



HOE LEONG CORPORATION LTD.

(Registration No. 199408433W)

First quarter financial statements and related announcement for the financial period ended 31 March 2014

The Board of Directors of Hoe Leong Corporation Ltd. (the “Company”) is pleased to announce the consolidated results for the financial period ended 31 March 2014. The figures presented below have not been audited or reviewed by the auditors of the Company.

UNAUDITED FINANCIAL STATEMENTS

1(a)(i) Statement of comprehensive income (the Group)

		1 Jan 2014 to 31 Mar 2014	1 Jan 2013 to 31 Mar 2013	Increase / (decrease)
	Note	\$'000	\$'000	%
Revenue		15,383	15,320	0.4 %
Cost of sales		(12,884)	(12,135)	6.2 %
Gross profit		2,499	3,185	(21.5)%
Other income		1,136	384	195.8 %
Profit earned from construction of property		-	382	100.0 %
Distribution expenses		(1,377)	(1,265)	8.9 %
Administrative expenses		(2,342)	(1,806)	29.7 %
Other expenses		(14)	(1,726)	(99.2)%
Results from operating activities		(98)	(846)	(88.4)%
Finance income		7	268	(97.4)%
Finance costs	1	(360)	(368)	(2.2)%
Net finance costs		(353)	(100)	253.0 %
Share of results of associates and joint ventures, net of tax		(1,086)	(319)	240.4 %
Loss before income tax	2	(1,537)	(1,265)	21.5 %
Income tax expense	3	(39)	(5)	680.0 %
Loss for the year		(1,576)	(1,270)	24.1 %
Loss attributable to:				
Owners of the Company		(1,370)	(984)	39.2 %
Non-controlling interests		(206)	(286)	(28.0)%
Loss for the year		(1,576)	(1,270)	24.1 %

N.M. - Not meaningful

1(a)(i) Statement of comprehensive income (the Group) (continued)

	1 Jan 2014 to 31 Mar 2014 \$'000	1 Jan 2013 to 31 Mar 2013 \$'000	Increase / (decrease) %
Loss for the year	(1,576)	(1,270)	24.1 %
Other comprehensive income			
Foreign currency translation differences arising from foreign operations	(439)	511	(185.9)%
Other comprehensive income, net of tax	(439)	511	(185.9)%
Total comprehensive income for the year	(2,015)	(759)	165.5 %
Total comprehensive income attributable to :			
Owners of the Company	(1,807)	(527)	242.9 %
Non-controlling interests	(208)	(232)	(10.3)%
Total comprehensive income for the year	(2,015)	(759)	165.5 %

N.M. - Not meaningful

1(a)(ii) Breakdown and explanatory notes to the statement of comprehensive income

Note 1 Finance costs comprise the following:

	1 Jan 2014 to 31 Mar 2014 \$'000	1 Jan 2013 to 31 Mar 2013 \$'000	Increase / (decrease) %
Interest paid and payable on:-			
- trust receipts	(4)	(51)	(92.2)%
- bank loans	(307)	(301)	2.0 %
- finance leases	(3)	(3)	- %
Amortisation of transaction costs related to bank borrowings	-	(13)	100.0 %
Others	(46)	-	100.0 %
Total	(360)	(368)	

1(a)(ii) Breakdown and explanatory notes to the statement of comprehensive income (continued)

Note 2 Loss before income tax is stated after (charging)/crediting the following:

	1 Jan 2014 to 31 Mar 2014	1 Jan 2013 to 31 Mar 2013	Increase / (decrease)
	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>
Allowance written-back / (made) for slow moving inventc	30	(149)	(120.1)%
Inventories written-back	11	35	(68.6)%
Allowance (made) / written-back for doubtful receivables	(37)	68	(154.4)%
Profit earned from construction of property	-	382	100.0 %
Gain on disposal of other plant and equipment	12	4	200.0 %
Depreciation of property, plant and equipment	(904)	(725)	24.7 %
Foreign exchange gain / (loss), net	1,003	(232)	(532.3)%
Operating lease expense	(1,515)	(1,552)	(2.4)%
Amortisation of deferred income	1,299	1,241	4.7 %
Rental income	694	277	150.5 %

N.M. - Not meaningful

Note 3 The adjustment for over or under provision of tax in respect of prior years is as follows:

	1 Jan 2014 to 31 Mar 2014	1 Jan 2013 to 31 Mar 2013
	<u>\$'000</u>	<u>\$'000</u>
Under provision of current tax in respect of prior years - net	-	-

1(b)(i) Statement of financial position (the Group and the Company)

	Group		Company	
	31 Mar 2014	31 Dec 2013	31 Mar 2014	31 Dec 2013
	\$'000	\$'000	\$'000	\$'000
Assets				
Property, plant and equipment	44,532	45,585	3,808	3,822
Investments in subsidiaries	-	-	35,314	35,374
Investments in associates and joint ventures	11,480	12,549	721	721
Deferred tax assets	604	624	-	-
Non-current assets	56,616	58,758	39,843	39,917
Inventories	30,966	32,226	15,622	17,090
Trade and other receivables	55,080	50,534	79,525	77,495
Cash and cash equivalents	7,818	10,983	4,677	6,445
Non-current assets held for disposal	20,880	21,291	19,931	20,088
Current assets	114,744	115,034	119,755	121,118
Total assets	171,360	173,792	159,598	161,035
Equity				
Share capital	53,897	53,897	53,897	53,897
Treasury shares	(50)	(40)	(50)	(40)
Currency translation reserve	(4,539)	(4,102)	-	-
Share-based compensation reserve	333	322	333	322
Accumulated profits	16,485	17,855	16,508	16,426
Equity attributable to owners of the Company	66,126	67,932	70,688	70,605
Non-controlling interests	(1,314)	(1,106)	-	-
Total equity	64,812	66,826	70,688	70,605
Liabilities				
Financial liabilities	20,366	21,187	17,523	18,446
Loans from non-controlling shareholders of subsidiaries	3,403	3,397	-	-
Deferred income	6,237	7,537	6,237	7,537
Deferred tax liabilities	745	774	20	20
Non-current liabilities	30,751	32,895	23,780	26,003
Trade and other payables	21,021	20,749	15,249	16,063
Financial liabilities	49,585	48,136	44,711	43,194
Current tax payable	(6)	(10)	(26)	(26)
Deferred income	5,197	5,196	5,196	5,196
Current liabilities	75,797	74,071	65,130	64,427
Total liabilities	106,548	106,966	88,910	90,430
Total equity and liabilities	171,360	173,792	159,598	161,035

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

Amount repayable in one year or less, or on demand

As at 31 Mar 2014		As at 31 Dec 2013	
Secured	Unsecured	Secured	Unsecured
<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
4,974	44,611	5,042	35,100

Amount repayable after one year

As at 31 Mar 2014		As at 31 Dec 2013	
Secured	Unsecured	Secured	Unsecured
<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
3,025	17,341	2,941	26,240

Details of any collateral:-

Secured borrowings at 31 March 2014 are secured by:-

- (a) A first legal mortgage over the vessel of a subsidiary and corporate guarantees provided by the Company;
- (b) A first legal mortgage over the freehold land and building, and certain plant and equipment of a subsidiary; and
- (c) Motor vehicles under finance leases.

1(c) Statement of cash flows (the Group)

	Group	
	1 Jan 2014 to	1 Jan 2013 to
	31 Mar 2014	31 Mar 2013
	<u>\$'000</u>	<u>\$'000</u>
Operating activities		
Loss before income tax	(1,537)	(1,265)
Adjustments for:		
Amortisation of deferred income	(1,299)	(1,241)
Depreciation of property, plant and equipment	904	725
Finance income	(7)	(268)
Finance costs	360	368
Share of results of associates and joint ventures, net of tax	1,086	319
Profit earned from construction of property	-	(382)
Gain on disposal of other plant and equipment	(12)	(4)
Equity-settled share-based compensation	11	17
Others	-	17
Operating cash flows before changes in working capital	(494)	(1,714)
Change in working capital:		
Inventories	1,261	2,479
Trade and other receivables	(4,540)	878
Trade and other payables	501	(3,545)
Cash generated from operations	(3,272)	(1,902)
Income taxes paid	-	(104)
Cash flows from operating activities	(3,272)	(2,006)
Investing activities		
Finance income received	7	14
Purchase of property, plant and equipment	(291)	(673)
Proceeds from disposal of constructed property	-	21,028
Proceeds from disposal of other plant and equipment	85	12
Cash flows from investing activities	(199)	20,381
Financing activities		
Finance costs paid	(360)	(368)
Repayment of bills payable and trust receipts	(1,147)	(2,537)
Proceeds from finance lease liabilities	100	-
Payment of finance lease liabilities	(28)	(25)
Proceeds from interest-bearing borrowings	5,729	15,330
Repayment of interest-bearing borrowings	(3,855)	(19,398)
Purchase of treasury shares	(10)	-
Acquisition of non-controlling interest in subsidiaries	-	(6,131)
Cash flows from financing activities	429	(13,129)
Net (decrease) / increase in cash and cash equivalents	(3,042)	5,246
Cash and cash equivalents at beginning of the period	10,983	11,192
Effect of exchange rates fluctuations	(123)	89
Cash and cash equivalents at end of the period	7,818	16,527

1(d)(i) Statement of changes in equity (the Group and the Company)

Group	Share capital \$'000	Treasury shares \$'000	Share-based compensation reserve \$'000	Currency translation reserve \$'000	Accumulated profits \$'000	Equity attributable to owners of the Company \$'000	Non- controlling interests \$'000	Total equity \$'000
2014								
At 1 January 2014	53,897	(40)	322	(4,102)	17,855	67,932	(1,106)	66,826
Total comprehensive income for the year								
Loss for the year	-	-	-	-	(1,370)	(1,370)	(206)	(1,576)
Other comprehensive income								
Foreign currency translation differences arising from foreign operations	-	-	-	(437)	-	(437)	(2)	(439)
Total comprehensive income for the year	-	-	-	(437)	(1,370)	(1,807)	(208)	(2,015)
Transactions with owners, recorded directly in equity								
Own shares acquired	-	(10)	-	-	-	(10)	-	(10)
Share-based compensation expense	-	-	11	-	-	11	-	11
Total transactions with owners	-	(10)	11	-	-	1	-	1
At 31 March 2014	53,897	(50)	333	(4,539)	16,485	66,126	(1,314)	64,812

Group	Share capital \$'000	Share-based compensation reserve \$'000	Currency translation reserve \$'000	Accumulated profits \$'000	Equity attributable to owners of the Company \$'000	Non- controlling interests \$'000	Total equity \$'000
2013							
At 1 January 2013	53,897	260	(5,483)	29,894	78,568	5,297	83,865
Total comprehensive income for the year							
Loss for the year	-	-	-	(984)	(984)	(286)	(1,270)
Other comprehensive income							
Foreign currency translation differences arising from foreign operations	-	-	457	-	457	54	511
Total comprehensive income for the year	-	-	457	(984)	(527)	(232)	(759)
Transactions with owners, recorded directly in equity							
Share-based compensation expense	-	17	-	-	17	-	17
Total transactions with owners	-	17	-	-	17	-	17
Changes in ownership interests in subsidiaries							
Acquisition of non-controlling interests without a change in control	-	-	-	1,401	1,401	(4,124)	(2,723)
Total changes in ownership interests in subsidiaries	-	-	-	1,401	1,401	(4,124)	(2,723)
At 31 March 2013	53,897	277	(5,026)	30,311	79,459	941	80,400

1(d)(i) Statement of changes in equity (the Group and the Company) (continued)

Company	Share capital \$'000	Treasury Shares \$'000	Share-based compensation reserve \$'000	Accumulated profits \$'000	Total equity \$'000
2014					
At 1 January 2014	53,897	(40)	322	16,426	70,605
Total comprehensive income for the year					
Profit for the year	-	-	-	82	82
Total comprehensive income for the year	-	-	-	82	82
Transactions with owners, recorded directly in equity					
Own shares acquired	-	(10)	-	-	(10)
Share-based compensation expense	-	-	11	-	11
Total transactions with owners	-	(10)	11	-	1
At 31 March 2014	53,897	(50)	333	16,508	70,688
2013					
At 1 January 2013	53,897	-	260	11,469	65,626
Total comprehensive income for the year					
Profit for the year	-	-	-	148	148
Total comprehensive income for the year	-	-	-	148	148
Transactions with owners, recorded directly in equity					
Share-based compensation expense	-	-	17	-	17
Total transactions with owners	-	-	17	-	17
At 31 March 2013	53,897	-	277	11,617	65,791

- 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**

Share Capital

There was no change in the Company's share capital during the financial period.

Share Options

Outstanding share options to subscribe for ordinary shares are as follows:

Grant date	Expiry date	Exercise price	Number outstanding as at	
			31-Mar-14	31-Mar-13
13 April 2010	12 April 2015	S\$ 0.42	150,000	150,000
13 April 2010	12 April 2020	S\$ 0.34	250,000	250,000
27 April 2010	26 April 2020	S\$ 0.39	350,000	350,000
27 April 2010	26 April 2020	S\$ 0.31	130,000	130,000
5 May 2011	4 May 2021	S\$ 0.23	50,000	50,000
31 May 2012	30 May 2022	S\$ 0.15	231,000	231,000
			1,161,000	1,161,000

- 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.**

Issue Share Capital

	Number of shares
Issued and paid-up share capital as at 31 December 2013	289,383,271
Total number of shares held as treasury	(360,000)
Issued and paid-up share capital as at 31 March 2014	289,023,271

Treasury shares

	Number of shares
Issued and paid-up share capital as at 31 December 2013	278,000
Purchase of treasury shares	82,000
Issued and paid-up share capital as at 31 March 2014	360,000

- 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.**

None.

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

The figures have not been audited or reviewed by the auditors of the Company.

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

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as compared with the Group's audited financial statements for the financial year ended 31 December 2013.

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/revised Singapore Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or before 1 January 2014. The adoption of these new/revised FRSs and INT FRSs did not result in any change to the Group's accounting policies or have any significant effect on the financial statements of the Group.

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

	Group	
	1 Jan 2014 to 31-Mar-14	1 Jan 2013 to 31-Mar-13
Earnings per share of the Group:		
(a) Loss attributable to owners of the Company (S\$'000)	(1,370)	(984)
Weighted average number of ordinary shares ('000)	290,105	289,383
Basic earnings per share stated in cents	(0.47)	(0.34)
(b) Loss attributable to owners of the Company (S\$'000)	(1,370)	(984)
Adjusted weighted average number of ordinary shares ('000)	290,105	289,383
Diluted earnings per share stated in cents	(0.47)	(0.34)

- 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**

	Group		Company	
	31 Mar 2014	31 Dec 2013	31 Mar 2014	31 Dec 2013
Net assets (S\$'000)	64,812	66,826	70,688	70,605
Number of ordinary shares ('000)	289,023	289,383	289,023	289,383
Net asset value per ordinary share (cents)	22.4	23.1	24.5	24.4

- 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**

Statement of Comprehensive Income

Results for Q1 2014:

The Group reported loss after tax of S\$1.6 million for the three months ended 31 March 2014 ("Q1 2014") as compared to loss after tax of S\$1.3 million for the three months ended 31 March 2013 ("Q1 2013") due to the following factors:

Total revenue increased by S\$0.1 million, or 0.4%, to S\$15.4 million in Q1 2014 as compared to S\$15.3 million in Q1 2013. The increase in total revenue was due to the rise in revenue from the Group's Design and Manufacture segment of S\$0.1 million, and Vessel Chartering segment of S\$0.4 million, partially offset by the decline in revenue from the Group's Trading and Distribution segment of S\$0.4 million.

Sales revenue from the Design and Manufacture segment increased by S\$0.1 million, or 1.0%, to S\$9.2 million in Q1 2014 as compared to S\$9.1 million in Q1 2013 due mainly to higher demand for our in-house brands of equipment parts from our customers.

Sales revenue from the Trading and Distribution segment decreased by S\$0.4 million, or 7.4%, to S\$5.0 million in Q1 2014 as compared to S\$5.4 million in Q1 2013 due mainly to lower demand for third party brands of equipment parts from our customers.

Charter revenue from the Vessel Chartering segment increased by S\$0.4 million, or 50.0%, to S\$1.2 million in Q1 2014 as compared to S\$0.8 million in Q1 2013. Charter revenue was due mainly to the mobilization revenue from our vessel "Arkstar Voyager". In Q1 2013, the charter revenue was solely derived from Arkstar Energy Pte. Ltd. During Q1 2014, the vessel "Arkstar Energy" remained off-hired.

Total cost of sales increased by S\$0.7 million, or 6.2%, to S\$12.9 million in Q1 2014 as compared to S\$12.1 million in Q1 2013 due mainly to increase in cost of sales of equipment parts by S\$0.2 million or 1.6% in Q1 2014, and the increase in cost of sales of the Vessels Chartering segment by S\$0.5 million or 35% in Q1 2014. The increase in cost of sales of equipment parts was due mainly to the increase in sales of our in-house brands of equipment parts. The increase in cost of sales of the Vessel chartering segment was due mainly to the upgrading costs incurred for the vessel "Arkstar Voyager".

Overall gross profit margin decreased to 16.2% in Q1 2014 as compared to 20.8% in Q1 2013. The Vessel Chartering segment is the key contributing factor of the decline in profit margin with gross profit contributions declined by S\$0.2 million in Q1 2014 as our barge "Arkstar Energy" was off hire in Q1 2014.

Other income increased by S\$0.7 million, or 195.8%, to S\$1.1 million in Q1 2014 due mainly to increase in rental income.

Distribution expenses increased by S\$0.1 million, or 8.9%, to S\$1.4 million in Q1 2014 due mainly to higher travelling expenses, packing and delivery costs incurred in Q1 2014.

Administrative expenses increased by S\$0.5 million, or 29.7%, to S\$2.3 million for Q1 2014.

Other expenses decreased by S\$1.7 million, or 99.2%, to S\$0.01 million in Q1 2014 due mainly to (a) net foreign exchange gain of S\$1.0 million in Q1 2014 as compared to net foreign exchange losses of S\$0.2 million in Q1 2013; and (b) reversal of allowance for slow moving inventories of S\$0.1 million in Q1 2014 as compared to additional of allowance for slow moving inventories of S\$0.2 million in Q1 2013.

Net finance costs for Q1 2014 and Q1 2013 remained relatively unchanged at S\$0.3 million.

Share of losses of associates of S\$1.1 million in Q1 2014 is attributed to the Group's associated company-Semua International Sdn Bhd and its subsidiaries ("Semua Group").

Other comprehensive income for Q1 2014:

Foreign currency translation loss of S\$0.4 million arising from foreign operations in Q1 2014 relate mainly to foreign exchange losses arising from the translation of the Group's net investment in foreign operations which are denominated in United States Dollar ("USD"), as the USD depreciated against the Singapore Dollar ("SGD") in Q1 2014.

Statement of Financial Position

Property, plant and equipment decreased by S\$1.0 million, or 2.3%, to S\$44.5 million at 31 March 2014 due mainly to the depreciation charged for Q1 2014.

Investments in associates and joint ventures decreased by S\$1.1 million, or 8.8%, to S\$11.5 million at 31 March 2014 due mainly to the Group's share of the results of Semua Group.

Trade and other receivables increased by S\$4.5 million, or 8.9%, to S\$55.1 million at 31 March 2014 due mainly to (a) increase in advances granted to Semua Group (b) increase in advances to supplier in Q1 2014.

Financial liabilities increased by S\$0.6 million, or 1.0%, to S\$69.9 million at 31 March 2014 due mainly to increase of bank loans and higher utilization of trust receipts.

Deferred income resulted from the sale and leaseback of the Company's leasehold property and A&A Extension, which was completed on 13 June 2011 and 9 January 2013 respectively. Deferred income, being the excess of the sale consideration over its fair value, is a portion of the total gain on sale of the property and A&A Extension, which is deferred and amortized on a straight-line basis over the applicable non-cancellable lease term. Deferred income decreased by S\$1.3 million, or 17.2%, to S\$6.2 million at 31 March 2014 due the amortization of deferred income in Q1 2014.

Trade and other payables increased by S\$0.2 million, or 1%, to S\$21.0 million at 31 March 2014 due mainly to the increased in trade payables of S\$0.6 million. This was partially offset by the decrease of S\$0.4 million in accrued expenses and sundry creditors.

Statement of Cash Flows

For Q1 2014, the Group's net cash used in operations amounted to S\$3.3 million, mainly due to higher trade and other receivables.

Cash flows used in investing activities for Q1 2014 amounted to S\$0.2 million, mainly due to purchase of plant, property and equipment.

Cash flows generated from financing activities for Q1 2014 amounted to S\$0.4 million, mainly from additional bank borrowings.

At 31 March 2014, the Group's cash and cash equivalents amounted to S\$7.8 million (31 December 2013: S\$10.9 million).

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

We expect Arkstar Voyager to generate chartering income commencing Q2 2014. Our vessel "Arkstar Energy" remained off-hired. However, we continue to bid for long term contract.

The Group will continue to streamline its manufacturing capabilities to cater to its customers in its heavy equipment parts business. Demand for parts has been stagnant attributed by persistent weakness in the global economy. Going forward, the group expects its key markets to remain challenging and competitive.

11 Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12 If no dividend has been declared or recommended, a statement to that effect

No applicable.

13 Interested Person Transactions

Name of interested person

Hoe Leong Plastic Industry (China) Ltd
- Rental expense

Period ended 31 March 2014	
Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than \$100,000)
<u>\$'000</u>	<u>\$'000</u>
53	-

The Company has not obtained a general mandate from shareholders for Interested Person Transactions.

14 Negative Assurance Confirmation

We, Kuah Geok Lin and Kuah Geok Khim, being two of the Directors of the Company, do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company that may render the unaudited financial results of the Group for the financial period ended 31 March 2014 to be materially false or misleading.

BY ORDER OF THE BOARD

Kuah Geok Lin
Chairman and CEO

9 May 2014