

# GRP LIMITED

## Half Year Financial Statements Announcement for the period ended 31/12/2015

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS  
**1(a) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year**

|                                                                     | GROUP                        |                              |                           |
|---------------------------------------------------------------------|------------------------------|------------------------------|---------------------------|
|                                                                     | \$'000                       |                              | % Increase/<br>(decrease) |
|                                                                     | 6 months ended<br>31/12/2015 | 6 months ended<br>31/12/2014 |                           |
| Revenue                                                             | 9,797                        | 13,088                       | (25.1)                    |
| Cost of sales                                                       | (6,484)                      | (8,170)                      | (20.6)                    |
| <b>Gross profit</b>                                                 | <b>3,313</b>                 | <b>4,918</b>                 | (32.6)                    |
| Other income                                                        | 267                          | 194                          | 37.6                      |
| Selling and Distribution expenses                                   | (86)                         | (106)                        | (18.9)                    |
| Administrative expenses                                             | (3,198)                      | (3,547)                      | (9.8)                     |
| Other expenses                                                      | (222)                        | (158)                        | 40.5                      |
| <b>Profit before income tax expenses</b>                            | <b>74</b>                    | <b>1,301</b>                 | (94.3)                    |
| Income tax expense                                                  | (136)                        | (398)                        | (65.8)                    |
| <b>(Loss)/profit for the period</b>                                 | <b>(62)</b>                  | <b>903</b>                   | NM                        |
| <b>Other comprehensive income, net of tax:</b>                      |                              |                              |                           |
| Items that may be reclassified subsequently to profit or loss       |                              |                              |                           |
| - Fair value gain on available-for-sale investment                  | 155                          | -                            | 100.0                     |
| - Exchange differences arising on translation of foreign operations | (16)                         | (43)                         | (62.8)                    |
| <b>Other comprehensive income for the period, net of tax:</b>       | <b>139</b>                   | <b>(43)</b>                  | <b>NM</b>                 |
| <b>Total comprehensive income for the period</b>                    | <b>77</b>                    | <b>860</b>                   | <b>(91.0)</b>             |
| <b>Profit/ (loss) attributable to:</b>                              |                              |                              |                           |
| Owners of the company                                               | (133)                        | 812                          | NM                        |
| Non-controlling interest                                            | 71                           | 91                           | (22.0)                    |
|                                                                     | <b>(62)</b>                  | <b>903</b>                   | <b>NM</b>                 |
| <b>Total comprehensive income/ (loss) attributable to:</b>          |                              |                              |                           |
| Owners of the company                                               | 6                            | 769                          | (99.2)                    |
| Non-controlling interest                                            | 71                           | 91                           | (22.0)                    |
|                                                                     | <b>77</b>                    | <b>860</b>                   | <b>(91.0)</b>             |

Note:

NM - Percentage change not meaningful.

Notes to the Statement of Comprehensive Income

Other disclosure items included in the above statement

|                                                                 | GROUP                        |                              |
|-----------------------------------------------------------------|------------------------------|------------------------------|
|                                                                 | \$'000                       |                              |
|                                                                 | 6 months ended<br>31/12/2015 | 6 months ended<br>31/12/2014 |
| Depreciation                                                    | 405                          | 492                          |
| Provision of impairment loss on available-for-sale investment   | -                            | 199                          |
| Allowance for inventories                                       | 310                          | 48                           |
| Gain on disposal of property, plant and equipment               | (65)                         | -                            |
| Tax expenses                                                    |                              |                              |
| - current period                                                | 136                          | 398                          |
| - Adjustment for overprovision of tax in respect of prior years | -                            | -                            |
| Foreign exchange loss/(gain)                                    | 222                          | (41)                         |
| Interest income                                                 | (125)                        | (72)                         |
| Rental and services income                                      | (97)                         | (107)                        |
| Other income                                                    | (45)                         | (15)                         |

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       |               |
|-----------------------------------------------------|---------------|---------------|---------------|---------------|
|                                                     | \$'000        |               | \$'000        |               |
|                                                     | 31/12/2015    | 30/6/2015     | 31/12/2015    | 30/6/2015     |
| <b>ASSETS</b>                                       |               |               |               |               |
| <b>Current assets</b>                               |               |               |               |               |
| Cash and bank balances                              | 57,621        | 57,182        | 49,188        | 44,964        |
| Trade receivables                                   | 3,449         | 3,077         | -             | -             |
| Other receivables & prepayments                     | 1,003         | 431           | 414           | 99            |
| Available-for-sale investment                       | 403           | 248           | 403           | 248           |
| Amount due from subsidiaries                        | -             | -             | 11,232        | 13,466        |
| Inventories                                         | 6,352         | 6,040         | -             | -             |
| <b>Total current assets</b>                         | <b>68,828</b> | <b>66,978</b> | <b>61,237</b> | <b>58,777</b> |
| <b>Non-current assets</b>                           |               |               |               |               |
| Other receivables                                   | 653           | -             | -             | -             |
| Investment in subsidiaries                          | -             | -             | 6,485         | 6,485         |
| Intangible asset                                    | 25            | 25            | 25            | 25            |
| Property, plant and equipment                       | 1,211         | 1,666         | 532           | 844           |
| <b>Total non-current assets</b>                     | <b>1,889</b>  | <b>1,691</b>  | <b>7,042</b>  | <b>7,354</b>  |
| <b>Total assets</b>                                 | <b>70,717</b> | <b>68,669</b> | <b>68,279</b> | <b>66,131</b> |
| <b>LIABILITIES AND EQUITY</b>                       |               |               |               |               |
| <b>Current liabilities</b>                          |               |               |               |               |
| Trade payables                                      | 1,843         | 1,759         | 430           | 437           |
| Other payables                                      | 1,212         | 1,665         | 715           | 998           |
| Income tax payable                                  | 272           | 379           | 31            | 24            |
| <b>Total current liabilities</b>                    | <b>3,327</b>  | <b>3,803</b>  | <b>1,176</b>  | <b>1,459</b>  |
| <b>Non-current liabilities</b>                      |               |               |               |               |
| Deferred tax liabilities                            | 77            | 76            | 82            | 82            |
| <b>Total non-current liabilities</b>                | <b>77</b>     | <b>76</b>     | <b>82</b>     | <b>82</b>     |
| <b>Capital and reserves</b>                         |               |               |               |               |
| Share capital                                       | 59,250        | 56,804        | 59,250        | 56,804        |
| Asset revaluation reserve                           | 2,977         | 2,822         | 2,682         | 2,527         |
| Currency translation reserve                        | (906)         | (890)         | -             | -             |
| Accumulated profits                                 | 6,095         | 6,228         | 5,089         | 5,259         |
| <b>Equity attributable to owners of the company</b> | <b>67,416</b> | <b>64,964</b> | <b>67,021</b> | <b>64,590</b> |
| Non-controlling interests                           | (103)         | (174)         | -             | -             |
| <b>Total equity</b>                                 | <b>67,313</b> | <b>64,790</b> | <b>67,021</b> | <b>64,590</b> |
| <b>Total liabilities and equity</b>                 | <b>70,717</b> | <b>68,669</b> | <b>68,279</b> | <b>66,131</b> |

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

The Group has no borrowings.

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

|                                                                                                  | The Group                    |                              |
|--------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                                                  | \$'000                       |                              |
|                                                                                                  | 6 months ended<br>31/12/2015 | 6 months ended<br>31/12/2014 |
| <b>Operating activities:</b>                                                                     |                              |                              |
| Profit before income tax                                                                         | 74                           | 1,301                        |
| <b>Adjustments for:</b>                                                                          |                              |                              |
| Depreciation of property, plant and equipment                                                    | 405                          | 492                          |
| Provision of Impairment loss on available-for-sale investment                                    | -                            | 199                          |
| Allowance for inventories                                                                        | 310                          | 48                           |
| Gain on disposal of property, plant and equipment                                                | (65)                         | -                            |
| Interest income                                                                                  | (125)                        | (72)                         |
| <b>Operating cash flows before movements in working capital</b>                                  | <b>599</b>                   | <b>1,968</b>                 |
| Trade receivables                                                                                | (369)                        | 775                          |
| Other receivables & prepayments                                                                  | (572)                        | (2,562)                      |
| Inventories                                                                                      | (601)                        | (266)                        |
| Trade payables                                                                                   | 84                           | 230                          |
| Other payables                                                                                   | (453)                        | (507)                        |
| <b>Cash used in operating activities</b>                                                         | <b>(1,312)</b>               | <b>(362)</b>                 |
| Income taxes paid                                                                                | (239)                        | (348)                        |
| <b>Net cash used in operating activities</b>                                                     | <b>(1,551)</b>               | <b>(710)</b>                 |
| <b>Investing activities:</b>                                                                     |                              |                              |
| Proceeds from disposal of property, plant and equipment                                          | 100                          | -                            |
| Purchase of property, plant and equipment                                                        | (34)                         | (25)                         |
| Other receivables                                                                                | (653)                        | -                            |
| Interest received                                                                                | 125                          | 72                           |
| <b>Net cash (used in)/from investing activities</b>                                              | <b>(462)</b>                 | <b>47</b>                    |
| <b>Financing activities:</b>                                                                     |                              |                              |
| Net proceeds from issue of shares                                                                | 2,446                        | 5,691                        |
| Dividends paid                                                                                   | -                            | (3,285)                      |
| <b>Net cash from financing activities</b>                                                        | <b>2,446</b>                 | <b>2,406</b>                 |
| <b>Net increase in cash and cash equivalents</b>                                                 | <b>433</b>                   | <b>1,743</b>                 |
| <b>Cash and cash equivalents at beginning of period</b>                                          | <b>57,182</b>                | <b>51,302</b>                |
| <b>Effect of foreign exchange rate changes on the balance of cash held in foreign currencies</b> | <b>6</b>                     | <b>(35)</b>                  |
| <b>Cash and cash equivalents at end of period</b>                                                | <b>57,621</b>                | <b>53,010</b>                |

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

| Group                                                          | Share capital | Asset revaluation reserve | Currency translation reserve | Accumulated profits | Attributable to equity holders of the company | Non-controlling interest | Total         |
|----------------------------------------------------------------|---------------|---------------------------|------------------------------|---------------------|-----------------------------------------------|--------------------------|---------------|
| \$'000                                                         |               |                           |                              |                     |                                               |                          |               |
| <b>Latest Period</b>                                           |               |                           |                              |                     |                                               |                          |               |
| <b>Balance at 30/06/2015</b>                                   | 56,804        | 2,822                     | (890)                        | 6,228               | 64,964                                        | (174)                    | 64,790        |
| <i>Total comprehensive income for the period</i>               |               |                           |                              |                     |                                               |                          |               |
| - Profit/(loss) for the period                                 | -             | -                         | -                            | (133)               | (133)                                         | 71                       | (62)          |
| - Other comprehensive income/(loss) for the period             |               | 155                       | (16)                         |                     | 139                                           |                          | 139           |
| <i>Transactions with owners, recognised directly in equity</i> |               |                           |                              |                     |                                               |                          |               |
| - Dividends paid                                               | -             | -                         | -                            | -                   | -                                             | -                        | -             |
| - Issue of shares                                              | 2,446         | -                         | -                            | -                   | 2,446                                         | -                        | 2,446         |
| <b>Balance at 31/12/2015</b>                                   | <b>59,250</b> | <b>2,977</b>              | <b>(906)</b>                 | <b>6,095</b>        | <b>67,416</b>                                 | <b>(103)</b>             | <b>67,313</b> |
| <b>Previous Corresponding Period</b>                           |               |                           |                              |                     |                                               |                          |               |
| <b>Balance at 30/06/2014</b>                                   | 50,306        | 2,872                     | (789)                        | 8,671               | 61,060                                        | (291)                    | 60,769        |
| <i>Total comprehensive income for the period</i>               |               |                           |                              |                     |                                               |                          |               |
| - Profit for the period                                        | -             | -                         | -                            | 812                 | 812                                           | 91                       | 903           |
| - Other comprehensive loss for the period                      |               |                           | (43)                         |                     | (43)                                          |                          | (43)          |
| <i>Transactions with owners, recognised directly in equity</i> |               |                           |                              |                     |                                               |                          |               |
| - Dividends paid                                               | -             | -                         | -                            | (3,285)             | (3,285)                                       | -                        | (3,285)       |
| - Issue of shares                                              | 5,691         | -                         | -                            | -                   | 5,691                                         | -                        | 5,691         |
| <b>Balance at 31/12/2014</b>                                   | <b>55,997</b> | <b>2,872</b>              | <b>(832)</b>                 | <b>6,198</b>        | <b>64,235</b>                                 | <b>(200)</b>             | <b>64,035</b> |
|                                                                |               |                           |                              |                     |                                               |                          |               |
| The Company                                                    | Share capital | Asset revaluation reserve | Accumulated profits          | Total               |                                               |                          |               |
| \$'000                                                         |               |                           |                              |                     |                                               |                          |               |
| <b>Latest Period</b>                                           |               |                           |                              |                     |                                               |                          |               |
| <b>Balance at 30/06/2015</b>                                   | 56,804        | 2,527                     | 5,259                        | 64,590              |                                               |                          |               |
| <i>Total comprehensive income for the period</i>               |               |                           |                              |                     |                                               |                          |               |
| - Loss for the period                                          | -             | -                         | (170)                        | (170)               |                                               |                          |               |
| - Other comprehensive income for the period                    |               | 155                       |                              | 155                 |                                               |                          |               |
| <i>Transactions with owners, recognised directly in equity</i> |               |                           |                              |                     |                                               |                          |               |
| - Dividends paid                                               | -             | -                         | -                            | -                   |                                               |                          |               |
| - Issue of shares                                              | 2,446         | -                         | -                            | 2,446               |                                               |                          |               |
| <b>Balance at 31/12/2015</b>                                   | <b>59,250</b> | <b>2,682</b>              | <b>5,089</b>                 | <b>67,021</b>       |                                               |                          |               |
| <b>Previous Corresponding Period</b>                           |               |                           |                              |                     |                                               |                          |               |
| <b>Balance at 30/06/2014</b>                                   | 50,306        | 2,605                     | 6,294                        | 59,205              |                                               |                          |               |
| <i>Total comprehensive income for the period</i>               |               |                           |                              |                     |                                               |                          |               |
| - Loss for the period                                          | -             | -                         | (690)                        | (690)               |                                               |                          |               |
| <i>Transactions with owners, recognised directly in equity</i> |               |                           |                              |                     |                                               |                          |               |
| - Dividends paid                                               | -             | -                         | (3,285)                      | (3,285)             |                                               |                          |               |
| - Issue of shares                                              | 5,691         | -                         | -                            | 5,691               |                                               |                          |               |
| <b>Balance at 31/12/2014</b>                                   | <b>55,997</b> | <b>2,605</b>              | <b>2,319</b>                 | <b>60,921</b>       |                                               |                          |               |

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

| Share Capital                      | 6 months ended<br>31/12/2015 | 6 months ended<br>31/12/2014 |  | 6 months ended<br>31/12/2015 | 6 months ended<br>31/12/2014 |
|------------------------------------|------------------------------|------------------------------|--|------------------------------|------------------------------|
|                                    | No of ordinary shares        |                              |  | \$                           | \$                           |
| Issues and paid up:                |                              |                              |  |                              |                              |
| At 1 July                          | 667,035,594                  | 585,807,846                  |  | 56,804,550                   | 50,306,330                   |
| Exercise of warrants               | 30,565,419                   | 71,131,148                   |  | 2,445,234                    | 5,690,492                    |
| Balance before Share Consolidation | 697,601,013                  | 656,938,994                  |  | 59,249,784                   | 55,996,822                   |
| Share Consolidation                | (558,080,969)                | -                            |  | -                            | -                            |
| At 31 December                     | 139,520,044                  | 656,938,994                  |  | 59,249,784                   | 55,996,822                   |

| Warrants                                         | 6 months ended<br>31/12/2015 | 6 months ended<br>31/12/2014 |
|--------------------------------------------------|------------------------------|------------------------------|
|                                                  | No of warrants               |                              |
| At 1 July                                        | 336,614,806                  | 417,842,554                  |
| Exercise of warrants                             | (30,565,419)                 | (71,131,148)                 |
| Unexercised warrants expired on 27 November 2015 | (306,049,387)                | -                            |
| At 31 December                                   | -                            | 346,711,406                  |

During the six months ended 31 December 2015, the Company undertook a share consolidation of every five (5) existing shares in the share capital of the Company into one (1) consolidated shares, which was approved by the shareholders at the Extraordinary General Meeting of the Company held on 27 October 2015 ("Share Consolidation").

Following the completion of the Share Consolidation, which became effective on 7 December 2015, the total number of issued shares of the Company was 139,520,044 after disregarding any fractions of a consolidated share arising from the Share Consolidation.

The warrants had an exercise period of 2 years, expiring on 27 November 2015. During the half year ended 31 December 2015, 30,565,419 new ordinary shares were issued from the exercise of warrants. The remaining unexercised warrants of 306,049,387 expired on 27 November 2015.

**2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

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

**3. Whether the figures have been audited or reviewed, the auditors' report (including any 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**

During the current financial period, the Group and the Company have adopted all the new and revised Financial Reporting Standards ("FRSs") and interpretation of FRSs ("INT FRSs") that are relevant to its operation and effective for the annual periods beginning on or after July 1, 2015. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior periods.

**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**

Not applicable.

**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**

|                                                                                             | 6 months ended<br>31/12/2015 | 6 months ended<br>31/12/2014<br>(Restated)* |
|---------------------------------------------------------------------------------------------|------------------------------|---------------------------------------------|
| (Loss)/Earnings per ordinary share attributable to the owners of the company for the period |                              |                                             |
| (i) Based on weighted average number of ordinary share in issue (Cents)                     | (0.10)                       | 0.66                                        |
| (ii) On a fully diluted basis (Cents)                                                       | (0.10)                       | 0.59                                        |
| Computed based on the following weighted average number of shares                           |                              |                                             |
| (i) Basic                                                                                   | 135,154,512                  | 122,370,149                                 |
| (ii) Diluted                                                                                | 135,154,512                  | 137,752,190                                 |

\* For comparison, the earnings per share for corresponding period ended 31 December 2014 were recomputed to take into account the effect of Share Consolidation.

**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) immediately preceding financial year**

|             | 31/12/2015 | 30/6/2015<br>(Restated)* |
|-------------|------------|--------------------------|
|             | Cents      |                          |
| The Group   | 48.32      | 48.70                    |
| The Company | 48.04      | 48.42                    |

Net asset value per share attributable to the owners of the company is calculated based on 139,520,044 (30 June 2015 : 133,407,118) ordinary shares issued at the end of the current period under review and of the immediately preceding financial year.

\* For comparison, the net asset value per share for corresponding year ended 30 June 2015 were recomputed to take into account the effect of Share Consolidation.

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

#### **Statement of comprehensive income**

The Group registered revenue of \$9.8 mil for the half year ended 31 December 2015 ("HY2016"). This is 25.1% lower than previous corresponding half year ended 31 December 2014 ("HY2015"). Revenue for Hose & Marine segment declined by \$2.3 mil (46.3%) and Measuring Instrument segment dropped by \$1 mil (12.2%).

The lower revenue in Hose and Marine segment is largely due to weaker demand in HY2016, attributed to the weak global economic condition and falling oil prices. The decline in Measuring Instrument revenue is due to weak global market demand and depreciating Malaysian Ringgit against Singapore Dollar.

The Group's gross profit decreased by 32.6% from \$4.9 mil in HY2015 to \$3.3 mil in HY2016 mainly due to the lower revenue in HY2016 as compared to HY2015.

Other income improved by 37.6% in HY2016 as compared to HY2015. This is mainly due to higher interest income, resulting from the increased cash and bank balances.

Selling and Distribution expenses decreased by 18.9% in HY2016 as compared to HY2015. The decrease is mainly due a result of the lower sales in HY2016 as compared to HY2015.

Administrative expenses decreased by 9.8% from \$3.5 mil in HY2015 to \$3.2 mil in HY2016. The decrease is largely due to a \$0.2 mil decrease in professional fees. The higher professional fees incurred in HY2015 was a result of newly set-up property development business in HY2015.

Other expenses increased by 40.5% in HY2016 as compared to HY2015. This is mainly due to higher foreign exchange loss incurred in HY2016.

Consequently, Profit before tax for HY2016 decreased by 94.3% from \$1.3 mil in HY2015 to \$0.1 mil in HY2016.

## **Statement of financial position and Statement of cashflows**

The Group's financial position remains sound with current ratio of around 20.7 times at the end of December 2015 as compared to 17.6 times at the end of June 2015 ("FY2015). As at 31 December 2015, the Group had cash and bank balances totaling \$57.6 mil. This is an increase of \$0.4 mil as compared to 30 June 2015. The increase is largely due to a \$2.4 mil proceeds from exercise of warrants and partially offset by a \$2 mil fund used in operating and investing activities during the period under review. Other receivables and prepayments increased by \$0.6 mil from \$0.4 mil as at 30 June 2015 to S\$1.0 mil as at 31 December 2015. This is mainly a \$0.2 mil rental and renovation deposits placed for relocating town office and a \$0.2 mil professional fees to be capitalised into the investment cost in Starland Holdings Limited ("Starland"). The Company has on 15 January 2016 announced the completion of the acquisition of 82.91% of the issued and paid-up ordinary shares in the share capital of Starland.

Non-current assets increased by \$0.2 mil or 11.7% from \$1.7 mil in FY2015 to \$1.9 mil in HY2016. This is mainly due to a \$0.7 mil Advance paid in relation to Tangshan City Integrated Mixed Development Project per announcements made on 6 February 2015 and 4 January 2016, partially offset by decline in property, plant and equipment as a result of depreciation charge.

Current liabilities decreased by \$0.5 mil or 12.5% from \$3.8 mil in FY2015 to \$3.3 mil in HY2016. This is mainly due to the decreased in other payables and income tax payable.

Share capital increased by \$2.5 mil from \$56.8 mil in FY2015 to \$59.3 mil in HY2016. This is a result of exercise of warrants during the period under review.

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

No forecast or prospect statement has been issued previously.

### **10. A commentary at the date of the announcement of the 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 anticipates significant challenges in the business of its existing products and services. The continued fall in oil prices has caused a reduction in the capital and operational spending by the various industries served by our Hose and Marine and Measuring Instrument business. On 15 January 2016, the Company announced the completion of the acquisition of 82.91% of the issued and paid-up ordinary shares in the share capital of Starland Holdings Limited ("Starland"). In FY2016, Starland will continue to launch and sell the remaining commercial units, residential units and the car park lots of its projects.



## 11. Dividend

(a) Current Financial Period Reported on

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

|                  |                             |
|------------------|-----------------------------|
| Name of Dividend | Interim one-tier tax exempt |
| Dividend Type    | Dividend in Specie          |
| Dividend Rate    | To be advised               |

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

|                  |    |
|------------------|----|
| Name of Dividend | NA |
| Dividend Type    | NA |
| Dividend Rate    | NA |

(c) Date payable

To be advised

(d) Books closure date

To be advised

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

Not Applicable

## 13. Interested person transactions

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").

Interested person transaction, as defined in Chapter 9 of the Listing Manual of the SGX-ST, entered into by the Group or by the Company during the half year ended 31 December 2015 is as follows:

| Name of interested person | Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) | Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) |
|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Luminor Capital Pte Ltd   | 65,616 *                                                                                                                                                                                                              | -                                                                                                                                                             |

\* The amount is for a period of 6 months, from 1 July 2015 to 31 December 2015.

#### 14. Use of rights issue proceeds

As at date of this announcement, the status of the use of net proceeds from the rights shares is as below:

| Use of Net Proceeds                                 | Allocation of Net Proceeds<br>\$'000 | Net Proceeds utilised as at the date of this announcement<br>\$'000 | Balance of Net Proceeds as at the date of this announcement<br>\$'000 |
|-----------------------------------------------------|--------------------------------------|---------------------------------------------------------------------|-----------------------------------------------------------------------|
| Proposed new business                               | 28,000                               | (26,677)                                                            | 1,323                                                                 |
| General working capital                             | 5,000                                | (117)                                                               | 4,883                                                                 |
| Total                                               | 33,000                               | (26,794)                                                            | 6,206                                                                 |
| Breakdown of general working capital is as follows: |                                      |                                                                     |                                                                       |
| Rental expenses                                     |                                      | (34)                                                                |                                                                       |
| General administrative expenses                     |                                      | (83)                                                                |                                                                       |
| Total                                               |                                      | (117)                                                               |                                                                       |

#### 15. Confirmation by the Board of Directors

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited financial statements for the half-year ended 31 December 2015 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Kwan Chee Seng  
Executive Director  
1 February 2016