



SMARTFLEX HOLDINGS LIMITED
(Company Registration No: 201003501R)

**UNAUDITED FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT
FOR YEAR ENDED 31 DECEMBER 2014**

*This announcement and its contents have been reviewed by the Company's sponsor, RHT Capital Pte Ltd ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**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. The Sponsor 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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SMARTFLEX HOLDINGS LIMITED
(Company Registration No: 201003501R)

PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, 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

	Group		
	Financial year ended		Increase /
	31 Dec 2014	31 Dec 2013	(Decrease)
	US\$'000	US\$'000	%
Revenue	25,427	23,080	10.2
Cost of sales	(19,284)	(18,836)	2.4
Gross profit	6,143	4,244	44.7
Other income	473	152	211.2
Selling and distribution expenses	(76)	(127)	(40.2)
Administrative expenses	(4,611)	(4,383)	5.2
Finance costs	(43)	(48)	(10.4)
Share of results of joint venture	(359)	(230)	56.1
Profit/(loss) before tax	1,527	(392)	N.M.
Income tax (expense)/credit	(317)	351	N.M.
Profit/(loss) net of tax	1,210	(41)	N.M.
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income attributable to equity holders of the Company	1,210	(41)	N.M.
Earnings per share (US cents)			
Basic	1.20	(0.05)	
Diluted	1.20	(0.05)	

N.M. denotes Not Meaningful

1(a)(ii) Notes to consolidated statement of comprehensive income

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

	Group			
	Financial year ended		Increase/	
	31 Dec 2014	31 Dec 2013	(Decrease)	Note
	US\$'000	US\$'000	%	
Depreciation of plant and equipment	1,712	1,723	(0.6)	
Interest income	(153)	(68)	125.0	(1)
Rental income	(26)	(25)	4.0	
Interest expense	43	48	(10.4)	(2)
Foreign exchange (gain)/loss	(250)	78	N.M.	(3)
Inventories written off	51	-	N.M.	
FY2012 tax refund	-	(38)	N.M.	
Bad debts written back	-	(49)	N.M.	

Notes:

- (1) Higher interest income was mainly due to increase in advances to our joint venture company and joint venture partner.
- (2) Marginal decrease in interest expense in FY2014 mainly due to lower prevailing interest rates.
- (3) A foreign exchange gain was recorded in FY2014 vis-à-vis a loss in FY2013 due to appreciation of United States Dollars against the other operating currencies of the Group during the financial year under review.

- 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	
	31 Dec 14 US\$'000	31 Dec 13 US\$'000	31 Dec 14 US\$'000	31 Dec 13 US\$'000
ASSETS				
Non-current assets				
Plant and equipment	6,357	6,575	-	-
Investment in subsidiary	-	-	7,197	7,197
Investment in joint venture	359	718	1,095	1,095
	<u>6,716</u>	<u>7,293</u>	<u>8,292</u>	<u>8,292</u>
Current assets				
Inventories	3,366	3,649	-	-
Trade and other receivables	3,144	3,481	-	-
Amount due from subsidiary	-	-	4,765	1,534
Amount due from joint venture	2,069	924	-	-
Amount due from related party	929	663	-	-
Prepayments	554	96	5	3
Cash and cash equivalents	6,560	3,919	11	14
	<u>16,622</u>	<u>12,732</u>	<u>4,781</u>	<u>1,551</u>
Total assets	<u>23,338</u>	<u>20,025</u>	<u>13,073</u>	<u>9,843</u>
LIABILITIES				
Current liabilities				
Trade payables	1,789	3,402	-	-
Other payables and accruals	1,018	929	73	95
Loans and borrowings	2,318	2,412	-	-
Tax payable	234	-	-	-
	<u>5,359</u>	<u>6,743</u>	<u>73</u>	<u>95</u>
Net current assets	<u>11,263</u>	<u>5,989</u>	<u>4,708</u>	<u>1,456</u>
Non-current liabilities				
Loans and borrowings	1,115	-	-	-
Deferred tax liabilities	840	759	-	-
Provision for reinstatement	252	252	-	-
	<u>2,207</u>	<u>1,011</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>7,566</u>	<u>7,754</u>	<u>73</u>	<u>95</u>
NET ASSETS	<u>15,772</u>	<u>12,271</u>	<u>13,000</u>	<u>9,748</u>
EQUITY				
Share capital	12,914	10,236	12,914	10,236
Revenue reserve	7,846	7,023	86	(488)
Merger reserve	(4,988)	(4,988)	-	-
Total equity attributable to owners of the Company	<u>15,772</u>	<u>12,271</u>	<u>13,000</u>	<u>9,748</u>

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

Amount repayable in one year or less, or on demand

As at 31.12.2014		As at 31.12.2013	
Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
684	1,634	464	1,948

Amount repayable after one year

As at 31.12.2014		As at 31.12.2013	
Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
1,115	-	-	-

Note:

The banking facilities of the Group are free of any guarantees or collaterals except that the term loans of an aggregate outstanding principal amount of US\$1.80 million (31 December 2013: US\$0.46 million) are secured by a pledge over certain equipment of Smartflex Technology Pte Ltd ("Smartflex Technology"), the subsidiary of the Group.

As at 31 December 2014, Smartflex Technology stood as guarantor for the provision of bank's equipment term loans aggregating approximately US\$1.26 million (31: December 2013: US\$1.80 million) to Smartflex Innovation Pte Ltd ("Smartflex Innovation"), a joint venture with SanSystems SARL, France.

- 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.**

STATEMENT OF CASH FLOWS

	Group	
	Financial year ended	
	31 Dec 2014	31 Dec 2013
	US\$'000	US\$'000
Cash flows from operating activities		
Profit/(loss) before tax	1,527	(392)
Adjustments for:-		
Depreciation of plant and equipment	1,712	1,723
Plant and equipment written off	-	5
Bad debts written back	-	(49)
Inventories written off	51	-
Interest income	(153)	(68)
Interest expense	43	48
Share of results of joint venture	359	230
Operating cash flows before working capital changes	3,539	1,497
Decrease/(increase) in trade and other receivables	337	(2,010)
Increase in prepayments	(458)	(43)
Decrease in inventories	232	381
(Decrease)/increase in trade and other payables	(1,524)	328
Cash flows generated from operations	2,126	153
Interest received	1	1
Interest paid	(41)	(41)
Income tax (paid)/refund, net	(2)	28
Net cash flows generated from operating activities	2,084	141
Cash flows from investing activities		
Purchase of plant and equipment	(1,494)	(371)
Loan to joint venture	(1,081)	(109)
Loan to related party	(180)	-
Net cash flows used in investing activities	(2,755)	(480)
Cash flows from financing activities		
Proceeds from issuance of shares	2,678	1,111
Net proceeds/(repayments) of term loans	1,335	(304)
Net repayments of trade finance facilities	(314)	(625)
Dividends paid	(387)	(201)
Net cash flows generated from/(used in) financing activities	3,312	(19)
Net increase/(decrease) in cash and cash equivalents	2,641	(358)
Cash and cash equivalents at beginning of the year	3,919	4,277
Cash and cash equivalents at end of the year	6,560	3,919

For the purpose of the consolidated cash flow statements, cash and cash equivalents comprise the following:

	Group	
	Financial year ended	
	31 Dec 2014	31 Dec 2013
	US\$'000	US\$'000
Cash and bank balances	5,046	3,919
Fixed deposits with bank	1,514	-
Cash and cash equivalents at end of the year	6,560	3,919

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.

	Share capital US\$'000	Revenue reserves US\$'000	Merger reserve US\$'000	Total US\$'000
Group				
Balance as at 1 January 2014	10,236	7,023	(4,988)	12,271
Total comprehensive income for the financial year	-	1,210	-	1,210
Issuance of new shares	2,678	-	-	2,678
Dividends paid (Note 1)	-	(387)	-	(387)
Balance as at 31 December 2014	12,914	7,846	(4,988)	15,772
Balance as at 1 January 2013	9,125	7,265	(4,988)	11,402
Total comprehensive income for the financial year	-	(41)	-	(41)
Issuance of new shares	1,111	-	-	1,111
Dividends paid	-	(201)	-	(201)
Balance as at 31 December 2013	10,236	7,023	(4,988)	12,271
Company				
Balance as at 1 January 2014	10,236	(488)	-	9,748
Total comprehensive income for the financial year	-	961	-	961
Issuance of new shares	2,678	-	-	2,678
Dividends paid (Note 1)	-	(387)	-	(387)
Balance as at 31 December 2014	12,914	86	-	13,000
Balance as at 1 January 2013	9,125	(272)	-	8,853
Total comprehensive income for the financial year	-	(15)	-	(15)
Issuance of new shares	1,111	-	-	1,111
Dividends paid	-	(201)	-	(201)
Balance as at 31 December 2013	10,236	(488)	-	9,748

Note 1:

First interim tax exempt (one-tier) dividend of S\$0.005 per ordinary share in respect of FY2014 was proposed and paid on 30 September 2014.

Save for the foregoing, there are no other (i) changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders.

- 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.**

In November 2014, a total of 30,000,000 new ordinary shares were issued at S\$0.12 per ordinary share. Following the issue of the ordinary shares, the issued and paid-up capital of the Company increased from US\$10,236,190 divided into 96,440,002 shares to US\$12,913,670 divided into 126,440,002 shares.

Save for the above, there are no other changes in the Company's share capital arising from the 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 30 June 2014.

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

	As at 31 Dec 2014	As at 31 Dec 2013
Total number of issued shares	126,440,002	96,440,002
Treasury shares	Nil	Nil

- 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.**

Not applicable.

- 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 independent auditor.

- 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 and the Company have applied the same accounting policies and methods of computation in the unaudited financial statements for the financial year ended 31 December 2014 as in the Group's most recent financial statements for the financial year ended 31 December 2013.

- 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.**

There are no changes in the accounting policies and methods of computation including any required by an accounting standard.

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.

Earnings Per Share ("EPS")

	Group	
	Financial year ended	
	31 Dec 2014	31 Dec 2013
Earnings attributable to equity holders of the Company (US\$'000)	1,210	(41)
Basic EPS attributable to equity holders of the Company (US cents)	1.20	(0.05)
Fully diluted EPS (US cents)	1.20	(0.05)
Weighted average number of shares used in computation of basic and diluted EPS	100,549,591	89,574,249

Basic EPS is computed by dividing the earnings attributable to the equity holders of the Company in each financial period by the weighted average number of ordinary shares outstanding as at the end of the respective financial year.

Fully diluted EPS for FY2014 and FY2013 are the same as the basic EPS as the Company does not have any outstanding instruments convertible into, rights to subscribe for and options in respect of its ordinary shares during the respective financial years.

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.

Net Asset Value ("NAV")

	Group		Company	
	As at 31 Dec 2014	As at 31 Dec 2013	As at 31 Dec 2014	As at 31 Dec 2013
NAV per ordinary share (US cents)	12.47	12.72	10.28	10.11
Number of shares used in computation of NAV per share	126,440,002	96,440,002	126,440,002	96,440,002

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.**

Revenue

The Group's revenue in FY2014 was US\$25.43 million, a growth of US\$2.35 million or 10.2%. This was mainly due to growth in customers' demand and securing more orders in the Banking and Dual Interface segments.

Gross profit and Gross margin

Gross profit increased by approximately US\$1.9 million or 44.7% from US\$4.24 million in FY2013 to US\$6.14 million in FY2014 mainly due to economies of scale and a more favorable sales mix. As a result, gross margin improved to 24.2% in FY2014 from 18.4% in FY2013.

Other income

Other income increased by approximately US\$0.32 million or 211.2% from US\$0.15 million in FY2013 to US\$0.47 million in FY2014. This was mainly due to foreign exchange gain of US\$0.25 million in FY2014 as compared to forex exchange loss of US\$0.08 million in FY2013 and higher interest income in FY2014 (please see commentary in Notes (1) and (3) under Paragraph 1(a)(ii)).

Selling and distribution expenses and Administrative expenses ("Operating expenses")

Operating expenses increased by approximately US\$0.18 million or 3.9% from US\$4.51 million in FY2013 to US\$4.69 million in FY2014. The higher expenses mainly came from increased staff costs and an inventories write-off.

Finance costs

Finance expense decreased by US\$5,000 or 10.4% from US\$48,000 in FY2013 to US\$43,000 in FY2014 due mainly to lower interest rates in FY2014.

Income tax expense

The Group's income tax expense was US\$0.32 million in FY2014 as compared to a tax credit of US\$0.35 million in FY2013 arising from deferred tax adjustment on Productivity and Innovation Credit and overprovision for prior year tax. The FY2014 effective tax rate of 20.8% was higher than the statutory tax rate, mainly due to its share of loss of the joint venture. Excluding this item, the effective tax rate was 16.8%.

Net profit

For the reasons mentioned above, the Group achieved a net profit attributable to equity holders of the Company of US\$1.21 million in FY2014 as compared with net loss of US\$0.04 million in FY2013.

REVIEW OF FINANCIAL POSITION

Non-current assets

Plant and equipment decreased by approximately US\$0.22 million or 3.3% against the preceding financial year end due mainly to depreciation charge of US\$1.71 million, partially offset by additions of US\$1.49 million of plant and equipment to increase capacity and enhance production capabilities to support business growth in Banking products.

Current assets

Current assets increased by US\$3.89 million to US\$16.62 million as at 31 December 2014. This increase was mainly attributable to net proceeds of US\$2.68 million from issuance of 30 million new ordinary shares and higher operating cash inflow.

Prepayments also increased by US\$0.46 million to US\$0.55 million mainly due to deposits paid for acquisition of plant and equipment. These increases were partially offset by decrease in inventories and trade receivables due to lower sales towards year end of FY2014 as compared to the preceding year.

Current liabilities

Current liabilities decreased by US\$1.38 million to US\$5.36 million as at 31 December 2014. This decrease was mainly attributable mainly to lower trade payables due to lower purchases towards year end, in line with lower inventories stockholding as at 31 December 2014. This was partially offset by tax provision of US\$0.23 million on current year profit as compared to a net loss in FY2013.

Non-current liabilities

Non-current liabilities increased by US\$1.20 million to US\$2.21 million as at 31 December 2014, mainly as a result of new term loans drawn down during the financial year for the acquisition of plant and equipment.

REVIEW OF CASH FLOW STATEMENT

Net cash of US\$2.08 million was generated from operating activities in FY2014, up US\$1.94 million from the preceding year. This was mainly attributable to pre-tax profit of US\$1.53 million in FY2014 as compared to pre-tax loss of US\$0.39 million recorded in FY2013.

Net cash used in investing activities was US\$2.76 million, up US\$2.28 million from the preceding year. These funds were employed towards US\$1.49 million of capital expenditures and advances to Smartflex Innovation for its operations and a related party.

Net cash generated from financing activities was US\$3.31 million as compared to net outflow of US\$0.02 million in the preceding year. This came from funds raised through the issuance of new ordinary shares and proceeds from bank financing on purchase of plant and equipment.

Consequently, the resultant effect was an increase in cash and cash equivalents of US\$2.64 million, bringing the balance to US\$6.56 million as at 31 December 2014.

USAGE OF NET PROCEEDS FROM PLACEMENT

During the financial year, the Company raised a net proceed of US\$2.68 million from issuance of 30 million ordinary shares. As at 31 December 2014, a total amount of US\$1.81 million of the net proceeds had been utilized in accordance to its intended usage in the repayments of invoice financing and payments for operating expenses to meet the working capital requirements of the Group.

The Company will make further announcements on the use of net proceeds from the Placement as and when the funds are materially disbursed.

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

The results are in line with previous commentaries 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.**

With the Group successfully securing new customer accounts in FY2014, our business with these customers are expected to grow significantly in FY2015 as they continue to expand their businesses.

However, the business environment in which the Group operates in remains competitive and challenging, especially in the Telecom products segment. We noted the pricing for Telecom products continue to erode in FY2014 and growth is expected to be stagnant in FY2015.

Going forward, the Group's direction would be to secure more customers and orders from higher margin devices, such as Secure Banking products which are expected to grow as a result of rising demand from the financial industry. The Banking products that we are offering, currently has a high market growth potential, with more countries (such as China, India, Indonesia and America) gearing towards chip implementation program to migrate away from unsecure magnetic stripe bank cards.

- 11 **Dividend**

- (a) **Current financial period reported on**
Any dividend declared for the current financial period reported on?

Yes.

Name of dividend	Final dividend
Dividend type	Cash
Dividend amount per ordinary share	S\$0.0035
Tax rate	Tax-exempt (one-tier)

- (b) **Corresponding period of the immediately preceding financial year**
Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

- (c) **Date payable**

19 May 2015.

- (d) **Books closure date**

The Share Transfer Books and Register of Members the Company will be closed on 6 May 2015 for the purpose of determining the entitlements of the Company's shareholders ("Shareholders") to a final tax exempt (one-tier) dividend of 0.35 Singapore cents per ordinary share.

For the avoidance of doubt, in the case where the registered Shareholder is the Central Depository (Pte) Limited ("CDP"), the dividend warrants shall be issued to the CDP and credited to the depositors' securities accounts with the CDP in proportion to the number of shares of the Company standing to the credit of each depositor's securities account with the CDP as at 5.00 pm (Singapore time) on 5 May 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 5.00 p.m. on 5 May 2015 will be registered to determine entitlements to the said 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 Interested Person Transactions ("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 IPTs.

- 14 Negative confirmation pursuant to Rule 705(5) (Not required for announcement on full year results.)

Not applicable.

Part II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (this part is not applicable to Q1,Q2,Q3 or half annual financial statements, with comparative information for the immediately preceding year)

- 15 Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediate preceding year.

Segmental reporting:

(a) Business segments

For management purposes, the Group is organised as a single operating segment entity as it is principally engaged in the fabrication and packaging of smart card chip modules. The management of the Group regularly reviews the segment performance and adequacy of resources.

(b) Geographical segments

(i) Revenue

Revenue based on geographical locations of customers for the years ended 31 December 2014 and 2013 are as follows:

Geographical information	2014		2013	
	US\$'000	%	US\$'000	%
Europe	7,252	29	4,636	20
East Asia	3,937	15	4,184	18
South Asia	13,901	55	12,623	55
Others	337	1	1,637	7
Total	25,427	100	23,080	100

(ii) Non-current assets

Non-current assets of US\$6.72 million (FY2013: US\$7.29 million) consist of property, plant and equipment (US\$6.36 million) and investment in joint venture (US\$0.36 million), all of which are located solely in Singapore. The decrease in investment of joint venture was due to share of its loss for the financial year.

(iii) Information about major customers

Revenue from top ten customers of the Group's single segment represents 93.0% (2013: 90.9%) of the Group's total revenue.

16 In the review of performance, the factors leading to any material changes in the contributions to turnover and earnings by the operating segments.

Please refer to paragraph 8.

17 A breakdown of sales as follows:

	Group		
	2014 US\$'000	2013 US\$'000	Increase/ (Decrease) %
(a) Sales reported for first half year	14,513	10,390	39.7
(b) Operating profit/(loss) after tax before deducting minority interests reported for first half year	744	(502)	N.M.
(c) Sales reported for second half year	10,914	12,690	(14.0)
(d) Operating profit/(loss) after tax before deducting minority interests reported for second half year	466	461	1.1

18 A breakdown of the total annual dividend (in dollar value) for the Issuer's latest full year and its previous full year.

	2014 US\$	2013 US\$
Ordinary (net of tax)		
- Interim	386,515	-
- Final (proposed) #	334,958	200,433
Total annual dividend	721,473	200,433

FY2014 final dividend is computed based on number of ordinary shares outstanding as at the end of the financial year and translated at exchange rate of US\$1:S\$1.32118 as at 31 December 2014.

- 19 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

There was no person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10).

On behalf of the Board of Directors

Tan Tong Guan
Executive Chairman

Ng Eng Seng
Chief Executive Officer

BY ORDER OF THE BOARD

Tan Tong Guan
Executive Chairman

27 February 2015