

**Challenger  
Technologies Limited**



**SECOND QUARTER UNAUDITED FINANCIAL STATEMENT  
FOR THE FINANCIAL PERIOD ENDED  
30 JUNE 2016**

Co Reg No: 198400182 K

CHALLENGER TECHNOLOGIES LIMITED

UNAUDITED QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2016

- 1(a) A consolidated statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Statement of Comprehensive Income

	Group					
	3 months ended		Change	6 months ended		Change
	30.06.2016	30.06.2015		30.06.2016	30.06.2015	
	\$'000	\$'000	%	\$'000	\$'000	%
<b>Revenue</b>	91,245	84,673	8	181,630	168,464	8
<b><u>Other Items of Income</u></b>						
Interest Income	109	97	12	270	206	31
Other Gains [note (A)]	361	16	2,156	797	632	26
<b><u>Other Items of Expense</u></b>						
Changes in Inventories of Finished Goods	(8,150)	2,596	(414)	(6,112)	4,101	(249)
Purchase of Goods and Consumables	(64,545)	(69,835)	(8)	(138,793)	(138,384)	0
Other Consumables Used	(92)	(120)	(23)	(317)	(253)	25
Depreciation Expense	(1,137)	(1,038)	10	(2,292)	(2,096)	9
Employee Benefits Expense	(6,799)	(5,972)	14	(13,102)	(11,425)	15
Other Expenses [Note (B)]	(6,371)	(5,976)	7	(12,983)	(12,204)	6
Other Losses [Note (A)]	-	(63)	N.M.	(12)	(31)	(61)
<b>Profit Before Tax from Continuing Operations</b>	4,621	4,378	6	9,086	9,010	1
Income Tax Expense	(983)	(887)	11	(1,766)	(1,762)	0
<b>Profit from Continuing Operations, Net of Tax</b>	3,638	3,491	4	7,320	7,248	1
<b><u>Other Comprehensive Income (Loss):</u></b>						
<b>Items that May Be Reclassified Subsequently to Profit or Loss:</b>						
Exchange Differences on Translating Foreign Operations, Net of tax	(147)	11	(1,436)	(85)	(132)	(36)
<b>Other Comprehensive Income (Loss) for the Period, Net of Tax</b>	(147)	11	(1,436)	(85)	(132)	(36)
<b>Total Comprehensive Income</b>	3,491	3,502	(0)	7,235	7,116	2
<b>Profit Attributable to Owners of the Parent, Net of Tax</b>	3,762	3,427	10	7,520	7,119	6
<b>Profit Attributable to Non-Controlling Interests, Net of Tax</b>	(124)	64	(294)	(200)	129	(255)
<b>Profit Net of Tax</b>	3,638	3,491	4	7,320	7,248	1
<b>Total Comprehensive Income Attributable to Owners of the Parent</b>	3,615	3,438	5	7,435	6,987	6
<b>Total Comprehensive Income Attributable to Non-Controlling Interests</b>	(124)	64	(294)	(200)	129	(255)
<b>Total Comprehensive Income</b>	3,491	3,502	(0)	7,235	7,116	2
<b>Note:</b>						
<b>Profit before income tax is arrived after (charging)/ crediting the followings:</b>						
<b><u>Note (A) - Other (Losses) / Gains</u></b>						
Foreign exchange adjustment gains / (losses)	118	(61)	(293)	(12)	150	(108)
Sundry income	243	16	1,419	797	482	65
Loss on disposal of plant and equipment	-	(2)	N.M.	-	(31)	N.M.
	361	(47)	(868)	785	601	31
<b>Presented in profit or loss as:</b>						
Other Gains	361	16	2,156	797	632	26
Other Losses	-	(63)	(100)	(12)	(31)	(61)
	361	(47)	(868)	785	601	31
<b><u>Note (B) - Other Expenses</u></b>						
Rental expenses	(3,854)	(4,064)	(5)	(8,251)	(8,380)	(2)
Other operating expenses	(1,380)	(946)	46	(2,613)	(1,927)	36
Selling and distribution costs	(1,137)	(966)	18	(2,119)	(1,897)	12
	(6,371)	(5,976)	7	(12,983)	(12,204)	6

N.M. = not meaningful

CHALLENGER TECHNOLOGIES LIMITED

UNAUDITED QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2016

- 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

**Statements of Financial Position**

	Group		Company	
	30.06.2016 \$'000	31.12.2015 \$'000	30.06.2016 \$'000	31.12.2015 \$'000
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Investment in Associate	-	-	-	-
Investments in Subsidiaries	-	-	6,153	5,153
Other Financial Assets	8,901	8,749	6,288	6,288
Property, Plant and Equipment	11,592	12,834	11,316	12,482
<b>Total Non-Current Assets</b>	<b>20,493</b>	<b>21,583</b>	<b>23,757</b>	<b>23,923</b>
<b>Current Assets</b>				
Cash and Cash Equivalents	42,655	41,653	29,676	33,430
Trade and Other Receivables	7,328	5,780	12,669	6,555
Other Assets	4,990	4,961	4,843	4,799
Inventories	31,550	37,662	31,239	37,597
<b>Total Current Assets</b>	<b>86,523</b>	<b>90,056</b>	<b>78,427</b>	<b>82,381</b>
<b>Total Assets</b>	<b>107,016</b>	<b>111,639</b>	<b>102,184</b>	<b>106,304</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to Owners of the Parent</b>				
Share Capital	18,775	18,775	18,775	18,775
Retained Earnings	59,599	57,430	60,117	58,028
Other Reserves	(329)	(244)	(120)	(120)
<b>Equity, Attributable to Owners of the Parent</b>	<b>78,045</b>	<b>75,961</b>	<b>78,772</b>	<b>76,683</b>
Non-Controlling Interests	364	704	-	-
<b>Total Equity</b>	<b>78,409</b>	<b>76,665</b>	<b>78,772</b>	<b>76,683</b>
<b>Non-Current Liabilities</b>				
Deferred Tax Liabilities	22	22	-	-
Provisions	1,958	1,892	1,958	1,892
Other Liabilities, Non-Current	3,732	2,805	2,098	992
<b>Total Non-Current Liabilities</b>	<b>5,712</b>	<b>4,719</b>	<b>4,056</b>	<b>2,884</b>
<b>Current Liabilities</b>				
Trade and Other Payables	12,854	18,344	11,665	16,968
Income Tax Payable	3,351	3,395	2,845	3,022
Other Liabilities, Current	6,690	8,516	4,846	6,747
<b>Total Current Liabilities</b>	<b>22,895</b>	<b>30,255</b>	<b>19,356</b>	<b>26,737</b>
<b>Total Liabilities</b>	<b>28,607</b>	<b>34,974</b>	<b>23,412</b>	<b>29,621</b>
<b>Total Equity and Liabilities</b>	<b>107,016</b>	<b>111,639</b>	<b>102,184</b>	<b>106,304</b>

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

Amount repayable in one year or less, or on demand

Nil.

Amount repayable after one year

Nil.

Details of any collateral

Nil.

**CHALLENGER TECHNOLOGIES LIMITED**

**UNAUDITED QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2016**

- 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

**Consolidated Statement of Cash Flows**

	<b>3 months ended</b>		<b>6 months ended</b>	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
	\$'000	\$'000	\$'000	\$'000
<b>Cash Flow From Operating Activities</b>				
Profit Before Tax	4,621	4,378	9,086	9,010
Adjustments for:				
Depreciation Expense	1,137	1,038	2,292	2,096
Loss on Disposal of Plant and Equipment	-	2	-	31
Interest Income	(109)	(97)	(270)	(206)
Net Effect of Exchange Rate Changes in Consolidating Foreign Operations	(147)	11	(85)	(131)
Operating Cash Flows Before Working Capital Changes	5,502	5,332	11,023	10,800
Trade and Other Receivables	(290)	1,988	(1,548)	(4,088)
Other Assets	230	133	(29)	(175)
Inventories	8,150	(2,596)	6,112	(4,020)
Trade and Other Payables	(5,186)	(1,645)	(5,490)	(9,609)
Other Liabilities	(94)	233	(899)	245
Net Cash Flows From Operations	8,312	3,445	9,169	(6,847)
Income Taxes Paid	(1,731)	(1,751)	(1,810)	(1,748)
Net Cash Flows From / (Used In) Operating Activities	6,581	1,694	7,359	(8,595)
<b>Cash Flows From Investing Activities</b>				
Interest Received	109	97	270	206
Increase in Other Financial Assets	(152)	-	(152)	-
Purchase of Plant and Equipment	(533)	(879)	(984)	(1,311)
Net Cash Flows Used in Investing Activities	(576)	(782)	(866)	(1,105)
<b>Cash Flows From Financing Activities</b>				
Dividends paid to equity owners	(5,351)	(4,315)	(5,351)	(4,315)
Dividends Paid to Non-Controlling Interests	(300)	(300)	(300)	(300)
Investment in a subsidiary by non-controlling interests	-	-	160	-
Net Cash Flows Used in Financing Activities	(5,651)	(4,615)	(5,491)	(4,615)
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	354	(3,703)	1,002	(14,315)
Cash and Cash Equivalents, Consolidated Statement of Cash Flow, Beginning Balance	42,301	42,009	41,653	52,621
<b>Cash and Cash Equivalents, Consolidated Statement of Cash Flow, Ending Balance</b>	<b>42,655</b>	<b>38,306</b>	<b>42,655</b>	<b>38,306</b>

CHALLENGER TECHNOLOGIES LIMITED

UNAUDITED QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 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

Statements of Changes in Equity

	Attributable to Equity Holder of the Company					
	Total Equity \$'000	Attributable to Parent sub-total \$'000	Share Capital \$'000	Retained Earnings \$'000	Other Reserves \$'000	Non-controlling Interests \$'000
<b>Group</b>						
<b>Current Period:</b>						
<b>Opening Balance at 1 January 2016</b>	76,665	75,961	18,775	57,430	(244)	704
<b>Movements in Equity:</b>						
Total Comprehensive Income for the Period	3,744	3,820	-	3,758	62	(76)
Issue of Share Capital to Non-controlling Interests	160	-	-	-	-	160
<b>Closing Balance at 31 March 2016</b>	<b>80,569</b>	<b>79,781</b>	<b>18,775</b>	<b>61,188</b>	<b>(182)</b>	<b>788</b>
Total Comprehensive Income for the Period	3,489	3,615	-	3,762	(147)	(126)
Dividends paid	(5,651)	(5,351)	-	(5,351)	-	(300)
<b>Closing Balance at 30 June 2016</b>	<b>78,407</b>	<b>78,045</b>	<b>18,775</b>	<b>59,599</b>	<b>(329)</b>	<b>362</b>
<b>Previous Period:</b>						
<b>Opening Balance at 1 January 2015</b>	<b>66,888</b>	<b>66,318</b>	<b>18,775</b>	<b>47,294</b>	<b>249</b>	<b>570</b>
<b>Movements in Equity:</b>						
Total Comprehensive Income for the Period	<b>3,615</b>	<b>3,549</b>	<b>-</b>	<b>3,692</b>	<b>(143)</b>	<b>66</b>
<b>Closing Balance at 31 March 2015</b>	<b>70,503</b>	<b>69,867</b>	<b>18,775</b>	<b>50,986</b>	<b>106</b>	<b>636</b>
Total Comprehensive Income for the Period	3,502	3,438	-	3,427	11	64
Dividends paid	(4,615)	(4,315)	-	(4,315)	-	(300)
<b>Closing Balance at 30 June 2015</b>	<b>69,390</b>	<b>68,990</b>	<b>18,775</b>	<b>50,098</b>	<b>117</b>	<b>400</b>
<b>Company</b>						
<b>Current Period:</b>						
<b>Opening Balance at 1 January 2016</b>	76,683	76,683	18,775	58,028	(120)	-
<b>Movements in Equity:</b>						
Total Comprehensive Income for the Period	3,962	3,962	-	3,962	-	-
<b>Closing Balance at 31 March 2016</b>	<b>80,645</b>	<b>80,645</b>	<b>18,775</b>	<b>61,990</b>	<b>(120)</b>	<b>-</b>
Total Comprehensive Income for the Period	3,478	3,478	-	3,478	-	-
Dividends paid	(5,351)	(5,351)	-	(5,351)	-	-
<b>Closing Balance at 30 June 2016</b>	<b>78,772</b>	<b>78,772</b>	<b>18,775</b>	<b>60,117</b>	<b>(120)</b>	<b>-</b>
<b>Previous Period:</b>						
<b>Opening Balance at 1 January 2015</b>	<b>67,206</b>	<b>67,206</b>	<b>18,775</b>	<b>48,433</b>	<b>(2)</b>	<b>-</b>
<b>Movements in Equity:</b>						
Total Comprehensive Income for the Period	4,001	4,001	-	4,001	-	-
<b>Closing Balance at 31 March 2015</b>	<b>71,207</b>	<b>71,207</b>	<b>18,775</b>	<b>52,434</b>	<b>(2)</b>	<b>-</b>
Total Comprehensive Income for the Period	5,116	5,116	-	5,116	-	-
Dividends paid	(4,315)	(4,315)	-	(4,315)	-	-
<b>Closing Balance at 30 June 2015</b>	<b>72,008</b>	<b>72,008</b>	<b>18,775</b>	<b>53,235</b>	<b>(2)</b>	<b>-</b>

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-back, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares or cash 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 share capital of the Company in the second quarter of 2016. As at 30 June 2016, the Company's issued and paid up capital comprises 345,207,961 (31 December 2015: 345,207,961) ordinary shares and \$18,775,054 (31 December 2015: \$18,775,054) respectively.

There were no outstanding convertibles issued or treasury shares held by the Company as at 30 June 2016 and 30 June 2015.

- 1(d)(iii) 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.**

	<b>30.06.2016</b>	<b>31.12.2015</b>
Total number of issued shares (excluding treasury shares)	345,207,961	345,207,961

- 1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 2 Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

The figures have not been audited nor reviewed by the Group auditors.

- 3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable.

**UNAUDITED QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2016****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 and the Company have applied the same accounting policies and methods of computation in the financial statements for the current reporting period, which are consistent with those described in the Audited Financial Statements for the year ended 31 December 2015, except for the adoption of the new and revised Financial Reporting Standards, including its consequential amendment and interpretations ("FRS") which became effective for financial years beginning on or after 1 January 2016, if any.

The adoption of the new and revised FRS does not have any material impact to the financial statements for the Group and Company for the period ended 30 June 2016.

**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**

Not applicable.

**6 Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

	3 months ended		6 months ended	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
	cents	cents	cents	cents
<u>Group</u>				
Earnings per share based on consolidated profit after taxation and non-controlling interests				
- on weighted average number of shares	1.09	0.99	2.18	2.06
- on a fully diluted basis	1.09	0.99	2.18	2.06

Earnings per ordinary share is computed based on the weighted average number of 345,207,961 issued shares.

**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 period reported on and (b) immediately preceding financial year**

	Group		Company	
	30.06.2016	31.12.2015	30.06.2016	31.12.2015
	cents	cents	cents	cents
Net asset value per share based on existing issued share capital as at the end of the respective period	22.61	22.00	22.82	22.21

The net asset value per ordinary share of the Group and the Company as at 30 June 2016 and 31 December 2015 is computed based on the total number of issued shares of 345,207,961.

- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

**Revenue**

The Group achieved revenue of \$91.2 M for the three months ended 30 June 2016 ("2Q2016"), an increase of 7.7% or \$6.5 M compared to the revenue of \$84.7 M for the three months ended 30 June 2015 ("2Q2015"). The increase in revenue is primarily driven by higher contribution from IT products and services.

Revenue from the IT products and services business segment increased 8.2% to \$89.6 M in 2Q2016, from \$82.8 M in 2Q2015 mainly attributable to contribution from online sales, with the official launch of online marketplace, Hachi.tech in April 2016 and improved performance from tradeshow held in 2Q2016. This was partially offset by lower revenue from retail operations.

Revenue from the electronic signage services business segment grew two-fold to \$0.5 M in 2Q2016 from \$0.2 M in 2Q2015, supported by completion of projects in 2Q2016.

Revenue from the telephonic call centre and data management services down by 35.3% to \$1.1 M in 2Q2016 compared to 2Q2015 due to lesser projects secured on event management in 2Q2016.

**Profit after taxation ("PAT")**

The Group registered a higher PAT of \$3.6 M in 2Q2016, as compared to \$3.5 M in 2Q2015.

The increase in PAT of \$0.1 M was mainly due to the following:

- a) Overall gross profit increased by about \$1.1 M due to stronger sales from tradeshow;
- b) decrease in rental expenses by \$0.2 M;
- c) exchange gains of about \$0.1 M arising from translation of foreign currencies balances, while exchange losses of \$0.1 M recorded in the same period last year; and
- d) higher other income of \$0.2 M.

The above items have been offset by:

- e) higher employee benefits expenses of \$0.8 M;
- f) higher in other operating expenses by about \$0.6 M; and
- g) increase in selling and distribution expenses of \$0.2 M due to higher cards surcharges.

The increase in these expenses were partly due to commencement of our online sales Hachi.tech and Andios used phone business in 1H2016.

**Working capital, assets and liabilities**

For the second quarter ended 30 June 2016, the Group has cash of approximately \$42.7 M.

The Group recorded an operating cash inflow of about \$6.6 M in 2Q2016. This has resulted mainly from the following:

- a) operating profit derived for 2Q2016 of \$5.5 M;
- b) decrease in inventory of \$8.1 M;
- c) decrease of trade, other payables and accrued liabilities of \$5.2 M;
- d) decrease of other liabilities of \$0.1 M; and
- e) income tax paid of \$1.7 M.

The net cash outflow for investing activities was mainly due to acquisitions of equipment and renovations of \$0.5 M and increased investment in a last mile delivery company of \$0.2 M. In addition, the Group received interests from fixed deposits and bonds of \$0.1 M while a net cash outflow of \$5.6 M was used to pay as dividend to shareholders and non-controlling interests. Hence, cash and cash equivalents increased by about \$0.4 M for the period ended 30 June 2016.

Other than the above, no significant difference was noted for other working capital, assets and liabilities, except for the decreased inventory level and trade payables as a result of the Group's effort to manage inventory holdings.



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

No specific forecast was previously provided.

**10 A commentary at the date of the announcement of the 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**

**a. IT products and services**

In view of the current global economic uncertainty, the Group remains cautious of the retail operating environment in Singapore with continuing cost pressure on manpower and rental. With this, the Group has taken initiatives to rationalise poor performing retail stores and continue to open stores at strategic locations. As of today, the Group has a total retail network of 44 stores in Singapore. Currently, there are two new store openings in the pipeline, which are due to be opened in the third quarter of 2016.

With the official launch of our one-stop lifestyle and tech online marketplace, Hachi.tech in April 2016, the Group has put in more emphasis on the e-commerce channels to furthering growth opportunities.

**b. Electronic signage services**

Following the award of a major contract to build LED screen at a facility in the east which will be completed by the fourth quarter of the year, we will continue to explore business opportunity with strategic partners to continue to grow our business in architectural and commercial lighting projects.

**11 Dividend**

**(a) Current Financial Period Reported On**

The directors recommend an interim dividend to be paid for the period ended 30.6.2016 as follows:

Name of Dividend: Interim exempt (one-tier) dividend

Dividend type: Cash

Dividend amount per share (in cents): 1.10

Tax rate: Tax-exempt one-tier

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

Interim dividend for the period ended 30.06.2015 paid on 31.08.2015 as noted below.

Name of Dividend: Interim exempt (one-tier) dividend

Dividend type: Cash

Dividend amount per share (in cents): 1.10

Tax rate: Tax-exempt one-tier

**(c) Date Payable**

22 August 2016.

**(d) Books Closure Date**

Notice is hereby given that the Share Transfer Books and Register of Members will be closed on 11 August 2016 for the purpose of determining members' entitlements to the tax-exempt one-tier interim dividend of 1.10 cents. Duly completed registerable transfers in respect of the shares in the Company received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, by the close of business at 5.00 pm on 10 August 2016 will be registered to determine the members' entitlements to such dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares as at 5.00 pm on 10 August 2016 will be entitled to such dividend.

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

Not applicable.

**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.**

There is no IPT mandate obtained.

**14 Confirmation By the Company Pursuant to Rule 720(1) of the SGX Listing Manual**

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the SGX Listing Manual.

**15 CONFIRMATION BY THE BOARD**

On behalf of the Board of Directors of the Company, Loo Leong Thye and Tan Wee Ko being two directors of the Company, do hereby confirm to the best of our knowledge, that nothing has come to the attention of the Board of Directors of the Company which may render the financial statement for the second quarter ended 30 June 2016 to be false or misleading in any material aspect.

On behalf of the Board of Directors

LOO LEONG THYE  
EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER

TAN WEE KO  
EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER

**BY ORDER OF THE BOARD**

LOO LEONG THYE  
EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER  
DATE: 2 August 2016