 30 June		
	2016 \$'000	2015 \$'000	+ / (-) %	2016 \$'000	2015 \$'000	+ / (-) %
A) Other operating income comprises the following:						
- Reversal of impairment loss on trade receivables	14	5	180.0%	14	5	180.0%
- Net gain in foreign exchange	-	107	(100.0%)	-	-	n.m
- Gain on disposal of property, plant and	-	-	n.m	-	10	(100.0%)
- Commission income	-	6	(100.0%)	-	16	(100.0%)
- Rental income	35	35	0.0%	70	70	0.0%
- Sundry income	81	5	1520.0%	306	142	115.5%
	130	158	(17.7%)	390	243	60.5%

B) Employee benefits expense decreased by 15.9% in 2nd Quarter 2016 and 11.4% in half year ended 30 June 2016 mainly due to lower personnel costs in line with lower volume in both Fabrication & Manufacturing business and Steel Merchandising business.

C) Depreciation and amortisation expense decreased by 6.2% in 2nd Quarter 2016 and 6.9% in half year ended 30 June 2016 as the Group revised the useful life of its wire mesh machines used in the Fabrication & Manufacturing business, which is in line with the industry practice.

D) Insurance, freight and transportation decreased by 42.4% in 2nd Quarter 2016 and 27.4% in half year ended 30 June 2016 mainly due to decrease in transportation cost for both Fabrication & Manufacturing business and Steel Merchandising business in line with lower business volume.

E) Rental and utilities decreased by 32.2% in 2nd Quarter 2016 and 22.3% in half year ended 30 June 2016 mainly due to lower inventory level and lower utilities incurred in the Fabrication & Manufacturing business.

F) Repair and maintenance decreased by 35.0% in 2nd Quarter 2016 and 28.4% in half year ended 30 June 2016 due to lower costs incurred for upkeeping and servicing machineries.

	2nd Qtr ended 30 June			Half Year ended 30 June		
	2016 \$'000	2015 \$'000	+/(%)	2016 \$'000	2015 \$'000	+/(%)
G) Other operating expenses include:						
- Worker's dormitories and related costs	403	410	(1.7%)	824	801	2.9%
- Tools and consumables	363	373	(2.7%)	652	677	(3.7%)
- Insurance	292	302	(3.3%)	657	688	(4.5%)
- Bank charges	19	38	(50.0%)	44	80	(45.0%)
- Trade commission	48	98	(51.0%)	159	224	(29.0%)
- Professional fees	120	163	(26.4%)	222	272	(18.4%)
- Travelling	165	170	(2.9%)	319	322	(0.9%)
- Printing and stationery	178	104	71.2%	227	282	(19.5%)
- Net loss in foreign exchange	463	-	n.m	38	963	(96.1%)
- Property, plant and equipment written off	-	-	n.m	3	-	n.m
- Impairment loss of trade receivables	-	-	n.m	6	-	n.m
- Other miscellaneous expenses	338	674	(49.9%)	700	1,131	(38.1%)
	2,389	2,332	2.4%	3,851	5,440	(29.2%)

Outsourcing of labour expense of \$1,394,000 for 2Q15 and \$2,805,000 for 1H15 was reclassified from "Other operating expenses" to "Changes in inventories of finished goods and work-in-progress, raw materials and consumables used and finished goods purchased" to better reflect the costs of manufacturing in the Fabrication & Manufacturing business.

H) Financial expense decreased by 59.1% in 2nd Quarter 2016 and 43.7% in half year ended 30 June 2016 mainly due to lower financing quantum in both Fabrication & Manufacturing business and Steel Merchandising business.

I) Financial income decreased by 67.5% in 2nd Quarter 2016 and 75.2% in half year ended 30 June 2016 due to full repayment of loans by an associate in April 2015.

J) Share of results of associate was a profit of \$87,000 in 2nd Quarter 2016 compared to a loss of \$8,000 in the corresponding quarter last year and a profit of \$131,000 in half year ended 30 June 2016 compared to a loss of \$215,000 in the corresponding period last year. These were due to additional sales of Austville units by the associate.

K) n.m means not meaningful

1(b)(i) STATEMENTS OF FINANCIAL POSITION

		Group		Company	
		30.06.2016	31.12.2015	30.06.2016	31.12.2015
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Notes					
Non-current assets					
Property, plant and equipment		59,041	61,851	4,053	4,130
Investment property		1,940	1,961	-	-
Investment in subsidiaries		-	-	20,490	20,490
Investment in associate		1,777	1,646	-	-
Club memberships		471	612	131	246
Deferred tax assets		73	73	-	-
		63,302	66,143	24,674	24,866
Current assets					
Inventories	1	33,832	89,438	-	-
Trade receivables	2	59,181	68,862	-	-
Other receivables and deposits		192	506	78	12
Prepayments		1,189	1,133	10	4
Asset held for sale		13,130	12,843	-	-
Forward exchange contracts		515	515	-	-
Due from subsidiaries (non trade)		-	-	8,509	9
Fixed deposits		23,696	27,780	13,800	26,012
Cash and bank balances		55,950	68,678	1,252	2,841
		187,685	269,755	23,649	28,878
Total assets		250,987	335,898	48,323	53,744
EQUITY AND LIABILITIES					
Current liabilities					
Trade payables	1	4,881	25,856	23	25
Bills payable to banks (secured)	1	27,676	73,767	-	-
Other payables and accruals		8,319	9,915	360	410
Advance payment from customers		367	347	-	-
Provision for onerous contracts		7,499	7,499	-	-
Hire purchase creditors		5,345	5,421	-	-
Bank term loans (secured)	3	3,250	3,370	-	-
Income tax payable		5,692	5,958	446	472
		63,029	132,133	829	907

	Notes	Group		Company	
		30.06.2016	31.12.2015	30.06.2016	31.12.2015
		\$'000	\$'000	\$'000	\$'000
Net current assets		124,656	137,622	22,820	27,971
Non-current liabilities					
Hire purchase creditors		6,693	9,293	-	-
Bank term loans (secured)	3	1,083	13,488	-	-
Deferred tax liabilities		249	249	250	250
		8,025	23,030	250	250
Total liabilities		71,054	155,163	1,079	1,157
Net assets		179,933	180,735	47,244	52,587
Equity attributable to equity holders of the Company					
Share capital		46,473	46,473	46,473	46,473
Retained earnings		139,034	138,791	771	6,114
Foreign currency translation reserve		(5,574)	(4,529)	-	-
		179,933	180,735	47,244	52,587

1(b)(ii) Notes to the Statements of Financial Position

- Inventories decreased by \$55.6m mainly due to lower stock position in Fabrication & Manufacturing business. Correspondingly, trade payables and bills payable to banks have also decreased.
- Trade receivables decreased by \$9.7m mainly due to lower turnover in Fabrication & Manufacturing business and Steel Merchandising business.
- Bank term loans decreased by \$12.5m in total mainly due to repayment of property loans.

1(b)(iii) Group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30.06.2016		As at 31.12.2015	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
36,271	-	82,558	-

Amount repayable after one year

As at 30.06.2016		As at 31.12.2015	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
7,776	-	22,781	-

Details of collateral

The Group's bills payable and bank term loans are secured by the following:

- corporate guarantees given by the Company and certain subsidiaries to the banks;
- letters of negative pledges on the assets of the Company and certain subsidiaries, with the exception of property, plant and equipment under hire purchase arrangements;
- a deed of charge and assignment of inventories, charge over fixed deposits and floating charge over trade receivables; and
- the bank term loan is secured by legal mortgages over the Group's property, plant and equipment with net book value of \$12.5m (31.12.2015: \$13.1m). The Group fully paid two bank term loans which were secured by legal mortgages over the leasehold investment property and asset held for sale in March 2016 and May 2016 respectively.

1(c) CONSOLIDATED STATEMENT OF CASH FLOWS FOR SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2016

	Notes	2nd Qtr ended 30 June		Half Year ended 30 June	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Operating activities					
Profit before tax		4,904	5,117	7,154	10,209
Adjustments for:					
Amortisation of club memberships		17	15	33	31
Depreciation of property, plant and equipment		2,603	2,778	5,104	5,491
Depreciation of investment property		11	11	22	22
Property, plant and equipment written off		-	-	3	-
Gain on disposal of property, plant and equipment, net		-	-	-	(10)
Interest expense		315	771	866	1,539
Interest income		(38)	(117)	(84)	(339)
Foreign currency translation adjustments		54	(975)	(896)	(439)
Share of results of associate		(87)	8	(131)	215
Impairment loss of trade receivables		6	-	6	-
Operating cash flows before changes in working capital		7,785	7,608	12,077	16,719
(Increase)/decrease in:					
Inventories		23,677	(4,029)	55,607	27,990
Trade receivables		435	9,281	9,675	2,433
Other receivables, deposits and prepayments		1,432	5,774	366	(14,242)
Increase/(decrease) in:					
Trade payables		1,267	(3,675)	(20,975)	(31,062)
Other payables and accruals		(253)	(1,122)	(1,572)	(8,348)
Cash flows from operations		34,343	13,837	55,178	(6,510)
Interest paid		(315)	(771)	(866)	(1,539)
Interest received		38	117	84	339
Income taxes (paid)/refunded		(1,388)	(1,955)	(1,485)	(1,954)
Net cash flows from/(used in) operating activities	4	32,678	11,228	52,911	(9,664)
Investing activities					
Purchase of property, plant and equipment		(1,528)	(3,193)	(2,286)	(6,341)
Proceeds from disposal of property, plant and equipment		-	-	-	132
Purchase of asset held for sale		(150)	-	(287)	-
Decrease in loans to associate		-	10,784	-	10,784
Net cash flows (used in)/from investing activities	5	(1,678)	7,591	(2,573)	4,575
Financing activities					
(Decrease)/increase in bills payable to banks (secured)		(31,800)	(627)	(46,092)	8,628
Repayment of bank term loans		(5,572)	(843)	(12,525)	(1,685)
Repayment of hire purchase		(1,332)	(1,119)	(2,677)	(2,236)
Dividends paid on ordinary shares		(5,695)	(10,440)	(5,695)	(10,440)
Net cash flows used in financing activities	6	(44,399)	(13,029)	(66,989)	(5,733)
Net (decrease)/increase in cash and cash equivalents		(13,399)	5,790	(16,651)	(10,822)
Effect of exchange rate changes on cash and cash equivalents		-	493	(160)	835
Cash & cash equivalents at beginning of the year		92,595	72,327	96,007	88,597
Cash & cash equivalents at end of the period	7	79,196	78,610	79,196	78,610

1(c)(i) Notes to the Consolidated Statement of Cash Flows

- 4) Net cash flows from operating activities in 2nd Quarter 2016 increased by \$21.5m, from \$11.2m to \$32.7m. For the half year ended 30 June 2016, net cash flows from operating activities was \$52.9m compared to net cash flows used in operating activities in the corresponding period last year of \$9.7m. These were mainly due to the decrease in inventories and trade receivables.
- 5) Net cash flows used in investing activities in 2nd Quarter 2016 was \$1.7m compared to net cash flows from investing activities in 2nd Quarter 2015 of \$7.6m. For the half year ended 30 June 2016, net cash flows used in investing activities was \$2.6m compared to net cash flows from investing activities of \$4.6m. These were due to absence of repayment of loan from associate but offset by reduction in purchase of plant and equipment.
- 6) Net cash flows used in financing activities in 2nd Quarter 2016 increased by \$31.4m, from \$13.0m to \$44.4m. Net cash flows used in financing activities in half year ended 30 June 2016 increased by \$61.3m, from \$5.7m to \$67.0m. These were mainly due to the decrease in bills payable to banks, repayment of bank term loans and decrease in dividends payment to shareholders.

7) Cash and cash equivalents as at 2nd Quarter comprised the following:-

	2016	2015
	\$'000	\$'000
Cash and bank balances	55,950	57,309
Fixed deposits	23,696	21,751
Less: Fixed deposits pledged	(450)	(450)
	79,196	78,610

Fixed deposits of \$0.5m (2015: \$0.5m) were pledged with banks to secure credit facilities for subsidiaries, are restricted in use and may not be withdrawn without the banks' prior approval.

1(d)(i) STATEMENTS OF CHANGES IN EQUITY

GROUP	Share Capital	Translation Reserve	Revenue Reserve	Total Equity
	\$'000	\$'000	\$'000	\$'000
Balance as at 01.01.2016	46,473	(4,529)	138,791	180,735
Changes in equity for the period:				
Total comprehensive income for the period	-	(1,045)	5,938	4,893
Dividends on ordinary shares	-	-	(5,695)	(5,695)
Balance as at 30.06.2016	46,473	(5,574)	139,034	179,933

Balance as at 01.01.2015	46,473	(6,254)	137,455	177,674
Changes in equity for the period:				
Total comprehensive income for the period	-	427	8,420	8,847
Dividends on ordinary shares	-	-	(10,440)	(10,440)
Balance as at 30.06.2015	46,473	(5,827)	135,435	176,081

COMPANY	Share Capital	Revenue Reserve	Total Equity
	\$'000	\$'000	\$'000
Balance as at 01.01.2016	46,473	6,114	52,587
Changes in equity for the period:			
Total comprehensive income for the period	-	352	352
Dividends on ordinary shares	-	(5,695)	(5,695)
Balance as at 30.06.2016	46,473	771	47,244

Balance as at 01.01.2015	46,473	12,729	59,202
Changes in equity for the period:			
Total comprehensive income for the period	-	391	391
Dividends on ordinary shares	-	(10,440)	(10,440)
Balance as at 30.06.2015	46,473	2,680	49,153

1(d)(ii) Changes in Share Capital

Share Capital	Number of shares	\$'000
<u>Ordinary share issued & fully paid</u>		
Balance as at 01.01.2016 & 30.06.2016	474,551,093	46,473

There was no movement in the issued and paid-up capital of the Company since 31 December 2015.

There were no outstanding convertibles as at 30.06.2016 (30.06.2015: Nil)

The Company has no treasury shares as at 30.06.2016 (30.06.2015: Nil)

2 Audit

The financial statements have not been audited nor reviewed by the Company's auditor.

3 Auditor's Report

Not Applicable.

4 Accounting Policies

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the current financial year as with those in the most recently audited financial statements as at 31 December 2015.

5 Changes in Accounting Policies

In the current year, the Group has adopted all the new/revised Financial Reporting Standards which took effect for annual periods beginning on or after 1 January 2016. The adoption of the above FRS did not result in any substantial change to the Group's accounting policies.

6 Earnings per ordinary share of the group

	<u>2nd Qtr ended 30 June</u>		<u>Half Year ended 30 June</u>	
	2016	2015	2016	2015
Earnings per ordinary share for the period based on net profit attributable to equity holders:-				
(a) On weighted average number of ordinary shares in issue	0.85cents	0.91cents	1.25cents	1.77cents
(b) On a fully diluted basis	0.85cents	0.91cents	1.25cents	1.77cents

Earnings per ordinary share on existing issued share capital is computed based on the weighted average number of ordinary shares issued during 2Q16 and 1H16 of 474,551,093 shares (2Q15 and 1H15: 474,551,093 shares).

There is no difference between the basic and diluted earnings per share.

7 Net asset value per ordinary share

	<u>Group as at:</u>		<u>Company as at:</u>	
	30.06.2016	31.12.2015	30.06.2016	31.12.2015
Net asset value per share based on existing issued share capital as at end of the respective dates	37.92cents	38.09cents	9.96cents	11.08cents

Net asset value is computed based on the number of shares in issue as at 30 June 2016 and 31 December 2015 of 474,551,093 shares.

8 Performance Review

For 2nd Quarter 2016, the Group's turnover decreased by 40.6% to \$72.7m from \$122.5m in the corresponding quarter last year. The lower turnover was attributable to Fabrication & Manufacturing business which decreased by 30.1% to \$72.5m from \$103.7m, and Steel Merchandising business which decreased by 98.9% to \$0.2m from \$18.8m. The decrease in turnover was contributed by weaker steel prices in Fabrication & Manufacturing business, and lower volume in both Fabrication & Manufacturing business and Steel Merchandising business.

For the half year ended 30 June 2016, Group turnover decreased by 41.3% to \$149.2m from \$254.2m in the corresponding period last year. The lower turnover was mainly attributable to Fabrication & Manufacturing business which decreased by 32.0% to \$147.0m from \$216.3m, and Steel Merchandising business which decreased by 94.2% to \$2.2m from \$37.9m. The decrease in turnover was contributed by weaker steel prices in Fabrication & Manufacturing business, and lower volume in both Fabrication & Manufacturing business and Steel Merchandising business.

The Group's gross profit margin as a percentage of turnover in 2nd Quarter 2016 and half year ended 30 June 2016 was 25.4% and 22.9% respectively, higher than the corresponding period last year of 18.0% and 17.3%. These were mainly due to higher revenue contribution from Fabrication & Manufacturing business.

The decrease in tonnage delivered in the Fabrication & Manufacturing business has resulted in corresponding decrease in costs in the following areas:

- Employee benefits expense;
- Depreciation and amortisation;
- Insurance, freight and transportation;
- Rental and utilities;
- Repair and maintenance;
- Other operating expenses; and
- Financial expense

The decrease in depreciation and amortisation expense for 2nd Quarter 2016 and half year ended 30 June 2016 was due to the Group revising the useful life of its wire mesh machines used in the Fabrication & Manufacturing business to be in line with the industry practice.

Share of results of associate was a profit of \$87,000 in 2nd Quarter 2016 compared to a loss of \$8,000 in the corresponding quarter last year and a profit of \$131,000 in half year ended 30 June 2016 compared to a loss of \$215,000 in the corresponding period last year. These were due to additional sales of Austville units by the associate.

The Group's profit attributable to equity holders of the Company was \$4.0m in 2nd Quarter 2016 and \$5.9m for the half year ended 30 June 2016, a decrease of 7.4% from the corresponding quarter last year of \$4.3m and 29.5% from the corresponding period last year of \$8.4m.

Cashflow

For the half year ended 30 June 2016, net cash flows from operating activities amounted to \$52.9m. This was mainly due to the decrease in inventories and trade receivables. Net cash flows used in investing activities amounted to \$2.6m. This was mainly due to the absence of repayment of loan from associate but offset by reduction in purchase of plant and equipment. With net cash flows used in financing activities of \$67.0m, cash and cash equivalents as at 30 June 2016 was \$79.2m, down from \$96.0m as at 1 January 2016.

Balance Sheet

The Balance Sheet remained strong. The net asset value per share as at 30 June 2016 was 37.92 cents, slightly lower than 38.09 cents as at 31 December 2015.

9 Variance from Prospect Statement

No variance from previous statement.

10 Prospect Statement

The operating environment for Steel Merchandising remains challenging due to volatility in steel prices and foreign exchange rates. Thus, the Group will continue to reduce business volume for this segment.

The Building and Construction Authority (BCA) estimates strong construction demand this year at between \$27 billion and \$34 billion, with higher share of demand from public sector. Public sector projects include the new National Cancer Centre, State Courts' new building at Havelock Square, JTC's Integrated Logistics Hub, PUB's water reclamation and sewerage projects, Changi Airport's 3-runway system, and the remaining contracts for the Thomson-East Coast MRT line. While the pipeline of the projects augurs well for the Group's Fabrication & Manufacturing business, operating margin may be compressed due to intense market competition and volatility in steel prices.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	Interim paid on 24 June 2016	Interim payable on 15 September 2016
Dividend Type	Cash	Cash
Dividend Rate	0.20 cent per ordinary share	0.50 cent per ordinary share
Tax Rate	One-tier tax exempt	One-tier tax exempt

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Name of Dividend	Interim paid on 24 June 2015	Interim paid on 16 September 2015
Dividend Type	Cash	Cash
Dividend Rate	0.20 cent per ordinary share	0.50 cent per ordinary share
Tax Rate	One-tier tax exempt	One-tier tax exempt

(c) Date payable

15 September 2016.

(d) Books closure date

The Share Transfer Books and Register of Members of the Company will be closed on 2nd September 2016 after 5.00 p.m. for the purpose of determining shareholders' entitlement to the interim dividend of 0.50 cent per ordinary share.

Duly completed registrable transfers in respect of shares of the Company received by the Company's Share Registrar, KCK CorpServe Pte. Ltd., of 333 North Bridge Road KH Kea Building #08-00, Singapore 188721 up to 5.00 p.m. on 2nd September 2016 will be registered to determine Members' entitlements to such dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited ("CDP") are credited with shares of the Company as at 5.00 p.m. on 2nd September 2016 will be entitled to the such proposed dividend. In this respect, the said dividend will be paid by the Company to CDP which will distribute the dividend to holders of the securities accounts.

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

Not applicable.

13 Interested Person Transactions

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").

14 Confirmation pursuant to Rule 705(5) of the SGX Listing Manual

We, Lee Lin Poey and Lee Heng Thiam, being two directors of Lee Metal Group Ltd, do hereby confirm on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for the 2nd Quarter ended 30 June 2016 to be false or misleading in any material aspects.

15 Confirmation pursuant to Rule 720(1) of the SGX Listing Manual

The Group confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the listing manual.

BY ORDER OF THE BOARD

Foo Soon Soo
Company Secretary
8 August 2016