
**UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS AND DIVIDEND
ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2017**

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 30.06.17 S\$'000	30.06.16 S\$'000	
Revenue	29,883	30,972	(3.5)
Cost of sales	(21,518)	(22,885)	(6.0)
Gross profit	8,365	8,087	3.4
Other operating income	260	368	(29.3)
Administrative and selling expenses	(5,117)	(5,045)	1.4
Other operating expenses	(416)	(424)	(1.9)
Finance costs	(34)	(38)	(10.5)
Profit before tax	3,058	2,948	3.7
Income tax expense	(484)	(463)	4.5
Profit for the period, representing total comprehensive income for the period	2,574	2,485	3.6
Total comprehensive income attributable to:			
Owners of the Company	2,586	2,450	5.6
Non-controlling interests	(12)	35	N.M.
	2,574	2,485	3.6

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

	Group		Increase / (Decrease) %
	Six (6) months ended 30.06.17 S\$'000	30.06.16 S\$'000	
Profit before tax is arrived after charging/(crediting):-			
Cost of inventories included in expenses	21,302	22,565	(5.6)
Gain on disposal of property, plant and equipment	- *	-	N.M.
Allowance for doubtful trade receivables	2	9	(77.8)
Reversal of allowance for doubtful trade receivables	(18)	(83)	(78.3)
Reversal of allowance for inventory obsolescence	-	(195)	N.M.
Depreciation of property, plant and equipment	284	270	5.2
Depreciation of investment properties	173	198	(12.6)
Amortisation of club membership	9	-	N.M.
Net foreign exchange loss	8	17	(52.9)
Interest income	- *	- *	N.M.
Interest expenses	<u>34</u>	<u>38</u>	(10.5)

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	
	30.06.17	31.12.16	30.06.17	31.12.16
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	8,226	8,120	510	1,415
Trade receivables	4,908	5,283	-	-
Other receivables and prepayments	658	611	18,602	18,557
Inventories	15,895	15,491	-	-
Total current assets	29,687	29,505	19,112	19,972
Non-current assets				
Property, plant and equipment	6,983	6,678	-	-
Investment properties	14,867	15,040	-	-
Club membership	253	262	-	-
Other receivables and prepayments	55	-	-	-
Investment in subsidiaries	-	-	2,340	2,340
Total non-current assets	22,158	21,980	2,340	2,340
Total assets	51,845	51,485	21,452	22,312
LIABILITIES AND EQUITY				
Current liabilities				
Trade payables	7,213	6,939	-	-
Other payables and accruals	1,274	1,585	1,101	128
Bank loans	353	349	-	-
Finance leases	76	99	-	-
Income tax payable	976	958	38	44
Total current liabilities	9,892	9,930	1,139	172
Non-current liabilities				
Bank loans	1,927	2,104	-	-
Finance leases	165	80	-	-
Deferred tax liability	70	74	-	-
Total non-current liabilities	2,162	2,258	-	-
Total liabilities	12,054	12,188	1,139	172
Capital, reserves and non-controlling interests				
Share capital	8,020	8,020	8,020	8,020
Retained earnings	31,718	31,212	12,293	14,120
Equity attributable to owners of the Company				
	39,738	39,232	20,313	22,140
Non-controlling interests	53	65	-	-
Total equity	39,791	39,297	20,313	22,140
Total liabilities and equity	51,845	51,485	21,452	22,312



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 30.06.17		As at 31.12.16	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Bank loans	353	-	349	-
Finance leases	76	-	99	-

(B) Amount repayable after one year

	As at 30.06.17		As at 31.12.16	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Bank loans	1,927	-	2,104	-
Finance leases	165	-	80	-

(C) Details of any collaterals

The bank loans were secured by legal mortgages over a subsidiary's leasehold property 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	
	30.06.17	30.06.16
	S\$'000	S\$'000
Operating activities:		
Profit before tax	3,058	2,948
Adjustments for:		
Interest expenses	34	38
Interest income	- *	- *
Depreciation of property, plant and equipment	284	270
Depreciation of investment properties	173	198
Amortisation of club membership	9	-
Gain on disposal of property, plant and equipment	- *	-
Allowance for doubtful trade receivables	2	9
Reversal of allowance for doubtful trade receivables	(18)	(83)
Reversal of allowance for inventory obsolescence	-	(195)
Operating cash flows before changes in working capital	3,542	3,185
Trade receivables	391	(857)
Other receivables and prepayments	(47)	(255)
Inventories	(404)	(301)
Trade payables	274	2,018
Other payables and accruals	(311)	(237)
Cash flows generated from operations	3,445	3,553
Income tax paid	(470)	(393)
Interest received	- *	- *
Net cash generated from operating activities	2,975	3,160
Investing activities:		
Proceeds from disposal of property, plant and equipment	-	-
Purchase of property, plant and equipment (Note A)	(463)	(246)
Payments for investment properties (Note B)	-	(540)
Prepayment of property, plant and equipment	(55)	(1,352)
Net cash flows used in investing activities	(518)	(2,138)
Financing activities:		
Proceeds from bank loans	-	540
Repayment of bank loans	(173)	(454)
Repayment of finance leases	(64)	(71)
Dividends paid	(2,080)	(1,248)
Interest paid	(34)	(18)
Net cash flows used in financing activities	(2,351)	(1,251)
Net increase / (decrease) in cash and cash equivalents	106	(229)
Cash and cash equivalents at beginning of the period	8,120	7,964
Cash and cash equivalents at end of the period	8,226	7,735

* : 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	
	30.06.17	30.06.16
	S\$'000	S\$'000
Note A		
Additions to property, plant and equipment	589	246
Less:		
Motor vehicles acquired under finance leases	(126)	-
Net cash outflow for purchase of property, plant and equipment	<u>463</u>	<u>246</u>
Note B		
Additions to investment properties	-	-
Add:		
Payment made to prior year unpaid balances	-	540
Net cash outflow for payment for investment properties	<u>-</u>	<u>540</u>

- 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 2017	8,020	31,212	39,232	65	39,297
Profit for the period, representing total comprehensive income for the period	-	2,586	2,586	(12)	2,574
<i>Transactions with owners, recognised directly in equity</i>					
Dividend declared	-	(2,080)	(2,080)	-	(2,080)
Balance as at 30 June 2017	8,020	31,718	39,738	53	39,791
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

- 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 S\$'000	Total S\$'000
Balance as at 1 January 2017	8,020	14,120	22,140
Profit for the period, representing total comprehensive income for the period	-	253	253
<i>Transactions with owners, recognised directly in equity</i>			
Dividend declared	-	(2,080)	(2,080)
Balance as at 30 June 2017	8,020	12,293	20,313
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

- 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, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.

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 2016 and 30 June 2017, there was no award granted under this performance share plan. As at 30 June 2016 and 30 June 2017, the Company did not have any outstanding options, warrants or other instrument convertible into securities of the Company.

As at 30 June 2016 and 30 June 2017, 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 2016 and 30 June 2017, the Company did not have any general mandate to undertake share buybacks and did not hold any treasury shares and subsidiary holdings.

- 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	
	30.06.17	31.12.16
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, 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.

1 (d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable as the Company did not hold any subsidiary holdings.

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 2017 as its most recently audited financial statements for the financial year ended 31 December 2016.

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 2017. 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 2016.

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 ordinary share ("EPS")	Group	
	Six (6) months ended	
	30.06.17	30.06.16
Profit attributable to owners of the Company (S\$'000)	2,586	2,450
Number of ordinary shares ('000)	208,000	208,000
- Basic and diluted (Singapore cents)	<u>1.24</u>	<u>1.18</u>

EPS is calculated based on the profit attributable to owners of the Company for the six months ended 30 June 2017 ("HY2017") and the six months ended 30 June 2016 ("HY2016"), and the 208,000,000 issued shares as at 30 June 2017 and as at 30 June 2016, respectively. Fully diluted EPS are the same as the basic EPS for the financial periods presented in the table above as the Company did not have any outstanding instruments convertible into rights to subscribe for, and options in respect of its shares during these financial periods.

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.**

Net Asset Value ("NAV")	Group		Company	
	As at		As at	
	30.06.17	31.12.16	30.06.17	31.12.16
Net assets (S\$'000)	39,738	39,232	20,313	22,140
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>19.10</u>	<u>18.86</u>	<u>9.77</u>	<u>10.64</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\$1.09 million or 3.5%, from S\$30.97 million in HY2016 to S\$29.88 million in HY2017, mainly due to a decrease in the revenue from the Distribution Business segment.

Distribution Business

Revenue from the Distribution Business segment decreased by S\$1.04 million or 3.4%, from S\$30.65 million in HY2016 to S\$29.61 million in HY2017. The decrease was mainly due to a decrease in sales volume as a result of a general slowdown in the industry and the disposal of the Company's entire shareholding interest in a subsidiary, Neiken Switchgear (S) Pte. Ltd. ("**NSS**"), in September 2016.

Property Investment

Rental income from the Property Investment segment decreased by S\$0.05 million or 15.6%, from S\$0.32 million in HY2016 to S\$0.27 million in HY2017 mainly due to (i) the loss of rental income due to expiry of the leases in respect of two (2) investment properties located at 9 Tagore Lane #02-07, 9@Tagore, Singapore 787472 from May to June 2017 and 5 Soon Lee Street, Pioneer Point #01-67, Singapore 627607 in June 2017; and (ii) the effects arising from the disposal of NSS (which held an investment property, located at Tagore 8 in Singapore, which was previously accounted for within the Group) in September 2016.

Cost of sales

Cost of sales decreased by S\$1.37 million or 6.0%, from S\$22.89 million in HY2016 to S\$21.52 million in HY2017.

Distribution Business

Cost of sales of the Distribution Business segment decreased by S\$1.27 million or 5.6%, from S\$22.57 million in HY2016 to S\$21.30 million in HY2017, generally in line with the decrease in revenue for this segment. Cost of sales in HY2017 was also lower due to a decrease in the purchase price of certain electrical products and accessories.

Property Investment

Cost of sales of the Property Investment segment decreased by S\$0.10 million or 31.3%, from S\$0.32 million in HY2016 to S\$0.22 million in HY2017. The decrease was mainly due to the decrease in depreciation expense, property tax, property management fees and finance cost of approximately S\$32,000, S\$6,000, S\$8,000 and S\$58,000 respectively as a result of vacancy of the abovementioned two (2) investment properties and the disposal of NSS which owned an investment property located at Tagore 8 in Singapore.

Gross profit and gross profit margin

Gross profit increased by S\$0.28 million or 3.5% from S\$8.09 million in HY2016 to S\$8.37 million in HY2017. Gross profit margin also improved from 26.1% in HY2016 to 28.0% in HY2017.

The gross profit margin of the Distribution Business segment increased from approximately 26.4% in HY2016 to 28.1% in HY2017. This was mainly due to the upward adjustment in selling price in May 2016 and a decrease in the purchase price for certain electrical products and accessories.

The gross profit margin of the Property Investment segment increased from a gross loss margin of 0.6% in HY2016 to a gross profit margin of approximately 18.5% in HY2017. This was mainly due to lower depreciation expense and finance cost in HY2017 as compared to HY2016.

Other operating income

Other operating income decreased by S\$0.11 million or 29.7% from S\$0.37 million in HY2016 to S\$0.26 million in HY2017. The decrease in other operating income was mainly due to a decrease in government grant received and absence of bad debts recovered from customers in HY2017. These decreases were partially offset by an increase in sponsorship income received from suppliers during HY2017.

Administrative and selling expenses

Administrative and selling expenses increased by S\$0.07 million or 1.4% from S\$5.05 million in HY2016 to S\$5.12 million in HY2017, mainly due to increases in staff cost and insurance expenses.

Other operating expenses

Other operating expenses decreased marginally by S\$8,000 or 1.9% from S\$424,000 in HY2016 to S\$416,000 in HY2017, mainly due to the decreases in allowance for doubtful debts and foreign exchange losses. These decreases were partially offset by increases in depreciation expenses of property, plant and equipment and amortisation charges of club membership during HY2017.

Finance costs

Finance costs decreased marginally from S\$38,000 in HY2016 to S\$34,000 in HY2017.

Profit before tax

Profit before tax increased by S\$0.11 million or 3.7% from S\$2.95 million in HY2016 to S\$3.06 million in HY2017, mainly due to the increase in the gross profit margin.

Review of financial position

Current assets

Current assets increased by S\$0.18 million from S\$29.51 million as at 31 December 2016 to S\$29.69 million as at 30 June 2017. The increase in current assets was mainly due to (i) an increase in inventories of S\$0.40 million; (ii) an increase in cash and cash equivalents of S\$0.11 million; and (iii) an increase in other receivables and prepayments of S\$0.05 million. These were offset by a decrease in trade receivables of S\$0.38 million.

Non-current assets

Non-current assets increased by S\$0.18 million from S\$21.98 million as at 31 December 2016 to S\$22.16 million as at 30 June 2017. The increase in non-current assets was mainly due to (i) an increase in property, plant and equipment of \$0.31 million; and (ii) prepayment of S\$0.05 million in renovation cost relating to the warehouse located at 10 Woodlands Loop, Singapore 738388. These increases were partially offset by depreciation expenses relating to investment properties of S\$0.17 million during the period and amortisation costs relating to club membership of S\$0.01 million during the period.

The increase in property, plant and equipment was due to the Group's acquisition of plant and equipment amounting to S\$0.38 million and progress payment for a new Enterprise Resource Planning ("ERP") software of S\$0.21 million. These increases were partially offset by depreciation expenses relating to property, plant and equipment of S\$0.28 million during the period.

Current liabilities

Current liabilities decreased by S\$0.04 million from S\$9.93 million as at 31 December 2016 to S\$9.89 million as at 30 June 2017. The decrease in current liabilities was mainly due to a decrease in other payables and accruals of approximately S\$0.31 million and a decrease in finance leases of S\$0.02 million. These were offset by the increase in trade payables of S\$0.27 million and an increase in income tax payable of approximately S\$0.02 million.

Non-current liabilities

Non-current liabilities decreased by S\$0.10 million from S\$2.26 million as at 31 December 2016 to S\$2.16 million as at 30 June 2017. The decrease in non-current liabilities was mainly due to a decrease in bank loans of approximately S\$0.18 million which was offset by an increase in finance leases of approximately S\$0.08 million during the period.

Review of cash flow management

Net cash generated from operating activities

In HY2017, the Group generated net cash from operating activities amounting to approximately S\$2.98 million, which was a result of operating cash flows before changes in working capital of approximately S\$3.54 million, net working capital outflow of approximately S\$0.09 million and income tax paid of approximately S\$0.47 million.

Net cash used in investing activities

In HY2017, the Group used net cash in investing activities amounting to approximately S\$0.52 million, which was mainly due to purchases and prepayment of property, plant and equipment of approximately S\$0.47 million and S\$0.05 million respectively.

Net cash used in financing activities

In HY2017, the Group used net cash in financing activities amounting to approximately S\$2.35 million, mainly due to dividends paid of S\$2.08 million, repayment of bank loans and finance leases of approximately S\$0.24 million and interest paid of approximately S\$0.03 million.

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 for HY2017 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.

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 HY2017.

	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 HY2017.

(c) The date the dividend is payable

Not applicable as no dividend has been declared or recommended for HY2017.

(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 HY2017.

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

No dividend has been declared or recommended for HY2017.

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 (including transactions of less than S\$100,000 each) during HY2017 (excluding transactions conducted under general mandate) (S\$'000)	Aggregate value of all interested person transactions (including transactions of less than \$100,000 each) conducted during HY2017 under the general mandate (S\$'000)
Lim Teck Chuan - Sale of electrical accessories by the Group to CCM Australia Pty Ltd (" CCM Australia ") ⁽¹⁾	56	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 Catalyst Rules.

As at 30 June 2017, 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 ("**Australian TM Call Option Agreement**") 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.

On 21 July 2017, the Company announced that Lim Teck Chuan had informed the Company of his intention for the business of CCM Australia to be discontinued and consequently for both CCM Ventures and CCM Australia to be struck off and that the Company had entered into various side letters with each of Lim Teck Chuan, CCM Ventures and CCM Australia pursuant to which the relevant documents referred to under (ii) to (vi) in this paragraph above would be terminated upon the effective date of striking off of CCM Ventures and CCM Australia.

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 2017 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

14 August 2017

*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.*