

KORI HOLDINGS LIMITED

**Unaudited Half Year Financial Statement and Dividend Announcement
For the Financial Period Ended 30 June 2015**

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.

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

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

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

Six months ended 30 June 2015 (“HY2015”) vs. Six months ended 30 June 2014 (“HY2014”)

| | Group (Unaudited) | | Increase/ (Decrease) % |
|---|-------------------|-------------------|------------------------------|
| | HY2015 S\$'000 | HY2014 S\$'000 | |
| Revenue | 17,217 | 17,225 | (0.1) |
| Cost of works | (14,683) | (15,728) | (6.6) |
| Gross profit | 2,534 | 1,497 | 69.3 |
| Other (losses) / income-net | (553) | 51 | N.M |
| Expenses: | | | |
| - Administrative | (1,167) | (1,252) | (6.8) |
| - Finance | (168) | (127) | 32.3 |
| Share of profit of an associated company | 11 | - | N.M |
| Profit before income tax | 657 | 169 | 282.2 |
| Income tax expense | (15) | (45) | (66.7) |
| Net profit for the period | 642 | 124 | 408.9 |
| Other comprehensive income: | | | |
| Items that may be reclassified to profit or loss subsequently | | | |
| - Currency translation differences arising from consolidation | (91) | 14 | N.M |
| Total comprehensive income for the period | 551 | 138 | 291.3 |
| Earnings per share attributable to equity holders of the Company | | | |
| Basic | 0.006 | 0.001 | N.M |
| Diluted | 0.006 | 0.001 | N.M |

N.M-Not meaningful

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

| | Group (Unaudited) | | Increase/ (Decrease) % |
|---|-------------------|-------------------|------------------------------|
| | HY2015 S\$'000 | HY2014 S\$'000 | |
| (Loss) / Gain on foreign exchange | (14) | 57 | N.M |
| Gain on disposal of property, plant and equipment | 63 | - | N.M |
| Loss from sales of scrap materials | (719) | (129) | 457.4 |
| Government grant income | 70 | 81 | (13.6) |
| Interest income | 34 | 31 | 9.7 |
| Interest expense | (168) | (127) | 32.3 |
| Depreciation of property, plant and equipment | (45) | (61) | (26.2) |
| Professional fees | (175) | (259) | (32.4) |

N.M-Not meaningful

| | Group (Unaudited) | | Increase/ (Decrease) % |
|--|-------------------|-------------------|------------------------------|
| | HY2015 S\$'000 | HY2014 S\$'000 | |
| Income Tax Expenses | | | |
| Tax expense attributable to profit is made up of | | | |
| -Current income tax | | | |
| Singapore | - | 45 | N.M |
| Foreign | - | - | - |
| -Deferred income tax | - | - | - |
| | - | 45 | N.M |
| Under provision in prior financial years | 15 | - | N.M |
| Income tax expense | 15 | 45 | (66.7) |

N.M-Not meaningful

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

| | Group | | Company | |
|--|-----------------------------------|---------------------------------|-----------------------------------|---------------------------------|
| | 30 Jun 15 Unaudited S\$'000 | 31 Dec 14 Audited S\$'000 | 30 Jun 15 Unaudited S\$'000 | 31 Dec 14 Audited S\$'000 |
| ASSETS | | | | |
| Current assets | | | | |
| Cash and bank balances | 3,640 | 2,687 | 934 | 153 |
| Trade and other receivables | 49,044 | 49,376 | 8,160 | 10,681 |
| Inventories | 8,692 | 9,488 | - | - |
| Total current assets | 61,376 | 61,551 | 9,094 | 10,834 |
| Non-current assets | | | | |
| Property, plant and equipment | 1,913 | 1,599 | - | - |
| Investment in subsidiaries | - | - | 26,070 | 26,070 |
| Investment in associated company | 3,206 | 3,194 | 2,540 | 2,540 |
| Total non-current assets | 5,119 | 4,793 | 28,610 | 28,610 |
| Total assets | 66,495 | 66,344 | 37,704 | 39,444 |
| LIABILITIES | | | | |
| Current liabilities | | | | |
| Trade and other payables | 15,317 | 15,075 | 1,734 | 2,769 |
| Income tax payable | 15 | 15 | - | - |
| Borrowings | 1,523 | 1,533 | - | - |
| Total current liabilities | 16,855 | 16,623 | 1,734 | 2,769 |
| Non-current liabilities | | | | |
| Borrowings | 5,337 | 5,473 | 5,000 | 5,000 |
| Deferred tax liabilities | 15 | 15 | - | - |
| Total non-current liabilities | 5,352 | 5,488 | 5,000 | 5,000 |
| Total liabilities | 22,207 | 22,111 | 6,734 | 7,769 |
| NET ASSETS | 44,288 | 44,233 | 30,970 | 31,675 |
| EQUITY | | | | |
| Share capital | 32,291 | 32,291 | 32,291 | 32,291 |
| Retained earnings / (accumulated losses) | 37,720 | 37,574 | (1,321) | (616) |
| Merger reserve | (25,628) | (25,628) | - | - |
| Currency translation reserve | (95) | (4) | - | - |
| Total equity | 44,288 | 44,233 | 30,970 | 31,675 |

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

| | As at 30 Jun 2015 (Unaudited) | | As at 31 Dec 2014 (Audited) | |
|------------------------------|----------------------------------|----------------------|--------------------------------|----------------------|
| | Secured S\$'000 | Unsecured S\$'000 | Secured S\$'000 | Unsecured S\$'000 |
| Finance Lease Liabilities | 20 | - | - | - |
| Bank loans | 1,000 | 503 | 1,000 | 533 |

Amount repayable after one year

| | As at 30 Jun 2015 (Unaudited) | | As at 31 Dec 2014 (Audited) | |
|------------------------------|----------------------------------|----------------------|--------------------------------|----------------------|
| | Secured S\$'000 | Unsecured S\$'000 | Secured S\$'000 | Unsecured S\$'000 |
| Convertible bond | - | 5,000 | - | 5,000 |
| Finance Lease Liabilities | 75 | - | - | - |
| Bank loans | - | 262 | - | 473 |

Details of any collateral:

Finance leases as at 30 June 2015 are secured by the leased asset (motor vehicle).

Bank loans as at 30 June 2015 are secured by fixed deposit pledged to the bank of S\$1 million.

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

| | HY2015 (Unaudited) S\$'000 | HY2014 (Unaudited) S\$'000 |
|--|---|---|
| Operating activities | | |
| Net profit for the period | 642 | 124 |
| Adjustments for: | | |
| Income tax expense | 15 | 45 |
| Gain on disposal of property, plant & equipment | (63) | - |
| Depreciation | 45 | 61 |
| Interest income | (34) | (31) |
| Interest expense | 168 | 127 |
| Share of profit of an associated company | (11) | - |
| Unrealised currency translation (losses)/gains | (10) | 1 |
| Operating cash flows before changes in working capital | 752 | 327 |
| Changes in working capital | | |
| Trade and other receivables | 259 | 730 |
| Trade and other payables | 242 | (1,266) |
| Inventories | 796 | (4,381) |
| Cash provided by/(used in) operations | 2,049 | (4,590) |
| Income tax paid | (15) | (426) |
| Net cash provided by/(used in) operating activities | 2,034 | (5,016) |
| Cash flows from investing activities | | |
| Repayment of loan granted to associated company | 100 | - |
| Dividend paid to shareholders | (496) | - |
| Additions of property, plant and equipment | (338) | (1) |
| Proceeds from disposals of property, plant and equipment | 63 | - |
| Net cash used in investing activities | (671) | (1) |
| Cash flows from financing activities | | |
| Interest received | 6 | 31 |
| Interest paid | (168) | (3) |
| Pledge of bank deposit | (2) | - |
| Repayment of bank borrowing | (241) | - |
| Repayment of finance leases | (7) | (23) |
| Net cash (used in)/generated from financing activities | (412) | 5 |
| Net increase/(decrease) in cash and cash equivalents | 951 | (5,012) |
| Cash and cash equivalents at the beginning of the financial period | 1,685 | 9,216 |
| Cash and cash equivalents at end of the financial period | 2,636 | 4,204 |

Note:

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

| | HY2015 (Unaudited) S\$'000 | HY2014 (Unaudited) S\$'000 |
|---|---|---|
| Cash at bank and on hand | 2,636 | 3,201 |
| Short-term bank deposits | 1,004 | 1,003 |
| Cash and bank balances per consolidated statement of financial position | 3,640 | 4,204 |
| Less: short-term bank deposit pledged | (1,004) | - |
| Cash and cash equivalents per consolidated cash flow statement | 2,636 | 4,204 |

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

| Group (unaudited) | Share capital S\$'000 | Retained earnings S\$'000 | Merger Reserve S\$'000 | Currency translation reserve S\$'000 | Total S\$'000 |
|---|--------------------------|------------------------------|---------------------------|---|------------------|
| Balance as at 1 January 2015 | 32,291 | 37,574 | (25,628) | (4) | 44,233 |
| Total comprehensive income for the financial period | - | 642 | - | (91) | 551 |
| Dividend paid for FY2014 | - | (496) | - | - | (496) |
| Balance as at 30 June 2015 | 32,291 | 37,720 | (25,628) | (95) | 44,288 |
| Balance as at 1 January 2014 | 32,291 | 36,042 | (25,628) | (6) | 42,699 |
| Total comprehensive income for the financial period | - | 124 | - | 14 | 138 |
| Balance as at 30 June 2014 | 32,291 | 36,166 | (25,628) | 8 | 42,837 |

| Company (Unaudited) | Share capital S\$'000 | Accumulated losses S\$'000 | Total S\$'000 |
|---|--------------------------|-------------------------------|------------------|
| Balance as at 1 January 2015 | 32,291 | (616) | 31,675 |
| Total comprehensive income for the financial period | - | (209) | (209) |
| Dividend paid for FY2014 | - | (496) | (496) |
| Balance as at 30 June 2015 | 32,291 | (1,321) | 30,970 |
| Balance as at 1 January 2014 | 32,291 | (1,226) | 31,065 |
| Total comprehensive income for the financial period | - | (293) | (293) |
| Balance as at 30 June 2014 | 32,291 | (1,519) | 30,772 |

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

| | Number of Shares | Share capital (S\$) |
|--|-----------------------------|------------------------------------|
| As at 31 December 2014 and 30 June 2015 | 99,200,000 | 32,269,650 |

The Company had on 19 August 2013 issued an unsecured 3-year, 5% convertible bond to Keong Hong Holdings Limited with a principal amount of S\$5 million ("Convertible Bond"). The Convertible Bond may be converted at the option of Keong Hong Holdings Limited into ordinary shares of the Company from 31 December 2014 till 18 August 2016, at a conversion price of S\$0.42. As the Convertible Bond has yet to be converted, the total number of shares that may be issued upon conversion of the Convertible Bond is 11,904,000.

Save for the aforementioned Convertible Bond, the Company did not have any other outstanding convertibles or treasury shares as at 30 June 2015 and 30 June 2014.

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

| | Company As at 30 June 2015 | Company As at 31 December 2014 |
|---|---|---|
| Total number of issued shares excluding treasury shares | 99,200,000 | 99,200,000 |

The Company did not have any treasury shares as at 30 June 2015 and 31 December 2014.

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

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

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

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

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

Not applicable.

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

Save as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation as in the financial statements for the current reporting period as in the most recently audited annual financial statements for the financial year ended 31 December 2014.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

In the current financial period, the Group and the Company adopted the new Financial Reporting Standards ("FRS") and Amendments to FRS that are effective for annual period beginning on or after 1 January 2015.

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

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

| | Group (Unaudited) | |
|---|-------------------|--------|
| | HY2015 | HY2014 |
| Net profit attributable to equity holders of the Company (S\$'000) | 631 | 124 |
| Basic and diluted earnings per share (EPS) in Singapore dollar ⁽¹⁾ & ⁽²⁾ | 0.006 | 0.001 |

Notes:

- (1) The basic EPS for HY2015 and HY2014 was calculated based on the weighted average number of ordinary shares in issue during HY2015 and HY2014 of 99,200,000 shares.
- (2) The Convertible Bond that could potentially dilute basic earnings per share in the future was not included in the calculation of diluted earnings per share because it was anti-dilutive for the financial periods presented.

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

| | Group | | Company | |
|--|-----------------------------|---------------------------|-----------------------------|---------------------------|
| | 30 Jun 2015 Unaudited | 31 Dec 2014 Audited | 30 Jun 2015 Unaudited | 31 Dec 2014 Audited |
| Net asset value (S\$'000) | 44,288 | 44,233 | 30,970 | 31,675 |
| Number of issued shares ('000) | 99,200 | 99,200 | 99,200 | 99,200 |
| Net asset value per ordinary share based on issued share capital (S\$) | 0.45 | 0.45 | 0.31 | 0.32 |

- 8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of the Income Statement of the Group

HY2015 vs. HY2014

Revenue

Our total revenue maintained at approximately S\$17.2 million in HY2015 and HY2014. Revenue derived from the structural steelworks services segment accounted for approximately 74.4% of our Group's total revenue.

Revenue from our structural steelworks services segment decreased by approximately 3.8% from S\$13.3 million in HY2014 to S\$12.8 million in HY2015 mainly because a smaller portion of revenue was recognised for newly awarded projects in HY2015 which were in their early stages of works, while a larger

portion of revenue was recognised for projects in HY2014 which were nearing completion.

Revenue from the tunneling services segment increased from S\$4.0 million in HY2014 to S\$4.4 million in HY2015 mainly due to the increase in work done for East-West Transmission Cable Tunnel Project and Jurong Island to Pioneer Transmission Cable Tunnel Project.

Cost of works

Our cost of works decreased by approximately S\$1.0 million or 6.6% from S\$15.7 million in HY2014 to S\$14.7 million in HY2015, primarily due to the decrease in cost of works for the structural steelworks services segment of approximately S\$1.0 million.

Our cost of works for the structural steelworks services segment decreased by 6.9% from approximately S\$13.1 million in HY2014 to S\$12.2 million in HY2015 mainly due to a decrease in subcontractor charges of S\$2.2 million and rental expenses of S\$0.2 million, partially offset by the increase in material cost of S\$1.2 million and employee compensation of S\$0.4 million.

Our cost of works for tunneling services segment decreased from approximately S\$2.6 million in HY2014 to S\$2.5 million in HY2015 mainly due to the decrease in employee compensation, rental expenses and worksite expenses of an aggregate of S\$0.1 million.

Gross profit

Our Group's gross profit increased by approximately S\$1.0 million or 69.3% from S\$1.5 million in HY2014 to S\$2.5 million in HY2015. Our gross profit margin increased from 8.7% in HY2014 to 14.7% in HY2015 mainly attributable to lower cost of works for both the structural steelworks and tunneling segments.

Other losses

Other losses amounted to S\$0.55 million in HY2015 as compared to other income of S\$0.05 million in HY2014. This was mainly due to the loss on foreign currency exchange of approximately S\$0.01 million in HY2015 and the increase in losses of approximately S\$0.6 million arising from sales of scrap materials at below cost, offset by the gain on disposal of motor vehicle of approximately S\$0.06 million.

Administrative expenses

Administrative expenses decreased by approximately of S\$0.1 million or 6.8% from S\$1.3 million in HY2014 to S\$1.2 million in HY2015. This was mainly due to a decrease in professional fees of S\$0.1 million.

Interest expense

Interest expense increased by S\$0.04 million or 32.3% from S\$0.13 million in HY2014 to S\$0.17 million in HY2015 mainly due to bank borrowings in HY2015. The Group had no bank borrowings in HY2014.

Share of profit of associated company

The Group recognised its share of profits from its associated company, Fuchiang Construction Pte. Ltd. ("**Fuchiang**") amounting to S\$0.01 million in HY2015. The acquisition of a 51% interest in Fuchiang was completed in July 2014.

Profit before income tax

The Group recorded a profit before tax of S\$0.7 million in HY2015, an increase of S\$0.5 million as compared to the profit before tax of S\$0.2 million in HY2014, mainly due to the above-mentioned factors.

Income tax expense

There was income tax expenses of approximately S\$0.02 million recorded in HY2015 as compared to income tax expense of S\$0.05 million in HY2014. The income tax expense recorded in HY2015 was mainly due to under provision of taxes in prior year.

Review of the Financial Position of the Group

Current assets

As at 30 June 2015, our current assets of approximately S\$61.4 million accounted for approximately 92.3% of our total assets. Our current assets comprised the following:

- (i) Trade and other receivables of approximately S\$49.0 million, which comprised mainly trade receivables of S\$2.8 million (31 Dec 2014: S\$5.4 million), construction contracts due from customers of S\$36.5 million (31 Dec 2014: S\$35.2 million), loan to an associated company, Fuchiang of S\$1.0 million (31 Dec 2014: S\$1.1 million), amount due from Fuchiang of S\$1.7 million (31 Dec 2014: S\$0.9 million) and retention receivables of S\$6.5 million (31 Dec 2014: S\$6.2 million). The decrease in trade receivables of approximately S\$2.6 million was due to settlement of billings by customers. The increase in construction contracts due from customers of approximately S\$1.3 million was due mainly to a few newly commenced projects during HY2015; and
- (ii) Inventories of approximately S\$8.7 million, a decrease of S\$0.8 million mainly because the Group had utilised materials which were bought back previously for newly commenced projects such as Mayflower Station Project, Woodlands Station Project, Shenton Way Station Project and Marina Bay Station Project.

Non-Current assets

Our non-current assets increased by approximately S\$0.3 million to S\$5.1 million as at 30 June 2015 (31 Dec 2014: S\$4.8 million). Non-current assets consisted of property, plant and equipment of S\$1.9 million and an investment in Fuchiang of S\$3.2 million. The increase in property, plant and equipment of S\$0.4 million from S\$1.6 million as at 31 December 2014 to S\$1.9 million as at 30 June 2015 was mainly due to capitalisation of development costs for the factory in Malaysia and purchase of a new motor vehicle.

Current liabilities

As at 30 June 2015, our current liabilities of approximately S\$16.9 million accounted for 75.9% of our total liabilities. Our total current liabilities comprised the following:

- (i) Trade and other payables of approximately S\$15.3 million which comprised trade payables of S\$6.1 million (31 Dec 2014: S\$5.8 million), construction contracts due to customers of Nil (31 Dec 2014: S\$0.2 million), other payables of S\$7.9 million (31 Dec 2014: S\$7.5 million) and accrued operating expenses of S\$1.3 million (31 Dec 2014: S\$1.5 million). The increase in other payables was mainly due to the advance payment of S\$1.5 million from customer in relation to the Shenton Way Station Project offset by repayment of amount due to Fuchiang's shareholders of approximately S\$1.1 million which arose from the acquisition of a 51% interest in Fuchiang. The increase in trade payables of S\$0.03 million was due to a higher volume of work carried out for on-going projects on hand;
- (ii) Borrowings of approximately S\$1.5 million which are in relation to the fixed advance facility loan for the financing of the Group's working capital and the Internationalisation Finance Scheme loans extended by DBS for the development of the factory in Malaysia on the acquired land at Pasir Gudang, Johor Bahru and hire purchase of a new motor vehicle.

Non-Current liabilities

As at 30 June 2015, our non-current liabilities amounted to approximately S\$5.4 million, a decrease of S\$0.1 million compared to S\$5.5 million as at 31 December 2014.

Equity

As at 30 June 2015, our equity of approximately S\$44.3 million comprised mainly share capital of S\$32.3 million and net reserves of S\$12.0 million.

Review of the Cash Flow Statement of the Group

Net cash used in operating activities

In HY2015, we recorded net cash inflow from operating activities of approximately S\$2.0 million, which was a result of operating cash flows before changes in working capital of approximately S\$0.8 million, adjusted for net working capital inflow of approximately S\$1.3 million as well as income tax paid of S\$0.015 million. Our working capital inflows were mainly due to an increase in trade and other payables of approximately S\$0.2 million, a decrease in inventories of approximately S\$0.8 million and a decrease of trade and other receivables of approximately S\$0.3 million.

Net cash used in investing activities

Net cash used in investing activities amounted to S\$0.7 million, which was mainly attributable to dividend payment to shareholders of approximately S\$0.5 million and additions of property, plant and equipment of approximately S\$0.3 million, offset by repayment of loan granted to an associated company of S\$0.1 million.

Net cash used in financing activities

Net cash used in financing activities amounted to approximately S\$0.4 million in HY2015, which was mainly due to repayment of bank borrowing and finance leases of S\$0.25 million and interest payment of approximately S\$ 0.17 million.

As at 30 June 2015, our cash and cash equivalents were approximately S\$2.6 million.

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

Not applicable. No forecast or prospect statement has been previously issued to the shareholders for the current reporting period.

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

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

The Building and Construction Authority projected S\$18 to S\$21 billion and S\$16 to S\$20 billion of public sector projects in 2015 and 2016 respectively⁽¹⁾. Major public sector projects likely to be awarded in the second half of 2015 and the first half of 2016 include projects for the Land Transport Authority's Thomson-East Coast MRT Line.

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

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

Source:

(1) http://www.bca.gov.sg/Newsroom/pr08012015_BCA.html

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended or declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

No.

(c) Date payable: Not Applicable

(d) Books closure date: Not Applicable

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

No dividend has been declared or recommended for HY2015.

13. If the group has obtained a general mandate from shareholders for Interested Person Transactions (“IPT”), the aggregate value of such transactions as required under Rule 920(1) (a) (ii). If no IPT mandate has been obtained, a statement to that effect.

Not applicable. The Group does not have a general mandate for IPTs. There were no IPTs of S\$100,000 and above for HY2015.

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

The Board of Directors (the “**Board**”) confirms that to the best of their knowledge, nothing has come to the attention of the Board which may render the unaudited HY2015 financial results for the Company and the Group set out above to be false or misleading in any material aspect.

By Order of the Board

HOOI YU KOH
CEO/Managing Director
14 August 2015