
**UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS AND DIVIDEND
ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2016**

Part I Information required for announcement of quarterly (Q1, Q2 & Q3), half-year and full year results

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

	Group		Increase / (Decrease) %
	Six (6) months ended 30.06.16 S\$'000	30.06.15 S\$'000	
Revenue	30,972	31,581	(1.9)
Cost of sales	<u>(22,885)</u>	<u>(23,969)</u>	(4.5)
Gross profit	8,087	7,612	6.2
Other operating income	368	421	(12.6)
Administrative and selling expenses	(5,045)	(4,798)	5.1
Other operating expenses	(424)	(474)	(10.5)
Finance costs	<u>(38)</u>	<u>(48)</u>	(20.8)
Profit before tax	2,948	2,713	8.7
Income tax expense	<u>(463)</u>	<u>(492)</u>	(5.9)
Profit for the period, representing total comprehensive income for the period	<u>2,485</u>	<u>2,221</u>	11.9
Total comprehensive income attributable to:			
Owners of the Company	2,450	2,175	12.6
Non-controlling interests	<u>35</u>	<u>46</u>	(23.9)
	<u>2,485</u>	<u>2,221</u>	11.9

1 (a)(i) Notes to the statements of comprehensive income:

	Group		Increase / (Decrease) %
	Six (6) months ended 30.06.16 S\$'000	30.06.15 S\$'000	
Profit before tax is arrived after charging/(crediting):-			
Cost of inventories included in expenses	22,565	23,834	(5.3)
Gain on disposal of property, plant and equipment	-	(14)	(100.0)
Bad debts written off	-	1	(100.0)
Allowance for doubtful debts	9	68	(86.8)
Reversal of allowance for doubtful trade receivables	(83)	(179)	(53.6)
Reversal of stock obsolescence	(195)	(44)	343.2
Depreciation of property, plant and equipment	270	218	23.9
Depreciation of investment properties	198	144	37.5
Net foreign exchange loss	17	8	112.5
Interest income	- *	- *	N.M.
IPO related expenses	-	311	(100.0)
Interest expenses	38	48	(20.8)

N.M. : Not meaningful
* : Less than S\$1,000



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 As at		Company As at	
	30.06.16	31.12.15	30.06.16	31.12.15
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	7,735	7,964	80	1,026
Trade receivables	6,566	5,635	186	1,800
Other receivables and prepayments	633	378	8,390	4,053
Inventories	16,960	16,464	-	-
Total current assets	31,894	30,441	8,656	6,879
Non-current assets				
Property, plant and equipment	6,706	6,730	-	-
Investment properties	17,460	17,658	-	-
Other receivables and prepayments	1,352	-	-	-
Investment in subsidiaries	-	-	2,840	2,740
Total non-current assets	25,518	24,388	2,840	2,740
Total assets	57,412	54,829	11,496	9,619
LIABILITIES AND EQUITY				
Current liabilities				
Trade payables	9,793	7,775	-	-
Other payables and accruals	2,177	2,934	96	147
Bank loans	885	847	-	-
Finance leases	151	146	-	-
Income tax payable	793	728	-	-
Total current liabilities	13,799	12,430	96	147
Non-current liabilities				
Bank loans	5,920	5,872	-	-
Finance leases	167	243	-	-
Deferred tax liability	50	45	-	-
Total non-current liabilities	6,137	6,160	-	-
Total liabilities	19,936	18,590	96	147
Capital, reserves and non-controlling interests				
Share capital	8,020	8,020	8,020	8,020
Retained earnings	28,305	27,103	3,380	1,452
Equity attributable to owners of the Company				
	36,325	35,123	11,400	9,472
Non-controlling interests	1,151	1,116	-	-
Total equity	37,476	36,239	11,400	9,472
Total liabilities and equity	57,412	54,829	11,496	9,619



- 1 (b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year

(A) Amount repayable in one year or less, or on demand

	As at 30.06.16		As at 31.12.15	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Bank loans	885	-	847	-
Finance leases	151	-	146	-
Amount owing to a related party	-	1,035	-	1,015

(B) Amount repayable after one year

	As at 30.06.16		As at 31.12.15	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Bank loans	5,920	-	5,872	-
Finance leases	167	-	243	-

(C) Details of any collaterals

The bank loans were secured by legal mortgages over subsidiaries' leasehold and freehold properties and corporate guarantees provided by the Company. The finance leases were secured by personal guarantees provided by the Company's directors (please also refer to paragraph 13(i) of this announcement for details).

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

	Group	
	S\$'000	S\$'000
	30.06.16	30.06.15
Operating activities:		
Profit before tax	2,948	2,713
Adjustments for:		
Interest expenses	38	48
Interest income	- *	- *
Depreciation of property, plant and equipment	270	218
Depreciation of investment properties	198	144
Gain on disposal of property, plant and equipment	-	(14)
Allowance for doubtful trade receivables	9	68
Bad debts written off	-	1
Reversal of allowance for doubtful trade receivables	(83)	(179)
Reversal of allowance for inventories	(195)	(44)
Operating cash flows before changes in working capital	3,185	2,955
Trade receivables	(857)	1,166
Other receivables and prepayments	(255)	(284)
Inventories	(301)	271
Trade payables	2,018	(19)
Other payables and accruals	(237)	(14)
Cash flows generated from operations	3,553	4,075
Income tax paid	(393)	(501)
Interest received	- *	- *
Net cash generated from operating activities	3,160	3,574
Investing activities:		
Proceeds from disposal of property, plant and equipment	-	14
Purchase of property, plant and equipment (Note A)	(246)	(104)
Payments for investment properties (Note B)	(540)	(650)
Prepayment of property, plant and equipment (Note C)	(1,352)	-
Net cash flows used in investing activities	(2,138)	(740)
Financing activities:		
Proceeds from bank loans	540	675
Repayment of bank loans	(454)	(519)
Repayment of finance leases	(71)	(45)
Dividends paid	(1,248)	-
Interest paid	(18)	(30)
Net cash flows (used in) / generated from financing activities	(1,251)	81
Net (decrease) / increase in cash and cash equivalents	(229)	2,915
Cash and cash equivalents at beginning of the period	7,964	3,303
Cash and cash equivalents at end of the period	7,735	6,218

* : Less than S\$1,000

1 (c) A statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year (*cont'd*)

	Group	
	Six (6) months ended	
	30.06.16	30.06.15
	S\$'000	S\$'000
Note A		
Additions to property, plant and equipment	246	179
Less:		
Motor vehicles acquired under finance leases	-	(75)
Net cash outflow for purchase of property, plant and equipment	<u>246</u>	<u>104</u>
Note B		
Additions to investment properties	-	2,745
Add:		
Payment made to prior year unpaid balances	540	-
Less:		
Unpaid balances at end of the period	-	(2,095)
Net cash outflow for payment for investment properties	<u>540</u>	<u>650</u>

Note C

Prepayment of property, plant and equipment of S\$1.35 million relates to the Group's acquisition of a property located at 61 Ubi Road 1, #01-11 Oxley Bizhub, Singapore 408727 which is used by the Group as a retail branch. The completion date of this property purchase was 1 July 2016.

- 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

Group	Share Capital	Retained earnings	Attributable to the owners of the Company	Non- controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2016	8,020	27,103	35,123	1,116	36,239
Profit for the period, representing total comprehensive income for the period	-	2,450	2,450	35	2,485
<i>Transactions with owners, recognised directly in equity</i>					
Dividend declared	-	(1,248)	(1,248)	-	(1,248)
Balance as at 30 June 2016	8,020	28,305	36,325	1,151	37,476
Balance as at 1 January 2015	8,020	23,524	31,544	1,041	32,585
Profit for the period, representing total comprehensive income for the period	-	2,175	2,175	46	2,221
Balance as at 30 June 2015	8,020	25,669	33,719	1,087	34,806

- 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 period (*cont'd*)

Company	Share capital S\$'000	Accumulated profits/(losses) S\$'000	Total S\$'000
Balance as at 1 January 2016	8,020	1,452	9,472
Profit for the period, representing total comprehensive income for the period	-	3,176	3,176
<i>Transactions with owners, recognised directly in equity</i>			
Dividend declared	-	(1,248)	(1,248)
Balance as at 30 June 2016	8,020	3,380	11,400
Balance as at 1 January 2015	8,020	(58)	7,962
Loss for the period, representing total comprehensive loss for the period	-	(359)	(359)
Balance as at 30 June 2015	8,020	(417)	7,603

- 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.**

There were no changes in the Company's share capital since the end of the previous period reported on.

As at 30 June 2015 and 30 June 2016, the Company had an issued and paid-up share capital of S\$8,020,000 comprising 208,000,000 ordinary shares in issue. As at 30 June 2015 and 30 June 2016, the Company did not have any outstanding options, warrants or other instrument convertible into securities of the Company.

The Company had adopted the Choo Chiang Performance Share Plan prior to its listing on the Catalist in July 2015 and as at 30 June 2015 and 30 June 2016, there was no award granted under this performance share plan. As at 30 June 2015 and 30 June 2016, the Company did not hold any treasury shares.

- 1 (d)(iii) 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.**

	Number of ordinary shares	
	As at	
	30.06.16	31.12.15
Total number of issued shares (excluding treasury shares)	<u>208,000,000</u>	<u>208,000,000</u>

- 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 as the Company did not hold any treasury shares as at 31 December 2015 and 30 June 2016.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited nor 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.

Save as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the six months ended 30 June 2016 as its most recently audited financial statements for the financial year ended 31 December 2015.

5. If there are any changes in accounting policies and methods of computation, including any required by an accounting, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted all the new and revised Financial Reporting Standards (“**FRS**”) and Interpretations of FRS (“**INT FRS**”) that are relevant to the Group and effective for the financial period beginning on or after 1 January 2016. The adoption of these new and revised FRS and INT FRS does not result in any material changes to the Group’s accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited financial statements as at 31 December 2015.

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.

Earnings per share	Group	
	Six (6) months ended	
	30.06.16	30.06.15
Profit attributable to owners of the Company (S\$'000)	2,450	2,175
Number of ordinary shares ('000)	208,000	208,000
- Basic and diluted (Singapore cents)	1.18	1.05

Earnings per ordinary share is calculated based on the profit attributable to owners of the Company for the respective financial periods and the 208,000,000 issued shares outstanding during the respective financial period.

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.**

	Group As at		Company As at	
	30.06.16	31.12.15	30.06.16	31.12.15
Net Asset Value ("NAV")				
Net assets (S\$'000)	36,325	35,123	11,400	9,472
Number of ordinary shares used in calculating NAV per ordinary share ('000)	208,000	208,000	208,000	208,000
NAV per ordinary share (Singapore cents)	<u>17.46</u>	<u>16.89</u>	<u>5.48</u>	<u>4.55</u>

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.**

Review of financial performance

Revenue

The Group's revenue is derived from sales and retail of electrical products and accessories in Singapore ("**Distribution Business**") and rental income from its investment properties in Singapore ("**Property Investment**").

Total revenue decreased by S\$0.61 million or 1.9%, from S\$31.58 million in the six months ended 30 June 2015 ("**HY2015**") to S\$30.97 million in the six months ended 30 June 2016 ("**HY2016**"), mainly due to a decrease in the revenue from the Distribution Business segment.

Distribution Business

Revenue from the Distribution Business segment decreased by S\$0.77 million or 2.5%, from S\$31.42 million in HY2015 to S\$30.65 million in HY2016. The decrease was mainly due to the decrease in sales volume as a result of the general slowdown in the industry.

Property Investment

Rental income from the Property Investment segment increased by S\$0.16 million or 100.0%, from S\$0.16 million in HY2015 to S\$0.32 million in HY2016 as temporary occupation permits were granted in June 2015 in respect of three (3) of the Group's investment properties located at Tagore 8 (a light industrial development located at 421 Tagore Industrial Avenue in Singapore) and the Group commenced deriving rental income from these three (3) newly acquired investment properties in the second half of FY2015. In addition, the Group also derived additional rental income from new leases commenced after the first quarter of FY2015 in respect of another three (3) investment properties located at : (i) 5 Soon Lee Street, #01-67 Pioneer Point, Singapore 627607; (ii) 8B Admiralty Street #01-06, 8B @ Admiralty, Singapore 757440; and (iii) 8B Admiralty Street #01-07, 8B @ Admiralty, Singapore 757440. The rental income from the abovementioned investment properties contributed to the revenue in HY2016 (but not in HY2015).

Cost of sales

Cost of sales decreased by S\$1.08 million or 4.5%, from S\$23.97 million in HY2015 to S\$22.89 million in HY2016.

Distribution Business

Cost of sales of the Distribution Business segment decreased by S\$1.27 million or 5.3%, from S\$23.84 million in HY2015 to S\$22.57 million in HY2016, generally in line with the decrease in revenue for this segment. Cost of sales in HY2016 was also lower due to a decrease in the purchase price of certain electrical products and accessories. The decrease was also due to an increase in the reversal of allowance for stock obsolescence of approximately S\$0.15 million.

Property Investment

Cost of sales of the Property Investment segment increased by S\$0.19 million or 146.2%, from S\$0.13 million in HY2015 to S\$0.32 million in HY2016. The increase was mainly due to the increase in depreciation expense, property tax and property management fees of S\$0.09 million, S\$0.02 million and S\$0.02 million respectively as a result of the abovementioned six (6) new leases.

Gross profit and gross profit margin

Gross profit increased by S\$0.48 million or 6.3% from S\$7.61 million in HY2015 to S\$8.09 million in HY2016. Gross profit margin also improved from 24.1% in HY2015 to 26.1% in HY2016.

The gross profit margin of the Distribution Business segment increased from approximately 24.1% in HY2015 to 26.4% in HY2016. This was mainly due to the upward adjustment in selling price and a decrease in the purchase price for certain electrical products and accessories. The increase in gross profit margin was also contributed by the reversal of allowance for stock obsolescence.

The gross profit margin of the Property Investment segment decreased from approximately 16.9% in HY2015 to a gross loss margin of 0.6% in HY2016. This was mainly due to higher depreciation and finance cost arising from the abovementioned six (6) new leases.

Other operating income

Other operating income decreased by S\$0.05 million or 12.6% from S\$0.42 million in HY2015 to S\$0.37 million in HY2016. The decrease in other operating income was mainly due to a decrease in the bad debts recovered from customers and gain on disposal of motor vehicles in HY2016. These were partially offset by the increase in government grants received by the Group during HY2016.

Administrative and selling expenses

Administrative and selling expenses increased by S\$0.25 million or 5.2% from S\$4.80 million in HY2015 to S\$5.05 million in HY2016, mainly due to higher staff-related costs, directors' fees, rental expense for the new retail branch at Oxley BizHub opened in October 2015 and other listing-related compliance costs. These were partially offset by the absence of IPO-related expenses incurred in HY2015.

Other operating expenses

Other operating expenses decreased by S\$0.05 million or 10.6% from S\$0.47 million in HY2015 to S\$0.42 million in HY2016, mainly due to the decrease in the allowance for doubtful debts. These were partially offset by the increase in the foreign exchange losses during HY2016.

Finance costs

Finance costs decreased marginally from S\$48,000 in HY2015 to S\$38,000 in HY2016.

Profit before tax

Profit before tax increased by S\$0.24 million or 8.9% from S\$2.71 million in HY2015 to S\$2.95 million in HY2016, mainly due to the increase in the gross profit margin.

Review of financial position

Current assets

Current assets increased by S\$1.45 million from S\$30.44 million as at 31 December 2015 to S\$31.89 million as at 30 June 2016. The increase in current assets was mainly due to an increase in trade receivables of S\$0.93 million, an increase in other receivables and prepayments of S\$0.25 million, and an increase in inventories of S\$0.50 million. These were offset by a decrease in cash and cash equivalents of S\$0.23 million.

Non-current assets

Non-current assets increased by S\$1.13 million from S\$24.39 million as at 31 December 2015 to S\$25.52 million as at 30 June 2016. The increase was mainly due to an increase in other receivables and prepayments of S\$1.35 million which was partially offset by depreciation of investment property and property, plant and equipment during the period.

Current liabilities

Current liabilities increased by S\$1.37 million from S\$12.43 million as at 31 December 2015 to S\$13.80 million as at 30 June 2016. The increase in current liabilities was mainly due to an increase in trade payables of S\$2.02 million and an increase in bank loans, finance leases and income tax payable of S\$0.11 million collectively. These were offset by the decrease in other payables and accruals of S\$0.76 million.

Non-current liabilities

Non-current liabilities decreased by S\$0.02 million from S\$6.16 million as at 31 December 2015 to S\$6.14 million as at 30 June 2016. The decrease in non-current liabilities was mainly due to a decrease in finance leases of approximately S\$0.07 million which was offset by an increase in bank borrowings of approximately S\$0.05 million during the period.

Review of cash flow management

Net cash used in operating activities

In HY2016, the Group generated net cash from operating activities amounting to approximately S\$3.16 million, which was a result of operating cash flows before changes in working capital of approximately S\$3.19 million, net working capital inflow of approximately S\$0.37 million and income tax paid of approximately S\$0.40 million.

Net cash used in investing activities

In HY2016, the Group used net cash in investing activities amounting to approximately S\$2.14 million, which was mainly due to payments for investment properties of approximately S\$0.54 million and purchases and prepayment of property, plant and equipment of approximately S\$0.25 million and S\$1.35 million respectively.

Net cash used in financing activities

In HY2016, the Group used net cash in financing activities amounting to approximately S\$1.25 million, mainly due to dividends paid of S\$1.25 million, repayment of bank loans of S\$0.45 million, finance leases of S\$0.07 million and interest paid of approximately S\$0.02 million. These were partially offset by the proceeds from bank loans of S\$0.54 million for the payment of investment properties.



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

There has not been any forecast or prospect statement in relation to the Group's results previously disclosed to shareholders.

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.

In March 2016, the Company announced the incorporation of Choo Chiang Properties Pte Ltd ("**Choo Chiang Properties**"). In April 2016, Choo Chiang Properties exercised an option to acquire a property at 61 Ubi Road 1, #01-11 Oxley Bizhub, Singapore 408727 which is used by the Group as a retail branch. The board of directors of the Company (the "**Directors**") would like to update that the Group is still in the process of carrying out its internal exercise to transfer existing properties held within the Group (save for those held by Neiken Switchgear (S) Pte. Ltd.) to Choo Chiang Properties.

In line with the Group's plan to expand its retail network in Singapore, the Group opened a new retail branch at Block 9005 Tampines Street 93, #01-248, Singapore 528839 in July 2016. Subject to *inter alia* market conditions, availability of good location and other relevant business considerations, it is the Group's current intention to continue to expand its retail network in Singapore. The Group also intends to reinforce and strengthen its market position in Singapore by widening the range of products sold under its "CCM" and "CRM" brands.

Barring unforeseen circumstances, the Group is cautiously optimistic of its business prospects taking into consideration the trends and developments in the construction industry and the general economic outlook in Singapore.

11. If a decision regarding dividend has been made:

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

No dividend has been declared or recommended for HY2016.

	Amount per share (Singapore cents)
(i) Current financial period reported on	Nil
(ii) Previous corresponding period	Nil

(b) 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 shareholders, this must be stated).

Not applicable as no dividend has been declared or recommended for HY2016.

(c) The date the dividend is payable

Not applicable as no dividend has been declared or recommended for HY2016.

(d) The date on which Registrable Transfers received by the company (up to 5.00 p.m.) will be registered before entitlements to the dividend are determined

Not applicable as no dividend has been declared or recommended for HY2016.

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

No dividend has been declared or recommended for HY2016.

As disclosed in the offer document dated 15 July 2015 (“**Offer Document**”) in relation to the Company’s initial public offering, subject to the considerations set out therein, the board of Directors intends to recommend and distribute dividends of not less than 30% of the Group’s consolidated net profits attributable to shareholders in the financial year ending 31 December 2016. Please also refer to the Offer Document for details.

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.

The Group did not obtain any general mandate from the Company’s shareholders in respect of interested person transactions.

Name of interested person	Aggregate value of all interested person transactions during HY2016 (excluding transactions less than S\$100,000 and transactions conducted under general mandate)	Aggregate value of all interested person transactions conducted during HY2016 under the general mandate (excluding transactions less than \$100,000)
Lim Teck Chuan - Sale of electrical accessories by the Group to CCM Australia Pty Ltd (“ CCM Australia ”) ⁽¹⁾	Nil	Nil

Note:

(1) CCM Ventures Pte. Ltd. (“**CCM Ventures**”) owns 100% of the issued and paid-up share capital of CCM Australia. The Company’s Executive Chairman and Chief Executive Officer, Lim Teck Chuan owns an interest of 65.3% in CCM Ventures and is also the sole director of CCM Ventures and a director of CCM Australia. Accordingly, CCM Australia is an Associate of Lim Teck Chuan and transactions between the Group and CCM Australia (if any) are interested person transactions within the ambit of Chapter 9 of the Catalist Rules.

As at 30 June 2016, the following remained subsisting:

- (i) Lim Teck Chuan and Lim Teck Seng had provided personal guarantees to Hong Leong Finance Limited and the Housing & Development Board in order that the Group may secure finance leases and lease agreements;
- (ii) the Company, CCM Ventures and Lim Teck Chuan had entered into a call option agreement on 26 June 2015 (“**TL Call Option Agreement**”) pursuant to which Lim Teck Chuan granted the Company a call option to acquire all the shares that he may from time to time hold in CCM Ventures;
- (iii) the Company and CCM Australia had entered into a call option agreement on 26 June 2015 pursuant to which CCM Australia granted the Company a call option to purchase from CCM Australia the trademark that is used by CCM Australia in Australia;
- (iv) each of CCM Ventures and CCM Australia had provided a non-competition deed in favour of the Company;
- (v) Lim Teck Chuan had provided an undertaking pursuant to which he would *inter alia* (aa) within two (2) years from 29 July 2015 (being the date of listing of the Company on the Catalist), divest his shareholding in CCM Ventures to persons other than his Associates such that he will no longer be a shareholder of CCM Ventures; and (bb) grant the Company a right of first refusal of any sale of any shares in CCM Ventures by himself; and
- (vi) CCM Ventures had provided an undertaking pursuant to which, amongst others, (aa) in the event of any proposed issue by CCM Ventures of any shares to any Associate of Lim Teck Chuan, it shall be a condition precedent to such share issue that the proposed subscriber enters into a call option agreement with the Company on the same terms and conditions as the TL Call Option Agreement; and (bb) CCM Ventures granted the Company a right of first refusal of any sale of any shares in CCM Australia by CCM Ventures.

Please refer to the Offer Document and pages 37 to 39 of the Company’s annual report in respect of the financial year ended 31 December 2015 for details of the above.

14. Negative confirmation pursuant to Rule 705(5) (not required for announcement of full year results). This confirmation must be signed by two (2) directors on behalf of the board of directors.

We, Lim Teck Chuan and Lim Teck Seng, being Directors of the Company, hereby confirm on behalf of the board of Directors that, to the best of the Directors’ knowledge, nothing has come to the attention of the board of Directors which may render the unaudited consolidated financial statements of the Group for the six (6) months ended 30 June 2016 to be false or misleading in any material aspect.

Lim Teck Chuan
Executive Chairman and Chief Executive Officer

Lim Teck Seng
Executive Director

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company hereby confirms that it has already procured undertakings from all of its Directors and relevant executive officers in the format as set out in Appendix 7H of the Catalist Rules in accordance with Rule 720(1) of the Catalist Rules.

BY ORDER OF THE BOARD

Lim Teck Chuan
Executive Chairman and Chief Executive Officer

Singapore

11 August 2016

*This announcement has been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch ("**Sponsor**") for compliance with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"). The Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume 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 Ms Tan Cher Ting, Director, Investment Banking, CIMB Bank Berhad, Singapore Branch, at 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, Telephone: +65 6337 5115.*