

**Unaudited Half-Year Financial Statements and Dividend Announcement for the Financial Period Ended 30 June 2016**
**PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENT**

**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.**

The Group	Six Months Period Ended		Increase/ (Decrease) %
	30-Jun-16 (Unaudited) S\$ '000	30-Jun-15 (Unaudited) S\$ '000	
Revenue	7,675	6,515	17.8
Cost of construction	(5,605)	(4,020)	39.4
<b>Gross profit</b>	<b>2,070</b>	<b>2,495</b>	<b>(17.0)</b>
Other income	103	69	49.3
Selling and distribution expenses	(41)	(36)	13.9
Administrative expenses	(1,850)	(1,661)	11.4
Other operating expenses	(23)	(19)	21.1
<b>Profit before income tax</b>	<b>259</b>	<b>848</b>	<b>(69.5)</b>
Income tax expense	(2)	(73)	(97.3)
<b>Net profit</b>	<b>257</b>	<b>775</b>	<b>(66.8)</b>
<b>Other comprehensive income:</b>			
Available-for-sale financial assets			
- Fair value (losses)	(6)	(10)	(40.0)
<b>Other comprehensive (loss), net of tax</b>	<b>(6)</b>	<b>(10)</b>	<b>(40.0)</b>
<b>Total comprehensive income</b>	<b>251</b>	<b>765</b>	<b>(67.2)</b>
<b>Profit attributable to :</b>			
Equity holders of the Company	257	775	(66.8)
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Company	251	765	(67.2)
<b>Earnings per share (cents)</b>			
Basic	0.14	0.41	
Diluted	0.13	0.39	

Profit before income tax is arrived at after charging / (crediting) the following items:

The Group	Six Months Period Ended		Increase/ (Decrease) %
	30-Jun-16 (Unaudited) S\$ '000	30-Jun-15 (Unaudited) S\$ '000	
Interest income	(48)	(51)	(5.9)
Depreciation of property, plant and equipment	25	45	(44.4)

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.

	<b>Group</b>		<b>Company</b>	
	<b>30-Jun-16 (Unaudited)</b>	<b>31-Dec-15 (Audited)</b>	<b>30-Jun-16 (Unaudited)</b>	<b>31-Dec-15 (Audited)</b>
	<b>S\$ '000</b>	<b>S\$ '000</b>	<b>S\$ '000</b>	<b>S\$ '000</b>
<b>ASSETS</b>				
<b>Non-current Assets</b>				
Property, plant and equipment	82	96	-	-
Investments in subsidiary corporations	-	-	27,950	27,950
Available-for-sale financial assets	26	32	-	-
	<u>108</u>	<u>128</u>	<u>27,950</u>	<u>27,950</u>
<b>Current Assets</b>				
Trade and other receivables	5,474	7,758	224	23
Cash and cash equivalents	15,045	14,393	1,090	2,382
	<u>20,519</u>	<u>22,151</u>	<u>1,314</u>	<u>2,405</u>
<b>Total Assets</b>	<b>20,627</b>	<b>22,279</b>	<b>29,264</b>	<b>30,355</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Trade and other payables	3,191	4,138	839	1,061
Current income tax liabilities	47	111	-	-
	<u>3,238</u>	<u>4,249</u>	<u>839</u>	<u>1,061</u>
<b>Total Liabilities</b>	<b>3,238</b>	<b>4,249</b>	<b>839</b>	<b>1,061</b>
<b>Net Assets</b>	<b>17,389</b>	<b>18,030</b>	<b>28,425</b>	<b>29,294</b>
<b>EQUITY</b>				
Share capital	4,223	4,199	39,818	39,794
Treasury shares	(630)	-	(630)	-
Other reserves	(164)	(150)	93	101
Retained profits /(accumulated losses)	13,960	13,981	(10,856)	(10,601)
<b>Total Equity</b>	<b>17,389</b>	<b>18,030</b>	<b>28,425</b>	<b>29,294</b>

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

<b>Amount repayable in one year or less, or on demand</b>				<b>Amount repayable after one year</b>			
<b>As at 30-Jun-16</b>		<b>As at 31-Dec-15</b>		<b>As at 30-Jun-16</b>		<b>As at 31-Dec-15</b>	
S\$ '000 (Unaudited)	S\$ '000 (Unaudited)	S\$ '000 (Audited)	S\$ '000 (Audited)	S\$ '000 (Unaudited)	S\$ '000 (Unaudited)	S\$ '000 (Audited)	S\$ '000 (Audited)
Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
-	-	-	-	-	-	-	-

As at 30 June 2016, the Group does not have any borrowings nor debt securities.

**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.**

<b>The Group</b>	<b>Six Months Period Ended</b>	
	<b>30-Jun-16 (Unaudited) S\$'000</b>	<b>30-Jun-15 (Unaudited) S\$'000</b>
<b>Cash flows from operating activities</b>		
Net profit	257	775
Adjustments for:		
Income tax expense	2	73
Depreciation of property, plant and equipment	25	45
Interest income	(48)	(51)
<b>Operating profit before working capital changes</b>	<b>236</b>	<b>842</b>
<b>Change in working capital:</b>		
Trade and other receivables	2,248	2,100
Trade and other payables	(947)	(2,657)
<b>Cash generated from operations</b>	<b>1,537</b>	<b>285</b>
Income tax paid	(66)	(107)
<b>Net cash provided by operating activities</b>	<b>1,471</b>	<b>178</b>
<b>Cash flows from investing activities</b>		
Additions to property, plant & equipment	(11)	(29)
Interest received	84	56
<b>Net cash provided by investing activities</b>	<b>73</b>	<b>27</b>
<b>Cash flows from financing activities</b>		
Repayment of finance lease liabilities	-	(12)
Purchase of treasury shares	(630)	-
Issuance of shares upon exercise of share options	16	-
Dividends paid to equity holders of the Company	(278)	(382)
<b>Net cash used in financing activities</b>	<b>(892)</b>	<b>(394)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>652</b>	<b>(189)</b>
Cash and cash equivalents at beginning of the period	13,691	15,011
<b>Cash and cash equivalents at end of the period</b>	<b>14,343</b>	<b>14,822</b>

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

<b>The Group</b>	<b>Six Months As At</b>	
	<b>30-Jun-16 (Unaudited) S\$'000</b>	<b>30-Jun-15 (Unaudited) S\$'000</b>
Short-term fixed deposits	6,025	7,453
Cash and bank balances	9,020	8,066
	15,045	15,519
Less: Fixed deposits pledged to banks	(702)	(697)
	<b>14,343</b>	<b>14,822</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.

<b>The Group (Unaudited)</b>	<b>Share Capital S\$'000</b>	<b>Treasury Shares S\$'000</b>	<b>Other Reserves S\$'000</b>	<b>Retained Profits S\$'000</b>	<b>Total Equity S\$'000</b>
<b>At 1 January 2016</b>	4,199	-	(150)	13,981	18,030
Total comprehensive income for the period	-	-	(6)	257	251
Purchase of treasury shares	-	(630)	-	-	(630)
Dividend relating to 2015 paid	-	-	-	(278)	(278)
Issuance of share on exercise of share option	24	-	(8)	-	16
<b>At 30 June 2016</b>	<b>4,223</b>	<b>(630)</b>	<b>(164)</b>	<b>13,960</b>	<b>17,389</b>
<b>At 1 January 2015</b>	4,169	-	(122)	13,279	17,326
Total comprehensive income for the period	-	-	(10)	775	765
Dividend relating to 2013 paid	-	-	-	(382)	(382)
Employee Share Option Scheme	-	-	-	-	-
- Value of employee services	-	-	-	-	-
<b>At 30 June 2015</b>	<b>4,169</b>	<b>-</b>	<b>(132)</b>	<b>13,672</b>	<b>17,709</b>

  

<b>The Company (Unaudited)</b>	<b>Share Capital S\$'000</b>	<b>Treasury Shares S\$'000</b>	<b>Other Reserves S\$'000</b>	<b>Accumulated Losses S\$'000</b>	<b>Total Equity S\$'000</b>
<b>At 1 January 2016</b>	39,794	-	101	(10,601)	29,294
Total comprehensive income for the period	-	-	-	23	23
Purchase of treasury shares	-	(630)	-	-	(630)
Dividend relating to 2015 paid	-	-	-	(278)	(278)
Issuance of shares on exercise of share option	24	-	(8)	-	16
<b>At 30 June 2016</b>	<b>39,818</b>	<b>(630)</b>	<b>93</b>	<b>(10,856)</b>	<b>28,425</b>
<b>At 1 January 2015</b>	39,764	-	111	(10,535)	29,340
Total comprehensive income for the period	-	-	-	15	15
Dividend relating to 2014 paid	-	-	-	(382)	(382)
Employee share option scheme	-	-	-	-	-
- Value of employee services	-	-	-	-	-
<b>At 30 June 2015</b>	<b>39,764</b>	<b>-</b>	<b>111</b>	<b>(10,902)</b>	<b>28,973</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 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.

Ordinary Shares

	<u>Number of shares</u>	<u>Share capital</u>
Ordinary shares (excluding treasury shares) as 31 December 2015	191,558,497	S\$ 39,793,742
Ordinary shares (excluding treasury shares) as 30 June 2016	185,658,497	S\$ 39,187,432

On 18 January 2016, the Company bought back 6,300,000 treasury shares with purchase consideration of \$630,438.

On 19 January 2016, the Company allotted and issued 400,000 new ordinary shares upon the exercise of options under KSOS.

Options

The number of unissued ordinary shares of the Company under share options ("Options") in relation to the Koyo International Employee Share Option Scheme 2011 ("KSOS") outstanding as at 30 June 2016 are as follows:

Type of employee share options	Date of grant	No. of unissued ordinary shares				Exercise price per share	Exercise period
		Balance as at 1 January 2016	Granted/ (Lapsed)	Exercised	Balance as at 30 June 2016		
As at 30 June 2016							
2011 Options - KSOS	Dec 2011	4,665,000	-	(400,000)	4,265,000	S\$0.04	15.12.13 - 14.12.16
2013 Options - KSOS	Jan 2013	400,000	-	-	400,000	S\$0.053	23.01.15 - 22.01.18
		5,065,000	-	(400,000)	4,665,000		
As at 30 June 2015							
2011 Options - KSOS	Dec 2011	5,165,000	-	-	5,165,000	S\$0.04	15.12.13 - 14.12.16
2013 Options - KSOS	Jan 2013	400,000	-	-	400,000	S\$0.053	23.01.15 - 22.01.18
		5,565,000	-	-	5,565,000		

Save for the above, the Company has 6,300,000 (Nil - 30 June 2015) treasury shares as at 30 June 2016. The Company does not have any other outstanding convertible instruments as at 30 June 2016 and 30 June 2015.

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

<b><u>Total number of ordinary issued shares</u></b>	<b><u>Group &amp; Company</u></b>	
	<b><u>No. of shares</u></b>	
	<b><u>30 Jun 2016</u></b>	<b><u>31 Dec 2015</u></b>
Fully paid ordinary shares (No. of Shares)	<b><u>185,658,497</u></b>	<b><u>191,558,497</u></b>

The Company holds 6,300,000 (Nil – 31 Dec 2015) treasury shares as at 30 June 2016.

**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

**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 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.**

Save as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the six months period ended 30 June 2016 as those used in the most recently audited financial statements for the financial year ended 31 December 2015.

**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.**

On 1 January 2016, the Group adopted the new or amended Singapore Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are mandatory for the financial period. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in any substantial changes to the Group's accounting policies nor has any material impact on the financial statements of the Group for the current financial period reported on.



**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.**

	Six months ended	
	30-Jun-16 (Unaudited)	30-Jun-15 (Unaudited)
Earnings per ordinary share of the Group based on weighted average number of ordinary shares in issue:		
(a) Basic (in Singapore cents)	0.14	0.41
(b) Fully diluted (in Singapore cents)	0.13	0.39
Earnings per share was calculated based on weighted average number of ordinary shares in issue (excluding treasury shares which have no voting rights): ('000)		
(a) Basic	186,204	191,059
(b) Fully diluted	190,869	196,623

For the purpose of calculating fully diluted earnings per share, the weighted average number of ordinary shares outstanding (excluding treasury shares which have no voting rights) has been adjusted for the effects of all dilutive potential ordinary shares assuming such shares have been issued at the beginning of the respective financial periods. The Company has potentially dilutive ordinary shares of 4,665,000 and 5,565,000 share options as at 30 June 2016 and 30 June 2015 respectively.

**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.**

	The Group		The Company	
	30-Jun-16 (Unaudited)	31-Dec-15 (Audited)	30-Jun-16 (Unaudited)	31-Dec-15 (Audited)
Net asset value per ordinary share (in Singapore cents/share)	9.37	9.41	15.31	15.29

The calculation of net asset value per ordinary share is based on 185,658,497 and 191,558,497 issued ordinary shares as at 30 June 2016 and 31 December 2015 respectively.

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

Six months ended 30 June 2016 ("HY2016") vs Six months ended 30 June 2015 ("HY2015")

## REVIEW OF RESULTS OF OPERATIONS

### i) Revenue

	GROUP					
	Six Month Ended 30 June					
	2016		2015		Increase/ (decrease)	
	S\$'000	%	S\$'000	%	S\$'000	%
Mechanical Engineering	4,083	53.2	3,495	53.7	588	16.8
Electrical Engineering	1	-*	2	-*	(1)	(50.0)
Facilities Management	3,591	46.8	3,018	46.3	573	19.0
<b>Total</b>	<b>7,675</b>	<b>100.0</b>	<b>6,515</b>	<b>100.0</b>	<b>1,160</b>	<b>17.8</b>

### ii) Gross Profit

	GROUP					
	Six Month Ended 30 June					
	2016		2015		Increase/ (decrease)	
	S\$'000	%	S\$'000	%	S\$'000	%
Mechanical Engineering	1,036	50.1	1,837	73.6	(801)	(43.6)
Electrical Engineering	1	-*	1	-*	-	-*
Facilities Management	1,033	49.9	657	26.4	376	57.2
<b>Total</b>	<b>2,070</b>	<b>100.0</b>	<b>2,495</b>	<b>100.0</b>	<b>(425)</b>	<b>(17.0)</b>

### iii) Gross Profit Margin

	2016	2015	Increase/ (decrease)
	%	%	%
Mechanical Engineering	25.4	52.6	(27.2)
Electrical Engineering	100.0	50.0	50.0
Facilities Management	28.8	21.8	7.0
<b>Total</b>	<b>27.0</b>	<b>38.3</b>	<b>(11.3)</b>

#### Notes:

-\* : less than 0.1%

Total revenues increased by 17.8% to approximately S\$7.7 million for HY2016. This is mainly attributable to more mechanical engineering and facilities management projects in HY2016. Revenue contribution from the mechanical engineering segment increased by 16.8% to approximately S\$4.1 million as compared to HY2015. Revenue for facilities management segment increased by 19.0% to approximately S\$3.6 million for HY2016. Revenue contribution from electrical engineering segment remained largely unchanged.

Cost of construction increased by 39.4% to approximately S\$5.6 million for HY2016 while gross profits decreased by 17.0% to approximately S\$2.1 million. The increase in cost of construction is due to the increase in revenues.

Gross profit margin decreased from 38.3% in HY2015 to 27.0% in HY2016. The decrease is mainly due to a 27.2% decrease in gross profit margin for the mechanical engineering segment, which is offset by a 7.0% increase in gross profit margin for the facilities management segment.

Gross profit margin for mechanical engineering projects decreased to 25.4% in HY2016 as compared to 52.6% in HY2015. For HY2015, the higher gross profit margin was due to the recognition of variation orders of projects



completed during HY2015. The increase in gross profit margin for facilities management segment from 21.8% in HY2015 to 28.8% in HY2016 is mainly due to more variation works carried out for the financial period.

#### **iv) Other Income**

Other income increased by 49.3% from S\$69,000 in HY2015 to S\$103,000 in HY2016. This is mainly due to an increase in interest income and receipts from government grants.

#### **v) Selling and Distribution Expenses**

Selling and distribution expenses increased by 13.9% to approximately S\$41,000 for HY2016. This is mainly due to an increase in marketing and advertisement expenses.

#### **vi) Administrative Expenses**

Administrative expenses increased by 11.4% from S\$1.7 million in HY2015 to S\$1.9 million in HY2016. This is mainly due to an increase in insurance expenses, professional fees, transport expenses and rental of worker quarters.

#### **vii) Other Operating Expenses**

Other operating expenses increased by 21.1% from S\$19,000 in HY2015 to S\$23,000 in HY2016. This is mainly due to an increase in repair and maintenance expenses and office expenses.

#### **viii) Income Tax Expenses**

Income tax expense decreased as a result of a decrease in the Group's profit before income tax.

The Group recorded net profit of S\$0.3 million for HY2016 as compared to S\$0.8 million for HY2015.

**8(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 STATEMENT OF FINANCIAL POSITION**

**Total assets as at 30 June 2016 have decreased as compared to 31 December 2015, and are mainly attributable to the following :-**

- 1. Property, plant and equipment** decreased by approximately S\$14,000 or 14.6%, from S\$96,000 as at 31 December 2015 to S\$82,000 as at 30 June 2016. This decrease is mainly due to depreciation charges of S\$25,000 offset by the addition of equipments and tools of S\$11,000.
- 2. Available-for-sale financial assets** decreased by S\$6,000 or 18.8% from S\$32,000 as at 31 December 2015 to S\$26,000 as at 30 June 2016 as a result of fair value loss for the current financial period.
- 3. Trade and other receivables** decreased by S\$2.3 million or 29.5%, from S\$7.8 million as at 31 December 2015 to S\$5.5 million as at 30 June 2016. This is mainly due to a decrease in the amount due from customers. Receivables turnover days improved slightly from 56 days to 54 days at the end of the current financial period.
- 4. Cash and cash equivalents** increased by S\$0.6 million or 4.2% from S\$14.4 million as at 31 December 2015 to S\$15.0 million as at 30 June 2016. The increase was mainly due to an improvement in collection of receivables.

**Total liabilities as at 30 June 2016 have decreased as compared to 31 December 2015, and are mainly attributable to the following :-**

1. **Trade and other payables** decreased by approximately S\$0.9 million or 21.9%, from S\$4.1 million as at 31 December 2015 to S\$3.2 million as at 30 June 2016. The decrease is due to the payment of purchased materials and to subcontractors.

## **REVIEW OF STATEMENT OF CASH FLOWS**

The Group generated positive operating cash flow of about S\$0.2 million from its operation before changes in working capital. The decrease in trade and other receivables of S\$2.2 million and a decrease in trade and other payables of S\$0.9 million, coupled with an income tax paid of S\$66,000 has resulted in positive net cash generated from operating activities of S\$1.5 million. The net cash flow provided by investing activities amounted to S\$73,000. The net cash used in financing activities amounting to S\$0.9 million was mainly pursuant to the payment of S\$0.6 million for share buyback exercise and S\$0.3 million dividend paid during HY2016 for dividend declared in respect of FY2015.

As at 30 June 2016, the Group has cash and cash equivalents of S\$14.3 million after excluding fixed deposits of S\$702,000 pledged to banks.

### **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 had been previously disclosed to 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.**

At the date of this announcement, the Group has approximately S\$35.8 million worth of contracts on hand with completion dates ranging from financial years 2016 to 2021. However, given the current economic climate, the Group expects FY2016 to be challenging. As such, the Group might explore for revenue/profit accretive acquisitions as part of its growth strategies.

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

#### **(a) Whether an interim (final) ordinary dividend has been declared (recommended); and**

No dividends have been declared or recommended for the current reporting period.

#### **(b)(i) Amount per share (cents)**

Not applicable.

#### **(b)(ii) Previous corresponding period (cents)**

Not applicable.

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

Not applicable.

#### **(d) The date the dividend is payable.**

Not applicable.

#### **(e) Book closure date**

Not applicable.



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

No dividend has been declared/recommended for the current financial period reported on.

**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.**

There were no Interested Party Transactions of S\$100,000 and above during the current financial period. The Group does not have a general mandate from shareholders for IPT.

**14. CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL ITS DIRECTORS AND EXECUTIVE OFFICERS (IN THE FORMAT SET OUT IN APPENDIX 7H) UNDER RULE 720(1)**

The Company confirms that it has procured undertakings from all of its directors and executive officers in the required format.

**15. CONFIRMATION PURSUANT TO THE RULE 705(5) OF THE LISTING MANUAL**

We, Messrs Foo Chek Heng and Foo Suay Wei, being two directors of Koyo International Limited (the "Company"), do hereby confirm on behalf of the Board of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of the Company which would render the unaudited financial results for the half year ended 30 June 2016 to be false or misleading in any material respect.

On behalf of the Board



**Foo Chek Heng**  
Managing Director



**Foo Suay Wei**  
Executive Director

**BY ORDER OF THE BOARD**

Mr Foo Chek Heng  
Managing Director  
5th August 2016

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 relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). 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.

The contact person for the Sponsor is Mr. Lance Tan, Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.