

KORI HOLDINGS LIMITED

**Unaudited Half Year Financial Statement and Dividend Announcement
For the Financial Period Ended 30 June 2016**

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.

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

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

Six months ended 30 June 2016 ("HY2016") vs. Six months ended 30 June 2015 ("HY2015")

	Group (Unaudited)		Increase/ (Decrease) %
	HY2016 S\$'000	HY2015 S\$'000	
Revenue	29,259	17,217	69.9
Cost of works	(25,565)	(14,683)	74.1
Gross profit	3,694	2,534	45.8
Other losses - net	(323)	(553)	(41.6)
Expenses:			
- Administrative	(1,232)	(1,167)	5.6
- Finance	(146)	(168)	(13.1)
Share of (loss) /profit of an associated company	(29)	11	N.M
Profit before income tax	1,964	657	198.9
Income tax expense	(283)	(15)	N.M
Net profit for the period	1,681	642	161.8
Other comprehensive income:			
Items that may be reclassified to profit or loss subsequently			
- Currency translation differences arising from consolidation	30	(91)	N.M
Total comprehensive income for the period	1,711	551	210.5
Earnings per share attributable to equity holders of the Company			
Basic	0.017	0.006	183.3
Diluted	0.016	0.006	166.7

N.M-Not meaningful

The Group's profit before income tax is arrived at after crediting/ (charging):

	Group (Unaudited)		Increase/ (Decrease) %
	HY2016 S\$'000	HY2015 S\$'000	
Gain / (Loss) on foreign exchange	201	(14)	N.M.
Gain on disposal of property, plant and equipment	6	63	(90.5)
Loss from sales of scrap materials	(415)	(719)	(42.3)
Government grant income	154	70	120
Interest income	34	34	2.9
Interest expense	(146)	(168)	(13.1)
Impairment loss on investment in an associated company	(320)	-	N.M
Depreciation of property, plant and equipment	(47)	(45)	4.4
Professional fees	(152)	(175)	(13.1)

N.M-Not meaningful

	Group (Unaudited)		Increase/ (Decrease) %
	HY2016 S\$'000	HY2015 S\$'000	
Income Tax Expenses			
Tax expense attributable to profit is made up of			
-Current income tax			
Singapore	274	-	N.M.
Foreign	-	-	-
-Deferred income tax	-	-	-
	274	-	N.M.
Under provision in prior financial years	9	15	(40.0)
Income tax expense	283	15	N.M.

N.M-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

	Group		Company	
	30 Jun 2016 Unaudited S\$'000	31 Dec 2015 Audited S\$'000	30 Jun 2016 Unaudited S\$'000	31 Dec 2015 Audited S\$'000
ASSETS				
Current assets				
Cash and bank balances	4,402	6,643	823	1,072
Trade and other receivables	62,971	58,205	10,444	10,837
Inventories	3,277	5,994	-	-
Investment in associated company held for sale	51	-	51	-
Total current assets	70,701	70,842	11,318	11,909
Non-current assets				
Property, plant and equipment	2,334	2,057	-	-
Investment in subsidiaries	-	-	26,070	26,070
Investment in associated company	-	400	-	400
Total non-current assets	2,334	2,457	26,070	26,470
Total assets	73,035	73,299	37,388	38,379
LIABILITIES				
Current liabilities				
Trade and other payables	19,515	21,234	1,779	1,638
Income tax payable	312	67	-	-
Borrowings	1,656	6,667	-	5,000
Total current liabilities	21,483	27,968	1,779	6,638
Non-current liabilities				
Borrowings	5,184	178	5,000	-
Deferred tax liabilities	12	12	-	-
Total non-current liabilities	5,196	190	5,000	-
Total liabilities	26,679	28,158	6,779	6,638
NET ASSETS	46,356	45,141	30,609	31,741
EQUITY				
Share capital	32,291	32,291	32,291	32,291
Retained earnings / (accumulated losses)	39,668	38,483	(1,682)	(550)
Merger reserve	(25,628)	(25,628)	-	-
Currency translation reserve	25	(5)	-	-
Total equity	46,356	45,141	30,609	31,741

1(b) (ii) Aggregate amount of group's borrowings and debt securities**Amount repayable in one year or less**

	As at 30 Jun 2016 (Unaudited)		As at 31 Dec 2015 (Audited)	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Convertible bond	-	-	-	5,000
Finance Lease Liabilities	20	-	20	-
Bank loans	1,000	636	1,000	647

Amount repayable after one year

	As at 30 Jun 2016 (Unaudited)		As at 31 Dec 2015 (Audited)	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Convertible bond	-	5,000	-	-
Finance Lease Liabilities	54	-	65	-
Bank loans	-	130	-	113

Details of any collateral:

Finance leases as at 30 June 2016 are secured by the leased asset (motor vehicle).

Bank loans as at 30 June 2016 are secured by fixed deposit pledged to the bank of S\$1 million.

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

	HY2016 (Unaudited) S\$'000	HY2015 (Unaudited) S\$'000
Operating activities		
Net profit for the period	1,681	642
Adjustments for:		
Income tax expense	283	15
Gain on disposal of property, plant & equipment	(6)	(63)
Depreciation	47	45
Interest income	(34)	(34)
Interest expense	146	168
Share of (loss) / profit of an associated company	29	(11)
Impairment loss on investment in an associated company	320	-
Unrealised gain on transaction with associated company	-	-
Unrealised currency translation losses	(13)	(10)
Operating cash flows before changes in working capital	2,453	752
Changes in working capital		
Trade and other receivables	(4,735)	259
Trade and other payables	(1,719)	242
Inventories	2,717	796
Cash (used in) / provided by operations	(1,284)	2,049
Income tax paid	(38)	(15)
Net cash (used in) / provided by operating activities	(1,322)	2,034
Cash flows from investing activities		
Repayment of loan granted to associated company	-	100
Dividend paid to shareholders	(496)	(496)
Additions of property, plant and equipment	(303)	(338)
Proceeds from disposals of property, plant and equipment	28	63
Net cash used in investing activities	(771)	(671)
Cash flows from financing activities		
Interest received	3	6
Interest paid	(146)	(168)
Proceeds from borrowings	380	-
Pledge of bank deposit	(3)	(2)
Repayment of bank borrowings	(375)	(241)
Repayment of finance leases liabilities	(10)	(7)
Net cash used in financing activities	(151)	(412)
Net (decrease) / increase in cash and cash equivalents	(2,244)	951
Cash and cash equivalents at the beginning of the financial period	5,636	1,685
Cash and cash equivalents at end of the financial period	3,392	2,636

Note:

(1) Cash and cash equivalents at the end of the financial period comprise the following:

	HY2016 (Unaudited) S\$'000	HY2015 (Unaudited) S\$'000
Cash at bank and on hand	3,392	2,636
Short-term bank deposits	1,010	1,004
Cash and bank balances per consolidated statement of financial position	4,402	3,640
Less: short-term bank deposit pledged	(1,010)	(1,004)
Cash and cash equivalents per consolidated cash flow statement	3,392	2,636

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 period

Group (unaudited)	Share capital S\$'000	Retained earnings S\$'000	Merger Reserve S\$'000	Currency translation reserve S\$'000	Total S\$'000
Balance as at 1 January 2016	32,291	38,483	(25,628)	(5)	45,141
Total comprehensive income for the financial period	-	1,681	-	30	1,711
Dividend paid for FY2015	-	(496)	-	-	(496)
Balance as at 30 June 2016	32,291	39,668	(25,628)	25	46,356
Balance as at 1 January 2015	32,291	37,574	(25,628)	(4)	44,233
Total comprehensive income for the financial period	-	642	-	(91)	551
Dividend paid for FY2014	-	(496)	-	-	(496)
Balance as at 30 June 2015	32,291	37,720	(25,628)	(95)	44,288

Company (Unaudited)	Share capital S\$'000	Accumulated losses S\$'000	Total S\$'000
Balance as at 1 January 2016	32,291	(550)	31,741
Total comprehensive income for the financial period	-	(636)	(636)
Dividend paid for FY2015	-	(496)	(496)
Balance as at 30 June 2016	32,291	(1,682)	30,609
Balance as at 1 January 2015	32,291	(616)	31,675
Total comprehensive income for the financial period	-	(209)	(209)
Dividend paid for FY2014	-	(496)	(496)
Balance as at 30 June 2015	32,291	(1,321)	30,970

1(d)(ii) Details of any changes in the company's share capital arising from right 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 of the issuer, 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.

	Number of Shares	Share capital (S\$)
As at 1 January 2016 and 30 June 2016	<u>99,200,000</u>	<u>32,269,650</u>

The Company had on 30 June 2016 entered into an amendment agreement with Keong Hong Holdings Limited to amend the terms of the convertible bond subscription agreement dated 19 August 2013 in relation to the extension of the maturity date of the convertible bond. Pursuant to the amendment agreement, the maturity date of the unsecured 3-year, 5% convertible bond issued on 19 August 2013 to Keong Hong Holdings Limited with a principal amount of S\$5 million ("Convertible Bond") had been extended by one year. The Convertible Bond may be converted at the option of Keong Hong Holdings Limited into ordinary shares of the Company from 31 December 2014 till 18 August 2017, at a conversion price of S\$0.42. As the Convertible Bond has yet to be converted, the total number of shares that may be issued upon conversion of the Convertible Bond is 11,904,000.

Save for the aforementioned Convertible Bond, the Company did not have any other outstanding convertibles or treasury shares as at 30 June 2016 and 30 June 2015.

1(d) (iii) To show the 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

	Company As at 30 June 2016	Company As at 31 December 2015
Total number of issued shares excluding treasury shares	99,200,000	99,200,000

The Company did not have any treasury shares as at 30 June 2016 and 31 December 2015.

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

Not applicable. The Company did not have any treasury shares during and 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 figures 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 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 applied the same accounting policies and methods of computation as in the financial statements for the current reporting period as in the most recently audited annual financial statements for the financial year ended 31 December 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

In the current financial period reported on, the Group and the Company adopted the new Financial Reporting Standards ("FRS") and Amendments to FRS that are effective for annual period beginning on or after 1 January 2016.

The adoption of the new FRSs and Amendments to FRSs did not result in any substantial change to the Group and the Company's accounting policies and methods of computation, nor had any material impact on the financial statements of the Group.

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

	Group (Unaudited)	
	HY2016	HY2015
Net profit attributable to equity holders of the Company (S\$'000)	1,681	642
Basic earnings per share (EPS) in Singapore dollar ⁽¹⁾	0.017	0.006
Diluted earnings per share (EPS) in Singapore dollar	0.016 ⁽²⁾	0.006 ⁽³⁾

Notes:

- (1) The basic EPS for HY2016 and HY2015 was calculated based on the weighted average number of ordinary shares in issue during HY2016 and HY2015 of 99,200,000 shares.
- (2) The diluted EPS for HY2016 was calculated based on 111,104,000 shares assuming full conversion of the Convertible Bond and by adding back the interest paid on the Convertible Bond to the net profit attributable to equity holders of the Company.
- (3) The Convertible Bond was not included in the calculation of diluted EPS for HY2015 because it was anti-dilutive for HY2015.

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	
	30 Jun 2016 Unaudited	31 Dec 2015 Audited	30 Jun 2016 Unaudited	31 Dec 2015 Audited
Net asset value (S\$'000)	46,356	45,141	30,609	31,741
Number of issued shares ('000)	99,200	99,200	99,200	99,200
Net asset value per ordinary share based on issued share capital (S\$)	0.47	0.46	0.31	0.32

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 the Income Statement of the Group

HY2016 vs. HY2015

Revenue

Our total revenue increased by approximately S\$12.1 million from S\$17.2 million in HY2015 to S\$29.3 million in HY2016. Revenue derived from the structural steelworks services segment accounted for approximately 85.7% of our Group's total revenue.

Revenue from our structural steelworks services segment increased by approximately 96.1% from S\$12.8 million in HY2015 to S\$25.1 million in HY2016 mainly due to increase in work done for Mayflower Station Project, Marina Bay Station Project, EW1 Strutting Project, Beauty World & Hillview Project and a few newly commenced projects, namely, the Maxwell Station Project, Steven Station Project and Raffles Hospital @ North Bridge Road Project.

Revenue from the tunneling services segment decreased from S\$4.4 million in HY2015 to S\$4.2 million in HY2016 mainly due to lesser work done on an existing project that been completed in HY2016, partially offset by increase in work done for Jurong Island to Pioneer Transmission Cable Tunnel Project and two newly commenced projects, namely, the T216 Steven Station Project and T225 Shenton Way Station Project.

Cost of works

Our cost of works increased by approximately S\$10.9 million or 74.1% from S\$14.7 million in HY2015 to S\$25.6 million in HY2016, primarily due to the increase in cost of works for the structural steelworks services segment.

Our cost of works for the structural steelworks services segment increased by 89.3% from approximately S\$12.2 million in HY2015 to S\$23.1 million in HY2016 mainly due to an increase in material cost of S\$3.7 million, subcontractor charges of S\$2.7 million, employee compensation of S\$1.5 million, worksite expenses of S\$1.6 million and rental expenses of S\$1.3 million.

Our cost of works for the tunneling services segment maintained at approximately S\$2.5 million in HY2015 and HY2016.

Gross profit

Our Group's gross profit increased by approximately S\$1.2 million or 45.8% from S\$2.5 million in HY2015 to S\$3.7 million in HY2016. Our gross profit margin decreased from 14.7% in HY2015 to 12.6% in HY2016. For the structural steel works segment, the increase in gross profit margin by 3.1 percentage points to 8.1% was due to cost savings and higher margin contribution from certain projects. For the tunneling services segment, the decrease in gross profit margin by 2.9 percentage points to 39.9% was due to lower margin contribution from a project that was near completion.

Other losses - net

Other losses decreased by S\$0.23 million from S\$0.55 million in HY2015 to S\$0.32 million in HY2016. This was mainly due to the gain on foreign currency exchange of approximately S\$0.20 million in HY2016 (HY2015: loss on foreign currency exchange of S\$0.01 million) arising from the weakening of the United States dollar ("USD") against the Singapore dollar for costs of certain materials which were denominated in USD and decrease in losses of approximately S\$0.30 million arising from sales of scrap materials at below cost, offset by impairment loss on investment in an associated company of approximately S\$0.32 million arising from proposed disposal of the Company's entire shareholding interest of 51% in Fuchiang Construction Pte. Ltd. ("Fuchiang") (the "Proposed Disposal"). Please refer to the announcement on 12 August 2016 for details on the Proposed Disposal.

Administrative expenses

Administrative expenses increased by approximately of S\$0.06 million or 5.6% from S\$1.17 million in HY2015 to S\$1.23 million in HY2016. This was mainly due to an increase in professional fees of S\$0.01 million, insurance premiums of S\$0.01 million and director fees of S\$0.04 million.

Interest expense

Interest expense decreased by S\$0.02 million or 13.1% from S\$0.17 million in HY2015 to S\$0.15 million in HY2016 as the interest charged on the acquired land at Pasir Gudang was capitalised under property, plant and equipment.

Share of (loss) / profit of associated company

The Group recorded its share of loss from the Company's 51% owned associated company, Fuchiang, which amounted to approximately S\$0.03 million in HY2016 as compared to a share of profit of S\$0.01 million in HY2015.

Profit before income tax

The Group recorded a profit before tax of S\$2.0 million in HY2016, an increase of S\$1.3 million as compared to the profit before tax of S\$0.7 million in HY2015, mainly due to the above-mentioned factors.

Income tax expense

There was income tax expenses of approximately S\$0.283 million recorded in HY2016 as compared to income tax expense of S\$0.015 million in HY2015. The income tax expense recorded was mainly due tax provision of S\$0.274 million in HY2016 and under provision of taxes in prior year of S\$0.009 million.

The effective tax rate for HY2016 was lower than the statutory tax rate of 17.0%, due mainly to enhanced tax deductions under the Productivity and Innovation Credit Scheme, statutory stepped income tax exemption and a tax rebate of \$20,000.

Review of the Financial Position of the Group

Current assets

As at 30 June 2016, our current assets of approximately S\$70.7 million accounted for approximately 96.8% of our total assets. Our current assets comprised the following:

- (i) Trade and other receivables of approximately S\$63.0 million (31 Dec 2015: S\$58.2 million), which comprised mainly trade receivables of S\$3.2 million (31 Dec 2015: S\$7.6 million), construction contracts due from customers of S\$46.8 million (31 Dec 2015: S\$37.8 million), loan to an associated company, Fuchiang of S\$1.1 million (31 Dec 2015: S\$1.1 million), amount due from Fuchiang of S\$4.1 million (31 Dec 2015: S\$4.0 million) and retention receivables of S\$7.1 million (31 Dec 2015: S\$7.1 million). The decrease in trade receivables of approximately S\$4.3 million was due to settlement of billings by customers. The increase in construction contracts due from customers of approximately S\$9.0 million was in line with our increase in revenue;
- (ii) Inventories of approximately S\$3.3 million, a decrease of S\$2.7 million mainly because the Group had utilised materials which were bought back previously for certain projects; and
- (iii) Investment held for sale of approximately S\$0.05 million pursuant to the proposed disposal of the Company's entire shareholding interest of 51% in Fuchiang as announced on 12 August 2016.

Non-Current assets

Our non-current assets decreased by approximately S\$0.2 million to S\$2.3 million as at 30 June 2016 (31 Dec 2015: S\$2.5 million). Non-current assets consisted of property, plant and equipment of S\$2.3 million. The increase in property, plant and equipment of S\$0.3 million from S\$2.0 million as at 31 December 2015 to S\$2.3 million as at 30 June 2016 was mainly due to capitalisation of development costs for the factory in Malaysia. The investment in an associated company of S\$0.4 million as at 31 December 2015 was in relation to Fuchiang, which had subsequently been reclassified to an investment in associated company held for sale pursuant to the Proposed Disposal.

Current liabilities

As at 30 June 2016, our current liabilities of approximately S\$21.5 million accounted for 80.5% of our total liabilities. Our total current liabilities comprised the following:

- (i) Trade and other payables of approximately S\$19.5 million which comprised trade payables of S\$14.0 million (31 Dec 2015: S\$13.5 million), construction contracts due to customers of S\$0.4 million (31 Dec 2015: S\$1.0 million), retention payable of S\$0.1 million (31 Dec 2015: S\$0.1 million), trade balance due to Fuchiang of S\$0.3 million (31 Dec 2015: S\$0.1 million), other payables of S\$2.7 million (31 Dec 2015: S\$4.7 million) and accrued operating expenses of S\$2.0 million (31 Dec

2015: S\$1.9 million). The decrease in other payables was mainly due to the decrease in advance payment of S\$2.0 million from the customer in relation to the Woodland Station Project and Marina Bay Station Project. The increase in trade payables of S\$0.5 million was in line with a higher volume of work carried out for on-going projects on hand. Construction contracts due to customers had decreased by S\$0.6 million because there were fewer projects where revenue earned was in excess of the amount billed to customers;

- (ii) Current income tax payable of approximately S\$0.3 million accounted for 1.5% of our total current liabilities; and
- (iii) Current borrowings had decreased by approximately S\$5.0 million as the maturity date of the Convertible Bond had been extended to 18 August 2017.

Non-Current liabilities

Non-current borrowings had increased by approximately S\$5 million mainly due to the extension of the maturity date of the Convertible Bond as explained above.

Equity

As at 30 June 2016, our equity of approximately S\$46.4 million comprised mainly share capital of S\$32.3 million and net reserves of S\$14.1 million.

Review of the Cash Flow Statement of the Group

Net cash used in operating activities

In HY2016, we recorded net cash outflow from operating activities of approximately S\$1.3 million, which was a result of operating cash flows before changes in working capital of approximately S\$2.5 million, adjusted for net working capital outflow of approximately S\$3.7 million as well as income tax paid of S\$0.038 million. Our working capital outflows were mainly due to a decrease in trade and other payables of approximately S\$1.7 million and an increase in trade and other receivables of approximately S\$4.7 million, offset by a decrease in inventories of approximately S\$2.7 million.

Net cash used in investing activities

Net cash used in investing activities amounted to approximately S\$0.8 million, which was mainly attributable to dividend payment to shareholders of approximately S\$0.5 million and additions of property, plant and equipment of approximately S\$0.3 million.

Net cash used in financing activities

Net cash used in financing activities amounted to approximately S\$0.2 million in HY2016, which was mainly due to interest paid, repayment of bank borrowing and finance leases which amounted to an aggregate of approximately S\$0.5 million, partially offset by proceeds from bank borrowing of approximately S\$0.4 million, which was mainly for the development of the factory in Malaysia.

As at 30 June 2016, our cash and cash equivalents were approximately S\$3.4 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. No forecast or prospect statement has been previously issued to the shareholders for the current reporting period.

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 outlook for the Singapore construction industry for the next 12 months remains positive given a sustained pipeline of public sector infrastructure projects.

The Building and Construction Authority projected S\$18.5 to S\$21.5 billion and S\$16 to S\$20 billion of public sector projects in 2016 and 2017 respectively⁽¹⁾. Major public sector projects likely to be awarded in the second half of 2016 and the first half of 2017 include projects for the Land Transport Authority's MRT Circle Line Stage 6.

Our established track record and strong technical expertise put us in a favourable position to benefit from the anticipated public sector projects.

On the other hand, we continue to expect pressure from the acute constrain of labour supply and increasing manpower cost in Singapore.

Source:

(1) https://www.bca.gov.sg/Newsroom/others/BCA_Media_Release_Prospects_150116.pdf

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended or declared 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 (recommended), a statement to that effect

No dividend has been declared or recommended for HY2016.

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.

Not applicable. The Group does not have a general mandate for IPTs. There were no IPTs for HY2016.

14. 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 undertakings have been procured from the Board of Directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

15. Confirmation by The Board Pursuant To Rule 705(5)

The Board of Directors (the “**Board**”) confirms that to the best of their knowledge, nothing has come to the attention of the Board which may render the unaudited HY2016 financial results for the Company and the Group set out above to be false or misleading in any material aspect.

By Order of the Board

HOOI YU KOH
CEO/Managing Director
13 August 2016