



PAN-UNITED CORPORATION LTD

(Company Reg No: 199106524G)

SECOND QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2017

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

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

CONSOLIDATED INCOME STATEMENT						
	2Q 2017	2Q 2016	+ / (-)	1H 2017	1H 2016	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	164,762	175,661	(6)	317,993	354,175	(10)
Other income	945	1,116	(15)	1,727	2,443	(29)
Raw materials, subcontract cost and other direct costs	(128,974)	(134,516)	(4)	(247,186)	(276,455)	(11)
Staff costs	(7,937)	(9,741)	(19)	(17,460)	(19,189)	(9)
Depreciation and amortisation expenses	(5,922)	(5,727)	3	(11,973)	(11,550)	4
Other expenses	(13,479)	(13,272)	2	(27,616)	(26,484)	4
Finance costs	(3,067)	(3,119)	(2)	(5,965)	(6,360)	(6)
	<u>6,328</u>	<u>10,402</u>	<u>(39)</u>	<u>9,520</u>	<u>16,580</u>	<u>(43)</u>
Share of results of associates	1,499	527	184	2,772	1,007	175
Profit before income tax from continuing operations	7,827	10,929	(28)	12,292	17,587	(30)
Income tax	(1,715)	(2,574)	(33)	(2,235)	(4,293)	(48)
Profit from continuing operations, net of tax	6,112	8,355	(27)	10,057	13,294	(24)
Discontinued operations						
Loss from discontinued operations, net of tax	-	(1,739)	nm	-	(3,537)	nm
Profit for the period	<u>6,112</u>	<u>6,616</u>	<u>(8)</u>	<u>10,057</u>	<u>9,757</u>	<u>3</u>
Attributable to:						
Equity holders of the Company						
Profit from continuing operations, net of tax	5,350	6,995	(24)	8,476	10,836	(22)
Loss from discontinued operations, net of tax	-	(1,739)	nm	-	(3,537)	nm
	<u>5,350</u>	<u>5,256</u>	<u>2</u>	<u>8,476</u>	<u>7,299</u>	<u>16</u>
Non-controlling interests						
Profit from continuing operations, net of tax	762	1,360	(44)	1,581	2,458	(36)
	<u>6,112</u>	<u>6,616</u>	<u>(8)</u>	<u>10,057</u>	<u>9,757</u>	<u>3</u>

nm: Not meaningful

The Loss from discontinued operations in 1H2016 comprised the results of the tug and barge business which was disposed on 7 December 2016.

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year. (continued)

A. Profit before income tax is arrived at after crediting/(charging) the following:	2Q 2017	2Q 2016	+ /(-)	1H 2017	1H 2016	+ /(-)
	\$'000	\$'000	%	\$'000	\$'000	%
Interest income	184	111	66	311	174	79
Interest expense	(2,912)	(3,078)	(5)	(5,764)	(6,261)	(8)
Dividend income from other investments	-	163	nm	-	326	nm
Reversal of impairment loss on trade receivables	-	83	nm	195	83	135
Foreign exchange (loss)/gain	(91)	(295)	(69)	(90)	45	nm
(Loss)/gain on disposal of property, plant and equipment	(20)	(33)	(39)	26	277	(91)
Write-off of property, plant and equipment	(1)	-	nm	(308)	(36)	nm

B. The Group's tax charge for 1H 2017 included a reversal of tax provision of \$728,000 related to previous periods.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME						
	2Q 2017	2Q 2016	+ /(-)	1H 2017	1H 2016	+ /(-)
	\$'000	\$'000	%	\$'000	\$'000	%
Profit for the period, net of tax	6,112	6,616	(8)	10,057	9,757	3
Other comprehensive income:						
Foreign currency translation	520	(5,108)	(110)	(5,024)	(10,493)	(52)
Fair value changes of derivatives	(1,056)	-	nm	(4,402)	(2,315)	90
Other comprehensive income for the period, net of tax	<u>(536)</u>	<u>(5,108)</u>	<u>(90)</u>	<u>(9,426)</u>	<u>(12,808)</u>	<u>(26)</u>
Total comprehensive income for the period	<u>5,576</u>	<u>1,508</u>	<u>nm</u>	<u>631</u>	<u>(3,051)</u>	<u>(121)</u>
Attributable to:						
Equity holders of the Company	4,875	853	nm	(71)	(3,605)	(98)
Non-controlling interests	701	655	7	702	554	27
Total comprehensive income for the period	<u>5,576</u>	<u>1,508</u>	<u>nm</u>	<u>631</u>	<u>(3,051)</u>	<u>(121)</u>
Attributable to Equity holders of the Company:						
Total comprehensive income from continuing operations, net of tax	4,875	2,577	89	(71)	(117)	(39)
Total comprehensive income from discontinued operations, net of tax	-	(1,724)	nm	-	(3,488)	nm
Total comprehensive income for the period attributable to equity holders of the Company	<u>4,875</u>	<u>853</u>	<u>nm</u>	<u>(71)</u>	<u>(3,605)</u>	<u>(98)</u>

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.

BALANCE SHEETS	Group		Company	
	30-Jun-17 \$'000	31-Dec-16 \$'000	30-Jun-17 \$'000	31-Dec-16 \$'000
Non-current assets				
Vessels, property, plant and equipment	450,346	455,178	289	318
Subsidiaries	-	-	181,818	180,119
Associates	8,531	9,803	-	-
Other investments	801	996	774	930
Other receivables	767	933	-	-
Goodwill	23,974	24,507	-	-
Deferred tax assets	1,076	831	-	-
	<u>485,495</u>	<u>492,248</u>	<u>182,881</u>	<u>181,367</u>
Current assets				
Cash and short-term deposits	48,766	72,662	24,689	43,270
Trade and other receivables	146,051	146,252	3,300	2,812
Prepayments	4,520	3,322	854	580
Work-in-progress	12	382	-	-
Inventories	16,018	20,193	-	-
Derivatives	-	2,879	-	2,879
Other assets	225	1,577	-	-
	<u>215,592</u>	<u>247,267</u>	<u>28,843</u>	<u>49,541</u>
Current liabilities				
Loans and borrowings	52,234	52,381	2,000	2,000
Payables and accruals	99,006	109,215	1,408	1,953
Deferred income	433	558	-	-
Provisions	1,460	1,983	-	-
Income tax payable	2,062	3,350	-	2
Derivatives	1,368	-	1,368	-
	<u>156,563</u>	<u>167,487</u>	<u>4,776</u>	<u>3,955</u>
Net current assets	<u>59,029</u>	<u>79,780</u>	<u>24,067</u>	<u>45,586</u>
Non-current liabilities				
Loans and borrowings	232,973	245,936	78,000	78,000
Deferred tax liabilities	10,464	10,605	-	-
Deferred income	863	893	-	-
Other liabilities	552	580	-	-
Provisions	3,048	3,000	-	-
Derivatives	523	368	523	368
	<u>248,423</u>	<u>261,382</u>	<u>78,523</u>	<u>78,368</u>
Net assets	<u>296,101</u>	<u>310,646</u>	<u>128,425</u>	<u>148,585</u>
Equity attributable to equity holders of the Company				
Share capital	92,052	92,052	92,052	92,052
Treasury shares	(957)	(1,759)	(957)	(1,759)
Reserves	167,751	183,394	37,330	58,292
	<u>258,846</u>	<u>273,687</u>	<u>128,425</u>	<u>148,585</u>
Non-controlling interests	37,255	36,959	-	-
Total equity	<u>296,101</u>	<u>310,646</u>	<u>128,425</u>	<u>148,585</u>

- 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. (continued)

Explanatory Notes to Balance Sheets

The decrease in cash and short term deposits are mainly due to the repayment of bank borrowings and payment of final dividends in 2Q 17.

- 1(b)(ii) In relation to the aggregate amount of group's borrowings and debts 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.

	As of 30 Jun 2017		As of 31 Dec 2016	
	<u>Secured</u> \$'000	<u>Unsecured</u> \$'000	<u>Secured</u> \$'000	<u>Unsecured</u> \$'000
Amount repayable in one year or less, or on demand	20,234	32,000	20,381	32,000
Amount repayable after one year	129,973	103,000	142,936	103,000

Details of any collateral

Certain short and long-term bank loans are secured by mortgages over certain assets of foreign subsidiaries.

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

CONSOLIDATED CASH FLOW STATEMENTS	2Q 2017	2Q 2016	1H 2017	1H 2016
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Profit before income tax	7,827	10,929	12,292	17,587
Loss from discontinued operations	-	(1,740)	-	(3,536)
Adjustments for				
Depreciation and amortisation expenses	5,922	7,087	11,973	14,217
Dividend income from other investments	-	(163)	-	(326)
Interest income	(184)	(111)	(311)	(174)
Interest expense	2,912	3,078	5,764	6,261
Loss/(gain) on disposal of property, plant and equipment	20	33	(26)	(277)
Reversal of impairment loss on trade receivables	-	-	(195)	-
Gain on disposal of other investments	(5)	-	(24)	-
Reversal of provisions	-	-	(21)	-
Write-off of property, plant and equipment	1	-	308	36
Share-based payment expenses	34	59	71	119
Share of results of associates	(1,499)	(527)	(2,772)	(1,007)
Foreign exchange differences	(135)	(16)	(384)	376
Operating cash flows before working capital changes	14,893	18,629	26,675	33,276
Decrease/(Increase) in				
Trade and other receivables	(15,456)	8,913	562	14,313
Prepayments	(637)	939	(1,198)	(342)
Inventories and work-in-progress	1,280	(2,553)	4,545	4,999
Other assets	724	59	1,352	579
Increase/(Decrease) in				
Payables, accruals and provisions	1,872	(1,466)	(10,938)	(24,404)
Deferred income	(3,431)	2,099	(155)	1,403
Cash flows (used in)/from operations	(755)	26,620	20,843	29,824
Interest paid	(2,912)	(3,078)	(5,764)	(6,261)
Income tax paid	(1,948)	(1,892)	(3,909)	(3,506)
Interest received	184	111	311	174
Net cash flows (used in)/from operating activities	(5,431)	21,761	11,481	20,231
Cash flows from investing activities				
Acquisition of property, plant and equipment	(10,440)	(13,507)	(15,536)	(25,172)
Purchase of other investments	-	-	-	(34)
Proceeds from disposal of property, plant and equipment	26	69	671	744
Proceeds from disposal of other investments	18	-	63	-
Dividend income from associates	3,064	2,486	3,904	2,486
Capital refund from other investments	-	163	156	326
Net cash flows used in investing activities	(7,332)	(10,789)	(10,742)	(21,650)
Cash flows from financing activities				
Proceeds from bank borrowings	61,491	46,026	61,491	61,701
Repayment of bank borrowings	(61,839)	(38,156)	(70,621)	(47,812)
Proceeds from reissuance of treasury shares	310	-	573	-
Dividends paid to shareholders	(15,414)	(15,394)	(15,414)	(15,394)
Dividend paid to non-controlling interests	(131)	(1,322)	(131)	(1,322)
Net cash flows used in financing activities	(15,583)	(8,846)	(24,102)	(2,827)
Net (decrease)/increase in cash and cash equivalents	(28,346)	2,126	(23,363)	(4,246)
Cash and cash equivalents as at beginning of period	77,120	36,693	72,662	43,686
Effects of exchange rate changes on opening cash	(8)	(171)	(533)	(792)
Cash and cash equivalents as at end of period	48,766	38,648	48,766	38,648

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.

STATEMENT OF CHANGES IN EQUITY	Attributable to equity holders of the Company							Non-controlling interests	Total Equity
	Share capital	Treasury shares	Capital reserve	Foreign currency translation reserve	Retained earnings	Other reserves	Total reserves		
GROUP									
Balance at 1 January 2017	92,052	(1,759)	3,000	(6,766)	254,045	(66,885)	183,394	36,959	310,646
Total comprehensive income for the period	-	-	-	(4,726)	3,126	(3,346)	(4,946)	1	(4,945)
Cost of share-based payment (share options)	-	-	-	-	-	37	37	-	37
Reissuance of treasury shares	-	378	-	-	-	(115)	(115)	-	263
Balance at 31 March 2017	92,052	(1,381)	3,000	(11,492)	257,171	(70,309)	178,370	36,960	306,001
Total comprehensive income for the period	-	-	-	581	5,350	(1,056)	4,875	701	5,576
Cost of share-based payment (share options)	-	-	-	-	-	34	34	-	34
Reissuance of treasury shares	-	424	-	-	-	(114)	(114)	-	310
Dividends on ordinary shares	-	-	-	-	(15,414)	-	(15,414)	-	(15,414)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(406)	(406)
Balance at 30 June 2017	92,052	(957)	3,000	(10,911)	247,107	(71,445)	167,751	37,255	296,101
Balance at 1 January 2016	92,052	(1,759)	3,000	(2,328)	259,150	(69,121)	190,701	34,657	315,651
Effect of adjustment on reclassification of available-for sales investment to associate	-	-	-	-	2,088	-	2,088	-	2,088
Total comprehensive income for the period	-	-	-	(4,186)	2,043	(2,315)	(4,458)	(101)	(4,559)
Cost of share-based payment (share options)	-	-	-	-	-	60	60	-	60
Balance at 31 March 2016	92,052	(1,759)	3,000	(6,514)	263,281	(71,376)	188,391	34,556	313,240
Total comprehensive income for the period	-	-	-	(4,404)	5,256	-	852	655	1,507
Cost of share-based payment (share options)	-	-	-	-	-	59	59	-	59
Dividends on ordinary shares	-	-	-	-	(15,394)	-	(15,394)	-	(15,394)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(1,322)	(1,322)
Balance at 30 June 2016	92,052	(1,759)	3,000	(10,918)	253,143	(71,317)	173,908	33,889	298,090

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. (continued)

COMPANY	Share capital	Treasury shares	Retained earnings	Other reserves	Total reserves	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2017	92,052	(1,759)	54,289	4,003	58,292	148,585
Total comprehensive income for the period	-	-	(449)	(3,346)	(3,795)	(3,795)
Cost of share-based payment (share options)	-	-	-	37	37	37
Reissuance of treasury shares	-	378	-	(115)	(115)	263
Balance at 31 March 2017	92,052	(1,381)	53,840	579	54,419	145,090
Total comprehensive income for the period	-	-	(539)	(1,056)	(1,595)	(1,595)
Cost of share-based payment (share options)	-	-	-	34	34	34
Reissuance of treasury shares	-	424	-	(114)	(114)	310
Dividends on ordinary shares	-	-	(15,414)	-	(15,414)	(15,414)
Balance at 30 June 2017	92,052	(957)	37,887	(557)	37,330	128,425
Balance at 1 January 2016	92,052	(1,759)	62,463	1,767	64,230	154,523
Total comprehensive income for the period	-	-	(2,233)	(2,315)	(4,548)	(4,548)
Cost of share-based payment (share options)	-	-	-	60	60	60
Balance at 31 March 2016	92,052	(1,759)	60,230	(488)	59,742	150,035
Total comprehensive income for the period	-	-	609	-	609	609
Cost of share-based payment (share options)	-	-	-	59	59	59
Dividends on ordinary shares	-	-	(15,394)	-	(15,394)	(15,394)
Balance at 30 June 2016	92,052	(1,759)	45,445	(429)	45,016	135,309

1(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, shares buy-backs, exercise of shares 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 corresponding period of the immediately preceding financial year.

	2Q 2017 ended 30 June 2017	2Q 2016 ended 30 June 2016
Issued share capital		
Issued and fully paid ordinary shares: As at beginning and end of period	561,818,660	561,818,660
Treasury shares		
As at beginning of period	1,603,000	2,041,000
Less: Transfer of treasury shares to employees to fulfill obligations under the Pan-United Share Option Scheme	(493,000)	-
As at end of period	1,110,000	2,041,000
Total number of issued shares excluding treasury shares	560,708,660	559,777,660

There were no share buyback and no new shares issued during the quarter ended 30 June 2017.

	As at 30-Jun-17	As at 30-Jun-16
The number of shares that may be issued on exercise of share options outstanding at the end of the period	9,956,500	8,335,500

1(d)(iii) To show the total number of issued shares excluding treasury shares as at end of the current financial period and as at the end of the immediately preceding year.

	As at 30-Jun-17	As at 31-Dec-16
Total number of issued shares	561,818,660	561,818,660
Treasury shares	1,110,000	2,041,000
Total number of issued shares excluding treasury shares	560,708,660	559,777,660

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

During the quarter ended 30 June 2017, 493,000 treasury shares were transferred to employees pursuant to the Pan-United Share Option Scheme.

1(d)(v) Subsidiary holdings.

There were no subsidiary holdings as at the end of the current financial period reported on.

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

The figure have not been audited or reviewed by our auditors, Messrs Ernst & Young LLP.

3 Where the figures have been audited or reviewed, the auditor's report (including any qualification of emphasis of matter).

Not applicable.

4 Where the same accounting policies and methods of computation as in the issuers' most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with those of the audited financial statements as at 31 December 2016, except as disclosed in note 5 below.

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

The Group has adopted all the applicable new/revised Financial Reporting Standards (FRS) that become effective for accounting periods beginning 1 January 2017. The adoption of these new/revised FRS does not have any material impact to the Group's financial statements.

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 the preference dividends.

Earnings per ordinary share for the period based on equity holders of the company (from continuing operations)	Quarter ended 30 June			Half year ended 30 June		
	2017	2016	Change	2017	2016	Change
Based on weighted average number of ordinary shares in issue (in cents)	1.0	1.2	-17%	1.5	1.9	-21%
On a fully diluted basis (in cents)	1.0	1.2	-17%	1.5	1.9	-21%

- 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 (b) immediately preceding financial year.**

	<u>Group</u>	<u>Company</u>
Net asset value per ordinary share based on Issued share capital at 30 June 2017 (In cents)	46.2	22.9
Net asset value per ordinary share based on Issued share capital at 31 December 2016 (In cents)	48.9	26.5

- 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 1H2017 Performance

Group revenue was 10% lower year-on-year (yoy) at \$318.0 million, mainly due to softer demand and lower selling prices of ready mixed concrete (RMC) and cement in Singapore.

For the period of January to May 2017, the Building and Construction Authority ("BCA") reported a 13% and 20% yoy decline in the industry demand for RMC and cement respectively. The average prices of RMC and cement in the first half year, based on BCA's reports, fell by 8% and 11% respectively, compared to 1H 2016.

However, the Group achieved higher sales volume in our overseas RMC operations in 1H 2017.

The revenue from our Ports division grew 4% yoy, supported by stable cargo volumes from the two ports.

The Group recorded a profit after tax of \$10.1 million in 1H 2017, which was 3% better than 1H 2016's results, including the tug and barge business which was disposed in December 2016.

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

Not applicable.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Concrete and Cement (C&C) division

In Singapore, the construction industry continues to face challenges, against a backdrop of increasing complexity and scale of projects. Notwithstanding the challenging landscape, the C&C division will continue to focus on differentiated concrete solutions, customised to suit specific construction needs and facilitate increased productivity with lower application time.

The Group is stepping up efforts to grow its positions in Vietnam and Malaysia.

Ports division

While the performance of the Ports division continues to be supported by the strong domestic demand for import cargoes such as pulp and logs, the Ports division will continue to capitalise on its comprehensive suite of efficient service offerings to increase cargo volume and diversify both client base and cargo mix.

Others

On 3 May 2017, the Company announced that it will undertake a proposed rights issue and a de-merger of its wholly-owned subsidiary, Xinghua Port Holdings Pte. Ltd. as a separate listed entity. The rights issue exercise has since been completed on 20 July 2017. The Company will keep shareholders apprised of further updates on the de-merger exercise via announcements on SGXNET.

11 If a decision regarding dividend has been made:

(a) Current Financial Period Reported On

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

Name of dividend:	Interim
Dividend type:	Cash
Dividend rate:	S\$ 0.005 per ordinary share (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
Dividend type:	Cash
Dividend rate:	S\$ 0.010 per ordinary share (One-tier tax exempt)

(c) Date payable:

The interim dividend will be paid on 8 September 2017.

(d) Books closure date

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed on 29 August 2017 at 5.00 p.m. for the preparation of dividend warrants. Duly completed transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 by 5.00 p.m. on 29 August 2017 will be registered before entitlements to the dividend are determined. Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 29 August 2017 will be entitled to the 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 interested person transactions ('IPT), 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 does not have a general mandate from shareholders for interested person transactions.

- 14 Negative confirmation pursuant to Rule 705(5).**

CONFIRMATION PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited consolidated financial results for the quarter ended 30 June 2017 to be false or misleading.

- 15 Confirmation that the issuer has procured undertakings from all its directors and executive officers pursuant to Rule 720(1) of the SGX Listing Manual.**

CONFIRMATION PURSUANT TO RULE 720(1) OF THE 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.

BY ORDER OF THE BOARD

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Company Secretary
10 August 2017