

## UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2014

### PART 1 – 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 for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

|                                                | Group<br>3 months ended (Q2) |                |        | Group<br>6 months ended (H1) |                |        |
|------------------------------------------------|------------------------------|----------------|--------|------------------------------|----------------|--------|
|                                                | 31 Dec<br>2014               | 31 Dec<br>2013 | Change | 31 Dec<br>2014               | 31 Dec<br>2013 | Change |
| <u>Income Statement</u>                        | S\$ '000                     | S\$ '000       | %      | S\$ '000                     | S\$ '000       | %      |
| Revenue                                        | 20,576                       | 17,192         | 19.7   | 40,230                       | 36,803         | 9.3    |
| Cost of sales                                  | (14,656)                     | (10,824)       | 35.3   | (28,082)                     | (24,407)       | 15.1   |
| Gross profit                                   | 5,920                        | 6,368          | (7.0)  | 12,148                       | 12,396         | (2.0)  |
| Other operating income                         | 754                          | 1,099          | (31.4) | 1,186                        | 1,737          | (31.7) |
| Administration expenses                        | (4,601)                      | (4,469)        | 2.9    | (9,122)                      | (8,910)        | 2.4    |
| Sales and marketing expenses                   | (1,242)                      | (1,279)        | (3.0)  | (2,223)                      | (2,463)        | (9.8)  |
| Other operating expenses                       | -                            | (155)          | nm     | -                            | (155)          | nm     |
| Share of results of a joint<br>venture company | (7)                          | (11)           | (27.3) | (19)                         | (24)           | (16.7) |
| Profit from operating activities               | 824                          | 1,553          | (46.9) | 1,970                        | 2,581          | (23.7) |
| Finance costs                                  | (159)                        | (124)          | 29.0   | (318)                        | (294)          | 8.2    |
| Profit before taxation                         | 665                          | 1,429          | (53.4) | 1,652                        | 2,287          | (27.8) |
| Taxation                                       | -                            | (124)          | (99.2) | (54)                         | (232)          | (76.7) |
| Profit for the period                          | 665                          | 1,305          | (49.0) | 1,598                        | 2,055          | (22.2) |
| Attributable to:                               |                              |                |        |                              |                |        |
| Owners of the Company                          | 680                          | 1,309          | (48.1) | 1,609                        | 2,061          | (21.9) |
| Non-controlling interests                      | (15)                         | (4)            | 275    | (11)                         | (6)            | 83.3   |
|                                                | 665                          | 1,305          | (49.0) | 1,598                        | 2,055          | (22.2) |

nm – not meaningful

| <u>Statement of</u>                       | Group               |             |        | Group               |             |        |
|-------------------------------------------|---------------------|-------------|--------|---------------------|-------------|--------|
|                                           | 3 months ended (Q2) |             | Change | 6 months ended (H1) |             | Change |
|                                           | 31 Dec 2014         | 31 Dec 2013 |        | 31 Dec 2014         | 31 Dec 2013 |        |
| <u>Comprehensive Income</u>               | S\$ '000            | S\$ '000    | %      | S\$ '000            | S\$ '000    | %      |
| Profit for the period                     | 665                 | 1,305       | (49.0) | 1,598               | 2,055       | (22.2) |
| Other comprehensive income:               |                     |             |        |                     |             |        |
| Foreign currency translation              | (431)               | (263)       | 63.9   | (475)               | (260)       | 82.7   |
| Total comprehensive income for the period | 234                 | 1,042       | (77.5) | 1,123               | 1,795       | (37.4) |
| Attributable to:                          |                     |             |        |                     |             |        |
| Owners of the Company                     | 249                 | 1,048       | (76.2) | 1,134               | 1,801       | (37.0) |
| Non-controlling interests                 | (15)                | (6)         | 150.0  | (11)                | (6)         | 83.3   |
|                                           | 234                 | 1,042       | (77.5) | 1,123               | 1,795       | (37.4) |

**1(a)(ii) Notes to the Income Statement**

|                                                        | Group               |             |        | Group               |             |        |
|--------------------------------------------------------|---------------------|-------------|--------|---------------------|-------------|--------|
|                                                        | 3 months ended (Q2) |             | Change | 6 months ended (H1) |             | Change |
|                                                        | 31 Dec 2014         | 31 Dec 2013 |        | 31 Dec 2014         | 31 Dec 2013 |        |
|                                                        | S\$ '000            | S\$ '000    | %      | S\$ '000            | S\$ '000    | %      |
| Other income including                                 |                     |             |        |                     |             |        |
| interest income                                        | 754                 | 1,099       | (31.4) | 1,186               | 1,737       | (31.7) |
| Finance costs                                          | (160)               | (124)       | 29.0   | (318)               | (294)       | 8.2    |
| Depreciation                                           | (688)               | (961)       | (28.4) | (1,376)             | (1,877)     | (26.7) |
| Allowance for doubtful debts and bad debts written off | -                   | (35)        | nm     | -                   | (35)        | nm     |
| Foreign exchange gain/(loss)                           | 162                 | (128)       | nm     | 153                 | (120)       | nm     |
| Profit on sale of property, plant and equipment        | 79                  | 440         | (82.0) | 89                  | 730         | (87.8) |

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.**

|                                                       | Group       |             | Company     |             |
|-------------------------------------------------------|-------------|-------------|-------------|-------------|
|                                                       | 31 Dec 2014 | 30 Jun 2014 | 31 Dec 2014 | 30 Jun 2014 |
|                                                       | S\$'000     | S\$'000     | S\$'000     | S\$'000     |
| <b>Non-current assets</b>                             |             |             |             |             |
| Property, plant and equipment                         | 22,635      | 19,227      | -           | -           |
| Investment properties under construction              | 1,972       | 1,377       | -           | -           |
| Investment in subsidiaries                            | -           | -           | 13,161      | 13,161      |
| Investment in joint venture and associated companies  | 344         | 363         | 7           | 7           |
| Other receivables                                     | 1,183       | 1,062       | -           | -           |
| Prepaid land lease                                    | 4,233       | 2,427       | -           | -           |
| Prepayments                                           | 436         | 1,357       | -           | -           |
|                                                       | 30,803      | 25,813      | 13,168      | 13,168      |
| <b>Current assets</b>                                 |             |             |             |             |
| Gross amount due from a customer for work-in-progress | 1,746       | -           | -           | -           |
| Inventories                                           | 35,539      | 29,302      | -           | -           |
| Trade receivables                                     | 29,027      | 27,261      | -           | -           |
| Other receivables and prepayments                     | 1,149       | 1,175       | 142         | -           |
| Amount due from subsidiaries                          | -           | -           | 18,033      | 20,496      |
| Amount due from related companies                     | 1,700       | 180         | 1,700       | 180         |
| Cash and bank balances                                | 2,430       | 2,033       | 45          | 94          |
|                                                       | 71,591      | 59,951      | 19,920      | 20,770      |
| <b>Current liabilities</b>                            |             |             |             |             |
| Trade payables                                        | 8,753       | 12,567      | -           | -           |
| Gross amount due to a supplier for work in-progress   | 740         | -           | -           | -           |
| Bills payables                                        | 20,267      | 12,310      | -           | -           |
| Other payables                                        | 8,477       | 5,968       | 263         | 1,463       |
| Interest-bearing loans and borrowings                 | 10,009      | 4,422       | -           | -           |
| Income tax payable                                    | 470         | 765         | 17          | 19          |
|                                                       | 48,716      | 36,032      | 280         | 1,482       |
| <b>Net current assets</b>                             | 22,875      | 23,919      | 19,640      | 19,288      |
| <b>Non-current liabilities</b>                        |             |             |             |             |
| Interest-bearing loans and borrowings                 | 6,626       | 2,856       | -           | -           |
| Deferred tax liabilities                              | 1,145       | 1,145       | -           | -           |
| Other payables                                        | 260         | 114         | -           | -           |
| <b>Net assets</b>                                     | 45,647      | 45,617      | 32,808      | 32,456      |
| <b>Equity attributable to owners of the Company:</b>  |             |             |             |             |
| Share capital                                         | 33,269      | 33,269      | 33,269      | 33,269      |
| Treasury shares                                       | (113)       | (646)       | (113)       | (646)       |
| Reserves                                              | 12,453      | 12,945      | (348)       | (167)       |
|                                                       | 45,609      | 45,568      | 32,808      | 32,456      |
| Non-controlling interests                             | 38          | 49          | -           | -           |
| <b>Total equity</b>                                   | 45,647      | 45,617      | 32,808      | 32,456      |

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

Amount repayable in one year or less, or on demand

|                                     | <b>Group<br/>31 Dec 2014</b> |                              | <b>Group<br/>30 Jun 2014</b> |                              |
|-------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
|                                     | <b>Secured<br/>S\$'000</b>   | <b>Unsecured<br/>S\$'000</b> | <b>Secured<br/>S\$'000</b>   | <b>Unsecured<br/>S\$'000</b> |
| Bills payables                      | -                            | 20,267                       | -                            | 12,310                       |
| Interest-bearing loans:             |                              |                              |                              |                              |
| Bank overdrafts                     | -                            | 3,340                        | -                            | 1,141                        |
| Fixed advance facility              | -                            | 1,600                        | -                            | 1,300                        |
| Hire purchase creditors             | 554                          | -                            | 562                          | -                            |
| Internationalisation finance scheme | -                            | 262                          | -                            | 262                          |
| Invoice financing                   | -                            | 410                          | -                            | 431                          |
| Term loan                           | 527                          | 3,316                        | 126                          | 600                          |
|                                     | <u>1,081</u>                 | <u>29,195</u>                | <u>688</u>                   | <u>16,044</u>                |

Amount repayable after one year

|                                     | <b>Group<br/>31 Dec 2014</b> |                              | <b>Group<br/>30 Jun 2014</b> |                              |
|-------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
|                                     | <b>Secured<br/>S\$'000</b>   | <b>Unsecured<br/>S\$'000</b> | <b>Secured<br/>S\$'000</b>   | <b>Unsecured<br/>S\$'000</b> |
| Interest-bearing loans:             |                              |                              |                              |                              |
| Hire purchase creditors             | 154                          | -                            | 345                          | -                            |
| Internationalisation finance scheme | -                            | 656                          | -                            | 787                          |
| Term loan                           | 5,455                        | 361                          | 1,724                        | -                            |
|                                     | <u>5,609</u>                 | <u>1,017</u>                 | <u>2,069</u>                 | <u>787</u>                   |

Details of the collaterals:

All bank borrowings are unsecured with the exception of the hire purchases which are secured by charges over the leased assets and term loans which are secured by charge over certain property, plant and equipment and investment properties.

**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.**

|                                                                                            | Group<br>3 months<br>ended<br>31.12.2014<br>S\$'000 | Group<br>3 months<br>ended<br>31.12.2013<br>S\$'000 | Group<br>6 months<br>ended<br>31.12.2014<br>S\$'000 | Group<br>6 months<br>ended<br>31.12.2013<br>S\$'000 |
|--------------------------------------------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|
| <b>Cash flows from operating activities</b>                                                |                                                     |                                                     |                                                     |                                                     |
| Profit before tax from operations                                                          | 665                                                 | 1,429                                               | 1,652                                               | 2,287                                               |
| Adjustments for:-                                                                          |                                                     |                                                     |                                                     |                                                     |
| Depreciation of property, plant and equipment                                              | 688                                                 | 961                                                 | 1,376                                               | 1,877                                               |
| Allowance for doubtful debts                                                               | -                                                   | 35                                                  | -                                                   | 35                                                  |
| Gain on disposal of property, plant and equipment and investments                          | (98)                                                | (440)                                               | (89)                                                | (730)                                               |
| Fair value loss on derivatives                                                             | -                                                   | -                                                   | -                                                   | (4)                                                 |
| Interest expenses                                                                          | 159                                                 | 124                                                 | 318                                                 | 294                                                 |
| Share of results of a joint venture company                                                | 7                                                   | 11                                                  | 19                                                  | 24                                                  |
|                                                                                            | 756                                                 | 691                                                 | 1,624                                               | 1,496                                               |
| <b>Operating profit before working capital changes</b>                                     | <b>1,421</b>                                        | <b>2,120</b>                                        | <b>3,276</b>                                        | <b>3,783</b>                                        |
| (Increase)/Decrease in inventories                                                         | (1,830)                                             | (1,390)                                             | (6,237)                                             | 17                                                  |
| Increase in net amount due from a customer/due to a supplier for contract work-in-progress | (998)                                               | -                                                   | (1,006)                                             | -                                                   |
| Decrease/(Increase) in trade receivables                                                   | 1,074                                               | 356                                                 | (1,766)                                             | (905)                                               |
| Decrease/(Increase) in other receivables and prepayments                                   | 257                                                 | 1,151                                               | (95)                                                | (321)                                               |
| Decrease in trade payables                                                                 | (8,114)                                             | (1,013)                                             | (3,813)                                             | (4,728)                                             |
| Increase/(Decrease) in other payables                                                      | 4,189                                               | (6)                                                 | 2,655                                               | (258)                                               |
| <b>Cash (used in) / generated from operating activities</b>                                | <b>(4,001)</b>                                      | <b>1,218</b>                                        | <b>(6,986)</b>                                      | <b>(2,412)</b>                                      |
| Income tax paid                                                                            | (349)                                               | (102)                                               | (349)                                               | (102)                                               |
| Currency translation                                                                       | (329)                                               | (276)                                               | (478)                                               | (250)                                               |
| <b>Net cash flows (used in) / generated from operating activities</b>                      | <b>(4,679)</b>                                      | <b>840</b>                                          | <b>(7,813)</b>                                      | <b>(2,764)</b>                                      |
| <b>Cash flows from investing activities</b>                                                |                                                     |                                                     |                                                     |                                                     |
| Purchase of property, plant and equipment                                                  | (1,988)                                             | (1,982)                                             | (4,221)                                             | (2,292)                                             |
| Purchase of investment properties                                                          | (327)                                               | -                                                   | (595)                                               | -                                                   |
| Proceeds from disposal of plant and equipment                                              | 391                                                 | 761                                                 | 451                                                 | 1,181                                               |
| Acquisition of land use right                                                              | (1,806)                                             | -                                                   | (1,806)                                             | -                                                   |
| Loans to related companies                                                                 | (1,520)                                             | -                                                   | (1,520)                                             | -                                                   |
| <b>Net cash flows used in investing activities</b>                                         | <b>(5,250)</b>                                      | <b>(1,221)</b>                                      | <b>(7,691)</b>                                      | <b>(1,111)</b>                                      |
| <b>Cash flows from financing activities</b>                                                |                                                     |                                                     |                                                     |                                                     |
| Purchase of treasury shares                                                                | -                                                   | -                                                   | (87)                                                | -                                                   |
| Proceeds from / (Repayments of) interest-bearing loans and borrowings                      | 10,487                                              | 85                                                  | 15,113                                              | (46)                                                |
| Dividends paid                                                                             | (1,006)                                             | -                                                   | (1,006)                                             | -                                                   |
| Interest paid                                                                              | (119)                                               | (124)                                               | (318)                                               | (294)                                               |
| <b>Net cash flows generated from / (used in) financing activities</b>                      | <b>9,362</b>                                        | <b>(39)</b>                                         | <b>13,702</b>                                       | <b>(340)</b>                                        |
| <b>Net decrease in cash and cash equivalents</b>                                           | <b>(567)</b>                                        | <b>(420)</b>                                        | <b>(1,802)</b>                                      | <b>(4,215)</b>                                      |
| <b>Cash and cash equivalents at beginning of the period</b>                                | <b>(343)</b>                                        | <b>1,503</b>                                        | <b>892</b>                                          | <b>5,298</b>                                        |
| <b>Cash and cash equivalents at end of the period</b>                                      | <b>(910)</b>                                        | <b>1,083</b>                                        | <b>(910)</b>                                        | <b>1,083</b>                                        |
| <b>Analysis of cash and cash equivalents:</b>                                              |                                                     |                                                     |                                                     |                                                     |
| Cash and bank balances                                                                     | 2,430                                               | 3,506                                               | 2,430                                               | 3,506                                               |
| Bank overdrafts                                                                            | (3,340)                                             | (2,423)                                             | (3,340)                                             | (2,423)                                             |
| <b>Cash and cash equivalents at end of the period</b>                                      | <b>(910)</b>                                        | <b>1,083</b>                                        | <b>(910)</b>                                        | <b>1,083</b>                                        |

**1(d)(i) A statement (for the issuer and the group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to the shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**6 months ended 31 Dec 2014**

| < ----- Equity attributable to owners of the Company ----- > |               |                 |                         |                |                                 |                     |                        |                              |                |                          |               |
|--------------------------------------------------------------|---------------|-----------------|-------------------------|----------------|---------------------------------|---------------------|------------------------|------------------------------|----------------|--------------------------|---------------|
| Group                                                        | Share Capital | Treasury shares | Treasury shares reserve | Merger reserve | Employee Equity Benefit Reserve | Translation reserve | Statutory reserve fund | Accumulated Profits/(Losses) | Total Reserves | Non-controlling interest | Total         |
|                                                              | S\$'000       | S\$'000         | S\$'000                 | S\$'000        | S\$'000                         | S\$'000             | S\$'000                | S\$'000                      | S\$'000        | S\$'000                  | S\$'000       |
| <b>At 1 Jul 2014</b>                                         | <b>33,269</b> | <b>(646)</b>    | <b>(120)</b>            | <b>(7,660)</b> | <b>260</b>                      | <b>(217)</b>        | <b>15</b>              | <b>20,667</b>                | <b>12,945</b>  | <b>49</b>                | <b>45,617</b> |
| Net profit for the period                                    | -             | -               | -                       | -              | -                               | -                   | -                      | 1,609                        | 1,609          | (11)                     | 1,598         |
| Other comprehensive income for the period                    | -             | -               | -                       | -              | -                               | (475)               | -                      | -                            | (475)          | -                        | (475)         |
| Total comprehensive income for the period                    | -             | -               | -                       | -              | -                               | (475)               | -                      | 1,609                        | 1,134          | (11)                     | 1,123         |
| Dividend on ordinary shares                                  | -             | -               | -                       | -              | -                               | -                   | -                      | (1,006)                      | (1,006)        | -                        | (1,006)       |
| Purchase of treasury shares                                  | -             | (87)            | -                       | -              | -                               | -                   | -                      | -                            | -              | -                        | (87)          |
| Treasury shares issued pursuant to employees' share scheme   | -             | 620             | (360)                   | -              | (260)                           | -                   | -                      | -                            | (620)          | -                        | -             |
| <b>At 31 Dec 2014</b>                                        | <b>33,269</b> | <b>(113)</b>    | <b>(480)</b>            | <b>(7,660)</b> | <b>-</b>                        | <b>(692)</b>        | <b>15</b>              | <b>21,270</b>                | <b>12,453</b>  | <b>38</b>                | <b>45,647</b> |
| <b>At 1 Jul 2013</b>                                         | <b>33,269</b> | <b>(602)</b>    | <b>(120)</b>            | <b>(7,660)</b> | <b>-</b>                        | <b>(102)</b>        | <b>15</b>              | <b>17,828</b>                | <b>9,961</b>   | <b>14</b>                | <b>42,642</b> |
| Net profit for the period                                    | -             | -               | -                       | -              | -                               | -                   | -                      | 2,061                        | 2,061          | (6)                      | 2,055         |
| Other comprehensive income for the period                    | -             | -               | -                       | -              | -                               | (260)               | -                      | -                            | (260)          | -                        | (260)         |
| Total comprehensive income for the period                    | -             | -               | -                       | -              | -                               | (260)               | -                      | 2,061                        | 1,801          | (6)                      | 1,795         |
| <b>At 31 Dec 2013</b>                                        | <b>33,269</b> | <b>(602)</b>    | <b>(120)</b>            | <b>(7,660)</b> | <b>-</b>                        | <b>(362)</b>        | <b>15</b>              | <b>19,889</b>                | <b>11,762</b>  | <b>8</b>                 | <b>44,437</b> |
| <b>Company</b>                                               |               |                 |                         |                |                                 |                     |                        |                              |                |                          |               |
| <b>At 1 Jul 2014</b>                                         | <b>33,269</b> | <b>(646)</b>    | <b>(120)</b>            | <b>-</b>       | <b>260</b>                      | <b>-</b>            | <b>-</b>               | <b>(307)</b>                 | <b>(167)</b>   | <b>-</b>                 | <b>32,456</b> |
| Net profit for the period                                    | -             | -               | -                       | -              | -                               | -                   | -                      | 1,445                        | 1,445          | -                        | 1,445         |
| Total comprehensive income for the period                    | -             | -               | -                       | -              | -                               | -                   | -                      | 1,445                        | 1,445          | -                        | 1,445         |
| Dividend on ordinary shares                                  | -             | -               | -                       | -              | -                               | -                   | -                      | (1,006)                      | (1,006)        | -                        | (1,006)       |
| Purchase of treasury shares                                  | -             | (87)            | -                       | -              | -                               | -                   | -                      | -                            | -              | -                        | (87)          |
| Treasury shares issued pursuant to employees' share scheme   | -             | 620             | (360)                   | -              | (260)                           | -                   | -                      | -                            | (620)          | -                        | -             |
| <b>At 31 Dec 2014</b>                                        | <b>33,269</b> | <b>(113)</b>    | <b>(480)</b>            | <b>-</b>       | <b>-</b>                        | <b>-</b>            | <b>-</b>               | <b>132</b>                   | <b>(348)</b>   | <b>-</b>                 | <b>32,808</b> |
| <b>At 1 Jul 2013</b>                                         | <b>33,269</b> | <b>(602)</b>    | <b>(120)</b>            | <b>-</b>       | <b>-</b>                        | <b>-</b>            | <b>-</b>               | <b>(454)</b>                 | <b>(574)</b>   | <b>-</b>                 | <b>32,093</b> |
| Net profit for the period                                    | -             | -               | -                       | -              | -                               | -                   | -                      | 46                           | 46             | -                        | 46            |
| Total comprehensive income for the period                    | -             | -               | -                       | -              | -                               | -                   | -                      | 46                           | 46             | -                        | 46            |
| <b>At 31 Dec 2013</b>                                        | <b>33,269</b> | <b>(602)</b>    | <b>(120)</b>            | <b>-</b>       | <b>-</b>                        | <b>-</b>            | <b>-</b>               | <b>(408)</b>                 | <b>(528)</b>   | <b>-</b>                 | <b>32,139</b> |

## 3 months ended 31 Dec 2014

## &lt; ----- Equity attributable to owners of the Company ----- &gt;

|                                           | Share Capital | Treasury shares | Treasury shares reserve | Merger reserve | Translation reserve | Statutory reserve fund | Accumulated Profits/(Losses) | Total Reserves | Non-controlling interest | Total         |
|-------------------------------------------|---------------|-----------------|-------------------------|----------------|---------------------|------------------------|------------------------------|----------------|--------------------------|---------------|
| Group                                     | S\$'000       | S\$'000         | S\$'000                 | S\$'000        | S\$'000             | S\$'000                | S\$'000                      | S\$'000        | S\$'000                  | S\$'000       |
| <b>At 1 Oct 2014</b>                      | <b>33,269</b> | <b>(113)</b>    | <b>(480)</b>            | <b>(7,660)</b> | <b>(261)</b>        | <b>15</b>              | <b>21,596</b>                | <b>13,210</b>  | <b>53</b>                | <b>46,419</b> |
| Net profit for the period                 | -             | -               | -                       | -              | -                   | -                      | 680                          | 680            | (15)                     | 665           |
| Other comprehensive income for the period | -             | -               | -                       | -              | (431)               | -                      | -                            | (431)          | -                        | (431)         |
| Total comprehensive income for the period | -             | -               | -                       | -              | (431)               | -                      | 680                          | 249            | (15)                     | 234           |
| Dividend on ordinary shares               | -             | -               | -                       | -              | -                   | -                      | (1,006)                      | (1,006)        | -                        | (1,006)       |
| <b>At 31 Dec 2014</b>                     | <b>33,269</b> | <b>(113)</b>    | <b>(480)</b>            | <b>(7,660)</b> | <b>(692)</b>        | <b>15</b>              | <b>21,270</b>                | <b>12,453</b>  | <b>38</b>                | <b>45,647</b> |
| <b>At 1 Oct 2013</b>                      | <b>33,269</b> | <b>(602)</b>    | <b>(120)</b>            | <b>(7,660)</b> | <b>(99)</b>         | <b>15</b>              | <b>18,580</b>                | <b>10,716</b>  | <b>12</b>                | <b>43,395</b> |
| Net profit for the period                 | -             | -               | -                       | -              | -                   | -                      | 1,309                        | 1,309          | (4)                      | 1,305         |
| Other comprehensive income for the period | -             | -               | -                       | -              | (263)               | -                      | -                            | (263)          | -                        | (263)         |
| Total comprehensive income for the period | -             | -               | -                       | -              | (263)               | -                      | 1,309                        | 1,046          | (4)                      | 1,042         |
| <b>At 31 Dec 2013</b>                     | <b>33,269</b> | <b>(602)</b>    | <b>(120)</b>            | <b>(7,660)</b> | <b>(362)</b>        | <b>15</b>              | <b>19,889</b>                | <b>11,762</b>  | <b>8</b>                 | <b>44,437</b> |
| <b>Company</b>                            |               |                 |                         |                |                     |                        |                              |                |                          |               |
| <b>At 1 Oct 2014</b>                      | <b>33,269</b> | <b>(113)</b>    | <b>(480)</b>            | <b>-</b>       | <b>-</b>            | <b>-</b>               | <b>(286)</b>                 | <b>(766)</b>   | <b>-</b>                 | <b>32,390</b> |
| Net profit for the period                 | -             | -               | -                       | -              | -                   | -                      | 1,424                        | 1,424          | -                        | 1,424         |
| Total comprehensive income for the period | -             | -               | -                       | -              | -                   | -                      | 1,424                        | 1,424          | -                        | 1,424         |
| Dividend on ordinary shares               | -             | -               | -                       | -              | -                   | -                      | (1,006)                      | (1,006)        | -                        | (1,006)       |
| <b>At 31 Dec 2014</b>                     | <b>33,269</b> | <b>(113)</b>    | <b>(480)</b>            | <b>-</b>       | <b>-</b>            | <b>-</b>               | <b>128</b>                   | <b>(348)</b>   | <b>-</b>                 | <b>32,808</b> |
| <b>At 1 Oct 2013</b>                      | <b>33,269</b> | <b>(602)</b>    | <b>(120)</b>            | <b>-</b>       | <b>-</b>            | <b>-</b>               | <b>(432)</b>                 | <b>(552)</b>   | <b>-</b>                 | <b>32,115</b> |
| Net profit for the period                 | -             | -               | -                       | -              | -                   | -                      | 24                           | 24             | -                        | 24            |
| Total comprehensive income for the period | -             | -               | -                       | -              | -                   | -                      | 24                           | 24             | -                        | 24            |
| <b>At 31 Dec 2013</b>                     | <b>33,269</b> | <b>(602)</b>    | <b>(120)</b>            | <b>-</b>       | <b>-</b>            | <b>-</b>               | <b>(408)</b>                 | <b>(528)</b>   | <b>-</b>                 | <b>32,139</b> |

**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.**

There have been no changes in the Company's share capital since 30 September 2014.

As at 31 December 2014, the Company held 915,684 treasury shares (31 December 2013: 1,811,930) against a total number of 225,159,544 issued shares excluding treasury shares (31 December 2013: 224,263,298). The Company had no outstanding convertibles as at 31 December 2014 and 31 December 2013.

**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 31 Dec 2014 | As at 30 Jun 2014 |
|--------------------------------------------------------------|-------------------|-------------------|
| Total number of issued shares<br>(excluding treasury shares) | 225,159,544       | 223,873,298       |

**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.**

There were no sale, transfer, disposal, cancellation and/or use of treasury shares for the 3 months ended 31 December 2014.

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

The figures have not been audited or reviewed by the 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.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those applied to the audited financial statements for the financial year ended 30 June 2014.

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.

Not applicable.

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          |                | Group          |                |
|------------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                                                                                        | 3 months ended | 3 months ended | 6 months ended | 6 months ended |
|                                                                                                                        | 31 Dec 2014    | 31 Dec 2013    | 31 Dec 2014    | 31 Dec 2013    |
| Earnings per ordinary share for the period based on net profit after tax attributed to the shareholders of the Company |                |                |                |                |
| (i) Based on weighted average number of ordinary shares in issue (cents)                                               | 0.30           | 0.58           | 0.72           | 0.92           |
| (ii) On a fully diluted basis (cents)                                                                                  | 0.30           | 0.58           | 0.72           | 0.92           |

Note:

Weighted average number of ordinary shares excluding treasury shares for calculation of:

|                              |             |             |             |             |
|------------------------------|-------------|-------------|-------------|-------------|
| - Basic earnings per share   | 225,159,544 | 224,263,298 | 224,546,591 | 224,263,298 |
| - Diluted earnings per share | 225,159,544 | 224,263,298 | 224,546,591 | 224,263,298 |

7. Net Asset Value (for the issuer and the 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 Dec 2014 | 30 Jun 2014 | 31 Dec 2014 | 30 Jun 2014 |
| Net asset value per ordinary share based on the total number of issued shares excluding treasury shares at end of the period (cents) | 20.3        | 20.4        | 14.6        | 14.5        |
| No. of issued shares excluding treasury shares                                                                                       | 225,159,544 | 223,873,298 | 225,159,544 | 223,873,298 |

- 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.**

### **Financial Performance**

#### **Revenue**

Revenue for the Group for the six months ended 31 December 2014 ("H1FY15") rose by S\$3.4 million or 9.3% to S\$40.2 million compared to S\$36.8 million for the corresponding six months ended 31 December 2013 ("H1FY14").

For the second quarter ("Q2FY15"), revenue increased by S\$3.4 million or 19.7% over the corresponding period in the prior year ("Q2FY14").

The increase is attributed to the stronger performance in both the Marine and Oil and Gas ("O&G") segments by the Singapore and Middle-East subsidiaries.

#### **Gross Profit**

Gross profit for H1FY15 declined by S\$0.3 million or 2.0% to S\$12.1 million compared to S\$12.4 million in H1FY14 due to the lower gross profit margin of 30.2% for H1FY15 compared to 33.7% for H1FY14. The decline in gross profit margin is due to lower contribution from the rental of equipment to offshore O&G customers which commands a higher profit margin.

Gross profit for Q2FY15 decreased by S\$0.4 million or 7.0% compared to Q2FY14 with the same reasons stated above.

#### **Other Operating Income**

Other operating income decreased by S\$0.6 million for H1FY15 compared to H1FY14 and S\$0.3 million for Q2FY15 compared to Q2FY14 mainly due to the gain on disposal of property, plant and equipment recorded in the corresponding prior periods.

#### **Operating Expenses**

Operating expenses for the Group comprising administration and sales and marketing expenses fell marginally to S\$11.3 million for H1FY15 compared to S\$11.4 million for H1FY14.

For Q2FY15, operating expenses remained stable at S\$5.8 million compared to Q2FY14.

### **Other Operating Expenses**

Other operating expenses of S\$0.2 million in H1FY14 and Q2FY14 is attributed mainly to the foreign exchange loss of S\$0.1 million recognised in the prior periods.

Correspondingly, the Group recognised a foreign exchange gain of S\$0.2 million in H1FY15 and Q2FY15 which was classified as other operating income in the current period.

### **Share of Results of Joint Venture Companies**

This arose mainly from the share of our profit and loss of Advanced Mooring Systems Pte. Ltd., a joint venture between KTL Global Limited and LMC Asia Pacific Pte Ltd.

### **Finance Costs**

Finance costs rose by 8.2% to S\$0.3 million for H1FY15 and by 29% to S\$0.2 million for Q2FY15 compared to H1FY14 and Q2FY14 respectively due to the increase in bank borrowings taken up by the Group to finance its working capital, construction of new facilities in Malaysia (as announced on 20 November 2012 and 15 May 2014) and the acquisition of four commercial units in KL Trillion (as announced on 1 April 2014).

### **Profit for the Period**

The Group's profit for H1FY15 fell by S\$0.5 million or 22.2% to S\$1.6 million compared to S\$2.1 million for H1FY14.

For Q2FY15, profit dropped by S\$0.6 million or 49.0% to S\$0.7 million compared to S\$1.3 million for Q2FY14.

While the Group saw higher revenue for both H1FY15 and Q2FY15, gross profit declined due to the lower gross profit margin achieved during the periods. Operating expenses remained stable in H1FY15 and Q2FY15. Due to the non-recurring gain on disposal of property, plant and equipment of S\$0.7 million and S\$0.4 million that was recognised in H1FY14 and Q2FY14 respectively, the Group reported a lower profit for H1FY15 and Q2FY15.

### **Balance Sheet Review**

#### **Current Assets**

Current assets rose by S\$11.6 million to S\$71.6 million as at 31 December 2014 as compared to S\$60.0 million as at 30 June 2014. This was mainly attributed to:

- i) higher inventories of S\$6.2 million in anticipation of future sales;
- ii) higher trade receivables of S\$1.8 million in line with the higher revenue recorded in H1FY15;
- iii) gross amount due from a customer for work-in-progress of S\$1.7 million; and
- iv) increase of S\$1.5 million due from related companies.

### **Non-Current Assets**

Non-current assets climbed S\$5.0 million to S\$30.8 million as at 31 December 2014 from S\$25.8 million as at 30 June 2014 as a result of:

- i) increase in property, plant and equipment for the construction of the new facilities in Malaysia as announced on 20 November 2012 and 15 May 2014; and
- ii) increase in investment properties under construction due to the partial payments for the acquisition of four commercial units in KL Trillion as announced on 1 April 2014.

### **Current Liabilities**

Current liabilities increased by S\$12.7 million to S\$48.7 million as at 31 December 2014 from S\$36.0 million as at 30 June 2014. This is due mainly to:

- i) increase of S\$8.0 million in bills payables due to the higher purchases for inventories during H1FY15;
- ii) increase of S\$5.6 million in interest-bearing loans and borrowings as the Group increased its borrowings to finance the new facilities in Malaysia and the four commercial units in KL Trillion as explained above;
- iii) increase of S\$2.5 million in other payables; and
- iv) offset by decrease of S\$3.8 million in trade payables due to payment to suppliers.

### **Non-Current Liabilities**

Non-current liabilities as at 31 December 2014 was higher than that as at 30 June 2014 by S\$3.9 million due mainly to an increase of S\$3.8 million in interest-bearing loans and borrowings.

### **Cash flow Review**

#### **Operating Cash Flow**

The Group recorded a net operating cash outflow of S\$7.8 million in H1FY15 compared to outflow of S\$2.8 million in H1FY14 as a result of higher working capital requirement due to the increase in inventories as well as trade and other receivables and the decrease in trade payables while being offset by an increase in other payables during the period.

For Q2FY15, the Group had a net operating cash outflow of S\$4.7 million compared to net operating cash generated of S\$0.8 million in Q2FY14. This was due to the increase in inventories as well as the decrease in trade payables offset by decrease in trade receivables and increase in other payables during Q2FY15.

### **Investing Cash Flow**

The Group saw investing cash outflow of S\$7.7 million in H1FY15 compared to outflow of S\$1.1 million in H1FY14 because of the acquisition of property, plant and equipment, investment properties under construction and prepaid land lease as well as the loans to related companies offset by proceeds from disposal of fixed assets.

For Q2FY15, investing cash outflow was S\$5.3 million compared to outflow of S\$1.2 million in Q2FY14. This arose because of the same reasons stated above.

### **Financing Cash Flow**

The Group generated financing cash flow of S\$13.7 million in H1FY15 compared to outflow of S\$0.3 million in H1FY14. This is mainly attributed to the proceeds from interest-bearing loans and borrowings of S\$15.1 million offset by dividends payment of S\$1.0 million in H1FY15.

For Q2FY15, financing cash flow of S\$9.4 million was generated compared to S\$0.04 million outflow in Q2FY14. During this period, proceeds from interest-bearing loans and borrowings of S\$10.5 million was offset by dividends payment of S\$1 million and interest payment of S\$0.1 million.

Overall, cash and cash equivalents decreased by S\$1.8 million and S\$0.6 million respectively for H1FY15 and Q2FY15 compared to decrease of S\$4.2 million for H1FY14 and decrease of S\$0.4 million for Q2FY14.

The cash flow generated from financing activities in H1FY15 and Q2FY15 were mainly used to fund the cash outflow by the operating and investing activities during the respective periods.

### **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 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 recent fall in global oil prices could impact the offshore, oil and gas and marine industries. Against this backdrop, the Group continues to scale up the value-chain and create new revenue streams for its specialised rigging and lifting systems activities while driving internal operational and financial efficiencies.

As announced in November 2014, the Group's wholly-owned subsidiary, KTL Offshore (Malaysia) Sdn. Bhd., has entered into an agreement to lease 100,014 square feet ("sq. ft.") of additional land in Tanjung Langsat Industrial Complex, located in the Iskandar development area of Johor, Malaysia. This will bring the facility's land area to 321,000 sq. ft., making it the largest dedicated rigging facility in Malaysia and among the largest in South East Asia. The facility is expected to be fully operational by Q4 FY2015 and is primarily for production and warehousing of rigging gears for mooring, towing and lifting purposes. It will give the Group better access to the Malaysian market as it positions itself as a hub for the oil and gas sector in Asia. Singapore will continue to be the Group's headquarters and service base.

Apart from Singapore and Malaysia, the Group's facility in the Hamriyah Free Zone, United Arab Emirates, will allow the Group to tap opportunities in the Middle Eastern and European regions.

The Group continues to be on the lookout for possible merger and acquisition opportunities to expand its footprint into new geographies, accelerating growth to enhance shareholder value.

## **11. Dividend**

(a) Current Financial Period Reported on

Any dividend 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/recommendeded, a statement to that effect**

No dividend has been declared or recommended.

## **13. Interested person transactions**

The Company does not have a general mandate for interested person transactions.

**CONFIRMATION PURSUANT TO RULE 705(5) OF THE LISTING MANUAL OF  
THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED**

**For the announcement of unaudited financial statements for the six months ended 31 December 2014**

We, Tan Tock Han and Tan Kheng Yeow, being Directors of KTL Global Limited ("the Company"), do hereby confirm, for and on behalf of the Board of Directors of the Company, that, to the best of our knowledge, nothing has come to the attention of the Board that may render the unaudited financial statements for the six months ended 31 December 2014 to be false or misleading in any material aspect.

For and on behalf of the Board of Directors  
KTL Global Limited

(Signed)

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Tan Tock Han  
Executive Chairman

(Signed)

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Tan Kheng Yeow  
Chief Executive Officer

9 February 2015