



**KLW HOLDINGS LIMITED**

Company Registration No.199504141D

**UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2016**

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, R & T Corporate Services Pte. Ltd. ("Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this announcement including the accuracy or completeness of any of the figures used, statements, opinions or other information made or disclosed.*

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*The contact person for the Sponsor is Mr Howard Cheam Heng Haw (Telephone: +65 6232 0685) at R & T Corporate Services Pte. Ltd., 9 Battery Road, #25-01 Straits Trading Building, Singapore 049910.*

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR FINANCIAL RESULTS**

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

**Results for the three (3) months ended 30 June 2016 (hereinafter referred as "Q1-FY2017") and comparative figures for three (3) months ended 30 June 2015 (hereinafter referred as "Q1-FY2016")**

	<u>The Group</u>		
	1-Apr-16 to 30-Jun-16 (Q1-FY2017) \$'000	1-Apr-15 to 30-Jun-15 (Q1-FY2016) \$'000	Increase / (Decrease)  %
Revenue	12,691	13,794	(8.0)
Cost of sales	(8,569)	(10,049)	(14.7)
<b>Gross profit</b>	<b>4,122</b>	<b>3,745</b>	<b>10.1</b>
Other operating income	214	112	91.1
Selling and distribution expenses	(251)	(220)	14.1
Administrative expenses	(2,307)	(2,590)	(10.9)
<b>Profit from operations</b>	<b>1,778</b>	<b>1,047</b>	<b>69.8</b>
Finance costs	(316)	(345)	(8.4)
<b>Profit before tax</b>	<b>1,462</b>	<b>702</b>	<b>108.3</b>
Tax expense	(134)	(273)	(50.9)
<b>Profit for the period</b>	<b>1,328</b>	<b>429</b>	<b>209.6</b>
<b>Profit attributable to:</b>			
Equity holders of the Company	1,328	429	209.6

	<u>The Group</u>		Increase / (Decrease)  %
	1-Apr-16 to 30-Jun-16 Q1-FY2017 \$'000	1-Apr-15 to 30-Jun-15 Q1-FY2016 \$'000	
<b>Other comprehensive income/(loss):</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Currency translation differences arising from consolidation and other comprehensive income for the period, net of tax	(446)	(451)	(1.1)
<b>Total comprehensive income/(loss) for the period</b>	<b>882</b>	<b>(22)</b>	N/M
<b>Total comprehensive income/(loss) attributable to:</b>			
Equity holders of the Company	882	(22)	N/M

N/M: not meaningful

(ii) The following items have been included in arriving at profit from operations:-

	<u>The Group</u>		Increase/ (Decrease)  %
	Q1-FY2017 \$'000	Q1-FY2016 \$'000	
Depreciation	199	208	(4.3)
Interest expense	316	345	(8.4)
Interest income	129	26	396.2
Gain on disposal of property, plant and equipment	13	-	100

**1 (b) (i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year**

	<u>The Group</u>		<u>The Company</u>	
	As at 30 June 2016 \$'000	As at 31 March 2016 \$'000	As at 30 June 2016 \$'000	As at 31 March 2016 \$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	22,135	20,134	2,367	40
Investment property	25,752	26,471	-	-
Investments in subsidiaries	-	-	28,820	28,820
Available-for-sale financial assets	3	3	-	-
Prepayments	19	15	-	-
	<b>47,909</b>	46,623	<b>31,187</b>	28,860
<b>Current assets</b>				
Development property	13,319	13,690	-	-
Trade and other receivables	11,643	10,627	23,146	22,838
Inventories	5,951	5,969	-	-
Cash and cash equivalents	33,487	35,946	25,889	28,493
	<b>64,400</b>	66,232	<b>49,035</b>	51,331
<b>Total Assets</b>	<b>112,309</b>	112,855	<b>80,222</b>	80,191
<b>Non-current liabilities</b>				
Borrowings	17,614	17,844	-	-
Deferred tax liabilities	1,044	1,073	-	-
	<b>18,658</b>	18,917	-	-
<b>Current liabilities</b>				
Trade and other payables	7,157	7,823	636	654
Shares with preference rights*	5,025	5,160	5,025	5,160
Borrowings	659	986	-	-
Income tax payable	940	981	-	-
	<b>13,781</b>	14,950	<b>5,661</b>	5,814
Total liabilities	<b>32,439</b>	33,867	<b>5,661</b>	5,814
<b>Net assets</b>	<b>79,870</b>	78,988	<b>74,561</b>	74,377
<b>Equity</b>				
Share capital	103,171	103,171	103,171	103,171
Revaluation and other reserves	4,069	4,515	3,287	3,287
Accumulated losses	(27,370)	(28,698)	(31,897)	(32,081)
<b>Total equity</b>	<b>79,870</b>	78,988	<b>74,561</b>	74,377

\* For the financial year ended 30 June 2016, the amount of \$5.025 million relates to the RM15 million received to-date for the sale of the Group's 30% equity interest in KLW Resources Sdn Bhd to Koperasi Permodalan Felda Malaysia Berhad which the company has recorded as "current liability - Deemed Preference Shares". The balance RM2 million of the total RM17 million sale consideration, equivalent to \$670,000 (FY2016: \$688,000), will be paid to the Company upon fulfilling the terms and conditions as stipulated in the Shares Sale Agreement. The consideration is classified as financial liability as the 30% equity interest sold is deemed as preference shares issued by the Group. The difference in amount is due to currency translation for the two comparative years.

**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 June 2016		As at 31 March 2016	
Secured (\$'000)	Unsecured (\$'000)	Secured (\$'000)	Unsecured (\$'000)
659	-	986	-

**Amount repayable after one year**

As at 30 June 2016		As at 31 March 2016	
Secured (\$'000)	Unsecured (\$'000)	Secured (\$'000)	Unsecured (\$'000)
17,614	-	17,844	-

**Details of any collateral**

The obligations under finance leases are effectively secured by a charge over the leased motor vehicles of the Group and the Company to the lessor in the event of default by the Group.

The trust receipts of the Group are secured by the following :-

- (a) a corporate guarantee from the Company;
- (b) a negative pledge over asset of the Group; and
- (c) legal charges over certain properties of the Group.

The term loan of the Group is secured by the following :-

- (a) legal charges over the Group's leasehold land and building in Singapore and investment property in Australia; and
- (b) a personal guarantee by a former director of the Company. Management is working closely with the bank to change the personal guarantee to corporate guarantee and the Company will make the necessary announcement(s) via SGXNET on such change.

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

	<u>The Group</u>	
	<b>1-Apr-16</b>	1-Apr-15
	<b>to 30-Jun-16</b>	to 30-Jun-15
	<b>\$'000</b>	\$'000
<b>Cash flows from operating activities</b>		
Profit before income tax	1,462	702
Adjustments for:		
Depreciation of property, plant and equipment	199	208
(Gain)/ Loss on disposal of property, plant and equipment	(13)	-
Impairment loss on inventories	3	-
Interest expense	316	345
Interest income	(129)	(26)
Operating cash flow before working capital changes	<u>1,838</u>	<u>1,229</u>
Inventories	(156)	2,418
Trade and other receivables	(1,273)	6,148
Trade and other payables	(592)	(818)
Currency translation adjustments	<u>487</u>	<u>196</u>
<b>Cash generated from operations</b>	<b>304</b>	9,173
Interest paid	(316)	(345)
Interest income received	129	26
Income tax paid	(150)	(3)
<b>Net cash generated (used in)/from operating activities</b>	<u><b>(33)</b></u>	<u>8,851</u>
<b>Cash flows from investing activities</b>		
Other receivables - Due from its former subsidiaries	-	20
Purchase of property, plant and equipment	(2,163)	(54)
Proceeds from disposal of property, plant and equipment	28	-
<b>Net cash used in investing activities</b>	<u><b>(2,135)</b></u>	<u>(34)</u>
<b>Cash flows from financing activities</b>		
Repayments of borrowings	(166)	(735)
<b>Net cash used in financing activities</b>	<u><b>(166)</b></u>	<u>(735)</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(2,334)</b>	8,082
Cash and cash equivalents at beginning of the period	35,946	31,247
Effect of exchange rate changes on cash and cash equivalents	(125)	(102)
<b>Cash and cash equivalents at end of the period</b>	<u><b>33,487</b></u>	<u>39,227</u>

For the purpose of the consolidated cash flow statement, the consolidated cash and cash equivalents comprise the following:

	<u>The Group</u>	
	30 June 2016	30 June 2015
	<b>\$'000</b>	\$'000
Cash and bank balances	<b>7,784</b>	9,227
Fixed deposits	<b>25,703</b>	30,000
Cash and bank balances as per balance sheets	<b>33,487</b>	39,227
Cash and cash equivalents as per consolidated statement of cash flows	<b>33,487</b>	39,227

- 1 (d) 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.

<u>Current Period</u> <u>The Group</u>	Attributable to equity holders of the Company				
	Share Capital \$'000	Revaluation and other reserves \$'000	Warrant reserve \$'000	Accumulated profit/(losses) \$'000	Total Equity \$'000
<b>Balance at 1-Apr-2016</b>	<b>103,171</b>	<b>1,228</b>	<b>3,287</b>	<b>(28,698)</b>	<b>78,988</b>
<b>Profit for the period</b>	-	-	-	<b>1,328</b>	<b>1,328</b>
<b>Other comprehensive loss for the period</b>	-	<b>(446)</b>	-	-	<b>(446)</b>
<b>Total comprehensive income / (loss) for the period</b>	-	<b>(446)</b>	-	<b>1,328</b>	<b>882</b>
<b>Balance at 30-Jun-2016</b>	<b>103,171</b>	<b>782</b>	<b>3,287</b>	<b>(27,370)</b>	<b>79,870</b>
<b><u>Prior Period</u></b>					
Balance at 1-Apr-2015	103,171	2,327	3,287	(32,446)	76,339
Profit for the period	-	-	-	429	429
Other comprehensive loss for the period	-	<b>(451)</b>	-	-	<b>(451)</b>
Total comprehensive income/(loss) for the period	-	<b>(451)</b>	-	429	22
Balance at 30-Jun-2015	103,171	1,876	3,287	(32,017)	76,317

**Company**

<u>The Company</u>	<u>Share capital</u>	<u>Warrant reserve</u>	<u>Accumulated losses</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1-Apr-2016</b>	<b>103,171</b>	<b>3,287</b>	<b>(32,081)</b>	<b>74,377</b>
<b>Net profit and total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>184</b>	<b>184</b>
<b>Balance at 30-Jun-2016</b>	<b>103,171</b>	<b>3,287</b>	<b>(31,897)</b>	<b>74,561</b>
Balance at 1-Apr-2015	103,171	3,287	(20,927)	85,531
Net loss and total comprehensive loss for the period	-	-	(74)	(74)
Balance at 30-Jun-2015	103,171	3,287	(21,001)	85,457

**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**

**Issued and fully paid ordinary share capital**

	<b>Number of Shares</b>	<b>\$</b>
	<b>'000</b>	<b>'000</b>
Balance as at 30 June 2016	<b>5,380,556</b>	<b>103,171</b>

There was no change in the Company's share capital since 30 September 2015.

The Company had on 15 November 2013 granted a call option to Prince Abdul Qawi for the subscription of up to 2,000,000,000 new ordinary shares in the capital of the Company at an issue price of S\$0.02. The call option had expired on 10 June 2016 and lapsed, and the period for the Company to exercise the put option has commenced on 11 June 2016 and will expire on 11 December 2016. As at 30 June 2016, the put option has not been exercised.

As at 30 June 2016, there are 2,440,278,158 outstanding warrants issued by the Company (30 June 2015: 2,440,278,158). Each warrant entitles the warrant holder to subscribe for 1 new ordinary share in the capital of the Company at an exercise price of \$0.07 each during the exercise period which expires on 30 June 2017.

The Company does not have any treasury shares as at 30 June 2016. (30 June 2015: nil).

Save for the above, the Company did not have any other outstanding convertible securities as at 30 June 2016.

**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.**

The total number of issued shares excluding treasury shares as at the end of the current financial period ended 30 June 2016 was 5,380,556,316 (30 June 2015: 5,380,556,316).

**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 year reported on.**

The company did not have any sales, transfers, disposal, cancellation and/or use of treasury shares during the current financial period reported on.

There were no treasury shares held by the Company as at 30 June 2016 (30 June 2015: nil).

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

The financial statements have not been audited or reviewed by the Company's auditors.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the financial year ended 31 March 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**

None

**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, (a) based on the weighted average number of ordinary shares on issue and (b) on a fully diluted basis (detailing any adjustments made to the earnings).**

	30-Jun-2016	30-June-2015
Earnings per share	Cents	Cents
- basic	0.02	0.01
- diluted	0.02	0.01

The weighted average number of ordinary shares for the purposes of basic and diluted earnings per share is 5,380,556,316 shares for the financial year ended 30 June 2016 (30 June 2015: 5,380,556,316 shares).

Basic earnings per share is calculated by dividing the profit after tax attributable to shareholders by the weighted average number of fully paid ordinary shares in issue during the financial year.



For the purposes of calculating diluted earnings per share, the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. As at 30 June 2016, the Company has 2,440,278,158 outstanding warrants. As the outstanding warrants are anti-dilutive, the basic EPS for the financial period ended 30 June 2016 and 30 June 2015 were the same as the diluted EPS for the respective 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 period reported on and (b) immediately preceding financial year**

	30-Jun-2016	31-Mar-2016
Net asset value backing per ordinary share based on existing issued share capital as at end of period/year	Cents	Cents
- Group	1.48	1.47
- Company	1.39	1.38

Net asset value per share is calculated based on 5,380,556,316 shares as at 30 June 2016. (31 March 2016: 5,380,556,316).

- 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

### Income Statement Review

Revenue by business activities	Q1-FY2017	Q1-FY2016	Increase / (Decrease)	Increase / (Decrease)
	\$'000	\$'000	\$'000	%
Door business	12,357	13,463	(1,106)	(8.2)
Property business	334	331	3	0.9
Total	12,691	13,794	(1,103)	(8.0)

The Group registered revenue of approximately \$12.69 million for Q1-FY2017, representing a decline of 8% or \$1.1 million when compared to Q1-FY2016. This was due mainly to a lower revenue generated to supply and install doors during Q1-FY2017, compared with that during Q1-FY2016.

The revenue from property business remained constant at \$0.33 million in Q1-FY2017 as compared to Q1-FY2016. The revenue from property business mainly consists of rental income from the Group's investment property located at 301 Flinders Lane, Melbourne, Victoria, Australia which is leased to Victoria University.

### Cost of sales

Cost of sales decreased by approximately 14.7% to \$8.57 million in Q1-FY2017 as compared to \$10.05 million in Q1-FY2016, as the Group reaped benefits from its efforts to maximize cost savings from inventory control and currency translation differences.

As cost of sales lowered, the Group's gross profit margin in Q1-FY2017 increased to 32.5% from 27.1% in Q1-FY2016. This improvement in gross profit margin was attributed mainly to a change in the Group's revenue mix and the benefit of its cost reduction efforts.

### Other operating income

The Group's other operating income increased by 91.1% from \$0.11 million in Q1-FY2016 to \$0.21 million in Q1-FY2017. This is mainly due to interest income derived from fixed deposits placed with banks.

### Selling and distribution expenses

Selling and distribution expenses increased by 14.1% from \$0.22 million in Q1-FY2016 to \$0.25 million in Q1-FY2017. The increase was mainly due to an increase in commission paid for the Group's door business.

### Administrative expenses

Administrative expenses declined by 10.9% from \$2.59 million in Q1-FY2016 to \$2.31 million in Q1-FY2017. The decline was mainly due to one-off professional costs incurred in FY2016.

### Finance costs

Finance costs for the Group decreased by 8.4% from \$0.34 million in Q1-FY2016 to \$0.32 million in Q1-FY2017. The decrease was mainly due to the impact of currency translation differences against interest expenses on foreign borrowings.

### Tax expenses

Tax expenses for the Group decreased by 50.9% from \$0.27 million in Q1-FY2016 to \$0.13 million in Q1-FY2017. The decrease was mainly due to higher provision of tax due for Q1-FY2016.

### Profit for the period

Due to the factors mentioned above, profit for the period for Q1-FY2017 increased to \$1.33 million from \$0.43 million in Q1-FY2016.

## **Review of the Balance Sheet of the Group**

### Non-current assets

Property, plant and equipment increased by 9.9% from \$20.13 million in FY2016 to \$22.13 million in Q1-FY2017 mainly due to the acquisition of property as an office unit at No. 2 Kallang Avenue, CT Hub #07-03/04, Singapore 339407.

### Current assets

Trade and other receivables increased by 9.5% from \$10.63 million in Q1-FY2016 to \$11.64 million in Q1-FY2017 mainly due to increase in sales by the Door business.

### Equity

Revaluation and other reserves decreased by 9.8% to \$4.07 million in Q1-FY2017 from \$4.5 million in FY2016 mainly due to currency translation differences. Accumulated losses decreased by 4.6% to \$27.4 million in Q1-FY2017 from \$28.7 million in FY2016 due to the profits earned in Q1-FY2017.

### Current liabilities

Trade and other payables decreased by 8.5% to \$7.16 million as at Q1-FY2017 mainly due to payment made to creditors.

## **Cash Flow Statement Review**

The Group's cash flow used in operating activities (net) for Q1-FY2017 was \$0.03 million. This was mainly attributable to the profit generated for past three months and changes in working capital for inventories and receivables.

Cash flows used in investing activities (net) was \$2.14 million for Q1-FY2017. This was mainly attributable to payment of balances for an office unit at 2 Kallang Avenue, CT Hub #07-03/04, Singapore 339407.

Cash flows used in financing activities (net) was \$0.17 million for Q1-FY2017. This arose from installment payments for property mortgage loans in respect of the Group's properties located at 301 Flinders Lane, Melbourne, Victoria and the industrial terrace unit located at 39 Kaki Bukit Industrial Terrace.

As a result of the above, the Group's net cash and cash equivalent stood at \$33.49 million for the period ended 30 June 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.**

While the environment in the key markets where the Group is operating on remain challenging, the Group stays focused on core export of doors and continue to increase our existing manufacturing capabilities. We start to broaden the opportunities in the international market for project works.

We continue to improve and adopt good corporate governance practices and will stay vigilant of possible risk factors that could impact our business and we will also focus on managing our costs. Barring any unforeseen circumstances, the Group is poised for stable yet optimistic performance in FY2017.

**11 If a decision regarding dividend has been made:**

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

None.

**(b) (i) Amount per share**

Not applicable.

**(ii) Previous corresponding period**

Not applicable.

**(c) 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.

**(d) The date the dividend is payable.**

Not applicable.

**(e) The date on which Registrable Transfers received by the company (up to 5:00pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

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

No dividend has been declared or recommended for the financial period.

**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 mandate has been obtained, a statement to that effect.**

The Group has not obtained a general mandate for interested person transactions.

<b>Name of Interested Person</b>	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
N.A	N.A	N.A. The Company does not have a general mandate for interested person transactions.

**14. Use of proceeds pursuant to Rule 704(30)**

The utilisation of proceeds from the Company's 2014 Rights cum Warrants Issue as at the date of this Announcement is as follows:

<b>Use of proceeds</b>	<b>Revised allocation</b>	<b>Balance brought forward 31 March 2016</b>	<b>Utilisation in Q1-FY2017</b>	<b>Balance</b>
Funding acquisition opportunities	S\$32.84 million	S\$10.52 million	-	S\$10.52 million
Working Capital	S\$9.66 million	S\$6.92 million	-	S\$6.92 million
Funding for the purchase or construction of premises or factory for operational and manufacturing use.	S\$5.8 million	-	-	-
<b>Total</b>	<b>S\$48.30 million</b>	<b>S\$17.44 million</b>	<b>-</b>	<b>S\$17.44 million</b>

The Company will make further announcements via SGXNET as and when the remaining net proceeds from the 2014 Rights cum Warrants Issue are materially disbursed.

**15 Statement by Directors pursuant to Rule 705(5) of the Listing Manual**

The Directors of the Company hereby confirm on behalf of the Board of Directors of the Company, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited first quarter financial results of the Company and the Group for the period ended 30 June 2016 to be false or misleading in any material aspect.

**16. 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 confirms that it has procured undertakings from all its Directors and executive officers in the format set out in Appendix 7H under Rule 720(1) of the Listing Manual of SGX-ST.

**On behalf of the Board**

Lim Jit Siew  
Independent Director  
12 August 2016