



ISOTEAM LTD.

(Company Registration No. 201230294M)

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2013

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("Sponsor"), Hong Leong Finance Limited for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

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

The contact person for the Sponsor is Ms Joan Ling, Senior Vice President, Head of Corporate Finance, at 16 Raffles Quay, #40-01A Hong Leong Building, Singapore 048581, Telephone (65) 6415 9886.

Background

The Company was incorporated in Singapore on 12 December 2012 under the Companies Act (Chapter 50) as a private company limited by shares under the name of ISOTeam Pte. Ltd.. On 12 June 2013, our Company was converted into a public company limited by shares and our name was changed to "ISOTeam Ltd.". The Company and its subsidiaries (the "Group"), were formed pursuant to a restructuring exercise which was conducted to streamline and rationalise the Group structure and business activities (the "Restructuring Exercise") prior to the Company's initial public offering ("IPO") and listing on Catalist of the SGX-ST. Please refer to the Company's offer document dated 5 July 2013 ("Offer Document") for further details on the Restructuring Exercise.

The Company was admitted to Catalist on 12 July 2013. For the purpose of this announcement, the results of the Group for the half year ended 31 December 2013 ("HY2014"), and the comparative results of the Group for the half year ended 31 December 2012 ("HY2013") represented a combination or aggregation of the financial statements of the Company and its subsidiaries after the Restructuring Exercise, and have been prepared on the assumption that the Group structure following the completion of the Restructuring Exercise has been in place since 1 July 2011.

PART 1 INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a) 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.

1(a)(i) Consolidated Statement of Comprehensive Income

	Note	Group		Change %
		Six Months Ended		
		31.12.13 \$'000	31.12.12 \$'000	
Revenue		31,895	22,088	44.4
Cost of sales		(26,543)	(18,182)	46.0
Gross profit		5,352	3,906	37.0
Other income	(a)	254	247	2.8
Marketing and distribution expenses		(365)	(331)	10.3
General and administrative expenses		(2,628)	(2,049)	28.3
Finance costs		(208)	(160)	30.0
Profit before tax	(b)	2,405	1,613	49.1
Tax expense		(276)	(296)	(6.8)
Profit and total comprehensive income for the period		2,129	1,317	61.7
Profit and total comprehensive income attributable to:				
Owners of the Company		2,126	1,317	61.4
Non-controlling interests		3	-	N/M
		2,129	1,317	61.7

"N/M" denotes Not Meaningful if % of change is more than 300%

1(a)(ii) Notes to the Consolidated Statement of Comprehensive Income

	<u>Group</u>		Change %
	Six Months Ended		
	31.12.13 \$'000	31.12.12 \$'000	
(a) <u>Other income</u>			
Accounting income from related parties	-	15	(100.0)
Government grants	4	7	(42.9)
Gain on disposal of property, plant and equipment	2	-	N/M
Interest income	9	1	N/M
Sales of scrap materials	6	14	(57.1)
Rental income	116	56	107.1
Bad debt recovered	3	-	N/M
Others	114	154	(26.0)
	<u>254</u>	<u>247</u>	
(b) <u>Profit before tax</u>			
This is arrived at after charging:			
Audit fees payable/paid to auditor of the Company	65	25	160.0
Depreciation of property, plant and equipment	216	199	8.5
Gain on disposal of property, plant and equipment	(2)	-	N/M
Property, plant and equipment written off	-	51	(100.0)

"N/M" denotes Not Meaningful if % of change is more than 300%

1(b) 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.

1(b)(i) Statements of Financial Position

	Group		Company		
	Note	As at 31.12.13 \$'000	As at 30.06.13 \$'000	As at 31.12.13 \$'000	As at 30.06.13 \$'000
Assets					
<u>Non-current assets</u>					
Property, plant and equipment		4,693	4,441	-	-
Investment in subsidiaries		-	-	13,750	13,399
Investment securities		400	400	-	-
		<u>5,093</u>	<u>4,841</u>	<u>13,750</u>	<u>13,399</u>
<u>Current assets</u>					
Due from customers for contract work-in-progress		3,262	2,966	-	-
Inventories		76	-	-	-
Trade and other receivables		18,570	16,572	393	575
Dividend receivables from subsidiaries		-	-	-	2,400
Cash and bank balances		14,646	8,463	5,047	-
Total current assets		<u>36,554</u>	<u>28,001</u>	<u>5,440</u>	<u>2,975</u>
Total assets		<u>41,647</u>	<u>32,842</u>	<u>19,190</u>	<u>16,374</u>
<u>Non-current liabilities</u>					
Finance lease liabilities		443	559	-	-
Deferred tax liabilities		59	59	-	-
Total non-current liabilities		<u>502</u>	<u>618</u>	<u>-</u>	<u>-</u>
<u>Current liabilities</u>					
Due to customers for contract work-in-progress		5,339	2,255	-	-
Bank borrowings		3,530	4,187	-	-
Trade and other payables		8,960	9,630	3,482	5,418
Finance lease liabilities		313	444	-	-
Tax payables		1,157	1,080	-	-
Total current liabilities		<u>19,299</u>	<u>17,596</u>	<u>3,482</u>	<u>5,418</u>
Total liabilities		<u>19,801</u>	<u>18,214</u>	<u>3,482</u>	<u>5,418</u>
Net assets		<u>21,846</u>	<u>14,628</u>	<u>15,708</u>	<u>10,956</u>
Share capital and reserves					
Share capital		15,867	9,651	15,867	9,651
Accumulated profits / (losses)		13,265	12,315	(159)	1,305
Merger reserve		(7,338)	(7,338)	-	-
Equity attributable to owners of the Company		<u>21,794</u>	<u>14,628</u>	<u>15,708</u>	<u>10,956</u>
Non-controlling interests		52	-	-	-
Total equity		<u>21,846</u>	<u>14,628</u>	<u>15,708</u>	<u>10,956</u>

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

	Group			
	As at 31 December 2013		As at 30 June 2013	
	\$'000	\$'000	\$'000	\$'000
<u>Secured</u>				
Amount repayable in one year or less, or on demand	3,843	-	4,631	-
Amount repayable after one year	443	-	559	-
	<u>4,286</u>	<u>-</u>	<u>5,190</u>	<u>-</u>
<u>Unsecured</u>				
Amount repayable in one year or less, or on demand	-	-	-	-
Amount repayable after one year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Details of any collaterals

- (a) Bank borrowings amounting to \$1.1 million was secured by all book debts and bills receivables, corporate guarantee from a related company of the Company's directors, personal guarantees from the Company's directors.
- (b) Bank borrowings amounting to \$2.2 million was secured by a legal mortgage over the leasehold property of a subsidiary, pledged fixed deposits and joint and several personal guarantees from the Company's directors.
- (c) Bank borrowings amounting to \$0.2 million was secured by pledged fixed deposits and joint and several personal guarantees from the Company's directors.
- (d) Finance lease obligations of the Group amounting to \$0.8 million were secured by the rights to the leased equipment, machineries and motor vehicles. The Company's directors have provided personal guarantees for certain of the finance lease liabilities.

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.

1(c)(i) Consolidated Statement of Cash Flows

	Group	
	Six Months Ended	
	Note	31.12.12
	31.12.13	31.12.12
	\$'000	\$'000
Cash flows from operating activities		
Profit before income tax	2,405	1,613
Adjustment for:-		
Depreciation of property, plant and equipment	216	199
Gain on disposal of property, plant and equipment	(2)	-
Property, plant and equipment written off	-	51
Interest income	(9)	(1)
Interest expense	194	155
Operating cash flows before working capital changes	<u>2,804</u>	<u>2,017</u>
Project work-in-progress	2,788	(43)
Inventories	(76)	-
Trade and other receivables	(1,998)	(1,677)
Trade and other payables	583	787
Cash generated from operations	4,101	1,084
Interest received	9	1
Interest paid	(194)	(155)
Tax paid	(199)	(244)
Net cash generated from operating activities	<u>3,717</u>	<u>686</u>
Cash flows from investing activities		
Purchases of property, plant and equipment	(466)	(144)
Purchase of investment securities	-	(400)
Net cash used in investing activities	<u>(466)</u>	<u>(544)</u>
Cash flows from financing activities		
Net proceed from issuance of ordinary shares	6,216	-
Dividend paid	(1,176)	-
Capital contributed by non-controlling interest	49	-
(Repayment to) / advance from related parties (non-trade)	(1,253)	71
Repayment to directors	-	(564)
Fixed deposits pledged to banks	(3)	(344)
Repayment of bank borrowings	(657)	(663)
Repayment of finance lease	(247)	(231)
Net cash generated from / (used in) financing activities	<u>2,929</u>	<u>(1,731)</u>
Net increase / (decrease) in cash or cash equivalents	6,180	(1,589)
Cash and cash equivalents at beginning of financial period	<u>6,907</u>	<u>4,128</u>
Cash and cash equivalents at end of financial period	<u>13,087</u>	<u>2,539</u>

1(c)(ii) Notes to the Consolidated Statement of Cash Flows

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following:-

	Group	
	Six Months Ended	
	31.12.13	31.12.12
	\$'000	\$'000
Cash in hand and at bank	13,087	2,539
Fixed deposits	1,559	1,690
	<u>14,646</u>	<u>4,229</u>
Less: Fixed deposits pledged	<u>(1,559)</u>	<u>(1,690)</u>
	<u>13,087</u>	<u>2,539</u>

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

Group	Attributable to equity holders of the Company				
	Share capital \$'000	Accumulated profits \$'000	Merger reserve \$'000	Non-controlling Interest \$'000	Total equity \$'000
Balance at 1 July 2012	4,813	7,306	-	-	12,119
Profit and total comprehensive income for the year	-	1,317	-	-	1,317
Adjustment resulting from restructuring exercise	-	-	(7,338)	-	(7,338)
Issuance of ordinary share due to restructuring exercise	4,838	-	-	-	4,838
Balance at 31 December 2012	9,651	8,623	(7,338)	-	10,936
Balance at 1 July 2013	9,651	12,315	(7,338)	-	14,628
Profit and total comprehensive income for the year	-	2,126	-	3	2,129
Capital contribution by non-controlling interest	-	-	-	49	49
Issuance of ordinary share pursuant to the IPO	6,761	-	-	-	6,761
Share issue expenses	(545)	-	-	-	(545)
Dividend	-	(1,176)	-	-	(1,176)
Balance at 31 December 2013	15,867	13,265	(7,338)	52	21,846

Company	Attributable to equity holders of the Company				
	Share capital \$'000	Accumulated profits \$'000	Merger reserve \$'000	Non-controlling Interest \$'000	Total equity \$'000
Balance at 1 July 2012	N/A	N/A	N/A	N/A	N/A
Loss and total comprehensive income for the period	-	(106)	-	-	(106)
Issuance of ordinary share due to restructuring exercise	9,651	-	-	-	9,651
Balance at 31 December 2012	9,651	(106)	-	-	9,545
Balance at 1 July 2013	9,651	1,305	-	-	10,956
Loss and total comprehensive income for the period	-	(288)	-	-	(288)
Issuance of ordinary share pursuant to IPO	6,761	-	-	-	6,761
Share issue expenses	(545)	-	-	-	(545)
Dividend	-	(1,176)	-	-	(1,176)
Balance at 31 December 2013	15,867	(159)	-	-	15,708

"N/A" denotes Not Applicable as the Company was only incorporated on 12 December 2012.

- 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.

	Number of shares	Share Capital \$
As at 30 June 2013	86,865,831	9,651,759
Issuance of shares pursuant to the IPO: 11 July 2013	30,730,000	6,760,600
Share issue expenses	-	(545,421)
As at 31 December 2013	<u>117,595,831</u>	<u>15,866,938</u>

- 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.

	<u>Company</u>	
	As at 31.12.13	As at 30.06.13
Number of ordinary shares issued and fully paid (excluding treasury shares)	<u>117,595,831</u>	<u>86,865,831</u>

- 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.

There were no treasury shares as at 31 December 2013.

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.

The Group has applied the same accounting policies and methods of computation in the financial information for the current financial period as those used in the audited financial statements for the financial year ended 30 June 2013, except for the adoption of certain revised Financial Reporting Standards ("FRS") which are effective for the financial period commencing 1 July 2013. The adoption of these FRS has no material impact on the Group's financial statements.

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.

Please refer to paragraph 4 above.

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	
	Six Months Ended	
Earnings per share ("EPS")	31.12.13	31.12.12
Profit attributable to equity holders of the Company (\$'000)	2,126	1,317
Pre-invitation number of ordinary shares	86,865,831	86,865,831
Basic and diluted EPS based on pre-invitation number of ordinary shares (cents)⁽¹⁾	2.45	1.52
Post-invitation number of ordinary shares	117,595,831	117,595,831
Basic and diluted EPS based on post-invitation number of ordinary shares (cents)⁽¹⁾⁽²⁾	1.81	1.12

Note:

- (1) The basic and diluted EPS were the same as the Group did not have any potentially dilutive instruments for the respective financial periods.
- (2) For comparison and illustrative purposes, the calculation for the basic EPS for the respective financial years is based on the post-IPO share capital of 117,595,831 shares in issue.

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.

Net assets value ("NAV")	Group		Company	
	As at	As at	As at	As at
	31.12.13	30.06.13	31.12.13	30.06.13
	\$'000	\$'000	\$'000	\$'000
NAV (\$'000)	21,794	14,628	15,708	10,956
Number of ordinary shares	117,595,831	86,865,831	117,595,831	86,865,831
NAV per ordinary share (cents)	18.53	16.84	13.36	12.61

- 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:
- 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
 - 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 Financial Performance

Revenue	Group				Change
	Six Months Ended				
	31.12.13		31.12.12		
	\$'000	%	\$'000	%	%
R&R	21,434	67.2	11,555	52.3	85.5
A&A	10,030	31.4	10,533	47.7	(4.8)
Other ⁽¹⁾	431	1.4	-	-	N/M
	31,895	100.0	22,088	100.0	44.4

Note:

(1) Other included revenue from home retrofitting business and Green solutions business.

"N/M" denotes Not Meaningful

Revenue

The Group's revenue increased by \$9.8 million or 44.4% from \$22.1 million for HY2013 to \$31.9 million for HY2014 largely due to a substantial increase in the Group's Repairs and Redecoration ("R&R") business segment. Revenue from the Group's R&R business rose by \$9.9 million or 85.5% from \$11.6 million for HY2013 to \$21.4 million for HY2014 as the Group completed and delivered R&R projects for the Moulmein-Kallang Town Council, Bishan-Toa Payoh Town Council, Pasir Ris-Punggol Town Council, National Environment Agency and SKK (S) Pte Ltd. Revenue contribution from the Group's Addition and Alteration ("A&A") business segment decreased by \$0.5 million or 4.8% from \$10.5 million for HY2013 to \$10.0 million for HY2014. This was derived largely from Neighbourhood Renewal Programme ("NRP") projects for Marine Parade Town Council, Tampines Town Council and Nee Soon Town Council.

Gross profit and gross profit margin

The Group's gross profit increased by \$1.5 million or 37.0% from \$3.9 million in HY2013 to \$5.4 million in HY2014 mainly due to higher revenue contributed by R&R works. Overall gross profit margin decreased slightly from 17.7% to 16.8%.

Marketing and distribution expenses

Marketing and distribution expenses increased by \$34,000 or 10.3% from \$331,000 in HY2013 to \$365,000 in HY2014. The increase was mainly due to an increase in advertising costs and depreciation of motor vehicles arising from purchases of additional motor vehicles in the last financial year.

General and administrative expenses

Our general and administrative expenses increased by \$0.6 million or 28.3% from \$2.0 million in HY2013 to \$2.6 million in HY2014. The increase was mainly attributable to (i) increase in staff costs of \$0.2 million mainly due to expansion of the business; (ii) increase in professional fees and other related expenses of \$0.2 million mainly in connection with the Company's listing on Catalist; and (iii) increase in premises expenses of \$0.2 million mainly due to higher office rental.

Finance costs

The increase in finance costs arose from higher utilisation of factoring facilities, which increased by \$48,000 or 30.0% from \$160,000 in HY2013 to \$208,000 in HY2014.

Profit before tax

As a result of the above, our profit before tax increased by \$0.8 million or 49.1% from \$1.6 million in HY2013 to \$2.4 million in HY2014.

Review of Financial Position

Non-current assets

The Group's non-current assets increased by \$0.3 million or 5.2% from \$4.8 million as at 30 June 2013 to \$5.1 million as at 31 December 2013, mainly due to acquisition of new assets of \$0.5 million and offset by the depreciation of fixed assets of \$0.2 million during HY2014.

Current assets

The increase in current assets of \$8.6 million from \$28.0 million as at 30 June 2013 to \$36.6 million as at 31 December 2013 was attributed mainly to the increase in cash and bank balances of \$6.2 million mainly due to IPO proceeds, the increase in trade and other receivables of \$2.0 million which was in line with the increase in revenue and the increase in amounts due from customers for contract work-in-progress of \$0.3 million.

Non-current liabilities

The decrease in non-current liabilities of \$0.1 million from \$0.6 million as at 30 June 2013 to \$0.5 million as at 31 December 2013 was attributed to the lower finance leases liabilities resulted from the repayments made during HY2014.

Current liabilities

The increase in current liabilities of \$1.7 million from \$17.6 million as at 30 June 2013 to \$19.3 million as at 31 December 2013 was attributed mainly to the increase in amounts due to customers for contract work-in-progress of \$3.1 million which was offset by the repayment of bank borrowings and finance lease of \$0.8 million and decrease in trade and other payables of \$0.7 million mainly due to payment of IPO expenses and repayment to the related parties.

The Group had a positive working capital of \$17.3 million as at 31 December 2013 as compared to \$10.4 million as at 30 June 2013.

Review of Statement of Cash Flows

Net cash generated from operating activities

The Group generated a net cash of \$2.8 million from operating activities before changes in working capital. Net working capital inflow amounted to \$1.3 million. This was mainly due to an increase in project work-in-progress of \$2.8 million and trade and other payables of \$0.6 million which was offset by a decrease in trade and other receivables of \$2.0 million and inventories of \$0.1 million. After payment of income tax of \$0.2 million and interest of \$0.2 million, the net cash generated from operating activities amounted to approximately \$3.7 million.

Net cash used in investing activities

Net cash used in investing activities amounted to \$0.5 million, which was mainly attributable to the purchase of plant and equipment.

Net cash generated from financing activities

Net cash generated from financing activities of \$2.9 million was mainly due to net proceed from issuance of ordinary shares of \$6.2 million and partially offset by dividend payment of \$1.2 million and repayment of amounts due to related parties, bank borrowings and finance lease of \$2.1 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 to the shareholders.

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 Group views that the revenue will continue to be driven by project awarded which will in turn be dependent on there being no delay or cancellation in the commencement or continuation of awarded projects. In addition, the Group will benefit from the general increase in demand of public sector upgrading, retrofitting and maintenance of buildings and facilities activities in Singapore. Our order book as at 24 January 2014 stood at \$84.6 million (including \$41.4 million worth of new R&R and A&A projects secured by the Group during HY2014) which will be progressively delivered over the next two years. In addition, the Group is the lowest tenderer for two projects, namely NRP, electrical load upgrading and R&R works at Blks 534 to 566 Hougang Street 61, Street 52 and Avenue 9 and R&R works to 17 blocks at Pasir Ris Street 71, worth approximately \$9.2 million.

Looking ahead, the Group continues to see healthy demand for its R&R and A&A services in view of on-going initiatives by the Singapore government to renew and rejuvenate middle-aged and mature estates. Notwithstanding the aforesaid demand factors, cost pressures are expected in the next 12 months. The Group expects sub-contracting and labour costs to rise due to progressive increases in foreign workers' levies and general inflationary pressures. It also expects paint prices to increase in line with buoyant demand for refurbishment and repainting projects in Singapore and volatile crude oil prices.

11 Dividend

(a) Dividend declared (recommended) for the current financial period reported on

No

(b) Dividend declared (recommended) 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 HY2014.

- 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.

The Group has not obtained a general mandate from shareholders for IPTs pursuant to Rule 920(1)(a)(ii).

14 Use of IPO proceeds

Pursuant to the IPO, the Company received gross proceeds of \$6.8 million and as at the date of this announcement, the IPO proceeds have been utilised as follows:

Intended Usage in accordance with the Offer Document	Amount allocated \$'000	Amount utilised \$'000	Balance \$'000
To expand our business in providing green solutions and products for R&R and A&A projects and our fleet of equipment, machinery and vehicles	1,200	(696)	504
To expand our business through acquisitions, joint ventures and/or strategic alliances, as well as developing new businesses	2,500	(51)	2,449
General working capital	1,570	(684)	886
Listing expenses borne by the Company	1,491	(1,491)	-
Total	6,761	(2,922)	3,839

15 Negative confirmation pursuant to Rule 705 (5)

We, David Ng Cheng Lian and Anthony Koh Thong Huat, being two directors of the Company, do hereby confirm on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for HY2014 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

David Ng Cheng Lian
Executive Chairman
12 February 2014

Anthony Koh Thong Huat
CEO