



## SERIAL SYSTEM LTD

Company Registration No.: 199202071D

(Incorporated in Singapore on 22 April 1992)

### Unaudited Second Quarter and Half Year Financial Statement and Dividend Announcement for the Period Ended 30 June 2015

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

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

|                                                                | Note | Second Quarter     |                    |                | The Group                              |                        |                |
|----------------------------------------------------------------|------|--------------------|--------------------|----------------|----------------------------------------|------------------------|----------------|
|                                                                |      | 2Q2015<br>US\$'000 | 2Q2014<br>US\$'000 |                | Year-To-Date<br>30/06/2015<br>US\$'000 | 30/06/2014<br>US\$'000 |                |
| Sales                                                          |      | 309,597            | 262,924            | 18%            | 571,357                                | 475,284                | 20%            |
| Cost of sales                                                  |      | (285,543)          | (240,342)          | 19%            | (525,609)                              | (433,657)              | 21%            |
| <b>Gross profit</b>                                            |      | <b>24,054</b>      | <b>22,582</b>      | <b>7%</b>      | <b>45,748</b>                          | <b>41,627</b>          | <b>10%</b>     |
| <b>Gross profit margin</b>                                     |      | <b>7.7%</b>        | <b>8.6%</b>        | <b>-0.9 pt</b> | <b>8.0%</b>                            | <b>8.8%</b>            | <b>-0.8 pt</b> |
| Other income:                                                  |      |                    |                    |                |                                        |                        |                |
| Other operating income                                         |      | 3,265              | 2,231              | 46%            | 4,804                                  | 3,474                  | 38%            |
| Expenses:                                                      |      |                    |                    |                |                                        |                        |                |
| Distribution                                                   |      | (12,395)           | (10,649)           | 16%            | (23,328)                               | (20,539)               | 14%            |
| Administrative                                                 |      | (3,100)            | (2,503)            | 24%            | (6,167)                                | (5,263)                | 17%            |
| Finance                                                        |      | (1,544)            | (1,097)            | 41%            | (2,852)                                | (2,045)                | 39%            |
| Other                                                          |      | (3,870)            | (4,364)            | -11%           | (7,990)                                | (7,956)                | 0.4%           |
| <b>Total expenses</b>                                          |      | <b>(20,909)</b>    | <b>(18,613)</b>    | <b>12%</b>     | <b>(40,337)</b>                        | <b>(35,803)</b>        | <b>13%</b>     |
|                                                                |      | <b>6,410</b>       | <b>6,200</b>       | <b>3%</b>      | <b>10,215</b>                          | <b>9,298</b>           | <b>10%</b>     |
| Share of results of associated companies<br>(after income tax) |      | (409)              | 114                | -459%          | (547)                                  | 24                     | -2,379%        |
| <b>Profit before income tax</b>                                | 1    | <b>6,001</b>       | <b>6,314</b>       | <b>-5%</b>     | <b>9,668</b>                           | <b>9,322</b>           | <b>4%</b>      |
| Income tax expense                                             | 2    | (1,041)            | (1,257)            | -17%           | (1,686)                                | (2,205)                | -24%           |
| <b>Profit after income tax</b>                                 |      | <b>4,960</b>       | <b>5,057</b>       | <b>-2%</b>     | <b>7,982</b>                           | <b>7,117</b>           | <b>12%</b>     |
| <b>Attributable to:</b>                                        |      |                    |                    |                |                                        |                        |                |
| Equity holders of the Company                                  |      | 4,771              | 5,011              | -5%            | 7,826                                  | 7,121                  | 10%            |
| Non-controlling interests                                      |      | 189                | 46                 | 311%           | 156                                    | (4)                    | 4,000%         |
|                                                                |      | <b>4,960</b>       | <b>5,057</b>       | <b>-2%</b>     | <b>7,982</b>                           | <b>7,117</b>           | <b>12%</b>     |

Notes :

# 1. Profit before income tax

|                                                                                                              | Second Quarter |          |     | The Group    |            |        |
|--------------------------------------------------------------------------------------------------------------|----------------|----------|-----|--------------|------------|--------|
|                                                                                                              | 2Q2015         | 2Q2014   | %   | Year-To-Date |            | %      |
|                                                                                                              | US\$'000       | US\$'000 |     | 30/06/2015   | 30/06/2014 |        |
|                                                                                                              | US\$'000       | US\$'000 |     | US\$'000     | US\$'000   |        |
| Profit from operations is arrived at after charging/(crediting) :-                                           |                |          |     |              |            |        |
| a. Depreciation and amortisation                                                                             | 730            | 726      | 1   | 1,396        | 1,458      | -4     |
| b. Amortisation of distribution rights                                                                       | 402            | 431      | -7  | 805          | 861        | -7     |
| c. Impairment losses on goodwill arising from acquisition of subsidiaries                                    | 180            | 180      | 0   | 360          | 360        | 0      |
| d. Gain on disposal of property, plant and equipment                                                         | -              | -        | NM  | -            | (1)        | NM     |
| e. Property, plant and equipment written off                                                                 | -              | 70       | NM  | -            | 70         | NM     |
| f. Gain on sale of business                                                                                  | (1,600)        | -        | NM  | (1,600)      | -          | NM     |
| g. Gain on dilution of interests in an associated company                                                    | (31)           | (12)     | 158 | (62)         | (19)       | 226    |
| h. Gain on sale of financial asset, available-for-sale                                                       | -              | (1,381)  | NM  | -            | (1,381)    | NM     |
| i. Gain on sale of financial asset, at fair value through profit or loss                                     | (80)           | -        | NM  | (80)         | -          | NM     |
| j. Fair value (gain)/loss on financial assets, at fair value through profit or loss                          | (13)           | 8        | 263 | (2)          | 4          | 150    |
| k. Allowance for impairment losses on trade receivables                                                      | 34             | 187      | -82 | 67           | 221        | -70    |
| l. Write back of allowance for impairment losses on other receivables                                        | -              | (10)     | NM  | -            | (20)       | NM     |
| m. Allowance for inventory obsolescence                                                                      | 77             | 316      | -76 | 637          | 401        | 59     |
| n. Write-off of inventories                                                                                  | -              | 2        | NM  | 3            | 16         | -81    |
| o. Currency translation (gain)/loss (net)                                                                    | (157)          | 376      | 142 | (612)        | 167        | 466    |
| p. Currency translation reserve realised to income statement upon repayment of inter-company long term loans | 79             | 35       | 126 | 79           | 35         | 126    |
| q. Loss/ (gain) on derivative financial instruments                                                          | 264            | -        | NM  | 394          | (43)       | -1,016 |
| r. Fair value gain on derivative financial instruments                                                       | (328)          | -        | NM  | (478)        | -          | NM     |
| s. Dividend income received from financial assets, available-for-sale                                        | (147)          | (108)    | 36  | (147)        | (108)      | 36     |
| t. Interest income                                                                                           | (72)           | (51)     | 41  | (101)        | (77)       | 31     |

## 2. Income tax expense

|                                                      | 2Q2015   | 2Q2014   |    | 30/06/2015 | 30/06/2014 |     |
|------------------------------------------------------|----------|----------|----|------------|------------|-----|
|                                                      | US\$'000 | US\$'000 | %  | US\$'000   | US\$'000   | %   |
| Under/ (over) provision in preceding financial years |          |          |    |            |            |     |
| - Current income tax                                 | -        | 179      | NM | (8)        | 315        | 103 |
| - Deferred income tax                                | -        | -        | NM | -          | 42         | NM  |
|                                                      | -        | 179      | NM | (8)        | 357        | 102 |

NM – Not Meaningful

**1(a)(ii) A statement of comprehensive income for the Group together with a comparative statement for the corresponding period of the immediately preceding financial year**

|                                                                       | Second Quarter |          |       | The Group<br>Year-To-Date |            |         |
|-----------------------------------------------------------------------|----------------|----------|-------|---------------------------|------------|---------|
|                                                                       | 2Q2015         | 2Q2014   |       | 30/06/2015                | 30/06/2014 |         |
|                                                                       | US\$'000       | US\$'000 |       | US\$'000                  | US\$'000   |         |
| Profit after income tax                                               | 4,960          | 5,057    | -2%   | 7,982                     | 7,117      | 12%     |
| Other comprehensive income for the period:                            |                |          |       |                           |            |         |
| Items that will not be reclassified subsequently to profit or loss:   |                |          |       |                           |            |         |
| Share of associated company's other comprehensive income              | 15             | -        | NM    | 225                       | -          | NM      |
|                                                                       | 15             | -        | NM    | 225                       | -          | NM      |
| Items that may be reclassified subsequently to profit or loss:        |                |          |       |                           |            |         |
| Net gain on fair value changes on financial asset, available-for-sale | 578            | 1,657    | -65%  | 578                       | 894        | -35%    |
| Currency translation differences                                      | (379)          | 989      | -138% | (1,305)                   | (112)      | -1,064% |
|                                                                       | 199            | 2,645    | -92%  | (727)                     | 782        | -193%   |
| Other comprehensive income/(loss) for the period                      | 214            | 2,645    | -92%  | (502)                     | 782        | -164%   |
| Total comprehensive income for the period                             | 5,174          | 7,702    | -33%  | 7,480                     | 7,899      | -5%     |
| Total comprehensive income attributable to:                           |                |          |       |                           |            |         |
| Equity holders of the Company                                         | 5,016          | 7,538    | -33%  | 7,106                     | 8,001      | -11%    |
| Non-controlling interests                                             | 158            | 164      | -4%   | 374                       | (102)      | 467%    |
|                                                                       | 5,174          | 7,702    | -33%  | 7,480                     | 7,899      | -5%     |

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

|                                                        | The Group |            | The Company |            |
|--------------------------------------------------------|-----------|------------|-------------|------------|
|                                                        | 30/6/2015 | 31/12/2014 | 30/6/2015   | 31/12/2014 |
|                                                        | US\$'000  | US\$'000   | US\$'000    | US\$'000   |
| <b>ASSETS</b>                                          |           |            |             |            |
| <b>Current assets</b>                                  |           |            |             |            |
| Cash and cash equivalents                              | 86,999    | 58,297     | 3,845       | 2,420      |
| Trade and other receivables                            | 187,311   | 184,661    | 17,858      | 15,278     |
| Inventories                                            | 132,823   | 98,599     | -           | -          |
| Financial assets, at fair value through profit or loss | 1,260     | 1,259      | -           | -          |
| Other current assets                                   | 4,044     | 4,968      | 1,089       | 67         |
|                                                        | 412,437   | 347,784    | 22,792      | 17,765     |

|                                                                          | The Group      |                | The Company    |                |
|--------------------------------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                                          | 30/6/2015      | 31/12/2014     | 30/6/2015      | 31/12/2014     |
|                                                                          | US\$'000       | US\$'000       | US\$'000       | US\$'000       |
| <b>ASSETS</b>                                                            |                |                |                |                |
| <b>Non-current assets</b>                                                |                |                |                |                |
| Financial assets, at fair value through profit or loss                   | 13             | 13             | -              | -              |
| Loans and receivables                                                    | 1,000          | 1,000          | 39,584         | 40,625         |
| Financial assets, available-for-sale                                     | 4,483          | 1,324          | -              | -              |
| Investments in associated companies                                      | 17,050         | 17,373         | 6,721          | 6,682          |
| Investments in subsidiaries                                              | -              | -              | 64,350         | 53,558         |
| Property, plant and equipment                                            | 37,102         | 37,862         | 442            | 336            |
| Investment properties                                                    | 7,696          | 7,660          | -              | -              |
| Intangible assets                                                        | 16,920         | 9,472          | 614            | 521            |
| Other assets                                                             | 1,838          | 1,966          | -              | -              |
| Deferred income tax assets                                               | 756            | 750            | -              | -              |
|                                                                          | 86,858         | 77,420         | 111,711        | 101,722        |
| <b>Total Assets</b>                                                      | <b>499,295</b> | <b>425,204</b> | <b>134,503</b> | <b>119,487</b> |
| <b>LIABILITIES</b>                                                       |                |                |                |                |
| <b>Current liabilities</b>                                               |                |                |                |                |
| Trade and other payables                                                 | 133,011        | 120,351        | 15,882         | 5,221          |
| Current income tax liabilities                                           | 3,896          | 3,344          | 307            | 186            |
| Borrowings                                                               | 212,531        | 171,897        | 2,364          | 6,783          |
|                                                                          | 349,438        | 295,592        | 18,553         | 12,190         |
| <b>Non-current liabilities</b>                                           |                |                |                |                |
| Other payable                                                            | -              | -              | 4,609          | 4,524          |
| Borrowings                                                               | 24,344         | 6,550          | 12,410         | -              |
| Defined benefit plans liabilities                                        | 821            | 656            | -              | -              |
| Deferred income tax liabilities                                          | 174            | 172            | -              | -              |
|                                                                          | 25,339         | 7,378          | 17,019         | 4,524          |
| <b>Total Liabilities</b>                                                 | <b>374,777</b> | <b>302,970</b> | <b>35,572</b>  | <b>16,714</b>  |
| <b>Net Assets</b>                                                        | <b>124,518</b> | <b>122,234</b> | <b>98,931</b>  | <b>102,773</b> |
| <b>EQUITY</b>                                                            |                |                |                |                |
| <b>Capital and reserves attributable to the Company's equity holders</b> |                |                |                |                |
| Share capital                                                            | 72,648         | 72,648         | 72,648         | 72,648         |
| Treasury shares                                                          | (736)          | (736)          | (736)          | (736)          |
| Capital reserve                                                          | 1,240          | 1,015          | 180            | 180            |
| Defined benefit plans reserve                                            | (367)          | (367)          | -              | -              |
| Fair value reserve                                                       | 578            | -              | -              | -              |
| Revaluation reserve                                                      | 59             | 59             | -              | -              |
| Other reserve                                                            | (718)          | (715)          | -              | -              |
| Currency translation reserve                                             | 2,760          | 4,283          | 17,589         | 17,589         |
| Retained earnings                                                        | 45,692         | 42,847         | 9,250          | 13,092         |
|                                                                          | 121,156        | 119,034        | 98,931         | 102,773        |
| <b>Non-controlling interests</b>                                         | <b>3,362</b>   | <b>3,200</b>   | <b>-</b>       | <b>-</b>       |
| <b>Total Equity</b>                                                      | <b>124,518</b> | <b>122,234</b> | <b>98,931</b>  | <b>102,773</b> |

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

**Amount repayable in one year or less, or on demand**

| As at 30 June 2015 |                  | As at 31 December 2014 |                  |
|--------------------|------------------|------------------------|------------------|
| <u>Secured</u>     | <u>Unsecured</u> | <u>Secured</u>         | <u>Unsecured</u> |
| US\$'000           | US\$'000         | US\$'000               | US\$'000         |
| 3,364              | 209,167          | 7,787                  | 164,110          |

**Amount repayable after one year**

| As at 30 June 2015 |                  | As at 31 December 2014 |                  |
|--------------------|------------------|------------------------|------------------|
| <u>Secured</u>     | <u>Unsecured</u> | <u>Secured</u>         | <u>Unsecured</u> |
| US\$'000           | US\$'000         | US\$'000               | US\$'000         |
| 17,706             | 6,638            | 5,716                  | 834              |

**Details of any collateral**

- a) A four-year term loan amounting to US\$14.8 million (S\$20 million) was taken up by the Company with a bank in May 2015 to refinance its previous outstanding four-year term loan (31 December 2014: US\$6.8 million), and to finance the Company's new acquisitions and investments. The term loan is secured with the following:
- a first legal mortgage of the leasehold land and building ('Mortgaged Property') held by a wholly owned Singapore subsidiary, Serial Investment Pte Ltd;
  - an assignment of all rights and benefits relating to the Mortgaged Property;
  - an assignment of all rights, title interest and benefits in tenancy agreements, relating to the Mortgaged Property;
  - an assignment of all rights and benefits under the insurance policies taken in relation to the Mortgaged Property; and
  - joint and several guarantees of certain subsidiaries of the Group.
- b) Bank borrowing of US\$4.1 million (31 December 2014: US\$4.1 million) taken by a wholly owned Taiwan subsidiary, Serial Investment (Taiwan) Inc. to part finance the acquisition of a property in Taiwan is secured by a first legal mortgage of the property.
- c) Bank borrowing of US\$2.1 million (31 December 2014: US\$2.5 million) taken by a 98.2% Korean subsidiary, Serial Microelectronics Korea Limited to part finance the acquisition of a property in South Korea is secured by a first legal mortgage of the property.
- d) Finance lease liabilities of US\$0.07 million (31 December 2014: US\$0.05 million) are secured on the Company and Group's motor vehicles acquired under finance lease agreements.

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

|                                                                                  | Second Quarter  |                 | Year-To-Date  |                 |
|----------------------------------------------------------------------------------|-----------------|-----------------|---------------|-----------------|
|                                                                                  | 2Q2015          | 2Q2014          | 30/6/2015     | 30/6/2014       |
|                                                                                  | US\$'000        | US\$'000        | US\$'000      | US\$'000        |
| <b>Cash flows from operating activities</b>                                      |                 |                 |               |                 |
| Profit before income tax                                                         | 6,001           | 6,314           | 9,668         | 9,322           |
| Adjustments for:                                                                 |                 |                 |               |                 |
| Amortisation of computer software license costs                                  | 85              | 63              | 139           | 128             |
| Amortisation of distribution rights                                              | 402             | 431             | 805           | 861             |
| Depreciation of property, plant and equipment                                    | 645             | 663             | 1,257         | 1,330           |
| Property, plant and equipment written off                                        | -               | 70              | -             | 70              |
| Gain on disposal of property, plant and equipment                                | -               | -               | -             | (1)             |
| Impairment losses on goodwill arising from acquisition of subsidiaries           | 180             | 180             | 360           | 360             |
| Gain on dilution of interests in an associated company                           | (31)            | (12)            | (62)          | (19)            |
| Gain on sale of business                                                         | (1,600)         | -               | (1,600)       | -               |
| Gain on sale of financial asset, available-for-sale                              | -               | (1,381)         | -             | (1,381)         |
| Gain on sale of financial asset, at fair value through profit or loss            | (80)            | -               | (80)          | -               |
| Fair value (gain)/loss on financial assets, at fair value through profit or loss | (13)            | 8               | (2)           | 4               |
| Provision for severance benefits                                                 | 102             | 115             | 215           | 208             |
| Fair value gain on derivative financial instruments                              | (328)           | -               | (478)         | -               |
| Dividend income received from financial assets, available-for-sale               | (147)           | (108)           | (147)         | (108)           |
| Interest income                                                                  | (72)            | (51)            | (101)         | (77)            |
| Interest expense                                                                 | 1,544           | 1,097           | 2,852         | 2,045           |
| Share of results of associated companies                                         | 409             | (114)           | 547           | (24)            |
| Operating cash flow before working capital changes                               | 7,097           | 7,275           | 13,373        | 12,718          |
| <b>Change in working capital</b>                                                 |                 |                 |               |                 |
| Trade and other receivables                                                      | (21,018)        | (21,014)        | 16,654        | (40,245)        |
| Inventories                                                                      | (3,444)         | (15,704)        | (14,999)      | (15,871)        |
| Other current assets                                                             | (385)           | 187             | 1,919         | 521             |
| Other assets (non-current)                                                       | 122             | (5)             | 127           | (319)           |
| Trade and other payables                                                         | (10,814)        | 1,684           | (810)         | 12,270          |
| Cash (used in)/from operations                                                   | (28,442)        | (27,577)        | 16,264        | (30,926)        |
| Income tax paid                                                                  | (589)           | (187)           | (1,384)       | (1,628)         |
| <b>Net cash (used in)/provided by operating activities</b>                       | <b>(29,031)</b> | <b>(27,764)</b> | <b>14,880</b> | <b>(32,554)</b> |

|                                                                                                  | Second Quarter |                | Year-To-Date  |                |
|--------------------------------------------------------------------------------------------------|----------------|----------------|---------------|----------------|
|                                                                                                  | 2Q2015         | 2Q2014         | 30/6/2015     | 30/6/2014      |
|                                                                                                  | US\$'000       | US\$'000       | US\$'000      | US\$'000       |
| <b>Cash flows from investing activities</b>                                                      |                |                |               |                |
| Proceeds from disposal of property, plant and equipment                                          | -              | -              | -             | 15             |
| Proceeds from sale of financial asset, available-for-sale                                        | -              | 6,142          | -             | 6,142          |
| Proceeds from sale of financial asset, at fair value through profit or loss                      | 864            | -              | 864           | -              |
| Proceeds from sale of business                                                                   | 1,600          | -              | 1,600         | -              |
| Payments for intangible assets (computer software license costs)                                 | (183)          | (71)           | (225)         | (123)          |
| Payments for property, plant and equipment                                                       | (695)          | (487)          | (887)         | (799)          |
| Payment for acquisition of additional interests in a subsidiary from a non- controlling interest | -              | -              | (18)          | -              |
| Net cash inflow on acquisition of subsidiaries                                                   | 4,431          | -              | 3,901         | -              |
| Advance payments for proposed investment                                                         | (946)          | -              | (946)         | -              |
| Payments for acquisition of additional interests in an associated companies                      | (39)           | -              | (39)          | -              |
| Payments for acquisition of interests in an associated company                                   | -              | (6,826)        | -             | (6,826)        |
| Payments for financial asset, available-for-sale                                                 | (2,580)        | -              | (2,580)       | -              |
| Payments for financial asset, at fair value through profit or loss                               | (754)          | -              | (754)         | -              |
| Dividends received from an associated company                                                    | -              | 71             | 160           | 71             |
| Dividend received from financial assets, available-for-sale                                      | 147            | 108            | 147           | 108            |
| Interest received                                                                                | 83             | 49             | 137           | 71             |
| <b>Net cash provided by/(used in) investing activities</b>                                       | <b>1,928</b>   | <b>(1,014)</b> | <b>1,360</b>  | <b>(1,341)</b> |
| <b>Cash flows from financing activities</b>                                                      |                |                |               |                |
| Payment for investment in a subsidiary by non-controlling interests                              | -              | -              | -             | 32             |
| Dividends paid                                                                                   | (4,981)        | (2,139)        | (4,981)       | (2,139)        |
| Dividend paid to non-controlling interest                                                        | (440)          | (265)          | (440)         | (265)          |
| Proceeds from bank borrowings                                                                    | 187,136        | 184,092        | 328,891       | 327,412        |
| Repayment of bank borrowings                                                                     | (153,880)      | (150,735)      | (301,106)     | (280,816)      |
| Repayment of other borrowings                                                                    | -              | -              | (6,787)       | -              |
| Repayment of finance lease liabilities                                                           | (7)            | (14)           | (15)          | (28)           |
| Interest paid                                                                                    | (1,747)        | (1,021)        | (2,948)       | (1,927)        |
| <b>Net cash provided by financing activities</b>                                                 | <b>26,081</b>  | <b>29,918</b>  | <b>12,614</b> | <b>42,269</b>  |
| <b>Net (decrease)/increase in cash and cash equivalents held</b>                                 | <b>(1,022)</b> | <b>1,140</b>   | <b>28,854</b> | <b>8,374</b>   |
| Cash and cash equivalents at the beginning of the period                                         | 87,921         | 47,560         | 58,297        | 40,548         |
| Effect of currency rate changes on cash and cash equivalents                                     | 100            | 487            | (152)         | 265            |
| <b>Cash and cash equivalents at the end of the period</b>                                        | <b>86,999</b>  | <b>49,187</b>  | <b>86,999</b> | <b>49,187</b>  |

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

Consolidated Statement of Changes in Equity

|                                                                                    | ← Attributable to equity holders of the Company → |                             |                             |                                           |                                |                                 |                           |                                          |                               |                                                                 |                                       |                          |
|------------------------------------------------------------------------------------|---------------------------------------------------|-----------------------------|-----------------------------|-------------------------------------------|--------------------------------|---------------------------------|---------------------------|------------------------------------------|-------------------------------|-----------------------------------------------------------------|---------------------------------------|--------------------------|
|                                                                                    | Share capital<br>US\$'000                         | Treasury shares<br>US\$'000 | Capital reserve<br>US\$'000 | Defined benefit plans reserve<br>US\$'000 | Fair value reserve<br>US\$'000 | Revaluation reserve<br>US\$'000 | Other reserve<br>US\$'000 | Currency translation reserve<br>US\$'000 | Retained earnings<br>US\$'000 | Total attributable to equity holders of the Company<br>US\$'000 | Non-controlling interests<br>US\$'000 | Total equity<br>US\$'000 |
| Balance at 1 January 2015                                                          | 72,648                                            | (736)                       | 1,015                       | (367)                                     | -                              | 59                              | (715)                     | 4,283                                    | 42,847                        | 119,034                                                         | 3,200                                 | 122,234                  |
| Total comprehensive income/(loss) for the period                                   | -                                                 | -                           | 210                         | -                                         | -                              | -                               | -                         | (1,175)                                  | 3,055                         | 2,090                                                           | 216                                   | 2,306                    |
| Investment in a subsidiary by non-controlling interests                            | -                                                 | -                           | -                           | -                                         | -                              | -                               | -                         | -                                        | -                             | -                                                               | 244                                   | 244                      |
| Acquisition of additional interests in a subsidiary from non-controlling interests | -                                                 | -                           | -                           | -                                         | -                              | -                               | (3)                       | -                                        | -                             | (3)                                                             | (16)                                  | (19)                     |
| <b>Balance at 31 March 2015</b>                                                    | <b>72,648</b>                                     | <b>(736)</b>                | <b>1,225</b>                | <b>(367)</b>                              | <b>-</b>                       | <b>59</b>                       | <b>(718)</b>              | <b>3,108</b>                             | <b>45,902</b>                 | <b>121,121</b>                                                  | <b>3,644</b>                          | <b>124,765</b>           |
| Total comprehensive income/(loss) for the period                                   | -                                                 | -                           | 15                          | -                                         | 578                            | -                               | -                         | (348)                                    | 4,771                         | 5,016                                                           | 158                                   | 5,174                    |
| One-tier tax-exempt final cash dividend for year 2014                              | -                                                 | -                           | -                           | -                                         | -                              | -                               | -                         | -                                        | (4,981)                       | (4,981)                                                         | -                                     | (4,981)                  |
| Dividend paid to a non-controlling interest                                        | -                                                 | -                           | -                           | -                                         | -                              | -                               | -                         | -                                        | -                             | -                                                               | (440)                                 | (440)                    |
| <b>Balance at 30 June 2015</b>                                                     | <b>72,648</b>                                     | <b>(736)</b>                | <b>1,240</b>                | <b>(367)</b>                              | <b>578</b>                     | <b>59</b>                       | <b>(718)</b>              | <b>2,760</b>                             | <b>45,692</b>                 | <b>121,156</b>                                                  | <b>3,362</b>                          | <b>124,518</b>           |

Consolidated Statement of Changes in Equity [cont'd]

|                                                                        | Attributable to equity holders of the Company |                             |                             |                                           |                                |                           |                                          |                               |                                                                 |                                       |                          |
|------------------------------------------------------------------------|-----------------------------------------------|-----------------------------|-----------------------------|-------------------------------------------|--------------------------------|---------------------------|------------------------------------------|-------------------------------|-----------------------------------------------------------------|---------------------------------------|--------------------------|
|                                                                        | Share capital<br>US\$'000                     | Treasury shares<br>US\$'000 | Capital reserve<br>US\$'000 | Defined benefit plans reserve<br>US\$'000 | Fair value reserve<br>US\$'000 | Other reserve<br>US\$'000 | Currency translation reserve<br>US\$'000 | Retained earnings<br>US\$'000 | Total attributable to equity holders of the Company<br>US\$'000 | Non-controlling interests<br>US\$'000 | Total equity<br>US\$'000 |
| Balance at 1 January 2014                                              | 72,648                                        | (736)                       | 180                         | (424)                                     | (894)                          | (410)                     | 6,025                                    | 31,051                        | 107,440                                                         | 2,522                                 | 109,962                  |
| Total comprehensive (loss)/income for the period                       | -                                             | -                           | -                           | -                                         | (763)                          | -                         | (885)                                    | 2,110                         | 462                                                             | (266)                                 | 196                      |
| Investment in a subsidiary by non-controlling interests                | -                                             | -                           | -                           | -                                         | -                              | -                         | -                                        | -                             | -                                                               | 32                                    | 32                       |
| <b>Balance at 31 March 2014</b>                                        | <b>72,648</b>                                 | <b>(736)</b>                | <b>180</b>                  | <b>(424)</b>                              | <b>(1,657)</b>                 | <b>(410)</b>              | <b>5,140</b>                             | <b>33,161</b>                 | <b>107,902</b>                                                  | <b>2,288</b>                          | <b>110,190</b>           |
| Total comprehensive income for the period                              | -                                             | -                           | -                           | -                                         | 1,657                          | -                         | 870                                      | 5,011                         | 7,538                                                           | 164                                   | 7,702                    |
| One-tier tax-exempt final cash dividend for year 2013                  | -                                             | -                           | -                           | -                                         | -                              | -                         | -                                        | (2,139)                       | (2,139)                                                         | -                                     | (2,139)                  |
| Dividend paid to a non-controlling interest                            | -                                             | -                           | -                           | -                                         | -                              | -                         | -                                        | -                             | -                                                               | (265)                                 | (265)                    |
| Movement in option to acquire non-controlling interest of a subsidiary | -                                             | -                           | -                           | -                                         | -                              | 393                       | -                                        | -                             | 393                                                             | -                                     | 393                      |
| <b>Balance at 30 June 2014</b>                                         | <b>72,648</b>                                 | <b>(736)</b>                | <b>180</b>                  | <b>(424)</b>                              | <b>-</b>                       | <b>(17)</b>               | <b>6,010</b>                             | <b>36,033</b>                 | <b>113,694</b>                                                  | <b>2,187</b>                          | <b>115,881</b>           |

# Statement of Changes in Equity - Company

|                                                       | Share capital | Treasury shares | Capital reserve | Currency translation reserve | Retained earnings | Total equity   |
|-------------------------------------------------------|---------------|-----------------|-----------------|------------------------------|-------------------|----------------|
|                                                       | US\$'000      | US\$'000        | US\$'000        | US\$'000                     | US\$'000          | US\$'000       |
| Balance at 1 January 2015                             | 72,648        | (736)           | 180             | 17,589                       | 13,092            | 102,773        |
| Total comprehensive income for the period             | -             | -               | -               | -                            | 554               | 554            |
| <b>Balance at 31 March 2015</b>                       | <b>72,648</b> | <b>(736)</b>    | <b>180</b>      | <b>17,589</b>                | <b>13,646</b>     | <b>103,327</b> |
| Total comprehensive income for the period             | -             | -               | -               | -                            | 585               | 585            |
| One-tier tax-exempt final cash dividend for year 2014 | -             | -               | -               | -                            | (4,981)           | (4,981)        |
| Serial System Executives Share Option Scheme          |               |                 |                 |                              |                   |                |
| <b>Balance at 30 June 2015</b>                        | <b>72,648</b> | <b>(736)</b>    | <b>180</b>      | <b>17,589</b>                | <b>9,250</b>      | <b>98,931</b>  |
| Balance at 1 January 2014                             | 72,648        | (736)           | 180             | 17,589                       | 12,139            | 101,820        |
| Total comprehensive income for the period             | -             | -               | -               | -                            | 312               | 312            |
| <b>Balance at 31 March 2014</b>                       | <b>72,648</b> | <b>(736)</b>    | <b>180</b>      | <b>17,589</b>                | <b>12,451</b>     | <b>102,132</b> |
| Total comprehensive income for the period             | -             | -               | -               | -                            | 445               | 445            |
| One-tier tax-exempt final cash dividend for year 2013 | -             | -               | -               | -                            | (2,139)           | (2,139)        |
| <b>Balance at 30 June 2014</b>                        | <b>72,648</b> | <b>(736)</b>    | <b>180</b>      | <b>17,589</b>                | <b>10,757</b>     | <b>100,438</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 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 were no ordinary shares issued since the end of the financial period ended 31 March 2015.

There were no purchase, sale, transfer, disposal, cancellation and use of treasury shares since the end of the financial year ended 31 December 2014.

There were no outstanding share options as at 30 June 2015 (31 December 2014: Nil).

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 the end of the immediately preceding year.

|                                                         | 30/06/2015  | 31/12/2014  |
|---------------------------------------------------------|-------------|-------------|
| Total number of issued shares                           | 905,787,914 | 905,787,914 |
| Total number of treasury shares                         | (9,946,000) | (9,946,000) |
| Total number of issued shares excluding treasury shares | 895,841,914 | 895,841,914 |

**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.**

Please refer to 1(d)(ii).

**1(e) Negative assurance confirmation on interim financial results pursuant to Rule 705(5) of the Listing Manual**

The Board of Directors of the Company confirms to the best of their knowledge that nothing has come to their attention which may render the unaudited Second Quarter and Half Year Financial Statements for the period ended 30 June 2015 to be false or misleading.

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

The financial statements have not been audited nor 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.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited annual financial statements for the financial year ended 31 December 2014 except as described in section 5 below.

**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 Company's wholly owned subsidiary, SCE Enterprise Pte. Ltd. ("SCE"), changed its functional currency from Singapore dollars ("S\$") to United States dollars ("US\$") at the beginning of the financial year (with effect from 1 January 2015). The reason for the change is to measure its transactions using the currency of the primary economic environment where majority of the existing and new loans and investments are mainly transacted in US\$. Accordingly, SCE changed its functional currency from S\$ to US\$ and this change has been applied prospectively.

As a result of the change in functional currency, SCE has also changed its presentation currency of the financial statements from S\$ to US\$ and this change has been applied retrospectively. The comparative figures of SCE's previous financial statements for the corresponding period of the immediately preceding financial year were measured using S\$ which was the functional currency then, and re-presented in the current financial statements in US\$.

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.

|                                                                                 | The Group        |           |                  |            |
|---------------------------------------------------------------------------------|------------------|-----------|------------------|------------|
|                                                                                 | Second Quarter   |           | Year-To-Date     |            |
|                                                                                 | 2Q2015           | 2Q2014    | 30/06/2015       | 30/06/2014 |
| Based on the weighted average number of ordinary shares in issue (in US\$); and | <b>0.53 cent</b> | 0.55 cent | <b>0.87 cent</b> | 0.79 cent  |
| On a fully diluted basis (in US\$)                                              | <b>0.53 cent</b> | 0.55 cent | <b>0.87 cent</b> | 0.79 cent  |

Earnings per ordinary share on existing issued share capital are computed based on the weighted average number of shares in issue during the period of 895,841,914 (2Q2014/1H2014: 895,841,914).

Earnings per ordinary share on a fully diluted basis is computed based on the weighted average number of shares during the period of 895,841,914 (2Q2014/1H2014: 895,841,914) after adjusting assumed conversion of all potential dilutive ordinary shares.

There were no potential dilutive shares for the financial period ended 30 June 2015 and 30 June 2014.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-  
 (a) current financial period reported on; and  
 (b) immediately preceding financial year.

|                                                                                                                                    | The Group          |             | The Company        |             |
|------------------------------------------------------------------------------------------------------------------------------------|--------------------|-------------|--------------------|-------------|
|                                                                                                                                    | 30/6/2015          | 31/12/2014  | 30/6/2015          | 31/12/2014  |
| Net assets backing per ordinary share based on the existing issued share capital as at the end of the period reported on (in US\$) | <b>13.90 cents</b> | 13.64 cents | <b>11.04 cents</b> | 11.47 cents |

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.

### Income Statement

#### **Results for 1H2015**

The Group recorded turnover of US\$571.4 million for the half year ended 30 June 2015 ("1H2015"), an increase of 20% when compared to the same period last year ("1H2014"). Net profit after tax ("NPAT") increased 10% to US\$7.8 million from US\$7.1 million in 1H2014 mainly on higher gross profit earned on increased sales and a one-time gain from a business disposal.

The Group's electronic components distribution business registered turnover of US\$524.2 million for 1H2015, an increase of 11% when compared to 1H2014. The increase was mainly due to higher sales to existing and new customers from Hong Kong, China and South Korea which posted increase in turnover of 12%, 9% and 43% respectively. Japan reported a decline in sales of 41% due to stiffer market competition resulting in lower sales to existing customers. The Group's newly acquired consumer products subsidiaries, Serial I-Tech group (acquired on 31 December 2014) and Swift-Value Business Pte Ltd (acquired on 4 May 2015), contributed US\$28.1 million and US\$16.0 million or approximately 5% and 3% respectively, to the Group's turnover in 1H2015.

Gross profit margin declined 0.8% to 8.0% in 1H2015, due mainly to increased sales of lower-margin products in South Korea as well as increased market competition in Taiwan. Serial I-Tech group and Swift-Value Business Pte Ltd ("Swift-Value"), with their lower-margin businesses, also accounted for the drop in overall gross profit margin in 1H2015. Expenses as a percentage of turnover declined to 7.1% in 1H2015 from 7.5% in 1H2014 as the Group continued to focus on improving operational efficiency and costs control. The Group's net margin reduced marginally to 1.4% from 1.5% in 1H2014.

#### **Results for 2Q2015**

The Group recorded turnover of US\$309.6 million for the second quarter ended 30 June 2015 ("2Q2015"), an increase of 18% from the US\$262.9 million a year earlier ("2Q2014").

Turnover for the electronic components distribution business in North Asia grew 10% compared to 2Q2014. Sales in Hong Kong and China increased 6% and 12% respectively, mainly due to higher sales to existing and new customers while sales in South Korea rose 47% on higher demand in an existing product line and contributions from new customers. Sales in Japan and Taiwan on the other hand, declined 38% and 13% respectively as they faced stiff market competition resulting in lower sales to existing customers. North Asia accounted for 86% of the Group's electronic components distribution business turnover in 2Q2015, compared to 83% in 2Q2014.

Turnover for the electronic components distribution business in South-East Asia and India declined 8% mainly due to keener market competition in Singapore and Thailand, as well as lower demand for an existing product line. However, this was mitigated by increased sales from new customers in the Philippines and India.

Serial I-Tech group and Swift-Value contributed sales of US\$12.9 million and US\$16.0 million in consumer products or approximately 4% and 5% respectively, to the Group's turnover in 2Q2015.

The Group's gross profit margin declined to 7.7% from 8.6% in 2Q2014, mainly due to increased sales of lower-margin products in South Korea, as well as increased market competition in Taiwan. Serial I-Tech group and Swift-Value, with their lower-margin businesses, also contributed to the lower overall gross profit margin in 2Q2015.

The Group reported net profit after tax of US\$4.8 million, a decline of 5% as compared to US\$5.0 million in 2Q2014, mainly due to lower gross profit margin achieved in this quarter and share of losses on its associated companies in 2Q2015 versus share of profit in 2Q2014.

Other operating income increased by US\$1.0 million or 46% when compared to 2Q2014. The higher operating income was mainly due to increased advertising income earned, gains from net currency translation and fair value on derivative financial instruments. In addition, there was higher gain on sale of business of US\$1.6 million in 2Q2015 versus a gain from sale of financial asset, available-for-sale of US\$1.4 million in 2Q2014.

Distribution expenses increased by 16% when compared to 2Q2014 mainly due to addition of staff and related costs from Serial I-Tech group and Swift-Value, as well as higher freight, storage and transportation costs associated with increased sales from the electronic components distribution business. Advertising and promotion expenses attributable to Serial I-Tech group in 2Q2015 also contributed to the increase in distribution expenses. Administrative expenses increased by 24% when compared to 2Q2014 mainly due to higher factoring and bank charges incurred by the Group's Hong Kong and Singapore electronic components distribution subsidiaries, and addition of staff related costs, office rental and related costs from Serial I-Tech group and Swift-Value. Finance expenses increased by 41% when compared to 2Q2014 mainly due to higher utilization of factoring arrangements and trade facilities by the Group's Hong Kong and Singapore subsidiaries respectively for financing increased sales and higher working capital requirements. The higher finance expenses was also due to interest expense incurred on a term loan taken by a Singapore subsidiary to partially fund the acquisition of Serial I-Tech Group. Other operating expenses decreased by 11% when compared to 2Q2014 mainly due to lower allowances for impairment losses on trade receivables and inventory obsolescence and a currency translation loss incurred in 2Q2014 versus a gain posted in 2Q2015 (included in "Other operating income"). Higher staff and related costs in 2Q2015 negated the reduction in other operating expenses.

The Group's share of losses in associated companies amounted to US\$0.41 million in 2Q2015 as compared to a share of profit of US\$0.11 million in 2Q2014. The Group's 20% equity interests in Australia industrial laundry group, SPL Holdings (Australia) Pty Ltd group contributed profit of US\$0.12 million (2Q2014: US\$0.21 million). This was offset by losses of US\$0.16 million (2Q2014: US\$0.09 million) and US\$0.37 million (2Q2014: Nil) incurred by the Group's 28.43%-owned associated company, Bull Will Co., Ltd group and 49%-owned associated company, Achieva Technology Pte Ltd group respectively.

Total expenses as a percentage of turnover declined to 6.8% in 2Q2015 from 7.1% in 2Q2014 as the Group continued to improve operational and cost efficiencies. The Group's net margin reduced to 1.5% this quarter from 1.9% in 2Q2014 affected by the lower gross margin achieved.

## **Balance sheet**

Trade and other receivables increased by about US\$2.7 million mainly due to addition of trade receivables from newly-acquired consumer products subsidiaries, Swift-Value Business Pte Ltd (“Swift-Value”) and Hydra & Thermal Pte Ltd (“Hydra”) totalling US\$20.6 million. Increased receivables from the Group’s South Korean and Singapore electronic components distribution subsidiaries and Serial I-Tech group amounting to a total of US\$6.9 million also contributed to the increase in trade and other receivables. These increases were significantly reduced by the non-recourse factoring arrangement undertaken by the Group’s Hong Kong electronic components distribution subsidiary in 1H2015. Average turnover days for trade receivables as a result of the non-recourse factoring arrangement decreased to 58 days in 1H2015 from 67 days in FY2014.

Inventories increased by US\$34.2 million mainly due to higher purchases by the Group’s Hong Kong and Singapore electronic components distribution subsidiaries in anticipation of higher sales in the third quarter. The increase is also attributable to newly-acquired subsidiary, Swift-Value which added US\$17.4 million to inventories as at 30 June 2015.

Financial assets, available-for-sale increased by US\$3.2 million mainly due to an investment in a Singapore-listed equity security, Global Invacom Group Limited amounting to US\$2.6 million (“Listed equity”). Fair value gain amounting to US\$0.6 million for the Listed equity has been recognised as “Fair value reserve” in equity for this investment in 1H2015.

The Company’s investments in subsidiaries increased by US\$10.8 million mainly due to the acquisition of 100% equity interests in Swift-Value amounting to US\$10.75 million in May 2015.

Intangible assets increased by about US\$7.4 million when compared to 31 December 2014. The increase was mainly due to goodwill arising from the acquisition of Swift-Value, amounting to about US\$8.5 million. Total allowances for goodwill impairment and amortization of intangible assets amounted to about US\$1.3 million in 1H2015.

The Group’s trade and other payables increased by US\$12.7 million mainly due to outstanding purchase consideration of US\$4.7 million for acquisition of Swift-Value by the Company and increased trade payables of US\$7.0 million by the Group’s Singapore electronic components distribution subsidiary from higher purchases of inventories. Average payment days for trade payables increased slightly to 34 days in 1H2015 from 33 days in FY2014.

The Company’s trade and other payables increased by US\$10.7 million mainly due to outstanding purchase consideration of US\$4.7 million for acquisition of Swift-Value by the Company and increased inter-company loan from a Singapore subsidiary of US\$6.0 million to fund the Company’s new acquisitions and investments.

Borrowings increased by US\$58.4 million mainly due to a loan of US\$37.5 million due to a previous shareholder of Swift-Value and increased borrowings of US\$14.8 million by the Group’s Singapore and Hong Kong electronic components distribution subsidiaries to support the higher working capital requirements in 1H2015. The increase was also attributable to the re-financing of the Company’s S\$20.0 million (US\$14.8 million) four-year term loan with a bank, resulting in net fresh borrowings of about US\$8.9 million to fund the Company’s new acquisitions and investments.

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

The Group had on 29 April 2015 released a guidance in its quarterly financial statement announcement for the period ended 31 March 2015 (“1Q2015”) in which it stated that “With a good set of 1Q2015 results, barring any unforeseen circumstances, the Board of Directors is reasonably confident that the financial performance for 1H2015 in terms of both revenue and gross profit on a year-on-year basis would be better than that of 1H2014”.

In line with the guidance, the Group reported a stronger revenue and gross profit in 1H2015 as compared to that in 1H2014 of 20% and 10% respectively

**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.**

According to US-based Semiconductor Equipment and Materials International (SEMI), the global semiconductor industry grew at a robust 10% rate to reach US\$336 billion last year and is poised for continued expansion, driven by the proliferation of mobile devices, tablet computers and the “Internet of Things”, all of which require integrated circuits and chips to operate.

To seize this growth potential, the Group will continue to pursue organic and inorganic growth for its core electronic components distribution business to expand its product lines, customer base and distribution network. The cessation of the loss-making business in Japan will have a positive impact on our bottom-line, and the Group will be prudent in assessing risks while it keeps a lookout for opportunities to expand and add value to its product portfolio.

The Group will continue to expand its consumer products business, which it expects will register double-digit revenue growth in 2H2015 versus 1H2015, following the acquisition of Swift Value Business Pte Ltd on 4 May 2015. In the meantime, other companies the Group acquired have expanded their existing product lines to add markets like Singapore and Indonesia. The enlarged footprint will allow the Group to roll out additional product lines and boost its position as a leading sourcing and distribution player.

The Group will continue to integrate and streamline Serial I-Tech group, Achieva Technology group and Hydra & Thermal Pte. Ltd., with an eye on lowering operating costs, improving operational efficiencies and turning them profitable.

Notwithstanding the softer profit margins, the Group’s 1H2015 performance has improved when compared to the previous corresponding period. The Group is actively working to improve its financial management and operating efficiency and barring unforeseen circumstances, is reasonably confident of sustaining its performance in the quarters ahead.

## 11. Dividend

### a) Current Financial Period Reported On

Any dividend declared (recommended) for the current financial period reported on? Yes

|                                           |                              |
|-------------------------------------------|------------------------------|
| Name of Dividend                          | Interim                      |
| Dividend Type                             | Cash                         |
| Dividend Amount per Share (in SGD) cents) | 0.35 cent per ordinary share |
| Optional:- Dividend Rate (in %)           |                              |
| Par value of shares                       | Not applicable               |
| Tax Rate                                  | One-Tier Tax-exempt          |

### b) Corresponding Period of the Immediately Preceding Financial Year

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

|                                           |                              |
|-------------------------------------------|------------------------------|
| Name of Dividend                          | Interim                      |
| Dividend Type                             | Cash                         |
| Dividend Amount per Share (in SGD) cents) | 0.30 cent per ordinary share |
| Optional:- Dividend Rate (in %)           |                              |
| Par value of shares                       | Not applicable               |
| Tax Rate                                  | One-Tier Tax-exempt          |

### c) Date payable

8 September 2015

### d) Books closure date

The Share Transfer Books and Register of Members of the Company will be closed on 28 August 2015 for the preparation of dividend warrants. Duly completed registrable transfers received by the Company's Share Registrar, B.A.C.S. Private Limited at 8 Robinson Road, #03-00, ASO Building, Singapore 048544 up to 5.00 p.m. on 27 August 2015 will be registered to determine shareholders' entitlements to the interim dividend. Members whose Securities Accounts with The Central Depository (Pte) Ltd are credited with shares at 5.00 p.m. on 27 August 2015 will be entitled to the interim dividend which will be paid on 8 September 2015. In respect of ordinary shares in securities accounts with The Central Depository (Pte) Ltd ("CDP"), the interim dividend will be paid by the Company to CDP which will, in turn, distribute the dividend to holders of the securities accounts.

## 12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

**13. Interested person transactions.**

Pursuant to Rule 907 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “Listing Manual”), the Board would like to announce a negative statement on the Interested Person Transactions (“IPTs”) for 1H2015 as follows:

| Name of Interested Person | Aggregate value of all IPTs during 1H2015 (excluding transactions less than S\$100,000 and transactions conducted under shareholders’ mandate pursuant to Rule 920 of the Listing Manual)<br><br>US\$’000 | Aggregate value of all IPTs during 1H2015 conducted under shareholders’ mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than S\$100,000)<br><br>US\$’000 |
|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Nil                       | Nil                                                                                                                                                                                                       | Not applicable                                                                                                                                                                           |

**14. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under SGX Listing Manual Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

No mandate from shareholders has been obtained for IPTs.

**BY ORDER OF THE BOARD**

Derek Goh Bak Heng  
Executive Chairman/Group CEO  
5 August 2015