



KOON HOLDINGS LIMITED (KNH)

Half-Year Financial Statements and Dividend Announcement

Half-Year financial statements on consolidated results for the period ended 30 June 2016
(These figures have not been audited)

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS

Name of entity

KOON HOLDINGS LIMITED

ABN or equivalent company reference

ARBN 105 734 709

Half year ('current period')

30 June 2016
(Previously corresponding period: 30 June 2015)

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Extracts from this report for announcement to the market

APPENDIX 4D

	Group		
	S\$'000	Up/Down	Movement %
Revenue from ordinary activities	108,930	Up	4.6%
Profit from ordinary activities after tax attributable to members	2,115	Down	54.2%
Net Profit for the period attributable to members	2,115	Down	54.2%

	Amount per share Singapore cent	Franked amount per share Singapore cent
Interim dividend	NA	NA
Previous corresponding period Interim dividend	NA	NA
Date the dividend (distribution) is payable		NA
Record date to determine entitlements to the dividend (distribution)		NA

Any other disclosures in relation to dividends

Nil

Net tangible assets per ordinary share (Singapore cents)

Group	
30/06/2016	30/06/2015
23.59 cents	21.27 cents

Additional Appendix 4D disclosure requirements can be found in the notes to the half-year financial statements attached thereto.

This report is based on the consolidated half-year financial statements which have been subjected to a review by Ernst & Young LLP.



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1(a) Consolidated Statement of Comprehensive Income for the period ended 30 June 2016

	Group		
	Half-Year ended 30 Jun		%
	2016	2015	Increase/ (Decrease)
	S\$'000	S\$'000	
Revenue	108,930	104,123	4.6
Cost of sales	(96,325)	(88,367)	9.0
Gross profit	<u>12,605</u>	<u>15,756</u>	(20.0)
Other income	675	841	(19.7)
Distribution costs	(1,331)	(3,737)	(64.4)
Administrative and other expenses	(8,024)	(8,153)	(1.6)
Finance costs	(1,331)	(1,140)	16.8
Share of loss of associate	-	(19)	(100.0)
Share of (loss)/profit of joint ventures	(354)	1,186	N.M.
Profit before income tax	<u>2,240</u>	<u>4,734</u>	(52.7)
Income tax	(262)	(223)	17.5
Profit for the period	<u>1,978</u>	<u>4,511</u>	(56.2)
Other comprehensive loss:			
Exchange loss on translation of foreign operations	(148)	(2,512)	(94.1)
Loss on fair value changes of available-for-sale investments	-	(54)	(100.0)
Total comprehensive income for the period	<u>1,830</u>	<u>1,945</u>	(5.9)
Profit/(loss) for the period attributable to :			
Owners of the Company	2,115	4,622	(54.2)
Non-controlling interests	(137)	(111)	23.4
	<u>1,978</u>	<u>4,511</u>	(56.2)
Total comprehensive income/(loss) for the period attributable to :			
Owners of the Company	2,071	2,273	(8.9)
Non-controlling interests	(241)	(328)	(26.5)
	<u>1,830</u>	<u>1,945</u>	(5.9)
Earnings per share (cents per share):			
- Basic	0.80	1.76	
- Diluted	0.80	1.76	

N.M.: Not Meaningful



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The discussion that follows compares the income statement for 6 months ended 30 June 2016(1H2016) with previous corresponding period (1H2015)

Segment revenue and results

	Revenue		Earnings	
	Half-Year ended 30 June		Half-Year ended 30 June	
	2016	2015	2016	2015
	S\$'000	S\$'000	S\$'000	S\$'000
Construction Division	87,511	75,859	4,203	4,366
Precast Division	25,781	43,648	188	954
Property Division	-	-	112	5
Electric Power Generation Division	2,411	2,560	(262)	(172)
	115,703	122,067	4,241	5,153
Elimination	(6,773)	(17,944)	(991)	(1,287)
Total	108,930	104,123	3,250	3,866
Other income			675	841
Share of (loss)/profit of joint ventures/associate (net)			(354)	1,167
Finance costs			(1,331)	(1,140)
Profit before income tax			2,240	4,734
Income tax			(262)	(223)
Profit for the period			1,978	4,511

Revenue

Revenue for the half year ended 30 June 2016 (1H2016) increased marginally by 4.6% to S\$108.9 million as compared to the previous period (1H2015). The increase was mainly attributed to higher revenue recorded by Construction division which was partially offset by lower revenue from Precast and Electric Power Generation divisions:-

1. Revenue of Construction division increased by 15.4% to S\$87.5 million in 1H2016. This was mainly due to higher revenue recognition from on-going projects including (a) the Group's 50% share of revenue under POC-K JV for the land preparation works for airport development, (b) equipment rental income and subcontract works for the land preparation works for airport development, (c) construction of roads, drains, culverts and drainage outfall at Tuas South Boulevard and (d) improvement to Sungei Pandan Kechil (West Coast Road to the sea); which was partially offset by lower revenue from (e) construction of container stacking yard for berths P36 to P41 at PSA Pasir Panjang Terminal as well as completed projects including (f) reclamation at Pulau Ubin and Pulau Tekong, (g) construction of Marshalling yard at Pasir Panjang Terminal Phase III, (h) construction of roads, drains and sewers at Sungei Kadut International Furniture Park and (i) proposed physical barrier at Singapore coastline.
2. Revenue of Precast division decreased by 40.9% to S\$25.8 million in 1H2016. This was due to lower volume of precast products sales in 1H2016.
3. Revenue of Electric Power Generation division decreased by 5.8% to S\$2.4 million in 1H2016. The Group's 74.06% owned subsidiary, the Tesla Holdings Pty Ltd group of companies ("Tesla"), recorded lower revenue mainly due to a marginal decline in reserve capacity pricing set by Independent Market Operator of Western Australia and partly due to a weak Australian dollar against the Singapore dollar as compared to 1H2015.



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Gross Profit

The Group's gross profit declined by 20.0% to S\$12.6 million in 1H2016 mainly attributed to lower revenue recorded by the Precast division.

Other Income

Other income declined by S\$0.2 million to S\$0.7 million in 1H2016. The decrease was mainly due to lower gain on disposal of property, plant and equipment partially offset by higher government grants received in 1H2016.

Distribution Costs

Distribution costs declined by \$2.4 million to S\$1.3 million in 1H2016 in tandem with lower revenue recorded by the Precast division.

Administrative and Other Expenses

Administrative and other expenses declined marginally by \$0.1 million to S\$8.0 million in 1H2016. This was mainly due to lower staff costs partially offset by higher professional fees and travelling expenses.

Finance Costs

Finance costs increased by \$0.2 million to S\$1.3 million in 1H2016 due to higher borrowings. The increase in borrowings was mainly to finance the capital expenditure incurred by the Construction division.

Share of (Loss)/Profit of Joint Ventures

Share of loss of joint ventures amounted to S\$0.4 million in 1H2016. This was attributed to the Group's 50% share of loss from the precast operation at Batam Indonesia under Sindo-Econ Pte. Ltd. and its Indonesia subsidiary PT Sindomas Precas ("Sindo-Econ Group"). Sindo-Econ Group recorded losses in 1H2016 owing to lower sale of precast products.

Income Tax

The Group's tax expenses were marginally higher as compared to 1H2015 mainly attributed to the taxation expenses under the Construction division. The Construction division recorded higher tax expenses in 1H2016 as compared to 1H2015 due to the absence of available unabsorbed tax losses carried forward from previous years.

Profit for the period

Owing to lower gross profits and other income, higher finance costs and share of loss of joint ventures partially offset by lower distribution costs, the Group recorded lower earnings of \$2.0 million in 1H2016 as compared to \$4.5 million in 1H2015.



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INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS

1(b) Statement of Financial Position as at 30 June 2016

	Group As at 30/06/2016 S\$'000	Group As at 31/12/2015 S\$'000	Group As at 30/06/2015 S\$'000
Note			
ASSETS			
Current assets			
Cash and cash equivalents	26,728	26,702	24,860
Pledged fixed deposits	190	194	324
Trade receivables	32,446	44,954	47,864
Other receivables	8,741	8,353	9,233
Inventories	6,779	8,591	9,660
Contract work-in-progress	21,608	23,744	27,034
Held-for-trading investments	25	30	36
Available-for-sale investments	-	-	677
Total current assets	96,517	112,568	119,688
Non-current assets			
Other receivables	112	116	178
Properties held for development	14,449	14,188	15,425
Associates	*	*	*
Joint ventures	4,635	4,971	2,536
Property, plant and equipment	108,852	99,015	92,338
Goodwill	-	-	2,734
Deferred tax assets	161	-	-
Total non-current assets	128,209	118,290	113,211
Total assets	224,726	230,858	232,899
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables	47,502	54,690	57,067
Other payables	12,411	14,324	17,231
Contract work-in-progress	9,105	8,747	9,887
Bank loans and bills payable	25,998	31,211	41,268
Finance leases	15,476	12,107	8,508
Income tax payable	937	1,033	598
Total current liabilities	111,429	122,112	134,559
Non-current liabilities			
Bank loans	3,814	5,595	7,136
Finance leases	46,428	40,710	31,361
Other payables	90	90	88
Deferred tax liabilities	889	919	1,057
Total non-current liabilities	51,221	47,314	39,642
Capital and reserves			
Share capital	25,446	25,446	25,446
Capital reserve	8,802	8,802	8,663
Fair value reserve	-	-	(266)
Accumulated profits	30,261	29,461	26,092
Translation reserve	(5,967)	(5,923)	(5,579)
Equity attributable to owners of the Company	58,542	57,786	54,356
Non-controlling interests	3,534	3,646	4,342
Total equity	62,076	61,432	58,698
Total liabilities and equity	224,726	230,858	232,899

* Amount less than S\$1,000

1(b)(i) The carrying amount of goodwill in 1H2015 was attributed to the Electric Power Generation cash generating unit.



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1(c) Consolidated statement of cash flows for the period ended 30 June 2016

	Group	
	Half-Year ended 30 Jun 2016	2015
	S\$'000	S\$'000
Operating activities		
Profit before income tax	2,240	4,734
Adjustments for:		
Inventories written-down	55	284
Depreciation of property, plant and equipment	9,691	6,444
Gain on disposal of property, plant and equipment (net)	(84)	(329)
Interest expense	1,331	1,141
Interest income	(34)	(50)
Share of loss/(profit) of joint ventures/associate (net)	354	(1,167)
Fair value loss on held-for-trading investments	5	-
Unrealised exchange loss	315	13
Reversal of foreseeable loss on contract work-in-progress	(18)	(22)
Operating cash flows before changes in working capital	13,855	11,048
Contract work-in-progress (net)	2,512	(8,700)
Trade receivables	12,511	(3,744)
Inventories	1,757	(3,049)
Other receivables	(364)	(299)
Trade payables	(7,190)	12,656
Other payables	(2,226)	(736)
Cash flows from operations	20,855	7,176
Income tax (paid)/refund	(535)	26
Net cash flows from operating activities	20,320	7,202
Investing activities		
Purchase of property, plant and equipment	(4,221)	(13,390)
Proceeds from disposal of property, plant and equipment	93	325
Proceeds from issuance of shares by subsidiary to non-controlling interests	129	-
Interest received	31	47
Net cash flows used in investing activities	(3,968)	(13,018)
Financing activities		
Decrease in pledged fixed deposits	4	477
Interest paid	(1,179)	(954)
Dividends paid	(1,315)	-
Repayment of obligations under finance leases	(6,469)	(3,612)
Proceeds from bank loans	7,800	11,400
Repayment of bank loans	(11,781)	(1,234)
Proceeds from bills payable	29,454	38,818
Repayment of bills payable	(32,468)	(31,156)
Net cash flows (used in)/from financing activities	(15,954)	13,739
Net increase in cash and cash equivalents	398	7,923
Effect of exchange rate changes on cash and cash equivalents	(372)	(157)
Cash and cash equivalents at 1 January	26,702	17,094
Cash and cash equivalents at 30 June	26,728	24,860



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The discussion that follows compares the Finance Position as at 30 June 2016 with that of 31 December 2015

Current assets

Current assets decreased by S\$16.1 million to S\$96.5 million as at 30 June 2016.

The decrease was mainly due to the following:

1. Decrease in trade receivables by S\$12.5 million under the Construction and Precast divisions. The decrease was partly attributed to lower revenue recorded in 1H2016 by the Precast division.
2. Inventories comprised finished goods and raw material under the Precast division. Inventories reduced by S\$1.8 million mainly attributed to lower finished goods inventories.
3. Decrease in contract work-in-progress by S\$2.1 million under the Construction division.

The above were partially offset by increase in other receivables of S\$0.4 million. The increase in other receivables was mainly due to higher owing from Sindo-Econ Group.

Non-current assets

Non-current assets increased by S\$9.9 million to S\$128.2 million as at 30 June 2016 mainly due to:

1. Increase in property, plant and equipment by S\$9.8 million. The increase was mainly due to acquisition of plant and equipment amounting to S\$20.2 million under the Construction division including the purchase of a marine dredger of S\$13.6 million for a new reclamation project at Tuas Singapore. The increase was partially offset by depreciation charges amounted to S\$9.7 million and foreign exchange adjustments of S\$0.6 million.
2. Increase in development properties by S\$0.3 million held under the Group's Malaysia subsidiaries. The increase was due to the appreciation of Malaysia ringgit against the Singapore dollar as compared to 1H2015.
3. Increase in deferred tax assets by S\$0.2 million under the Electric Power Generation division.

The above were partially offset by a reduction in joint ventures by S\$0.3 million attributed to the Group's 50% share of losses incurred by Sindo-Econ Group in 1H2016.

Current liabilities

Current liabilities decreased by S\$10.7 million to S\$111.4 million as at 30 June 2016 mainly due to:

1. Decrease in bank loans and bills payable by S\$5.2 million.
2. Decrease in trade payables by S\$7.2 million. This was mainly due to decrease in trade payables under the Precast division due to lower revenue recorded in 1H2016.
3. Decrease in other payables by S\$1.9 million mainly due to lower payables attributed to purchase of plant and machinery under the Construction division.
4. Decrease in income tax payable by S\$0.1 million.

The above were partially offset by an increase in finance leases and contract work-in-progress of S\$3.4 million and S\$0.4 million respectively. The increase in finance leases was attributed to increased borrowings for financing the capital expenditure under the Construction division.

Non-current liabilities

Non-current liabilities increased by S\$3.9 million to S\$51.2 million as at 30 June 2016. This was mainly due to increase in finance leases by S\$5.7 million partially offset by decrease in bank loans by S\$1.8 million. The increase in finance leases was attributed to increased borrowings for financing the capital expenditure under the Construction division.



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Net current liabilities

The Group recorded net current liabilities of S\$14.9 million as at 30 June 2016. This was mainly attributed to the classification of plant and machinery of POC-K JV (i.e. the Group's 50% share) with carrying value of S\$6.7 million under non-current assets whilst the progress claims receipts attributed to plant and machinery purchased were recorded in the contract work-in-progress under current liabilities.

The discussion that follows compares the consolidated statement of cash flows for the 6 months to 30 June 2016 with that of corresponding period for the 6 months to 30 June 2015

Cash generated from operations for 1H2016 was derived from the Group's pre-tax profit of S\$2.2 million, after adjusting for non-cash items and changes in working capital. Cash inflow from working capital changes was mainly attributed to decrease in trade receivables, inventories and contract work-in-progress which was partially offset by increase in other receivables as well as decrease in trade and other payables. Net cash generated from operating activities amounted to S\$20.3 million in 1H2016.

Net cash flows used in investing activities in 1H2016 was S\$4.0 million. This was mainly due to acquisition of property, plant and equipment of S\$4.2 million for the Construction division, partially offset by cash inflow of S\$0.1 million respectively from disposal of property, plant and equipment as well as issuance of shares by subsidiary to non-controlling interests.

Net cash flows used in financing activities was S\$16.0 million in 1H2016 mainly due to repayment of borrowings of S\$50.7 million, dividends payment of S\$1.3 million, interests payment of S\$1.2 million partially offset by proceeds from bank loans and bills payable of S\$37.3 million.

Due to above factors and the effect of exchange rate changes, the Group's cash and cash equivalents remained at the level of S\$26.7 million as at 30 June 2016.



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1(d)(i) Statements of changes in equity for the period ended 30 June 2016

	Share capital \$'000	Capital reserve \$'000	Fair value reserve \$'000	Accumulated profits \$'000	Translation reserve \$'000	Attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total \$'000
Balance at Jan 1, 2015	25,446	8,663	(212)	21,470	(3,284)	52,083	4,670	56,753
Profit/(loss) for the period	-	-	-	4,622	-	4,622	(111)	4,511
Other comprehensive loss for the period, net of tax	-	-	(54)	-	(2,295)	(2,349)	(217)	(2,566)
Total comprehensive (loss)/income for the period	-	-	(54)	4,622	(2,295)	2,273	(328)	1,945
Balance at Jun 30, 2015	25,446	8,663	(266)	26,092	(5,579)	54,356	4,342	58,698
Profit/(loss) for the period	-	-	-	3,369	-	3,369	(133)	3,236
Other comprehensive income/(loss) for the period, net of tax	-	-	266	-	(344)	(78)	(19)	(97)
Total comprehensive income/(loss) for the period	-	-	266	3,369	(344)	3,291	(152)	3,139
Acquisition of non-controlling interests without a change in control	-	139	-	-	-	139	(359)	(220)
Dividends	-	-	-	-	-	-	(185)	(185)
Balance at Dec 31, 2015	25,446	8,802	-	29,461	(5,923)	57,786	3,646	61,432
Profit/(loss) for the period	-	-	-	2,115	-	2,115	(137)	1,978
Other comprehensive loss for the period, net of tax	-	-	-	-	(44)	(44)	(104)	(148)
Total comprehensive income/(loss) for the period	-	-	-	2,115	(44)	2,071	(241)	1,830
Contribution of capital by non-controlling interests	-	-	-	-	-	-	129	129
Dividends	-	-	-	(1,315)	-	(1,315)	-	(1,315)
Balance at Jun 30, 2016	25,446	8,802	-	30,261	(5,967)	58,542	3,534	62,076

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 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.**

Issued and paid up capital of the Company: **S\$'000**
Balance as at 30 June 2016 and 31 December 2015 25,446

There has been no change in the Company's share capital since 31 December 2015.

There were no outstanding share awards under the Koon Employee Performance Share Plan as at 30 June 2016 and 30 June 2015.

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

Issued and paid up capital of the Company: **No. of shares**
Balance as at 30 June 2016 and 31 December 2015 263,097,800



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- 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.**

There were no treasury shares held by the Company.

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

The figures have been reviewed by the auditors in accordance with Singapore Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

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

Nothing has come to the attention of the auditors that causes the auditors to believe that the interim financial information is not prepared in all material respects, in accordance with Singapore Financial Reporting Standards 34 – Interim Financial Reporting.

- 4(a) **Details of entities over which control has been granted or lost during the period.**

Name of subsidiaries	% acquired by the Group
PT Koon Construction Indonesia	67%
Reem Island Pte Ltd	100%

- 4(b). **Details of any dividend or distribution reinvestment plan in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan.**

None.

- 4(c) **Details of associates and joint venture entities including the name of the associate or joint venture entity and details of the reporting entity's percentage holding in each of these entities and – where material to an understanding of the report - aggregate share of profits(losses) of these entities, details of contributions to net profit for each of these entities, and with comparative figures for each of these of these disclosures for the previous corresponding period.**

Name of Joint Ventures/Associate	% held by the Group
(1) Sindo-Econ Pte Ltd	50%
(2) PT Sindomas Precas	50%
(3) Penta-Ocean/Hyundai/Koon Joint Venture	20%
(4) Penta-Ocean/Koon Joint Venture*	20%
(5) POC-K JV	50%

The aggregate share of profits (net) of the joint ventures in Sindo-Econ Pte Ltd, PT Sindomas Precas, Penta-Ocean/Hyundai/Koon Joint Venture and POC-K JV in 1H2016 was S\$1,090,000 (1H2015: S\$2,121,000).

* There was no profit or loss recognition under the Penta-Ocean/Koon Joint Venture in 1H2016 (1H2015: NIL).

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

Except as disclosed in paragraph 5, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with those of the audited financial statements for the year ended 31 December 2015.



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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.**

The Group has adopted all the new and revised Singapore Financial Reporting Standards (“FRS”) and Interpretations of FRS applicable from 1 January 2016. These do not have a significant financial impact on the Group.

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.**

	Group	
	1H2016	1H2015
Earnings per ordinary share for the period (Singapore cents):		
Basic	0.80 cents	1.76 cents
Diluted	0.80 cents	1.76 cents
Net profit attributable to ordinary shareholders:	S\$2,115,000	S\$4,622,000
Weighted average number of ordinary shares:		
Basic	263,097,800	263,097,800
Diluted	263,097,800	263,097,800

7. **Net tangible 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) the corresponding period of the immediately preceding financial year.**

	Group	
	30/06/2016	30/06/2015
Net tangible value per ordinary share based on issued share capital as at the end of the reporting period (Singapore cents)	23.59 cents	21.27 cents

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

The Group did not make any forecast or prospect statement previously disclosed to shareholders.

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

The construction industry in Singapore is expected to continue to face challenges, as the global economy outlook has weakened and the Singapore residential property market remains subdued. The construction demand in Singapore is expected to be supported by the pipeline of public sector projects. In January 2016, the Building and Construction Authority (“BCA”) had estimated total construction demand for the year to be between S\$27 billion and S\$34 billion⁽¹⁾, with the public sector accounting for about 65%, its highest proportion since 2002.

Amidst competitive market conditions, the Group’s precast division will consolidate its operations at the precast yard at Batam and focus on productivity enhancement.

As at 30 June 2016, the Group’s Construction and Precast divisions had outstanding order book of approximately S\$172 million and S\$74 million respectively.

Despite the difficult operating environment, the Group is cautiously optimistic over the medium term.



KOON HOLDINGS LIMITED (KNH)

Half-Year Financial Statements and Dividend Announcement

Half-Year financial statements on consolidated results for the period ended 30 June 2016
(These figures have not been audited)

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS

Footnote:

(1) "BCA estimates \$27 billion to \$34 billion worth of construction contracts to be awarded this year", BCA, 15 January 2016

BY ORDER OF THE BOARD

Tan Swee Gek
Company Secretary
30 August 2016

CONFIRMATION BY THE BOARD

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the half-year financial results for the period ended 30 June 2016 to be false or misleading in any material aspect.

On behalf of the board of directors,

Yuen Kai Wing
Managing Director

Singapore
30 August 2016

Oh Koon Sun
Executive Director