

UMS HOLDINGS LIMITED
COMPANY REGISTRATION NO: 200100340R
Second Quarter Financial Statement And Dividend Announcement

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

- 1 (a) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

UNAUDITED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 30 JUNE 2015

	Group					
	2Q			6 Months Ended		
	30-Jun-15	30-Jun-14	Change	30-Jun-15	30-Jun-14	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	31,043	28,689	8%	58,510	62,998	-7%
Net finance income (Note (a))	25	11	127%	39	25	56%
Changes in inventories	(1,240)	(3,245)	-62%	771	(3,423)	N.M
Raw material purchases and subcontractor charges	(11,961)	(9,070)	32%	(25,859)	(25,131)	3%
Employee benefits expense	(3,462)	(2,881)	20%	(6,806)	(6,194)	10%
Depreciation expense	(1,986)	(2,017)	-2%	(3,976)	(3,834)	4%
Other expenses (Note (b))	(2,899)	(2,909)	0%	(5,577)	(6,283)	-11%
Other (charges)/ credits (Note (c))	(213)	(324)	-34%	619	(290)	N.M
Profit before income tax	9,307	8,254	13%	17,721	17,868	-1%
Income tax expense (Note (d))	(1,041)	(1,025)	2%	(1,914)	(2,081)	-8%
Net profit for the period from continuing operations	8,266	7,229	14%	15,807	15,787	0%
Attributable to:						
Equity holders of the Company	8,266	7,229	14%	15,807	15,787	0%
Minority interests	-	-	N.M	-	-	N.M
	8,266	7,229	14%	15,807	15,787	0%

N.M - Not meaningful

NOTES TO INCOME STATEMENT

Note (a) Net finance income

	Group					
	2Q			6 Months Ended		
	30-Jun-15	30-Jun-14	Change	30-Jun-15	30-Jun-14	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest income	25	18	39%	39	32	22%
Interest expense	-	(7)	N.M	-	(7)	N.M
Net finance income	25	11	127%	39	25	56%

Note (b) Other expenses

	Group					
	2Q			6 Months Ended		
	30-Jun-15	30-Jun-14	Change	30-Jun-15	30-Jun-14	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Legal and professional fees (Note (i))	(302)	(302)	0%	(597)	(630)	-5%
Rental expense (includes leasing of land)	(394)	(388)	2%	(809)	(790)	2%
Utilities (Note (ii))	(787)	(921)	-15%	(1,515)	(1,922)	-21%
Freight charges	(116)	(144)	-19%	(248)	(328)	-24%
Insurance	(95)	(123)	-23%	(263)	(234)	12%
Upkeep of properties and equipment	(48)	(56)	-14%	(75)	(126)	-40%
Upkeep of machinery (Note (iii))	(773)	(564)	37%	(1,227)	(1,342)	-9%
Others	(384)	(411)	-7%	(843)	(911)	-7%
	(2,899)	(2,909)	0%	(5,577)	(6,283)	-11%

Note 1 (a)(b)(i) – Included in legal and professional fees is an amount payable to Sure Achieve Enterprises Pte Ltd. Refer to note 13.

Note 1 (a)(b)(ii) – The decrease in utilities by S\$0.1M was mainly due to lower electricity tariff rates as compared to last corresponding period.

Note 1 (a)(b)(iii) – The increase was mainly due to higher machinery and equipment maintenance carried out during the period.

Note (c) Other credits

	Group					
	2Q			6 Months Ended		
	30-Jun-15	30-Jun-14	Change	30-Jun-15	30-Jun-14	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Foreign exchange (loss)/ gain (Note (i))	(218)	(350)	-38%	612	(495)	N.M
Gain on disposal of property, plant and equipment	-	-	N.M	-	39	-100%
Property, plant & equipment written off	-	-	N.M	(2)	-	N.M
Inventories written off	-	-	N.M	(24)	-	N.M
Write back of allowance for inventories obsolescence	-	12	-100%	-	105	-100%
Others	5	14	-64%	33	61	-46%
	(213)	(324)	-34%	619	(290)	N.M

Note 1(a)(c)(i) - The exchange loss was due to the depreciation of the US dollar during the period.

Note (d) Income tax

	Group					
	2Q			6 Months Ended		
	30-Jun-15	30-Jun-14	Change	30-Jun-15	30-Jun-14	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Income tax:						
- Current	(1,041)	(1,025)	2%	(1,914)	(2,081)	-8%
- Deferred tax	-	-	N.M	-	-	N.M
	(1,041)	(1,025)	2%	(1,914)	(2,081)	-8%

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

	Group		Company	
	30 Jun 2015 S\$'000	31 Dec 2014 S\$'000	30 Jun 2015 S\$'000	31 Dec 2014 S\$'000
ASSETS				
Current Assets				
Cash and bank balances (Note (ii))	39,607	33,792	702	357
Trade receivables and other current assets	13,162	12,850	3,196	3,740
Inventories	34,098	33,327	-	-
Total Current Assets	86,867	79,969	3,898	4,097
Non-Current Assets				
Investment in subsidiaries (Note (i))	-	-	192,415	192,415
Property, plant and equipment	36,981	41,725	-	-
Investment property	2,520	2,629	-	-
Goodwill	81,683	81,683	-	-
Total Non-Current Assets	121,184	126,037	192,415	192,415
Total Assets	208,051	206,006	196,313	196,512
LIABILITIES AND EQUITY				
Current Liabilities				
Trade and other payables	11,776	11,061	20,940	7,043
Income tax payable	2,547	2,357	-	-
Total Current Liabilities	14,323	13,418	20,940	7,043
Non Current Liabilities				
Deferred tax liabilities	1,337	1,337	-	-
Long-term provision *	453	453	-	-
Total Non-Current Liabilities	1,790	1,790	-	-
Total Liabilities	16,113	15,208	20,940	7,043
Capital and Reserves				
Share Capital	136,623	136,623	136,623	136,623
Reserves	(6,056)	(4,263)	-	-
Retained earnings	61,371	58,438	38,750	52,846
Total Equity	191,938	190,798	175,373	189,469
Total Liabilities and Equity	208,051	206,006	196,313	196,512

* Provision for reinstatement of leased premises.

Note 1 (b)(i)(i) Investment in Subsidiaries
The details of the subsidiaries as at 30 June 2015 are as follows:

Name	Effective percentage of equity held by the group		Company's cost of investment	
	30-Jun-2015	31-Dec-2014	30 Jun-2015	31-Dec-2014
	%	%	S\$'000	S\$'000
<u>Held by the Company</u>				
UMS Systems Pte Ltd (Singapore)	100	100	9,561	9,561
UMS International Pte Ltd (Singapore)	100	100	800	800
UMS Pte Ltd (Singapore)	100	100	127,081	127,081
UMS Aerospace Pte Ltd (Singapore)	100	100	20,000	20,000
Integrated Manufacturing Technologies Pte Ltd (Singapore)	100	100	19,803	19,803
Integrated Manufacturing Technologies Inc. (United States)	100	100	8,196	8,196
Ultimate Machining Solutions (M) Sdn. Bhd. (Malaysia)	100	100	30,772	30,772
			<hr/>	
Unquoted equity shares, at cost			216,213	216,213
Less: Provision for impairment			(23,798)	(23,798)
			<hr/>	
			192,415	192,415
<u>Held through UMS International Pte Ltd</u>				
Ultimate Manufacturing Solutions (M) Sdn. Bhd (Malaysia)	100	100		
<u>Held through UMS Pte Ltd</u>				
UMS Solutions Pte Ltd (Singapore)	100	100		

Note 1(b)(i)(ii) – The increase in cash and cash equivalents by S\$5.8 million was mainly due to net cash generated from operation activities partially offset by dividend payments made during the period.

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

Not applicable.

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			
	2Q		6 Months Ended	
	30-Jun-15 S\$'000	30-Jun-14 S\$'000	30-Jun-15 S\$'000	30-Jun-14 S\$'000
Cash flows from operating activities				
Profit before income tax	9,307	8,254	17,721	17,868
Adjustments for:				
Depreciation expense	1,986	2,017	3,976	3,834
Inventories written off	-	-	24	-
Write back of allowance for inventories obsolescence	-	(12)	-	(105)
Property, plant and equipment written off	-	-	2	-
Gain on disposal of property, plant and equipment	-	-	-	(39)
Interest income	(25)	(18)	(39)	(32)
Interest expense	-	7	-	7
Unrealised foreign exchange loss/ (gain)	358	338	(265)	660
Operating cash flows before working capital changes	11,626	10,586	21,419	22,193
Changes in working capital:				
Trade receivables and other current assets	3,652	30	(825)	2,597
Inventories	1,271	1,485	(799)	3,162
Trade and other payables	(2,540)	(4,768)	1,120	(7,257)
Cash generated from operations	14,009	7,333	20,915	20,695
Income tax paid	(997)	(1,917)	(1,292)	(2,269)
Net cash generated from operating activities	13,012	5,416	19,623	18,426
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	-	-	-	39
Purchase of property, plant and equipment	(391)	(1,542)	(591)	(4,209)
Interest received	25	18	39	32
Net cash used in investing activities	(366)	(1,524)	(552)	(4,138)
Cash flows from financing activities				
Proceeds from bank borrowings	-	5,000	-	5,000
Dividends paid	(12,874)	(12,031)	(12,874)	(12,031)
(Placement)/ withdrawal of fixed deposit - restricted	-	(2)	247	(4)
Interest paid	-	(7)	-	(7)
Net cash used in financing activities	(12,874)	(7,040)	(12,627)	(7,042)
Net effect of exchange rate changes	(966)	(254)	(380)	(375)
Net increase in cash and cash equivalents	(1,194)	(3,402)	6,064	6,871
Cash and cash equivalents at beginning of the period	40,801	39,263	33,543	28,990
Cash and cash equivalents at end of the period	39,607	35,861	39,607	35,861
Fixed deposit - restricted in use			-	252
Cash and cash equivalents in the Balance Sheet			39,607	36,113

- 1(d) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group					
	2Q			6 Months Ended		
	30-Jun-15 S\$'000	30-Jun-14 S\$'000	Change %	30-Jun-15 S\$'000	30-Jun-14 S\$'000	Change %
Net Profit for the period	8,266	7,229	14%	15,807	15,787	0%
Other comprehensive income, net of income tax: <i>Items that may be classified subsequently to profit and loss:</i>						
Exchange differences on translation of foreign operations	(1,303)	147	N.M	(1,793)	196	N.M
Total comprehensive income for the period	6,963	7,376	-6%	14,014	15,983	-12%
Attributable to:						
Equity holders of the Company	6,963	7,376	-6%	14,014	15,983	-12%
Minority interests	-	-	N.M	-	-	N.M

1(e)(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 capitalization issues and distribution to shareholders, together with a comparative statement for the corresponding period of the immediate preceding financial year.

	Share Capital S\$'000	Foreign Exchange Translation Reserve S\$'000	Retained Earnings S\$'000	Total equity attributable to equity of holders of the Company S\$'000
Group				
Balance at 1 January 2014	136,623	(3,907)	58,415	191,131
Changes in equity for first quarter				
Net profit for the period	-	-	8,558	8,558
Other comprehensive income for the period- Exchange differences on translation of foreign operations	-	49	-	49
Total comprehensive income for the quarter	-	49	8,558	8,607
Balance at 31 March 2014	136,623	(3,858)	66,973	199,738
Changes in equity for second quarter				
Net profit for the period	-	-	7,229	7,229
Other comprehensive income for the period- Exchange differences on translation of foreign operations	-	147	-	147
Total comprehensive income for the quarter	-	147	7,229	7,376
Dividend paid	-	-	(12,031)	(12,031)
As at 30 June 2014	136,623	(3,711)	62,171	195,083

Group	Share Capital S\$'000	Foreign Exchange Translation Reserve S\$'000	Retained Earnings S\$'000	Total equity attributable to equity of holders of the Company S\$'000
Balance at 1 January 2015	136,623	(4,263)	58,438	190,798
Changes in equity for first quarter				
Net profit for the period	-	-	7,541	7,541
Other comprehensive income for the period- Exchange differences on translation of foreign operations	-	(490)	-	(490)
Total comprehensive income for the quarter	-	(490)	7,541	7,051
Balance at 31 March 2015	136,623	(4,753)	65,979	197,849
Changes in equity for second quarter				
Net profit for the period	-	-	8,266	8,266
Other comprehensive income for the period- Exchange differences on translation of foreign operations	-	(1,303)	-	(1,303)
Total comprehensive income for the quarter	-	(1,303)	8,266	6,963
Dividend paid	-	-	(12,874)	(12,874)
As at 30 June 2015	136,623	(6,056)	61,371	191,938

	Share Capital S\$'000	Capital Reserve S\$'000	Retained Earnings S\$'000	Total equity attributable to equity of holders of the Company S\$'000
Company				
Balance at 1 January 2014	136,623	-	58,983	195,606
Changes in equity for first quarter				
Net loss for the period	-	-	(705)	(705)
Total comprehensive expenses for the quarter	-	-	(705)	(705)
Balance at 31 March 2014	136,623	-	58,278	194,901
Changes in equity for second quarter				
Net profit for the period	-	-	1,559	1,559
Total comprehensive income for the quarter	-	-	1,559	1,559
Dividend paid	-	-	(12,031)	(12,031)
As at 30 June 2014	136,623	-	47,806	184,429

	Share Capital S\$'000	Capital Reserve S\$'000	Retained Earnings S\$'000	Total equity attributable to equity of holders of the Company S\$'000
Company				
Balance at 1 January 2015	136,623	-	52,846	189,469
Changes in equity for first quarter				
Net loss for the period	-	-	(614)	(614)
Total comprehensive expenses for the quarter	-	-	(614)	(614)
Balance at 31 March 2015	136,623	-	52,232	188,855
Changes in equity for second quarter				
Net loss for the period	-	-	(608)	(608)
Total comprehensive income for the quarter	-	-	(608)	(608)
Dividend paid	-	-	(12,874)	(12,874)
As at 30 June 2015	136,623	-	38,750	175,373

- 1(e)(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 purposes since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all outstanding convertibles, as well as the number of shares held as treasury shares of the issuer, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There was no change in the Company's issued share capital since last financial year ended 31 December 2014 to 30 June 2015.

- 1(e)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued shares excluding treasury shares as at 30 June 2015 was 429,143,947 (31 December 2014: 429,143,947).

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

There was no treasury share as at 31 December 2014 and 30 June 2015.

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

The figures have not been audited or reviewed by our external auditors.

- 3 Where the figures have been audited or reviewed, the auditors' report (including and qualifications or emphasis of matter).**

Not applicable.

- 4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as stated in Note 5, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those of the audited financial statements for the financial year ended 31 December 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 reason for, and the effect of the change.**

The Group has adopted all the new and revised Singapore Financial Reporting Standards (FRS) and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning 1 January 2015.

The adoption of the new/ revised FRS and INT FRS does not result in any significant changes to the accounting policies of the Group and has no material effect on the amounts reported for the current and prior periods.

6 Earnings per ordinary share of the Group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group			
	2Q		6 Months Ended	
	30-Jun-15	30-Jun-14 (Restated)	30-Jun-15	30-Jun-14 (Restated)
Earnings per ordinary share of the Group based on net profit attributable to owners of the company:-				
(a) Based on the weighted average number of ordinary shares on issue	1.93 cents	1.68 cents	3.68 cents	3.68 cents
- Weighted average number of shares	429,143,947	429,143,947	429,143,947	429,143,947
(b) On a fully diluted basis	1.93 cents	1.68 cents	3.68 cents	3.68 cents
- Weighted average number of shares	429,143,947	429,143,947	429,143,947	429,143,947

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 period reported on and (b) immediate preceding financial year.

	Group		Company	
	30-Jun-15	31-Dec-14	30-Jun-15	31-Dec-14
Net asset per ordinary share based on existing issued share capital as at end of period reported on	44.73 cents	44.46 cents	40.87 cents	44.15 cents

The net asset per outstanding ordinary share as at both the current and the previous financial year have been calculated based on 429,143,947 outstanding ordinary shares.

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 on 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) seasonable 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.**

Revenue
6 Months 2015 Vs 2014

	Group		
	6 Months Ended		
	30-Jun-15	30-Jun-14	Change
	S\$'000	S\$'000	%
Business Segments			
Semiconductor (Semicon)	58,387	62,547	-7%
Others	123	451	-73%
	58,510	62,998	-7%
Geographical Regions			
Singapore	30,947	35,057	-12%
United States of America ('US')	14,485	12,605	15%
Others	13,078	15,336	-15%
	58,510	62,998	-7%

Revenue
2Q2015 Vs 2Q2014

	Group		
	3 Months Ended		
	30-Jun-15	30-Jun-14	Change
	S\$'000	S\$'000	%
Business Segments			
Semiconductor (Semicon)	31,038	28,384	9%
Others	5	305	-98%
	31,043	28,689	8%
Geographical Regions			
Singapore	16,555	16,322	1%
United States of America ('US')	7,520	5,228	44%
Others	6,968	7,139	-2%
	31,043	28,689	8%

Revenue

For the three months ended 30 June 2015 ("2Q2015"), the Group's revenue stood at S\$31.0 million, an increase of 8% from S\$28.7 million a year ago ("2Q2014"). Notably, UMS' revenue grew 13% sequentially from S\$27.5 million in the preceding quarter ("1Q2015"). In the previous quarter's announcement, the Group's major customer had stated that the current year's trend is unique with more business activities in the second half of the year. However, the Group experienced a stronger 2Q2015 as a result of business activities picking up earlier than expected.

Singapore continues to remain as the Group's biggest market, contributing S\$16.6 million in 2Q2015 compared to S\$16.3 million a year ago. Revenue from Others remained relatively stable at S\$7.0 million in 2Q2015 (2Q2014: S\$7.1 million) while revenue contribution from the US experienced a 44% increase from S\$5.2 million in 2Q2014 to S\$7.5 million in 2Q2015 as a result of higher component sales.

For the six months ended 30 June 2015 ("1H2015"), the Group's revenue decreased 7% to S\$58.5 million from S\$63.0 million from the previous corresponding 6 months ("1H2014").

For the same six months period, the Group's revenue from Singapore decreased 12% from S\$35.1 million a year ago to S\$30.9 million. Revenue from US grew 15% from S\$12.6 million in 1H2014 to S\$14.5 million in 1H2015 while revenue from Others stood at S\$13.1 million, a 15% decrease from S\$15.3 million in 1H2014.

Profitability

For the quarter under review, the Group's gross material margin remained relatively flat at 57% compared to prior-year quarter. Employee benefits expense increased 20% to S\$3.5 million in 2Q2015 as there was excess bonus provision written back in 2Q2014. Depreciation expense decreased 2% to S\$2.0 million, which was mainly due to some fixed assets being fully depreciated in 2Q2015 while Other expenses remained flat at S\$2.9 million. Other credits in 2Q2015 included an S\$0.2 million foreign exchange loss resulting from the depreciation of USD during the quarter (exchange loss in 2Q2014: S\$0.4 million).

The Group recorded a higher net profit after tax of S\$8.3 million in 2Q2015, translating into a 14% growth from S\$7.2 million in 2Q2014.

For the half year of 1H2015, the Group's gross material margin improved from 55% in 1H2014 to 57%. Employee benefits expense increased 10% to S\$6.8 million for the same reason mentioned above. Depreciation expense in 1H2015 stood at S\$4.0 million compared to S\$3.8 million in 1H2014 while Other expenses fell 11% from S\$6.3 million in 1H2014 to S\$5.6 million in 1H2015. Other credits in 1H2015 registered a gain of S\$0.6 million compared to a loss of S\$0.3 million in 1H2014.

As a result of the above, the Group's net profit remained flat at S\$15.8 million in 1H2015.

Cashflow

In line with UMS' good cash generation ability, the Group registered positive operating cash flow of S\$13.0 million and free cash flow of S\$12.6 million in 2Q2015, compared to S\$5.4 million and S\$3.9 million respectively in 2Q2014.

For the half year comparison, the Group generated positive operating cash flow of S\$19.6 million and free cash flow of S\$19.0 million, compared to S\$18.4 million and S\$14.2 million respectively.

As at 30 June 2015, the Group's cash and cash equivalents remained healthy at S\$39.6 million with no bank borrowings.

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

The current announced results are in line with the general prospect commentary previously disclosed to shareholders in the 1Q2015 results announcement made on 8 May 2015.

10 A commentary at the date of announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

The Group's major customer had previously stated that the current year's trend is unique with more business activities in the second half of the year. Similarly, SEMI, a leading global semiconductor trade association, has expected semiconductor equipment spending to increase 11 percent in 2015 and another 5 percent in 2016. For the first time in many years, SEMI has forecast that equipment spending could grow every year for three years in a row: 2014, 2015 and 2016¹. Gartner on the other hand, recently revised their 2015 semiconductor equipment spending forecast to be flat versus 2014². The Group is currently seeing stable orders from its major customer and will continue to remain vigilant and monitor any shift in market trends in order to better manage its operations.

The Group has anticipated the increasingly difficult operating environment in Singapore years back, and had progressively relocate most of its manufacturing activities to its Penang plant. This relocation is expected to complete in the near future. The Malaysian facility, together with the weakening Ringgit, allows the Group to enjoy lower operational costs which put it in a good position to maintain its low cost competitive edge.

Barring unforeseen circumstances, the board of directors is confident that 2015 will continue to be a profitable year for the Group.

Footnote:

¹ Refer to <http://www.semi.org/node/56386>

² Refer to <http://electronicspurchasingstrategies.com/2015/07/20/gartner-reduces-chip-capex-forecast/>

11 Dividend**(a) Current Financial Period Reported**

Any dividend declared for the current financial period reported on? **Yes**

Name of Dividend	Proposed Interim Dividend
Dividend Type	Cash
Dividend Amount (SGD)	1.0 cent per ordinary share, (tax exempt one-tier)
Tax rate	Not applicable

(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	Proposed Interim Dividend
Dividend Type	Cash
Dividend Amount (SGD)	1.0 cent per ordinary share, (tax exempt one-tier)
Tax rate	Not applicable

(c) Date payable

28 October 2015.

(d) Books closure date

NOTICE IS HEREBY GIVEN THAT the Share Transfer Books and Register of Members of the Company will be closed on 9 October 2015, for the purpose of determining members' entitlements to the Second Interim Dividend of 1.0 cent per ordinary share (tax-exempt one-tier) for the financial year ending 31 December 2015.

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 up to the close of business at 5.00 p.m. on 8 October 2015 will be registered before entitlements to the Second Interim Dividend are determined. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 8 October 2015 will be entitled to the Second Interim Dividend.

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

Not applicable.

- 13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920 (1) (a) (ii). If no IPT mandate has been obtained, a statement to that effect.

6 Months Ended 30 June 2015	
Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual) S\$'000
Sure Achieve Enterprises Pte Ltd (Note 1) Consultancy Services charges	397
Kalf Engineering Pte Ltd (Note 2) Factory rental Downpayment for services - re water system upgrade	(6) 147

Note 1: Transaction above is with Sure Achieve Enterprises Pte Ltd in which Mrs. Sylvia SY Lee Luong is a director and is the wife of the CEO, Mr. Andy Luong. Sure Achieve Enterprises Pte Ltd provides sales consultancy services to the Group.

The aggregate value of IPT entered into between the Group and Sure Achieve Enterprises Pte Ltd for the period ended 30 June 2015 amounted to S\$397,000 which represented approximately 0.4% of the Group's latest audited net tangible assets as at 31 December 2014.

Note 2: Kalf Engineering Pte Ltd is a company in which both executive directors Mr. Luong Andy and Mr. Stanley Loh Meng Chong have an interest.

14 **Negative confirmation pursuant to Rule 705 (5)**

The Board of Directors hereby confirm that, to the best of their knowledge, nothing has come to their attention which may render the 2Q2015 and the period ended 30 June 2015 financial results to be false or misleading in any material respect.

On behalf of the Board

Luong Andy
Chief Executive Officer

Stanley Loh Meng Chong
Executive Director

BY ORDER OF THE BOARD

Luong Andy
Chief Executive Officer
3 August 2015