



Company Registration No. 201311482K

KIM HENG OFFSHORE & MARINE HOLDINGS LIMITED

UNAUDITED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2016

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**") SAC Advisors Private Limited (formerly known as Canaccord Genuity Singapore Pte. Ltd.), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").*

The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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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.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 Months			6 Months		
	1 Apr 2016 to 30 Jun 2016	1 Apr 2015 to 30 Jun 2015	+/-	1 Jan 2016 to 30 Jun 2016	1 Jan 2015 to 30 Jun 2015	+/-
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	7,743	11,228	(31)	16,477	27,485	(40)
Cost of sales	(5,155)	(10,208)	(50)	(11,001)	(21,575)	(49)
Gross profit	2,588	1,020	154	5,476	5,910	(7)
Gross profit margin	33%	9%		33%	22%	
Other income	221	416	(47)	616	1,284	(52)
Distribution expenses	(271)	(382)	(29)	(508)	(825)	(38)
Administrative expenses	(3,361)	(3,697)	(9)	(7,190)	(7,231)	(1)
Other operating expenses	(381)	(281)	36	(1,089)	(678)	61
Finance costs	(217)	(106)	105	(445)	(190)	134
Loss before income tax	(1,421)	(3,030)	N.M.	(3,140)	(1,730)	N.M.
Income tax credit	-	195	(100)	-	-	N.M.
Loss for the period	(1,421)	(2,835)	N.M.	(3,140)	(1,730)	N.M.
Other comprehensive income, net of tax						
Translation differences relating to financial statements of foreign operations	6	(103)	N.M.	(78)	65	N.M.
Total comprehensive loss	(1,415)	(2,938)	N.M.	(3,218)	(1,665)	N.M.

N.M. – not meaningful

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. (Continued)

(i) (Loss)/profit for the period is arrived at after charging/ (crediting) the following:

	3 Months			6 Months		
	1 Apr 2016 to 30 Jun 2016	1 Apr 2015 to 30 Jun 2015	+/-	1 Jan 2016 to 30 Jun 2016	1 Jan 2015 to 30 Jun 2015	+/-
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<u>Other income</u>						
Interest income from bank deposits	(94)	(63)	49	(187)	(133)	41
Miscellaneous income	(33)	(88)	(63)	(315)	(362)	(13)
Gain on disposal of property, plant and equipment	(94)	(444)	(79)	(114)	(444)	(74)
Currency translations losses / (gains) - net	(131)	179	(173)	326	(345)	N.M.
Interest on loans and borrowings	217	106	105	445	190	134
Depreciation of property, plant and equipment	1,104	1,079	2	2,199	2,125	3
Impairment (reversed)/provided in relation to trade receivables	-	(85)	(100)	-	56	(100)

N.M. – not meaningful

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

STATEMENT OF FINANCIAL POSITION

	Group		Company	
	As at 30 Jun 2016 S\$'000	As at 31 Dec 2015 S\$'000	As at 30 Jun 2016 S\$'000	As at 31 Dec 2015 S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	90,661	84,004	2	2
Club memberships	45	46	-	-
Investments in subsidiaries	-	-	36,133	36,133
	<u>90,706</u>	<u>84,050</u>	<u>36,135</u>	<u>36,135</u>
Current assets				
Inventories	1,835	779	-	-
Trade and other receivables	9,405	15,509	21,649	19,407
Cash and cash equivalents	27,513	32,804	20,535	25,479
	<u>38,753</u>	<u>49,092</u>	<u>42,184</u>	<u>44,886</u>
Total assets	<u>129,459</u>	<u>133,142</u>	<u>78,319</u>	<u>81,021</u>
EQUITY				
Share capital	74,409	74,409	74,409	74,409
Other reserves	(32,573)	(32,495)	-	-
Accumulated profits	42,629	47,899	3,234	5,907
Equity attributable to owners of the Companies	<u>84,465</u>	<u>89,813</u>	<u>77,643</u>	<u>80,316</u>
LIABILITIES				
Non-current liabilities				
Loans and borrowings	20,056	16,239	-	-
Deferred tax liabilities	5,889	5,889	-	-
	<u>25,945</u>	<u>22,128</u>	<u>-</u>	<u>-</u>
Current liabilities				
Loans and borrowings	8,218	7,615	-	-
Trade and other payables	10,779	13,284	676	455
Current tax payable	52	302	-	250
	<u>19,049</u>	<u>21,201</u>	<u>676</u>	<u>705</u>
Total liabilities	<u>44,994</u>	<u>43,329</u>	<u>676</u>	<u>705</u>
Total equity and liabilities	<u>129,459</u>	<u>133,142</u>	<u>78,319</u>	<u>81,021</u>

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

Amount repayable in one (1) year or less, or on demand

	As at 30 June 2016		As at 31 December 2015	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Loans and borrowings	8,218	-	7,615	-

Amount repayable after one (1) year

	As at 30 June 2016		As at 31 December 2015	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Loans and borrowings	20,056	-	16,239	-

Details of any collateral

The loans and borrowings are secured as follows:

- Property, plant and equipment amounting to S\$34.7 million are pledged as collaterals for secured term loans, trust receipts and bank overdrafts;
- Fixed deposits of approximately S\$0.7 million are pledged as security deposits for the operating lease of office premises and warehouse as well as to secure term loans and finance lease liabilities; and
- Corporate guarantees by the Company amounting to S\$38.6 million.

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

	Group			
	3 months ended 30 Jun 2016 S\$'000	3 months ended 30 Jun 2015 S\$'000	6 months ended 30 Jun 2016 S\$'000	6 months ended 30 Jun 2015 S\$'000
Cash flows from operating activities				
Loss before income tax	(1,421)	(3,030)	(3,140)	(1,730)
Adjustments for:				
Depreciation of property, plant and equipment	1,104	1,079	2,199	2,125
Gain on disposal of property, plant and equipment	(94)	(444)	(114)	(444)
Interest income	(94)	(63)	(187)	(133)
Interest expense	217	106	445	190
	(288)	(2,352)	(797)	8
Changes in working capital:				
Inventories	75	2,037	(1,056)	1,386
Trade and other receivables	2,493	4,163	5,905	(1,931)
Trade and other payables	(1,009)	(787)	(1,534)	209
Cash generated from/(used in) operations	1,271	3,061	2,518	(328)
Income tax paid	-	(358)	(264)	(504)
Net cash from/(used in) operating activities	1,271	2,703	2,254	(832)
Cash flows from investing activities				
Deposits pertaining to purchase of property, plant and equipment	393	-	-	(2,161)
Purchase of property, plant and equipment	(1,928)	(4,247)	(2,104)	(5,429)
Proceeds from disposal of other non current assets	-	45	-	45
Proceeds from disposal of property, plant and equipment	96	2,612	116	2,612
Interest received	94	63	187	133
Net cash used in investing activities	(1,345)	(1,527)	(1,801)	(4,800)
Cash flows from financing activities				
Interest paid	(217)	(106)	(445)	(190)
Dividend paid	(2,130)	(3,550)	(2,130)	(3,550)
Repayment of finance lease liabilities - net	(794)	(579)	(1,570)	(1,087)
Repayment of term loans	(755)	(625)	(1,571)	(1,274)
Proceeds from issue of share capital	-	-	-	-
Deposits (pledged)/withdrawn	(3)	-	11	-
Net cash (used in) financing activities	(3,899)	(4,860)	(5,705)	(6,101)
Net decrease in cash and cash equivalents	(3,973)	(3,684)	(5,252)	(11,733)
Cash and cash equivalents at beginning of the period	30,795	41,050	32,106	48,931
Effect of exchange rate fluctuations on cash and cash equivalents	4	(126)	(28)	42
Cash and cash equivalents at end of the period~	26,826	37,240	26,826	37,240
Significant non-cash transactions during the period				
a. Purchase of property, plant and equipment under finance leases, term loans and deposits	4,428	6,062	6,754	6,062

~Cash and cash equivalents consist of the following:	3 months ended	3 months ended	6 months ended	6 months ended
	30 Jun 2016	30 Jun 2015	30 Jun 2016	30 Jun 2015
	S\$'000	S\$'000	S\$'000	S\$'000
Cash at bank and in hand	6,704	11,884	6,704	11,884
Fixed deposits	20,809	26,340	20,809	26,340
Cash and cash equivalents	27,513	38,224	27,513	38,224
Deposits pledged	(687)	(984)	(687)	(984)
Cash and cash equivalents in the statements of cash flows	26,826	37,240	26,826	37,240

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.

Group	Share capital	Merger deficit	Currency translation reserve	Accumulated profits	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2015					
As at 1 January 2015	74,409	(32,763)	23	56,383	98,052
Total comprehensive income for the financial period					
Profit for the financial period	-	-	-	1,105	1,105
Other comprehensive income/Total other comprehensive income					
Translation differences relating to financial statements of foreign operations	-	-	168	-	168
Total comprehensive income for the financial period	-	-	168	1,105	1,273
As at 31 March 2015	74,409	(32,763)	191	57,488	99,325
As at 1 April 2015	74,409	(32,763)	191	57,488	99,325
Total comprehensive income for the financial period					
Loss for the financial period	-	-	-	(2,835)	(2,835)
Other comprehensive income/Total other comprehensive income					
Translation differences relating to financial statements of foreign operations	-	-	(103)	-	(103)
Total comprehensive loss for the financial period	-	-	(103)	(2,835)	(2,938)
Transactions with owners/Distribution to owners					
Dividends	-	-	-	(3,550)	(3,550)
Total transactions with owners	-	-	-	(3,550)	(3,550)
As at 30 June 2015	74,409	(32,763)	88	51,103	92,837

Group	Share capital	Merger deficit	Currency translation reserve	Accumulated profits	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2016					
As at 1 January 2016	74,409	(32,763)	268	47,899	89,813
Total comprehensive income for the financial period					
Loss for the financial period	-	-	-	(1,719)	(1,719)
Other comprehensive income/Total other comprehensive income					
Translation differences relating to financial statements of foreign operations	-	-	(84)	-	(84)
Total comprehensive loss for the financial period	-	-	(84)	(1,719)	(1,803)
As at 31 March 2016	74,409	(32,763)	184	46,180	88,010
As at 1 April 2016	74,409	(32,763)	184	46,180	88,010
Total comprehensive income for the financial period					
Loss for the financial period	-	-	-	(1,421)	(1,421)
Other comprehensive income/Total other comprehensive income					
Translation differences relating to financial statements of foreign operations	-	-	6	-	6
Total comprehensive loss for the financial period	-	-	6	(1,421)	(1,415)
Transactions with owners/Distribution to owners					
Dividends	-	-	-	(2,130)	(2,130)
Total transactions with owners	-	-	-	(2,130)	(2,130)
As at 30 June 2016	74,409	(32,763)	190	42,629	84,465

Company	Share capital	Capital reserve	Accumulated profits/(losses)	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000
<u>2015</u>				
As at 1 January 2015	74,409	-	9,016	83,425
Total comprehensive loss for the financial period	-	-	(234)	(234)
As at 31 March 2015	74,409	-	8,782	83,191
As at 1 April 2015	74,409	-	8,782	83,191
Total comprehensive loss for the financial period	-	-	(320)	(320)
Transactions with owners/Distribution to owners				
Dividends	-	-	(3,550)	(3,550)
Total transactions with owners	-	-	(3,550)	(3,550)
As at 30 June 2015	74,409	-	4,912	79,321
As at 1 January 2016	74,409	-	5,907	80,316
Total comprehensive loss for the financial period	-	-	(344)	(344)
As at 31 March 2016	74,409	-	5,563	79,972
As at 1 April 2016	74,409	-	5,563	79,972
Total comprehensive loss for the financial period	-	-	(199)	(199)
Transactions with owners/Distribution to owners				
Dividends	-	-	(2,130)	(2,130)
Total transactions with owners	-	-	(2,130)	(2,130)
As at 30 June 2016	74,409	-	3,234	77,643

1 (d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as, the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of Shares	Issued and paid-up share capital (S\$)
Issued and fully paid ordinary shares		
Balance at 30 June 2016 and 31 March 2016	710,000,000	74,408,757

There were no outstanding convertibles or treasury shares held by the Company as at 30 June 2016 and 30 June 2015.

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

	As at 30 June 2016	As at 31 December 2015
Total issued shares	710,000,000	710,000,000

The Company has no outstanding options, convertibles or treasury shares as at 30 June 2016 and 31 December 2015.

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

Not applicable, as the Company does not have any treasury shares.

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

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

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 preparation of the financial statements for the 3-months financial period ended 30 June 2016 ("2Q2016") and 6-months financial period ended 30 June 2016 ("1H2016") as those applied in the preparation of the audited financial statements for the financial year ended 31 December 2015. A number of new standards, amendments to standards and interpretations are effective for the financial year beginning 1 January 2016. The adoption of these new/revised Singapore Financial Reporting Standards is presently assessed to have no significant impact on the Group's financial statements.

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.

Refer to paragraph 4 above.

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:

(Loss) per share based on the weighted average number of ordinary shares on issue:

(Loss)/Earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial period.

	2Q - 3 Months		1H - 6 Months	
	1 Apr 2016 to 30 Jun 2016	1 Apr 2015 to 30 Jun 2015	1 Jan 2016 to 30 Jun 2016	1 Jan 2015 to 30 Jun 2015
Net (loss) attributable to equity holders of the Company (\$\$'000)	(1,421)	(2,835)	(3,140)	(1,730)
Weighted average number of ordinary shares outstanding	710,000,000	710,000,000	710,000,000	710,000,000
Basic and fully diluted (loss) per share (cents per share)	(0.2)	(0.4)	(0.4)	(0.2)

The diluted and basic (loss) per share are similar for each of 2Q2016, 2Q2015, 1H2016 and 1H2015 as the Company has no dilutive equity instruments as at 30 June 2016 and 30 June 2015.

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

	Group		Company	
	As at 30 June 2016	As at 31 December 2015	As at 30 June 2016	As at 31 December 2015
Net asset value per ordinary share (cents)	11.9	12.6	10.9	11.3
Number of ordinary shares used in calculating net asset value per ordinary share	710,000,000	710,000,000	710,000,000	710,000,000

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.

GROUP FINANCIAL PERFORMANCE

Consolidated Statement of Comprehensive Income

Revenue

Revenue for 2Q2016 decreased by S\$3.5 million or 31.0%, from S\$11.2 million in 2Q2015 to S\$7.7 million in 2Q2016 due to the following:-

- (i) a decrease in revenue of S\$2.3 million from the Offshore Rig Services and Supply Chain Management segment mainly due to continued low demand for maintenance of rigs and related goods and services from our customers as oil prices remained low in line with the downturn of the industry; and
- (ii) a decrease in revenue of S\$1.2 million from the Vessel Sales and Newbuild segment due to no project undertaken in 2Q2016 as compared to 2Q2015.

Cost of sales, profit margin and gross profit margin

Cost of sales decreased by S\$5.0 million or 49.5%, from S\$10.2 million in 2Q2015 to S\$5.2 million in 2Q2016 due to lower sales volume.

Gross profit increased by S\$1.6 million or 153.7%, from S\$1.0 million in 2Q2015 to S\$2.6 million in 2Q2016 and gross profit margin increased from 9.1% for 2Q2015 to 33.4% for 2Q2016. The increases in gross profit and gross profit margin were due to a significant amount of materials sales with much lower margin which the Group recorded in 2Q2015.

Other income

Other income decreased by S\$0.2 million or 46.9%, from S\$0.4 million in 2Q2015 to S\$0.2 million in 2Q2016, due to a lower gain from sale of fixed assets.

Distribution expenses

Distribution expenses decreased by S\$0.1 million or 29.1%, from S\$0.4 million in 2Q2015 to S\$0.3 million in 2Q2016, due to lesser brokerage and commission fees paid in line with the decrease in revenue.

Administrative expenses

Administrative expenses decreased by S\$0.3 million or 9.1%, from S\$3.7 million in 2Q2015 to S\$3.4 million in 2Q2016, due to decreases in professional fees.

Other operating expenses

Other operating expenses increased by S\$0.1 million or 35.6%, from S\$0.3 million in 2Q2015 to S\$0.4 million in 2Q2016, mainly due to a write back of the provision for doubtful debts in 2Q2015.

Finance costs

Finance costs increased by S\$0.1 million or 104.7%, from S\$0.1 million in 2Q2015 to S\$0.2 million in 2Q2016 mainly due to interest expenses incurred for new loans and borrowings obtained for the purchase of property, plant and equipment.

Income tax expenses

Income tax expenses decreased by S\$0.2 million or 100.0%, from S\$0.2 million in 2Q2015 to nil tax expense in 2Q2016 due to a loss reported in 2Q2016.

Net loss

As a result of the above, the Group incurred a loss of S\$1.4 million in 2Q2016 as compared to a loss of S\$2.8 million in 2Q2015.

Statement of Financial Position

Non-current assets

Non-current assets increased by S\$6.7 million, from S\$84.0 million as at 31 December 2015 to S\$90.7 million as at 30 June 2016. This was mainly due to the purchase of vessels, and the yard development at 48 Penjuru Road.

Current assets

Current assets decreased by S\$10.3 million, from S\$49.1 million as at 31 December 2015 to S\$38.8 million as at 30 June 2016. This was mainly due to decreases in trade and other receivables and cash and cash equivalents, partially offset by an increase in inventories.

Inventories increased from S\$0.8 million as at 31 December 2015 to S\$1.8 million as at 30 June 2016. This was mainly due to increase in vessels under construction.

Trade and other receivables decreased from S\$15.5 million as at 31 December 2015 to S\$9.4 million as at 30 June 2016 mainly due to collections from customers and lower revenue generated.

Cash and cash equivalents decreased from S\$32.8 million as at 31 December 2015 to S\$27.5 million as at 30 June 2016. This was mainly due to cash used in financing and investing activities, partially offset by cash from operating activities.

Non-current liabilities

Non-current liabilities increased by S\$3.8 million, from S\$22.1 million as at 31 December 2015 to S\$25.9 million as at 30 June 2016, mainly due to new loans obtained for the purchase of property, plant and equipment, partially offset by repayment of loans during the year.

Current liabilities

Current liabilities decreased by S\$2.2 million, from S\$21.2 million as at 31 December 2015 to S\$19.0 million as at 30 June 2016, mainly due to repayment of trade and other payables and current tax payable.

Consolidated Statement of Cash flows

In 2Q2016, net cash used in operating activities before changes in working capital amounted to S\$0.3 million. Net cash from working capital amounted to S\$1.6 million. The net cash generated from operating activities amounted to S\$1.3 million.

Net cash used in investing activities of S\$1.3 million in 2Q2016 was mainly due to purchase of property, plant and equipment, partially offset by proceeds from disposal of plant and equipment and interest received.

Net cash used in financing activities of S\$3.9 million in 2Q2016 were due to dividends payment, interest payment, and the repayment of obligations under finance leases and term loans, and deposits pledged.

As a result of the above and after adjusting for the effect of exchange rate fluctuations, there was a net decrease of S\$3.9 million in our cash and cash equivalents (as adjusted for bank overdrafts and deposits pledged) in 2Q2016.

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

Not applicable. No forecast or prospect statement has been made.

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.

As oil prices remain low, downward pressure on offshore exploration activities has not alleviated and the demand for maintenance of rigs and related goods and services has not picked up. Given the current conditions in our operating environment, we expect our business to remain challenging in the next 12 months. We continue to actively explore diversification opportunities into the maritime and marine infrastructure sector.

Yard development at 48 Penjuru Road was completed in June 2016.

Moving forward, the Group will continue to assess potential merger and acquisition opportunities. The Group's current strong cash position allows us to undertake expansion activities and additional projects, which will put the Group in good stead to capitalise on the attractive valuations of prospective targets.

11. If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended)

No dividend has been declared or recommended for 2Q2016.

(b) Previous corresponding period

No dividend was declared or recommended for 2Q2015.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country whether the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)

Not applicable.

(d) Date Payable

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined

Not applicable.

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

No dividend has been declared or recommended for 2Q2016.

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.

The Group has not obtained a general mandate from shareholders for interested person transactions.

14. Confirmation by the Board pursuant to Rule 705(5) of the Catalist Listing Manual.

The Board of Directors confirms that, to the best of its knowledge, nothing has come to its attention which may render the interim financial results for the second quarter ended 30 June 2016 to be false or misleading in any material aspect.

15. Issuer to confirm that it has procured undertaking from all its directors and executive officers in the format set out in Appendix 7H under Rule 720(1).

The Board of Directors confirms that they have procured undertakings from all its directors and executive officers in the format set out in Appendix 7H under Rule 720(1).

BY ORDER OF THE BOARD

Thomas Tan Keng Siong
Executive Chairman and CEO
5 August 2016

Yeo Seh Hong
Executive Director and COO