

OLD CHANG KEE LTD.

(Company Registration No.: 200416190W)
(Incorporated in the Republic of Singapore on 16 December 2004)

**FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2015**

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

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.

Consolidated statement of comprehensive income

	The Group			The Group		
	2Q2016	2Q2015	+ / (-)	1H2016	1H2015	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	19,121	18,152	5.3	37,305	35,217	5.9
Cost of sales	(7,012)	(6,994)	0.3	(13,453)	(13,411)	0.3
Gross profit	12,109	11,158	8.5	23,852	21,806	9.4
Other items of income						
Interest income on short term deposits	10	9	11.1	20	18	11.1
Other income	363	301	20.6	818	457	79.0
Other items of expenses						
Selling and distribution expenses	(7,698)	(6,960)	10.6	(15,124)	(13,220)	14.4
Administrative expenses	(2,676)	(2,809)	(4.7)	(5,289)	(5,434)	(2.7)
Finance costs	(40)	(20)	100.0	(87)	(39)	123.1
Other expenses	(576)	(250)	130.4	(882)	(380)	132.1
Profit before tax for the period	1,492	1,429	4.4	3,308	3,208	3.1
Income tax expense	(282)	(373)	(24.4)	(653)	(651)	0.3
Profit for the period	1,210	1,056	14.6	2,655	2,557	3.8
Other comprehensive income						
Deferred tax on revaluation of freehold land and buildings	-	93	NM	-	93	NM
Exchange differences on translating foreign operations	(6)	18	(133.3)	(15)	23	(165.2)
Other comprehensive income for the period, net of tax	(6)	111	(105.4)	(15)	116	(112.9)
Total comprehensive income for the period, attributable to owners of the Company	1,204	1,167	3.2	2,640	2,673	(1.2)

NM: Not meaningful

1(a)(ii)

Notes to consolidated statement of comprehensive income

1. Profit before tax is arrived at after charging/(crediting) the following:

	The Group			The Group		
	2Q2016	2Q2015	+ /(-)	1H2016	1H2015	+ /(-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Amortisation of intangible assets	12	4	200.0	15	7	114.3
Depreciation of property, plant and equipment	939	877	7.1	1,809	1,754	3.1
Interest income from short-term deposits	(10)	(9)	11.1	(20)	(18)	11.1
Loss/(gain) in foreign exchange, net	348	6	NM	460	(74)	NM
Property, plant and equipment written off	18	50	(64.0)	18	61	(70.5)
Gain on disposal of property, plant and equipment	-	(41)	NM	-	(41)	NM

2. The major components of taxation comprise:

	The Group			The Group		
	2Q2016	2Q2015	+ /(-)	1H2016	1H2015	+ /(-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Current income tax						
-Current income taxation	314	335	(6.3)	703	643	9.3
-Under provision in respect of prior year	-	63	NM	-	63	NM
Deferred income tax						
-Movement in temporary differences	(32)	(25)	28.0	(50)	(55)	(9.1)
Taxation recognised in the consolidated statement of comprehensive income	282	373	(24.4)	653	651	0.3

NM: Not meaningful

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.

	The Group		The Company	
	As at		As at	
	30-09-2015	31-03-2015	30-09-2015	31-03-2015
	S\$'000	S\$'000	S\$'000	S\$'000
Non-Current Assets				
Property, plant and equipment	26,631	26,381	-	-
Intangible assets	202	12	-	-
Investment in subsidiary companies	-	-	5,640	5,640
Investment in unquoted shares	273	273	273	273
Long term deposits	1,964	1,772	-	-
	29,070	28,438	5,913	5,913
Current Assets				
Inventories	766	522	-	-
Trade and other receivables	197	143	-	-
Deposits	825	1,446	-	-
Prepayments	1,332	1,370	24	27
Amount due from subsidiary companies	-	-	4,316	3,570
Cash and bank balances	21,310	20,147	7,577	10,508
	24,430	23,628	11,917	14,105
Current Liabilities				
Trade and other payables	6,311	5,405	1,247	1,329
Other liabilities	167	152	-	-
Provisions	2,013	2,046	42	24
Bank loans	897	897	-	-
Finance lease liabilities	110	110	-	-
Provision for taxation	1,402	1,357	35	37
	10,900	9,967	1,324	1,390
Net Current Assets	13,530	13,661	10,593	12,715
Non-Current Liabilities				
Bank loans	7,119	7,331	-	-
Finance lease liabilities	333	389	-	-
Deferred tax liabilities	1,032	1,082	-	-
	8,484	8,802	-	-
Net Assets	34,116	33,297	16,506	18,628
Equity attributable to owners of the Company				
Share capital	13,964	13,964	13,964	13,964
Retained earnings	17,179	16,345	2,542	4,664
Other reserves	2,973	2,988	-	-
Total Equity	34,116	33,297	16,506	18,628

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

Amount repayable in one year or less, or on demand

As at 30-09-2015		As at 31-03-2015	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
1,007	-	1,007	-

Amount repayable after one year

As at 30-09-2015		As at 31-03-2015	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
7,452	-	7,720	-

Details of any collateral

The Group's borrowings are secured as follows:

1. Bank loans are secured by:
 - (i) a first legal mortgage on freehold and leasehold properties owned by the Group's wholly owned subsidiary companies as at 30 September 2015; and
 - (ii) corporate guarantee by the Company as at 30 September 2015.
2. Finance lease obligations are secured by the lessors' title to the respective leased assets.

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.

	The Group		The Group	
	2Q2016 S\$'000	2Q2015 S\$'000	1H2016 S\$'000	1H2015 S\$'000
Cash flows from operating activities				
Profit before tax	1,492	1,429	3,308	3,208
Adjustments for:				
Amortisation of intangible assets	12	4	15	7
Depreciation of property, plant and equipment	939	877	1,809	1,754
Gain on disposal of property, plant and equipment	-	-	-	(41)
Property, plant and equipment written off	18	50	18	61
Interest expense	40	9	87	39
Interest income	(10)	(9)	(20)	(18)
Currency realignment	275	42	368	17
Operating profit before changes in working capital	2,766	2,402	5,585	5,027
Decrease/(increase) in inventories	22	(52)	(244)	78
(Increase)/decrease in trade and other receivables	(1)	149	(54)	(78)
Increase in amount due from an associated company	-	(5)	-	(115)
Decrease/(increase) in deposits	611	145	429	(24)
Decrease/(increase) in prepayments	53	(56)	38	(617)
(Decrease)/increase in trade and other payables	(584)	(534)	906	441
Increase in other liabilities	6	8	15	17
Decrease in provisions	(18)	(7)	(33)	(27)
Cash flows from operations	2,855	2,050	6,642	4,702
Tax paid	(658)	(674)	(658)	(674)
Net cash flows from operating activities	2,197	1,376	5,984	4,028
Cash flows from investing activities				
Purchase of property, plant and equipment	(1,501)	(2,862)	(2,481)	(3,972)
Purchase of intangible assets	(197)	-	(205)	-
Proceeds from disposal of property, plant and equipment	-	-	-	41
Interest received	10	9	20	18
Net cash flows used in investing activities	(1,688)	(2,853)	(2,666)	(3,913)
Cash flows from financing activities				
Proceeds from bank loan	-	2,569	-	2,569
Repayment of finance lease liabilities	(26)	(35)	(56)	(94)
Dividends paid	(1,821)	(1,821)	(1,821)	(1,821)
Interest paid	(40)	(9)	(87)	(39)
Repayment of bank loans	(85)	(100)	(191)	(206)
Net cash flows (used in)/generated from financing activities	(1,972)	604	(2,155)	409
Net (decrease)/increase in cash and cash equivalents	(1,463)	(873)	1,163	524
Cash and cash equivalents at the beginning of the financial period	22,773	21,776	20,147	20,379
Cash and cash equivalents at the end of the financial period	21,310	20,903	21,310	20,903

- 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.

Equity attributable to owners of the Company

The Group	Share capital	Retained earnings	Other reserves	Foreign currency translation	Asset revaluation reserve	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 April 2015	13,964	16,345	2,988	37	2,951	33,297
Profit for the period	-	1,445	-	-	-	1,445
Other comprehensive income						
Exchange differences on translating foreign operations	-	-	(9)	(9)	-	(9)
Total comprehensive income for the period	-	1,445	(9)	(9)	-	1,436
Balance at 30 June 2015	13,964	17,790	2,979	28	2,951	34,733
Profit for the period	-	1,210	-	-	-	1,210
Other comprehensive income						
Exchange differences on translating foreign operations	-	-	(6)	(6)	-	(6)
Total comprehensive income for the period	-	1,210	(6)	(6)	-	1,204
Dividends on ordinary shares	-	(1,821)	-	-	-	(1,821)
Balance at 30 September 2015	13,964	17,179	2,973	22	2,951	34,116

Equity attributable to owners of the Company

The Group	Share capital	Retained earnings	Other reserves	Foreign currency translation	Asset revaluation reserve	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 April 2014	13,964	14,701	2,837	(12)	2,849	31,502
Profit for the period	-	1,501	-	-	-	1,501
<u>Other comprehensive income</u>						
Exchange differences on translating foreign operations	-	-	5	5	-	5
Total comprehensive income for the period	-	1,501	5	5	-	1,506
Balance at 30 June 2014	13,964	16,202	2,842	(7)	2,849	33,008
Profit for the period	-	1,056	-	-	-	1,056
<u>Other comprehensive income</u>						
Deferred tax on revaluation of freehold land and buildings	-	-	93	-	93	93
Exchange differences on translating foreign operations	-	-	18	18	-	18
Total comprehensive income for the period	-	1,056	111	18	93	1,167
Dividends on ordinary shares	-	(1,821)	-	-	-	(1,821)
Balance at 30 September 2014	13,964	15,437	2,953	11	2,942	32,354

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.

The Company	Share capital S\$'000	Retained earnings S\$'000	Total equity S\$'000
Balance at 1 April 2015	13,964	4,664	18,628
Profit for the period	-	(45)	(45)
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	(45)	(45)
Balance at 30 June 2015	13,964	4,619	18,583
Profit for the period	-	(256)	(256)
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	(256)	(256)
Dividends on ordinary shares	-	(1,821)	(1,821)
Balance at 30 September 2015	13,964	2,542	16,506

The Company	Share capital S\$'000	Retained earnings S\$'000	Total equity S\$'000
Balance at 1 April 2014	13,964	2,964	16,928
Profit for the period	-	60	60
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	60	60
Dividends on ordinary shares	-	-	-
Balance at 30 June 2014	13,964	3,024	16,988
Profit for the period	-	36	36
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	36	36
Dividends on ordinary shares	-	(1,821)	(1,821)
Balance at 30 September 2014	13,964	1,239	15,203

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.

Ordinary shares

	Number of shares	S\$'000
Issued and fully paid ordinary shares as at 30 September 2015 and 30 June 2015	121,374,700	13,964

There were no treasury shares, outstanding options and/or other convertibles as at 30 September 2015 and 30 September 2014.

1(d)(iii) To show 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.

	As at 30-09-2015	As at 31-03-2015
Total number of issued shares	121,374,700	121,374,700

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

Not applicable. There were no treasury shares during and as at the end of the current financial year reported on.

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

The figures in this announcement have not been audited or reviewed by the Group’s auditor.

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 consistently applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those used in the most recently audited financial statements for the financial year ended 31 March 2015.

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.

The Group adopted the new and revised Financial Reporting Standards (“FRS”) and Interpretations to FRS (“INT FRS”) that are relevant to its operations, which took effect from financial periods beginning on or after 1 April 2015. Changes to the Group’s accounting policies have been made as required in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of the new and revised FRS and INT FRS did not result in any substantial changes to the Group's and the Company's accounting policies and has no material impact on the financial statements for the current financial period reported on.

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.

Basic earnings per ordinary share ("EPS") is computed by dividing the earnings attributable to owners of the Company in each financial period by the weighted average number of ordinary shares in issue during the respective financial periods.

EPS after deducting any provision for preference dividends :-	The Group		The Group	
	2Q2016	2Q2015	1H2016	1H2015
(a) Based on weighted average number of ordinary shares in issue (Singapore cents); and	1.00	0.87	2.19	2.11
(b) On a fully diluted basis (Singapore cents)	1.00	0.87	2.19	2.11

Number of shares used in the respective computations of EPS :-	The Group		The Group	
	2Q2016	2Q2015	1H2016	1H2015
(a) Based on weighted average number of ordinary shares in issue ; and	121,374,700	121,374,700	121,374,700	121,374,700
(b) On a fully diluted basis	121,374,700	121,374,700	121,374,700	121,374,700

The basic and diluted EPS for the financial periods ended 30 September 2015 and 30 September 2014 are the same, as there are no potentially dilutive shares in issue as at 30 September 2015 and 30 September 2014.

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.

	The Group		The Company	
	30-09-2015	31-03-2015	30-09-2015	31-03-2015
Net asset value per ordinary share based on total number of issued shares as at the end of the financial period reported on	S\$0.28	S\$0.27	S\$0.14	S\$0.15
Total number of issued shares as at the end of the financial period reported on	121,374,700	121,374,700	121,374,700	121,374,700

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.

Revenue

The Group's revenue increased from approximately S\$18.2 million for the financial period from 1 July 2014 to 30 September 2014 ("**2Q2015**") to approximately S\$19.1 million for the period from 1 July 2015 to 30 September 2015 ("**2Q2016**"), an increase of approximately S\$1.0 million or 5.3%.

Revenue from the retail division increased by approximately S\$1.0 million or 5.7%. The increase in revenue was mainly due to incremental revenue from new outlets and higher revenue from existing outlets, partially offset by absence of revenue from closed outlets.

Revenue from other services, such as delivery and catering services decreased slightly by approximately S\$44,000 or 10.4%.

As at 30 September 2015, the Group operated a total of 84 outlets in Singapore as compared to 79 outlets as at 30 September 2014.

The Group's signature puff products remained the major contributor to its revenue and accounted for approximately 31.7% of the Group's revenue in 2Q2016, as compared to approximately 31.6% in 2Q2015.

Cost of sales and gross profit

Cost of sales increased by approximately S\$18,000 or 0.3%.

The Group's gross profit increased by approximately S\$951,000 or 8.5%. The Group's gross profit margin increased from approximately 61.5% in 2Q2015 to 63.3% in 2Q2016 due to tighter production cost controls and an improvement in product mix.

Other income

The increase in other income of approximately S\$62,000 was mainly due to:

- (a) an increase of S\$53,000 in government grant received to support the Group's productivity initiatives; and
- (b) an increase in special employment credit of S\$31,000.

The total increase was partially offset by lower income from sales of waste oil.

Operating Expenses

Selling and distribution expenses

Selling and distribution ("**S & D**") expenses increased by approximately S\$738,000 or 10.6%. S & D expenses in 2Q2016 amounted to approximately 40.3% of revenue as compared to approximately 38.3% of revenue in 2Q2015

The increase in S & D expenses as a percentage of revenue was largely attributable to an increase in staff costs including wages of approximately S\$390,000; and higher outlet rental, cleaning, advertising and depreciation expenses of approximately \$353,000.

Administrative expenses

Administrative expenses decreased by approximately S\$133,000 or 4.7%.

The decrease in administrative expenses was mainly due to the decrease in legal, professional and computer related expenses, partially offset by an increase in head office staff costs.

Other expenses

The increase in other expenses of approximately S\$326,000 was mainly due to an increase in foreign exchange losses as a result of the weakening of Malaysian Ringgit denominated receivables against the Singapore Dollar.

As a result of the above, total operating expenses increased by approximately S\$951,000 or 9.5%. Total operating expenses amounted to approximately 57.5% of revenue in 2Q2016 and 55.3% in 2Q2015 respectively.

Depreciation

Depreciation increased by approximately S\$62,000 or 7.1% in 2Q2016 as compared to 2Q2015 mainly due to an increase in outlet renovation and equipment purchases in 2015.

Finance costs

The increase in finance costs of approximately S\$20,000 was mainly due to interest expenses on loans taken to finance the construction and renovation of factory facilities.

Profit before tax

The Group's profit before tax increased from approximately S\$1.4 million in 2Q2015 to approximately S\$1.5 million in 2Q2016, an increase of approximately S\$63,000 or 4.4%.

Taxation

The Group's taxation expenses decreased by approximately S\$91,000 or 24.4%. The decrease was mainly due to additional tax provision for the prior period during the quarter ended 2Q2015, as compared to 2Q2016.

Balance Sheet

Non-current assets

The increase in the Group's non-current assets of approximately S\$632,000 or 2.2% was mainly due to:

- (a) purchase of fixed assets mainly for additions of plant and equipment and renovation costs for the Group's new and existing retail outlets, and construction of the Group's new factory. This was partially offset by depreciation expenses for the 6 months ended 30 September 2015;
- (b) an increase in intangible assets pursuant to the purchase of new enterprise resource planning software; and
- (c) an increase in long term deposits mainly due to additional lease deposits paid to secure new outlets, and reclassification of short term lease deposits to long term, in accordance with the respective lease tenures.

Current assets

The increase in the Group's current assets of approximately S\$802,000 or 3.4% was mainly due to:

- (a) an increase in inventories as a result of bulk inventory purchase to manage the Group's production cost; and
- (b) an increase of S\$1.2 million in cash and bank balances generated from operating activities, partially offset by purchase of property, plant and equipment and repayment of bank loans.

The increase was partially offset by a decrease in deposits mainly due to reclassification of lease deposits from short term to long term in accordance with the lease tenures; and reclassifications of deposits to property, plant and equipment upon delivery and completion of equipment installation.

Current liabilities

The increase in the Group's current liabilities of approximately S\$933,000 or 9.4% was mainly due an increase in trade and other payables of S\$906,000 as a result of the increase in period-end billings by our trade suppliers and contractors.

Non-current liabilities

The Group's non-current liabilities decreased by approximately S\$318,000 or 3.6% mainly due to repayment of bank loans and finance lease in 2Q2016.

Net working capital

As at 30 September 2015, the Group had a positive net working capital of approximately S\$13.5 million as compared to approximately S\$13.7 million as at 31 March 2015.

Cash flow

For 2Q2016, the Group generated an operating profit before working capital changes of approximately S\$2.8 million. Net cash generated from operating activities, inclusive of working capital changes, amounted to approximately S\$2.2 million in 2Q2016.

In 2Q2016, net cash used in investing activities amounted to approximately S\$1.7 million. This was mainly attributable to renovation and construction costs capitalised and the purchase of plant and equipment for the Group's new factory facilities and retail outlets.

Net cash used in financing activities amounted to approximately S\$2.0 million in 2Q2016. This was mainly due to dividends paid, and repayments of bank loan and finance lease liabilities including interest paid.

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

Not applicable. No forecast or prospect statement had been 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.

The Group expects operating lease expenses (rental) and labour and raw material costs to remain high in the next reporting period and the next 12 months, and believes that the labour market will continue to remain tight. The Group's enlarged factory facilities in Singapore and Iskandar Malaysia, when fully operational in the coming months, will provide the platform for the Group to grow its business both locally and regionally.

11 Dividend.

(a) Current financial period reported on.

Whether an interim (final) ordinary dividend has been declared (recommended) for the current financial period reported on?

The Directors proposed to declare dividends for the current financial period reported on as follows:

Name of Dividend	: Ordinary (interim)
Dividend Type	: Cash
Dividend per share	: 1.5 cent per ordinary share
Tax Rate	: Tax exempt (one-tier)

(b) Corresponding period of the immediately preceding financial year.

Name of Dividend : Ordinary (interim)
Dividend Type : Cash
Dividend per share : 1.5 cent per ordinary share
Tax Rate : Tax exempt (one-tier)

(c) Date payable.

On or around 16 December 2015.

(d) Books closure date.

2 December 2015.

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.

The Group does not have a general mandate from its shareholders for recurrent interested person transactions.

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

We, Han Keen Juan and Lim Tao-E William, being two of the Directors of Old Chang Kee Ltd., do hereby confirm on behalf of the Board of Directors of the Company (the "**Board**") that, to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited financial statements for the 3 months and 6 months ended 30 September 2015 to be false or misleading in any material aspects.

On behalf of the Board:

Han Keen Juan
Director

Lim Tao-E William
Director

BY ORDER OF THE BOARD

Adrian Chan Pengee
Company Secretary

13 November 2015

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not 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 accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Lance Tan, Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.