

## LEY CHOON GROUP HOLDINGS LIMITED

### FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2016

#### PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3, Q4), HALF-YEAR AND FULL YEAR RESULTS

**1(a)(i) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year**

	1 <sup>st</sup> Quarter ended		Change %
	30 Jun 2016	30 Jun 2015	
	\$'000	\$'000	
Revenue	29,069	4,431	556.0
Cost of sales	<u>(22,212)</u>	<u>(29,759)</u>	-25.4
<b>Gross profit/(loss)</b>	6,857	(25,328)	n/m
Other income	772	1,025	-24.7
Distribution expenses	(101)	(185)	-45.4
Administrative expenses	(4,630)	(5,667)	-18.3
Other operating expenses	<u>(414)</u>	<u>(35)</u>	1082.9
<b>Results from operating activities</b>	2,484	(30,190)	n/m
Finance costs	<u>(1,855)</u>	<u>(1,233)</u>	50.4
<b>Profit/(loss) before tax</b>	629	(31,423)	n/m
Tax expense	<u>-</u>	<u>(38)</u>	n/m
<b>Profit/(loss) for the period</b>	629	(31,461)	n/m
<b>Other comprehensive loss</b>			
Foreign currency translation differences – foreign operations	<u>(612)</u>	<u>(497)</u>	23.1
<b>Total comprehensive income/(loss) for the period</b>	<u>17</u>	<u>(31,958)</u>	n/m
<b>Profit/(loss) attributable to:</b>			
Owners of the Company	629	(31,512)	n/m
Non-controlling interests	<u>-</u>	<u>51</u>	n/m
<b>Profit/(loss) for the period</b>	<u>629</u>	<u>(31,461)</u>	n/m
<b>Total comprehensive income/(loss) attributable to:</b>			
Owners of the Company	17	(32,009)	n/m
Non-controlling interests	<u>-</u>	<u>51</u>	n/m
<b>Total comprehensive income/(loss) for the period</b>	<u>17</u>	<u>(31,958)</u>	n/m

*n/m – not meaningful*

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

The statement of comprehensive income/(loss) is arrived at after charging/(crediting) the following:

	1 <sup>st</sup> Quarter ended		Change %
	30 Jun 2016 \$'000	30 Jun 2015 \$'000	
Amortisation of lease prepayment	17	19	-10.5
Depreciation of property, plant and equipment	2,931	3,338	-12.2
Foreign exchange loss/(gain), net	99	(207)	n/m
Change in fair value of financial assets designated at fair value through profit or loss	(32)	35	n/m
Interest income	(16)	(17)	-5.9
Dividend income from other investments	(1)	(2)	-50.0
Impairment loss on trade receivables	-	33	n/m
Write down on development property	301	-	n/m
Provision for liquidated damages made	-	589	n/m
Gain on disposal of property, plant and equipment	(162)	(165)	-1.8
Finance costs	1,855	1,233	50.4
Operating lease expenses	288	402	-28.4

*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	
	As at 30 Jun 2016 \$'000	As at 31 Mar 2016 \$'000	As at 30 Jun 2016 \$'000	As at 31 Mar 2016 \$'000
<b>Assets</b>				
Land use rights	3,146	3,253	-	-
Property, plant and equipment	61,946	65,005	-	-
Subsidiaries	-	-	55,084	55,084
Club membership	229	229	-	-
Deferred tax assets	883	890	154	154
<b>Non-current assets</b>	<u>66,204</u>	<u>69,377</u>	<u>55,238</u>	<u>55,238</u>
Inventories	7,435	5,208	-	-
Development property	9,899	10,200	-	-
Contracts work in progress	20,192	24,993	-	-
Trade and other receivables	37,407	34,414	2,436	2,436
Other investments	43	11	-	-
Cash and bank balances	14,210	14,296	113	23
Fixed deposits	1,449	3,810	-	-
	<u>90,635</u>	<u>92,932</u>	<u>2,549</u>	<u>2,459</u>
Non-current assets classified as held for sale	7,654	7,654	-	-
	<u>98,289</u>	<u>100,586</u>	<u>2,549</u>	<u>2,459</u>
<b>Total assets</b>	<u>164,493</u>	<u>169,963</u>	<u>57,787</u>	<u>57,697</u>
<b>Equity</b>				
Share capital	71,117	71,117	137,336	137,336
Other reserves	23	635	(981)	(981)
Accumulated losses	(65,097)	(65,726)	(128,088)	(126,963)
<b>Total equity</b>	<u>6,043</u>	<u>6,026</u>	<u>8,267</u>	<u>9,392</u>
<b>Liabilities</b>				
Borrowings	2,578	3,927	-	-
<b>Non-current liabilities</b>	<u>2,578</u>	<u>3,927</u>	<u>-</u>	<u>-</u>
Borrowings	106,486	106,805	18,127	18,080
Trade and other payables	46,945	50,764	31,393	30,225
Provisions	2,441	2,441	-	-
<b>Current liabilities</b>	<u>155,872</u>	<u>160,010</u>	<u>49,520</u>	<u>48,305</u>
<b>Total liabilities</b>	<u>158,450</u>	<u>163,937</u>	<u>49,520</u>	<u>48,305</u>
<b>Total equity and liabilities</b>	<u>164,493</u>	<u>169,963</u>	<u>57,787</u>	<u>57,697</u>

## 1(b)(ii) Aggregate amount of the Group's borrowing and debt securities

(a) Amount repayable in one year or less, or on demand

	Group	
	As at 30 Jun 2016 \$'000	As at 31 Mar 2016 \$'000
<b>Unsecured</b>		
Loan from controlling shareholders	3,326	3,279
Convertible bond	14,801	14,801
	18,127	18,080
<b>Secured</b>		
Bank overdrafts	16,343	8,462
Bank loans	55,204	54,976
Bills payable	13,012	21,484
Finance lease liabilities	3,800	3,803
	88,359	88,725
<b>Total</b>	106,486	106,805

(b) Amount repayable after one year

	Group	
	As at 30 Jun 2016 \$'000	As at 31 Mar 2016 \$'000
<b>Secured</b>		
Finance lease liabilities	2,578	3,927
<b>Total</b>	2,578	3,927

(c) Details of any collateral

Bank overdrafts, bills payable and bank loans are secured by the following:

- (i) legal mortgage over the Group's leasehold properties;
- (ii) charge over certain of the Group's plant and equipment;
- (iii) legal mortgage over the Group's development property;
- (iv) corporate guarantees by the Company; and/or
- (v) fixed deposits of the Group.

The Group's lease obligations under finance leases are secured by the lessors' title to the leased assets. The carrying amount of the assets under finance lease is \$15.7 million as at 30 June 2016.

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

	<b>3 Months Period ended</b>	
	<b>30 Jun 2016</b>	<b>30 Jun 2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash Flows from Operating Activities:</b>		
Profit/(loss) for the period	629	(31,461)
Adjustments for:		
Bad debts written off	-	(32)
Amortisation of land use rights	17	19
Depreciation of property, plant and equipment	2,931	3,338
Provision for liquidated damage	-	589
Impairment loss on trade receivables	-	33
Write-down on development property	301	-
Gain on disposal of property, plant and equipment	(162)	(165)
Fair value loss on other investments	(32)	35
Dividend income from other investments	(1)	(2)
Interest income	(16)	(17)
Finance costs	1,855	1,233
Gain on disposal of a subsidiary	-	(7)
Tax expense	-	38
	5,522	(26,399)
<b>Changes in working capital:</b>		
Development property	-	(759)
Inventories	(2,250)	24
Contracts work in progress	4,762	30,746
Trade and other receivables	(3,456)	(5,684)
Trade and other payables	(3,798)	7,487
	780	5,415
<b>Cash generated from operations</b>	780	5,415
Tax paid	-	(43)
	780	5,372
<b>Net cash generated from operating activities</b>		
<b>Cash Flows from Investing Activities:</b>		
Interest received	16	17
Purchase of property, plant and equipment	(221)	(694)
Dividend received from other investments	1	2
Proceeds from disposal of property, plant and equipment	191	-
Disposal of a subsidiary, net of cash disposed of	-	(1,476)
	(13)	(2,151)
<b>Net cash used in investing activities</b>		
<b>Cash Flows from Financing Activities:</b>		
Interest paid	(381)	(1,233)
Proceeds from loans from financial institutions	1,219	13,343
Proceeds from bills payable	-	18,633
Repayment of loans from financial institutions	(2,125)	(14,889)
Repayment of bills payable	(8,472)	(19,176)
Repayment of finance lease liabilities	(1,352)	(1,953)
Loan from controlling shareholders	-	(104)
Cash restricted in use	(596)	-
Decrease /(increase) in fixed deposits pledged with bank	2,360	(637)
	(9,347)	(6,016)
<b>Net cash used in financing activities</b>		

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

	<b>3 Months Period ended</b>	
	<b>30 Jun 2016</b>	<b>30 Jun 2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Net decrease in cash and cash equivalents</b>	(8,580)	(2,795)
<b>Cash and cash equivalents at beginning of period</b>	2,570	(1,835)
Exchange differences on translation of cash and cash equivalents at beginning of period	18	341
<b>Cash and cash equivalents at end of period</b>	<u>(5,992)</u>	<u>(4,289)</u>

During the 3 months period ended 30 June 2016, the Group acquired property, plant and equipment with an aggregate cost of \$221,000 (3 months period ended 30 June 2015: \$694,000), of which \$nil (3 months period ended 30 June 2015: \$nil) were acquired under finance leases.

Reconciliation from cash and cash equivalents in statement of cash flows to cash and bank balances and fixed deposits in statement of financial position

Cash and cash equivalents	(5,992)	(4,289)
Bank overdrafts	16,343	8,850
Cash restricted in use	3,859	-
Fixed deposits pledged	1,449	7,028
	<u>15,659</u>	<u>11,589</u>
Comprising the following:		
Cash at bank and on hand	14,210	4,561
Fixed deposits	1,449	7,028
	<u>15,659</u>	<u>11,589</u>

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

<b>Group</b>	<b>Share capital \$'000</b>	<b>Accumulated profits/ (losses) \$'000</b>	<b>Equity component of convertible bonds \$'000</b>	<b>Foreign currency translation reserve \$'000</b>	<b>Equity attributable to owners of the Company \$'000</b>	<b>Non-controlling interests \$'000</b>	<b>Total \$'000</b>
At 1 April 2015	71,117	(5,628)	146	2,233	67,868	409	68,277
<b>Total comprehensive (loss)/income for the period</b>							
(Loss)/profit for the period	-	(31,512)	-	-	(31,512)	51	(31,461)
<b>Other comprehensive loss</b>							
Currency translation differences	-	-	-	(497)	(497)	-	(497)
Total other comprehensive loss for the period	-	-	-	(497)	(497)	-	(497)
<b>Total comprehensive (loss)/income</b>	-	(31,512)	-	(497)	(32,009)	51	(31,958)
Change in ownership interest in subsidiaries							
Disposal of a subsidiary	-	-	-	-	-	(460)	(460)
<b>Transactions with owners in their capacity as owners</b>	-	-	-	-	-	(460)	(460)
<b>At 30 June 2015</b>	<b>71,117</b>	<b>(37,140)</b>	<b>146</b>	<b>1,736</b>	<b>35,859</b>	<b>-</b>	<b>35,859</b>
At 1 April 2016	71,117	(65,726)	146	489	6,026	-	6,026
<b>Total comprehensive (loss)/income for the period</b>							
Profit for the period	-	629	-	-	629	-	629
<b>Other comprehensive loss</b>							
Currency translation differences	-	-	-	(612)	(612)	-	(612)
Total other comprehensive loss for the period	-	-	-	(612)	(612)	-	(612)
<b>Total comprehensive income/(loss)</b>	-	629	-	(612)	17	-	17
<b>At 30 June 2016</b>	<b>71,117</b>	<b>(65,097)</b>	<b>146</b>	<b>(123)</b>	<b>6,043</b>	<b>-</b>	<b>6,043</b>

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

<u>Company</u>	Share capital \$'000	Capital reserve \$'000	Accumulated losses \$'000	Total \$'000
At 1 April 2015	137,336	(981)	(38,931)	97,424
<b>Total comprehensive loss for the period</b>				
Loss for the period/Total comprehensive loss	-	-	(543)	(543)
<b>At 30 June 2015</b>	<b>137,336</b>	<b>(981)</b>	<b>(39,474)</b>	<b>96,881</b>
At 1 April 2016	137,336	(981)	(126,963)	9,392
<b>Total comprehensive loss for the period</b>				
Loss for the period/Total comprehensive loss	-	-	(1,125)	(1,125)
<b>At 30 June 2016</b>	<b>137,336</b>	<b>(981)</b>	<b>(128,088)</b>	<b>8,267</b>

**1(d)(ii) Details of any changes in the company's share capital arising from right issues, bonus issue, share buy-back, exercise of share option 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.**

There was no change in the Company's share capital since the end of the previous period reported on.

As at 30 June 2016 (and 31 March 2016), the Company's issued and paid-up share capital was S\$137,336,285 (and S\$137,336,285).

There was no treasury share held by the Company.

**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.**

<b>Actual</b>	<b>30 June 2016</b>	<b>31 March 2016</b>
Total number of issued shares excluding treasury shares	592,406,996	592,406,996

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

Not applicable.

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

The figures have not been audited or reviewed.

**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.**

There were no significant changes in accounting policies and methods of computation adopted in financial statements for the current reporting period as compared to the most recent audited annual financial statements for the period ended 31 March 2016.

5. **If there are any changes in the accounting policies and method 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 financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

Earnings per share (EPS)	1 <sup>st</sup> Quarter ended	
	30 Jun 2016	30 Jun 2015
<b><u>Continuing operations</u></b>		
EPS based on weighted average number of ordinary shares on issue (cents)	0.11	(5.32)
EPS based on a fully diluted basis	0.11	(5.32)
Weighted average number of shares	592,406,996	592,406,996

As at 30 June 2016, the convertible bonds do not have a dilutive effect because the average market price of the Company's ordinary shares for the period does not exceed the conversion price.

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

Net asset value (NAV)	Group		Company	
	As at 30 Jun 2016	As at 31 Mar 2016	As at 30 Jun 2016	As at 31 Mar 2016
NAV per ordinary share (cents)	1.02	1.02	1.40	1.59
Number of shares	592,406,996	592,406,996	592,406,996	592,406,996

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 earning of the group for the current financial period reported on, including (where applicable) seasonable or cyclical factors; and**
- (b) **any material factors that affected the cash flow, working capital, assets and liabilities of the group during the current financial period reported on.**

## **Comprehensive income statement**

### Revenue

Revenue increased by approximately \$24.6 million or 556.0% to \$29.1 million for the three months ended 30 June 2016 ("Q1FY17") compared to the corresponding period ended 30 June 2015 ("Q1FY16") of \$4.4 million. The increase was due mainly to the absence of revenue adjustments amounting \$24.4 million which adversely impacted revenue in the prior period.

### Gross profit

Gross profit was \$6.9 million or 23.6% for Q1FY17 compared to gross loss of approximately \$25.3 million for Q1FY16 due to the absence of adjustments in revenue as explained above.

### Other income

Other income for Q1FY17 decreased by approximately \$0.3 million or 24.7% to \$0.8 million compared to Q1FY16 due mainly to foreign exchange losses during the period as compared to the gain in the prior period.

### Distribution expenses

Distribution expenses for Q1FY17 decreased by approximately \$0.08 million or 45.4% to \$0.1 million compared to Q1FY16 due mainly to less commission and insurance expenses.

### Administrative expenses

Administrative expenses for Q1FY17 decreased by approximately \$1.0 million or 18.3% to \$4.6 million compared to Q1FY16 due mainly to decreases in administrative staff costs and depreciation of property, plant and equipment, partially offset by the increase in professional fees in relation to the debt restructuring exercise.

### Other operating expenses

Other operating expense for Q1FY17 increased by approximately \$0.4 million compared to Q1FY16 due mainly to additional write down on development property at No.241 Pasir Panjang Road, Singapore.

### Finance costs

Finance costs for Q1FY17 increased by approximately \$0.6 million or 50.4% to \$1.9 million compared to Q1FY16 due mainly to accrual of additional interest for bank loans arising from the debt restructuring exercise.

### Net profit/(loss) after tax

The Group reported a net profit after tax of \$0.6 million for Q1FY17 compared to a net loss after tax of \$31.5 million for Q1FY16 due to the various reasons as explained above.

## **Consolidated statement of financial position**

### **Non-current assets**

The Group's property, plant and equipment decreased by \$3.1 million from \$65.0 million as at 31 March 2016 to \$61.9 million as at 30 June 2016, mainly due to depreciation during the period.

### **Current assets**

The Group's current assets decreased by \$2.3 million from \$100.6 million as at 31 March 2016 to \$98.3 million as at 30 June 2016, mainly attributable to the following:

- (a) decrease in cash and cash equivalents by \$2.4 million to \$15.7 million as at 30 June 2016 compared to \$18.1 million as at 31 March 2016 mainly due to repayment of borrowings;
- (b) decrease in contract work in progress by \$4.8 million to \$20.2 million as at 30 June 2016 compared to \$25.0 million as at 31 March 2016 due to increased billings;
- (c) decrease in development property by \$0.3 million to \$9.9 million as at 30 June 2016 compared to \$10.2 million as at 31 March 2016 due to additional write down on development property at No.241 Pasir Panjang Road, Singapore; and

which have been partially offset by the following:

- (d) increase in inventories by \$2.2 million to \$7.4 million as at 30 June 2016 compared to \$5.2 million as at 31 March 2016 due to more materials purchased for projects;
- (e) increase in trade and other receivables by \$3.0 million to \$37.4 million as at 30 June 2016 compared to \$34.4 million as at 31 March 2016 due to increased billings during the period.

### **Current liabilities**

The Group's current liabilities decreased by \$4.1 million from \$160.0 million as at 31 March 2016 to \$155.9 million as at 30 June 2016, mainly due to decrease in trade and other payables due to payments.

### **Non-current liabilities**

The Group's non-current liabilities decreased by \$1.3 million from \$3.9 million as at 31 March 2016 to \$2.6 million as at 30 June 2016 mainly due to repayment of finance lease liabilities.

## **Consolidated statement of cash flow**

### **Net cash generated from operating activities**

Net cash generated from operating activities was \$0.8 million, comprising cash from operating activities before working capital changes of \$5.5 million, partially offset by net working capital outflow of \$4.7 million.

The net working capital outflow of \$4.7 million was due mainly to the following:

- (a) decrease in contract work in progress of approximately \$4.8 million due to increased billings;
- (b) increase in inventories of approximately \$2.2 million due to more materials purchased for projects;
- (c) decrease in trade and other payables of approximately \$3.8 million due to higher payment to the creditors; and
- (d) increase in trade and other receivables of approximately \$3.5 million due to higher billings.

### **Net cash used in investing activities**

Net cash used in investing activities of approximately \$0.01 million was due mainly to purchase of plant and equipment partially offset by disposal of plant and equipment.

### **Net cash used in financing activities**

Net cash used in financing activities of approximately \$9.3 million was due mainly to repayment of loans from financial institutions, bills payable and finance lease liabilities amounting to approximately \$11.9 million, which was partially offset by proceeds from loans from financial institutions and fixed deposits amounting to approximately \$3.5 million.

**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 previously disclosed.

**10. A commentary at the date of 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 Group continued to tender for projects as the construction demand from public sector remains high in FY2017. In June 2016, the Group secured two contracts from PUB worth \$36 million for the supply and laying of pipelines and maintenance and servicing of installations in water supply. With these secured contracts, the Group's unfulfilled order book stands at approximately \$137 million as at 30 June 2016.

As part of the debt restructuring exercise, at an Extraordinary General Meeting held on 12 August 2016, the shareholders approved the proposed disposal of two leasehold properties and certain plant and equipment. To date, the Group is working towards signing the Debt Restructuring Agreement with its major lenders by September 2016.

**11. Dividends**

**(a) Current financial period**

Any dividend declared for the current financial period reported on? No

**(b) Previous corresponding financial period**

Any dividend declared for the previous corresponding financial period reported on? No

**(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) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

Not applicable

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

No dividend has been declared.

**13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group has originally obtained a general mandate for the recurrent interested/related party transactions from the shareholders in the extraordinary general meeting held on 13 July 2012 and it was subsequently renewed at every Annual General Meeting. The latest renewal was approved in the Annual General Meeting recently held on 22 July 2016. The approved interested/related parties are a) Pan Asian Holdings Limited (formerly known as Pan Asia Water Solutions Limited), b) HS E&C Pte Ltd (formerly known as Hen Sheng Civil Engineering Pte. Ltd), and c) Sing & San Construction Pte Ltd and their respective Associates.

The aggregate values of such transactions are as follow:

	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)
<b>Name of Interested Person and/or Related Person</b>	<b>1<sup>st</sup> Quarter ended 30 Jun 2016 \$'000</b>	<b>1<sup>st</sup> Quarter ended 30 Jun 2016 \$'000</b>
Purchases from: Pan Asian Holdings Limited	Nil	1,400

**14. Confirmation pursuant to Rule 705(5) of the listing manual**

On behalf of the Board of Directors of the Company, we, Toh Choo Huat and Koh Tiam Teng, being Directors of the Company, 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 unaudited financial statements for the three-months period ended 30 June 2016 to be false or misleading in any material aspect.

**15. Confirmation that the issuer has procured undertakings from all its directors and executive officers**

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 pursuant to Rule 720 (1) of the Listing Manual.

**BY ORDER OF THE BOARD**

Toh Choo Huat  
Executive Chairman and Chief Executive Officer

12 August 2016