

KORI HOLDINGS LIMITED**Unaudited Half Year Financial Statement and Dividend Announcement
For the Financial Period Ended 30 June 2017****PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

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

Six months ended 30 June 2017 ("HY2017") vs. six months ended 30 June 2016 ("HY2016")

	Group (Unaudited)		Increase/ (Decrease) %
	HY2017 S\$'000	HY2016 S\$'000	
Revenue	19,343	29,259	(33.9)
Cost of works	(15,883)	(25,565)	(37.9)
Gross profit	3,460	3,694	(6.3)
Other losses-net	(1,376)	(323)	326.0
Expenses:			
- Administrative	(1,237)	(1,232)	0.4
- Finance	(245)	(146)	67.8
Share of loss of an associated company	-	(29)	N.M
Profit before income tax	602	1,964	(69.3)
Income tax expense	(92)	(283)	(67.5)
Net profit for the period	510	1,681	(69.7)
Other comprehensive income:			
Items that may be reclassified to profit or loss subsequently			
- Currency translation differences arising from consolidation	(10)	30	N.M
Total comprehensive income for the period	500	1,711	(70.8)
Earnings per share attributable to equity holders of the Company			
Basic (cents)	0.51	1.69	N.M
Diluted (cents)	0.51	1.62	N.M

N.M. -Not meaningful

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

	Group (Unaudited)		Increase/ (Decrease) %
	HY2017 S\$'000	HY2016 S\$'000	
Gain on foreign exchange	145	201	(27.9)
(Loss) / Gain on disposal of property, plant and equipment	(4)	6	N.M
Loss from sales of scrap materials	(1,637)	(415)	294.5
Government grant income	85	154	(44.8)
Interest income-bank deposit & loan to associated company	5	34	(85.3)
Impairment loss on investment in an associated company	-	(320)	N.M
Interest expense	(245)	(146)	67.8
Depreciation of property, plant and equipment	(92)	(47)	95.7
Professional fees	(180)	(152)	18.4

N.M. - Not meaningful

	Group (Unaudited)		Increase/ (Decrease) %
	HY2017 S\$'000	HY2016 S\$'000	
Income Tax Expense			
Tax expense attributable to profit is made up of			
-Current income tax			
Singapore	92	274	(66.4)
Foreign	-	-	-
-Deferred income tax	-	-	-
	92	274	(66.4)
Under provision in prior financial years	-	9	N.M
Income tax expense	92	283	(67.5)

N.M. - Not meaningful

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

	Group		Company	
	30 Jun 2017 Unaudited S\$'000	31 Dec 2016 Audited S\$'000	30 Jun 2017 Unaudited S\$'000	31 Dec 2016 Audited S\$'000
ASSETS				
Current assets				
Cash and bank balances	3,667	2,954	50	129
Trade and other receivables (Note 1)	61,446	66,513	12,622	10,519
Inventories	3,177	4,887	-	1,720
Total current assets	68,290	74,354	12,672	12,368
Non-current assets				
Property, plant and equipment	2,698	2,268	-	-
Investment in subsidiaries	-	-	26,070	26,070
Total non-current assets	2,698	2,268	26,070	26,070
Total assets	70,988	76,622	38,742	38,438
LIABILITIES				
Current liabilities				
Trade and other payables (Note 2)	12,659	18,087	2,782	1,999
Income tax payable	369	555	-	-
Borrowings	10,038	10,703	5,000	5,000
Total current liabilities	23,066	29,345	7,782	6,999
Non-current liabilities				
Borrowings	319	75	-	-
Deferred tax liabilities	13	13	-	-
Total non-current liabilities	332	88	-	-
Total liabilities	23,398	29,433	7,782	6,999
NET ASSETS	47,590	47,189	30,960	31,439
EQUITY				
Share capital	32,291	32,291	32,291	32,291
Retained earnings / (accumulated losses)	40,936	40,525	(1,331)	(852)
Merger reserve	(25,628)	(25,628)	-	-
Currency translation reserve	(9)	1	-	-
Total equity	47,590	47,189	30,960	31,439

Notes:

- (1) The Group's trade and other receivables as at the end of respective financial periods comprised the following:

	30 Jun 2017 Unaudited S\$'000	31 Dec 2016 Audited S\$'000
Trade receivables		
-non-related parties	3,564	8,906
Less: Allowance for impairment of trade receivables	(51)	(3,653)
	3,513	5,253
Construction contracts due from customers	50,335	51,522
Retention receivables	7,177	9,031
Less: Allowance for impairment of retention receivables	(474)	(474)
	6,703	8,557
Other receivables	271	293
Less: Allowance for impairment of other receivables	-	(236)
	271	57
Deposits	723	1,201
Less: Allowance for impairment of deposits	(107)	(107)
	616	1,094
Loan to an associated company	-	100
Less: Allowance for impairment of loan to associated company	-	(100)
	-	-
Prepayments	8	30
Total	61,446	66,513

- (2) The Group's trade and other payables as at the end of respective financial periods comprised the following:

	30 Jun 2017 Unaudited S\$'000	31 Dec 2016 Audited S\$'000
Trade payables	9,282	14,803
Construction contracts due to customers	75	-
Other payables	2,118	1,456
Accrued operating expenses	1,184	1,828
Total	12,659	18,087

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

	As at 30 Jun 2017 (Unaudited)		As at 31 Dec 2016 (Audited)	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Convertible bond	-	5,000	-	5,000
Finance lease liabilities	132	-	29	-
Bank loans	1,000	3,906	1,000	4,674

Amount repayable after one year

	As at 30 Jun 2017 (Unaudited)		As at 31 Dec 2016 (Audited)	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Finance lease liabilities	319	-	75	-

Details of any collateral:

Finance leases as at 30 June 2017 are secured by the leased assets (motor vehicle, office equipment & plant and machineries).

Bank loans of S\$1.0 million as at 30 June 2017 are secured by fixed deposit of S\$1.0 million pledged to the bank.

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

	HY2017 (Unaudited) S\$'000	HY2016 (Unaudited) S\$'000
Operating activities		
Net profit for the year	510	1,681
Adjustments for:		
Income tax expense	92	283
(Loss) / Gain on disposal of property, plant and equipment	4	(6)
Depreciation	92	47
Interest income - bank deposit & loan to associated company	(5)	(34)
Interest expense	245	146
Impairment loss on investment in an associated company	-	320
Share of loss of an associated company	-	29
Loss on unrealised currency translation	-	(13)
Operating cash flows before changes in working capital	938	2,453
Changes in working capital		
Trade and other receivables	5,067	(4,735)
Trade and other payables	(5,428)	(1,719)
Inventories	1,710	2,717
Cash provided by /(used in) operations	2,287	(1,284)
Income tax paid	(277)	(38)
Net cash provided by /(used in) operating activities	2,010	(1,322)
Cash flows from investing activities		
Dividend paid to shareholders	(99)	(496)
Additions of property, plant and equipment	(116)	(303)
Proceeds from disposals of property, plant and equipment	-	28
Net cash used in investing activities	(215)	(771)
Cash flows from financing activities		
Interest received	5	3
Interest paid	(251)	(146)
Bank deposit pledged	(5)	(3)
Proceeds from bank borrowings	4,647	380
Repayment of finance leases liabilities	(66)	(10)
Repayment of bank borrowings	(5,416)	(375)
Net cash used in financing activities	(1,086)	(151)
Net increase /(decrease) in cash and cash equivalents	709	(2,244)
Cash and cash equivalents at the beginning of the financial period	1,939	5,636
Cash and cash equivalents at end of the financial period	2,648	3,392

Note:

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

	HY2017 (Unaudited) S\$'000	HY2016 (Unaudited) S\$'000
Cash at bank and on hand	2,648	3,392
Short-term bank deposits	1,019	1,010
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Cash and bank balances per consolidated statement of financial position	3,667	4,402
Less: short-term bank deposit pledged	(1,019)	(1,010)
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Cash and cash equivalents per consolidated cash flow statement	2,648	3,392
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1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial period

Group (Unaudited)	Share capital S\$'000	Retained earnings S\$'000	Merger Reserve S\$'000	Currency translation reserve S\$'000	Total S\$'000
Balance as at 1 January 2017	32,291	40,525	(25,628)	1	47,189
Total comprehensive income for the financial period	-	510	-	(10)	500
Dividend paid for FY2016	-	(99)	-	-	(99)
Balance as at 30 June 2017	32,291	40,936	(25,628)	(9)	47,590
Balance as at 1 January 2016	32,291	38,483	(25,628)	(5)	45,141
Total comprehensive income for the financial period	-	1,681	-	30	1,711
Dividend paid for FY2015	-	(496)	-	-	(496)
Balance as at 30 June 2016	32,291	39,668	(25,628)	25	46,356

Company (Unaudited)	Share capital S\$'000	Accumulated losses S\$'000	Total S\$'000
Balance as at 1 January 2017	32,291	(852)	31,439
Total comprehensive income for the financial period	-	(380)	(380)
Dividend paid for FY2016	-	(99)	(99)
Balance as at 30 June 2017	32,291	(1,331)	30,960
Balance as at 1 January 2016	32,291	(550)	31,741
Total comprehensive income for the financial period	-	(636)	(636)
Dividend paid for FY2015	-	(496)	(496)
Balance as at 30 June 2016	32,291	(1,682)	30,609

1(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.

	<u>Number of Shares</u>	<u>Share capital (S\$)</u>
As at 31 December 2016 and 30 June 2017	99,200,000	32,269,650

The Company had on 30 June 2016 entered into an amendment agreement to the convertible bond subscription agreement with Keong Hong Holdings Limited to extend the maturity date of the unsecured 3-year, 5% convertible bond issued on 19 August 2013 to Keong Hong Holdings Limited with a principal amount of S\$5 million ("Convertible Bond") to 5 September 2017. The Convertible Bond may be converted at the option of Keong Hong Holdings Limited into ordinary shares of the Company from 31 December 2014 till 5 September 2017, at a conversion price of S\$0.42. Accordingly, as at 30 June 2017, the aggregate number of shares that may be issued on conversion of the Convertible Bond is 11,904,000 (30 June 2016: 11,904,000), representing approximately 10.7% (30 June 2016: 10.7%) of the total number of issued shares.

Save for the aforementioned Convertible Bond, the Company did not have any other outstanding convertibles, treasury shares or subsidiary holdings as at 30 June 2017 and 30 June 2016.

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

	<u>Company As at 30 June 2017</u>	<u>Company As at 31 December 2016</u>
Total number of issued shares excluding treasury shares	99,200,000	99,200,000

The Company did not have any treasury shares as at 30 June 2017 and 31 December 2016.

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

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

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

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

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

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

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

Not applicable.

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

Save as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as in the most recently audited annual financial statements for the financial year ended 31 December 2016.

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

In the current financial period reported on, the Group and the Company adopted the new Financial Reporting Standards ("FRS") and Amendments to FRS that are effective for annual period beginning on or after 1 January 2017.

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

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

	Group (Unaudited)	
	HY2017	HY2016
Net profit attributable to equity holders of the Company (S\$'000)	510	1,681
Basic earnings per share (EPS) in Singapore cents ⁽¹⁾	0.51	1.69
Diluted EPS in Singapore cents	0.51 ⁽²⁾	1.62 ⁽³⁾

Notes:

- (1) The basic EPS for HY2017 and HY2016 was calculated based on the weighted average number of ordinary shares in issue during HY2017 and HY2016 of 99,200,000 shares.
- (2) The Convertible bond was not included in the calculation of diluted EPS for HY2017 because it was anti-dilutive for HY2017.
- (3) The diluted EPS for HY2016 was calculated based on 111,104,000 shares assuming full conversion of the Convertible Bond and by adding back the interest paid on the Convertible Bond to the net profit attributable to equity holders of the Company.

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

	Group		Company	
	30 Jun 2017 Unaudited	31 Dec 2016 Audited	30 Jun 2017 Unaudited	31 Dec 2016 Audited
Net asset value (S\$'000)	47,590	47,189	30,960	31,439
Number of issued shares ('000)	99,200	99,200	99,200	99,200
Net asset value per ordinary share based on issued share capital (S\$)	0.48	0.48	0.31	0.32

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of the Income Statement of the Group

HY2017 vs. HY2016

Revenue

Our total revenue decreased by approximately S\$10.0 million or 33.9% from S\$29.3 million in HY2016 to S\$19.3 million in HY2017. Revenue derived from the structural steelworks services segment accounted for approximately 86.0% of our Group's total revenue.

The decrease in revenue from our structural steelworks services segment by approximately 33.9% from S\$25.1 million in HY2016 to S\$16.6 million in HY2017 was mainly due to the decrease in work done from several projects which were reaching completion during HY2017. The decrease in revenue was partially offset by higher revenue contributed from Shenton Way Station Project, Marina Bay Station Project and newly commenced projects, namely North Point Yishun Project, State Court Chinatown Project and Tanah Merah Station Project.

Revenue from the tunneling services segment decreased from S\$4.2 million in HY2016 to S\$2.7 million in HY2017 mainly due to decrease in work done for the Jurong Island to Pioneer Transmission Cable Tunnel Project and East-West Transmission Cable Tunnel Project partially offset by increase in work done for the Stevens Station Tunnel Project and Shenton Way Tunnel Project.

Cost of works

Our cost of works decreased by approximately S\$9.7 million or 37.9% from S\$25.6 million in HY2016 to S\$15.9 million in HY2017, primarily due to the decrease in cost of works for the structural steelworks services segment of approximately S\$9.0 million.

Our cost of works for the structural steelworks services segment decreased by 39.4% from approximately S\$23.1 million in HY2016 to S\$14.0 million in HY2017 mainly due to decrease in subcontractors costs of S\$4.8 million, materials cost of S\$2.2 million, worksite expenses of S\$1.3 million and rental expenses of S\$1.1 million, which was in line with the decrease in revenue from our structural steelworks services segment.

Our cost of works for tunneling services segment decreased by 24.0% from approximately S\$2.5 million in HY2016 to S\$1.9 million in HY2017 mainly due to decrease in employee compensation of S\$0.5 million and rental expenses of S\$0.1 million.

Gross profit

Our Group's gross profit decreased by approximately S\$0.2 million or 6.3% from S\$3.7 million in HY2016 to S\$3.5 million in HY2017. Our gross profit margin increased from 12.6% in HY2016 to 17.9% in HY2017 arising from better cost management.

Other losses - net

Our Group recognized other losses of S\$1.4 million in HY2017 as compared to other losses of S\$0.3 million in HY2016. This was mainly due to decrease in loss on foreign currency exchange of approximately S\$0.1 million, decrease in government grants of approximately S\$0.1 million and the increase in loss of approximately S\$1.2 million arising from the sale of scrap materials at below cost during HY2017.

Interest expense

Interest expense increased by S\$0.1 million or 67.8% from S\$0.15 million in HY2016 to S\$0.25 million in HY2017 mainly due to the increase in utilisation of bank borrowings and finance lease in HY2017.

Profit before income tax

The Group recorded a profit before tax of S\$0.6 million in HY2017, a decrease of S\$1.4 million as compared to the profit before tax of S\$2.0 million in HY2016, mainly due to the above-mentioned factors.

Income tax expense

Income tax expense of approximately S\$0.09 million was recorded in HY2017 as compared to approximately S\$0.28 million in HY2016. The effective tax rate in HY2017 was lower than the statutory tax rate of 17% due mainly to enhance tax deduction under the productivity and innovation credit scheme, statutory stepped income tax exemption and the tax rebate of \$10,000.

Review of the Financial Position of the Group

Current assets

Our current assets decreased by approximately S\$6.1 million to S\$68.3 million as at 30 June 2017 mainly due to:

- (i) a decrease in trade and other receivables by approximately S\$5.1 million, as a result of:
 - decrease in construction contracts due from customers and retention receivables of approximately S\$3.1 million which was in line with the decrease in revenue;
 - decrease in trade receivables due to settlement of billings by customers of approximately S\$1.7 million;
 - decrease in deposits of approximately S\$0.5 million due to reclassification of deposit for crawler crane to property, plant and equipment; offset by
 - increase in other receivables of approximately S\$0.2 million due to compensation amount payable by directors of a former associated company for performance bond undertaking by an insurance company;

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- (ii) a decrease in inventories by approximately S\$1.7 million mainly because the Group had utilised materials which were bought back previously for certain projects; and offset by,
- (iii) an increase in cash and bank balances by approximately S\$0.7 million.

Non-Current assets

Our non-current assets increased by approximately S\$0.4 million to S\$2.7 million as at 30 June 2017. The increase was mainly due to purchase of crawler crane and office equipment of approximately S\$0.5 million which were offset by the depreciation of property, plant and equipment of approximately S\$0.1 million during HY2017.

Current liabilities

Our current liabilities decreased by approximately S\$6.2 million to S\$23.1 million as at 30 June 2017, mainly due to:

- (i) a decrease in current borrowings by S\$0.7 million mainly due to the repayment of bank borrowings and finance lease obligations of approximately S\$5.5 million, partially offset by utilisation of invoice financing facilities from bank and hire purchase of a crawler crane in aggregate of approximately S\$4.8 million; and
- (ii) a decrease in trade and other payables of approximately S\$5.4 million, as a result of:
- decrease in trade payables of S\$5.5 million which was in line with a lower volume of work carried out for on-going projects on hand;
 - decrease in accrued operating expenses of approximately S\$0.6 million due to lower of subcontractors and hiring of equipment cost accrued in HY2017 as compared to FY2016; offset by
 - increase in other payables of approximately S\$0.7 million due to increase in advance payment received from main contractor, GST payable and compensation amount payable for performance bond undertaking to an insurance company of an aggregate amount of S\$0.7 million.

Non-Current liabilities

Non-current borrowings had increased by approximately S\$0.2 million mainly due to hire purchase of one unit of crawler crane.

Equity

As at 30 June 2017, our equity of approximately S\$47.6 million comprised mainly share capital of S\$32.3 million and net reserves of S\$15.3 million.

Review of the Cash Flow Statement of the Group

Net cash provided by operating activities

In HY2017, we recorded net cash inflow from operating activities of approximately S\$2.0 million, which was a result of operating cash flows before changes in working capital of approximately S\$0.9 million, adjusted for net working capital inflow of approximately S\$1.4 million as well as income tax paid of S\$0.3 million. Our working capital inflows were mainly due to a decrease in trade and other receivables and inventories of approximately S\$5.1 million and S\$1.7 million, partially offset by a decrease in trade and other payables of approximately S\$5.4 million.

Net cash used in investing activities

Net cash used in investing activities amounted to approximately S\$0.2 million, which was mainly attributable to dividend payment to shareholders of approximately S\$0.1 million and additions of property, plant and equipment of approximately S\$0.1 million.

Net cash used in financing activities

Net cash used in financing activities amounted to approximately S\$1.1 million in HY2017, which was mainly due to interest paid, repayment of bank borrowings and finance leases which amounting to an aggregate of S\$5.7 million, partially offset by proceeds from bank borrowings of approximately S\$4.6 million.

As at 30 June 2017, our cash and cash equivalents were approximately S\$2.6 million.

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

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

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

The outlook for the Singapore construction industry for the next 12 months remains positive. The Building and Construction Authority projected S\$20.0 billion to S\$24.0 billion and S\$18.0 billion to S\$23.0 billion of public sector projects in 2017 and 2018 respectively⁽¹⁾.

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

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

Source:

(1) Building and Construction Authority. (06 January 2017). Public Sector Construction Demand Is Expected To Increase This Year. Retrieved from https://www.bca.gov.sg/newsroom/others/PR_Prospect2017.pdf

11. Dividend

(a) Current Financial Period Reported On

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

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

No.

(c) Date payable: Not Applicable

(d) Books closure date: Not Applicable

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

No dividend has been declared or recommended for HY2017.

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

Not applicable. The Group does not have a general mandate for IPTs. There were no IPTs for HY2017.

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 undertakings have been procured from the Board of Directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

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

The Board of Directors (the “**Board**”) confirms that to the best of their knowledge, nothing has come to the attention of the Board which may render the unaudited HY2017 financial results for the Company and the Group set out above to be false or misleading in any material aspect.

By Order of the Board

HOOI YU KOH
CEO/Managing Director
14 August 2017

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

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

The contact person for the Sponsor is Ms Keng Yeng Pheng, Associate Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).
