



STARBURST HOLDINGS LIMITED

(Incorporated in the Republic of Singapore on 28 October 2013)
(Company Registration No.: 201329079E)

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

For the Third Quarter and Nine Months Ended 30 September 2015

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, DBS Bank Ltd. (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "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. The Sponsor and the SGX-ST assume 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 Mr. Koh Boon Pin, Vice President, Capital Markets, DBS Bank Ltd., at 12 Marina Boulevard Level 46, Marina Bay Financial Centre Tower 3, Singapore 018982, telephone +65 6878 8888.

Starburst Holdings Limited (the "**Company**") was incorporated in the Republic of Singapore on 28 October 2013 under the Companies Act as a limited exempt private company. The Company and its subsidiaries (the "**Group**") was formed pursuant to a restructuring exercise (the "**Restructuring Exercise**") undertaken to rationalise the corporate and shareholding structures of the Group prior to the Company's listing on Catalist of the SGX-ST on 10 July 2014.

For the purpose of this announcement, the results of the Group have been prepared on the assumption that the group structure following the completion of the Restructuring Exercise had been in existence since 1 January 2011 or from the date the entities are under common control, if later.

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.

	Group					
	Three Months Ended			Nine Months Ended		
	30 Sep 2015	30 Sep 2014	Change	30 Sep 2015	30 Sep 2014	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	3,550	7,550	(53.0)	10,548	29,006	(63.6)
Other operating income	354	118	200.0	633	146	333.6
Project and production costs	(1,930)	(2,764)	(30.2)	(8,242)	(10,851)	(24.0)
Employee benefit expenses	(839)	(1,185)	(29.2)	(2,163)	(2,529)	(14.5)
Depreciation expenses	(324)	(149)	117.4	(766)	(424)	80.7
Other operating expenses	(670)	(1,561)	(57.1)	(1,660)	(2,280)	(27.2)
Finance costs	(66)	(41)	61.0	(130)	(222)	(41.4)
Profit/(Loss) before income tax	75	1,968	(96.2)	(1,780)	12,846	(113.9)
Income tax expenses	145	(364)	(139.8)	85	(2,196)	(103.9)
Profit/(Loss) for the period	220	1,604	(86.3)	(1,695)	10,650	(115.9)
Other comprehensive income:						
<u>Items that may be reclassified subsequently to profit or loss:</u>						
Exchange difference on translation of foreign operation	1	*	n.m.	2	*	n.m.
Total comprehensive income/(loss) for the period	221	1,604	(86.3)	(1,693)	10,650	(115.9)
Profit/(loss) attributable to owners of the Company	220	1,604	(86.3)	(1,695)	10,650	(115.9)
Total comprehensive income/(loss) attributable to owners of the Company	221	1,604	(86.3)	(1,693)	10,650	(115.9)

n.m. denotes not meaningful.

* This represents amount less than S\$1,000.

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

Profit before income tax has been arrived at after charging (crediting) the following:

	Group					
	Three Months Ended			Nine Months Ended		
	30 Sep 2015	30 Sep 2014	Change	30 Sep 2015	30 Sep 2014	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Depreciation of property, plant and equipment	324	149	117.4	766	424	80.7
Gain on disposal of property, plant and equipment	-	(93)	n.m.	(9)	(93)	(90.3)
Amortisation of prepaid insurance	11	11	-	33	32	3.1
Interest expenses	66	41	61.0	130	222	(41.4)
Writeback of allowance for doubtful receivables	-	-	-	-	(10)	n.m.
Foreign exchange gains-net	(346)	(74)	367.6	(527)	(37)	1,324.3
Interest income	(2)	(3)	(33.3)	(27)	(9)	200.0

n.m. denotes 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		As at	
	30 Sep 2015	31 Dec 2014	30 Sep 2015	31 Dec 2014
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	11,406	5,688	617	2,280
Fixed deposits	-	12,008	-	12,008
Trade and other receivables	9,738	13,398	14,520	3,773
Contract work-in-progress	4,285	15,982	-	-
Inventories	3,974	2,445	-	-
Total current assets	29,403	49,521	15,137	18,061
Non-current assets				
Fixed deposits pledged	3,528	3,517	-	-
Prepayment	1,078	1,111	-	-
Property, plant and equipment	31,748	9,055	-	-
Investment in subsidiaries	-	-	25,888	25,888
Total non-current assets	36,354	13,683	25,888	25,888
Total assets	65,757	63,204	41,025	43,949
LIABILITIES AND EQUITY				
Current liabilities				
Bank loans	641	107	-	-
Trade and other payables	1,984	5,886	101	125
Current portion of finance leases	86	86	-	-
Contract work-in-progress	413	-	-	-
Income tax payable	349	2,693	16	-
Total current liabilities	3,473	8,772	117	125
Non-current liabilities				
Bank loans	14,160	1,449	-	-
Finance leases	271	335	-	-
Deferred tax liabilities	1,074	1,176	-	-
Total non-current liabilities	15,505	2,960	-	-
Capital and reserves				
Share capital	40,570	40,570	40,570	40,570
Merger reserve	(25,438)	(25,438)	-	-
Asset revaluation reserve	5,218	5,218	-	-
Currency translation reserve	2	*	-	-
Retained earnings	26,427	31,122	338	3,254
Total equity	46,779	51,472	40,908	43,824
Total liabilities and equity	65,757	63,204	41,025	43,949

* This represents amount less than S\$1,000.

1(b)(ii) In relation to the aggregate amount of group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

	30 Sep 2015		31 Dec 2014	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	727	-	193	-
Amount repayable after one year	14,431	-	1,784	-

Details of any collateral:

The facilities of the Group are secured by the following:

- 1) First legal mortgage of the leasehold properties;
- 2) Fixed deposits of not less than S\$1.2 million;
- 3) A first legal assignment of all the rights, title, interest and benefits under and arising out of the life insurance policy taken out on the life of the executive directors for a minimum sum insured of US\$1 million each; and
- 4) A corporate guarantee from the Company.

Finance leases of S\$357,000 (31 Dec 2014: S\$421,000) are secured by the lessor's title on the leased assets.

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.

	Group			
	Three Months Ended		Nine Months Ended	
	30 Sep 2015	30 Sep 2014	30 Sep 2015	30 Sep 2014
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Profit/(Loss) before income tax	75	1,968	(1,780)	12,846
Adjustments for:				
- Writeback of allowance for doubtful receivables	-	-	-	(10)
- Gain on disposal of property, plant and equipment	-	(93)	(9)	(93)
- Depreciation expense	324	149	766	424
- Interest expense	66	41	130	222
- Interest income	(2)	(3)	(27)	(9)
- Amortisation of prepaid insurance	11	11	33	32
Operating cash flows before movements in working capital	474	2,073	(887)	13,412
Trade and other receivables	(1,438)	(2,195)	3,663	1,238
Contract work-in-progress	6,842	138	12,110	(5,096)
Inventories	198	(12)	(1,529)	269
Trade and other payables	385	845	(3,902)	(760)
Net cash generated from operations	6,461	849	9,455	9,063
Income tax paid	(819)	(545)	(2,361)	(1,272)
Interest paid	(66)	(41)	(130)	(222)
Interest received	3	3	24	9
Net cash from operating activities	5,579	266	6,988	7,578
Investing activities				
(Increase)/decrease in fixed deposits	(9)	(12,008)	6,989	(10,003)
Proceeds from disposal of property, plant and equipment	-	-	9	-
Purchase of property, plant and equipment	(219)	(169)	(23,459)	(301)
Net cash used in investing activities	(228)	(12,177)	(16,461)	(10,304)
Financing activities				
Proceeds from issuance of ordinary shares, net of transaction costs	-	14,682	-	14,682
Proceeds from bank loans	-	-	15,000	-
Repayment of finance lease	(21)	(21)	(64)	(64)
Trust receipts	-	(1,355)	-	(1,290)
Repayment of bank loans	(158)	(169)	(1,755)	(507)
Dividend paid	-	-	(3,000)	(2,250)
Net cash (used in) from financing activities	(179)	13,137	10,181	10,571
Net increase in cash and cash equivalents	5,172	1,226	708	7,845
Cash and cash equivalents at beginning of financial period	6,233	5,863	10,696	(756)
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	1	*	2	*
Cash and cash equivalents at end of financial period	11,406	7,089	11,406	7,089

* This represents amount less than S\$1,000.

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.

<u>Group</u>	Share capital	Asset revaluation reserve	Currency translation reserve	Merger reserve	Retained earnings	Total equity
	S\$'000	S\$'000	\$'000	\$'000	S\$'000	S\$'000
Balance at 1 January 2015	40,570	5,218	*	(25,438)	31,122	51,472
Transactions with owners, recognised directly in equity						
Dividend	-	-	-	-	(3,000)	(3,000)
	40,570	5,218	*	(25,438)	28,122	48,472
Total comprehensive loss for the period:						
Loss for the period	-	-	-	-	(1,695)	(1,695)
Other comprehensive income	-	-	2	-	-	2
Balance at 30 September 2015	40,570	5,218	2	(25,438)	26,427	46,779
Balance at 1 January 2014	450	5,218	*	-	20,213	25,881
Transactions with owners, recognised directly in equity						
Restructuring Exercise	(450)	-	-	(25,438)	-	(25,888)
Issue of shares pursuant to the Restructuring Exercise	25,888	-	-	-	-	25,888
Dividend	-	-	-	-	(2,250)	(2,250)
Issue of shares pursuant to the IPO	15,500	-	-	-	-	15,500
Share issue expenses	(818)	-	-	-	-	(818)
	40,570	5,218	*	(25,438)	17,963	38,313
Total comprehensive income for the period	-	-	*	-	10,650	10,650
Balance at 30 September 2014	40,570	5,218	*	(25,438)	28,613	48,963

* This represents amount less than S\$1,000.

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 (con'd).

<u>Company</u>	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total equity</u>
	S\$	S\$	S\$
Balance at 1 January 2015	40,569,797	3,253,938	43,823,735
Transactions with owners, recognised directly in equity			
Dividend		(3,000,000)	(3,000,000)
	40,569,797	253,938	40,823,735
Total comprehensive income for the period	-	84,264	84,264
Balance at 30 September 2015	<u>40,569,797</u>	<u>338,202</u>	<u>40,907,999</u>
Balance at 1 January 2014	2	(389)	(387)
Transactions with owners, recognised directly in equity			
Issue of shares pursuant to the Restructuring Exercise	25,887,739	-	25,887,739
Issue of shares pursuant to the IPO	15,500,000	-	15,500,000
Share issue expenses	(817,944)	-	(817,944)
	40,569,797	(389)	40,569,408
Total comprehensive loss for the period	-	(71,066)	(71,066)
Balance at 30 September 2014	<u>40,569,797</u>	<u>(71,455)</u>	<u>40,498,342</u>

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 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 were no changes in the Company's share capital since the end of the previous period reported on and there were no outstanding convertibles or treasury shares held by the Company as at 30 September 2015 and 30 September 2014.

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.

	Number of ordinary shares	
	As at	
	30 Sep 2015	31 Dec 2014
Total number of issued shares excluding treasury shares	<u>250,000,000</u>	<u>250,000,000</u>

There were no treasury shares held by the Company as at 30 September 2015 and 31 December 2014.

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

Not applicable.

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

Except for the comparative statement of financial position of the Group as at 31 December 2014, the financial statements 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 financial information for the current financial period reported on have been prepared using the same accounting policies and methods of computation adopted in the most recently audited financial statements for the financial year ended 31 December 2014.

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 new and revised Financial Reporting Standards (“**FRS**”) and Interpretations of FRS (“**INT FRS**”) that are relevant to the Group and effective for financial period beginning on 1 January 2015.

The adoption of these new/revised FRS and INT FRS does not result in any substantial change to the Group’s accounting policies and has no material impact on the financial statements of the Group for the current reporting period or the prior year’s reporting period.

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:**

- (a) **Based on the weighted average number of ordinary shares on issue; and**
 (b) **On a fully diluted basis (detailing any adjustments made to the earnings).**

	Group			
	Three Months Ended		Nine Months Ended	
	30 Sep 2015	30 Sep 2014	30 Sep 2015	30 Sep 2014
Profit/(Loss) attributable to owners of the Company (S\$’000)	220	1,604	(1,695)	10,650
Number of ordinary shares (‘000) ⁽¹⁾	250,000	250,000	250,000	250,000
Basic and diluted earnings/(Loss) per ordinary share (cents)	0.09	0.64	(0.68)	4.26

Note:

- (1) For illustrative purpose, the issued and paid up share capital of the Company of 250,000,000 ordinary shares is assumed to have been in issue throughout the entire three months and nine months ended 30 September 2014 and 30 September 2015.

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 period reported on; and**
 (b) **immediately preceding financial year.**

	Group		Company	
	30 Sep 2015	31 Dec 2014	30 Sep 2015	31 Dec 2014
Net asset value per ordinary share (cents)	18.71	20.59	16.36	17.53
Number of ordinary shares (‘000)	250,000	250,000	250,000	250,000

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.**

The Group specialises in the design, fabrication, installation and maintenance of anti-ricochet ballistic protection systems for firearm shooting ranges and tactical training mock-ups used by military and law enforcement authorities in Southeast Asia and the Middle East.

Review of the Group's Performance

Revenue

For the nine months ended 30 September 2015 ("9M2015"), our revenue was approximately S\$10.5 million, which was lower than our revenue of S\$29.0 million for the nine months ended 30 September 2014 ("9M2014"). This was primarily due to less project revenues derived from fabrication and installation works phases as we have completed the bulk of a firearm shooting range project and a tactical training mock-up project in Southeast Asia and a firearm shooting range project in the Middle East in 9M2014. Our secured contracts from both Southeast Asia and the Middle East are currently at the beginning of fabrication works phase.

Project and production costs

Our project and production costs decreased by approximately S\$2.7 million or 24.8%, from S\$10.9 million in 9M2014 to S\$8.2 million in 9M2015. The decrease was primarily due to the decrease in material and fabrication costs in 9M2015, when projects secured prior to 2015 were completed in the second quarter of 2015 and there were relatively less fabrication and installation works as compared to 9M2014.

Gross profit

As a result of the foregoing, our gross profit decreased from S\$18.1 million in 9M2014 to S\$2.3 million in 9M2015. In addition to the lower revenue, our gross profit in 9M2015 was also impacted by a delay in the handing over of project infrastructure as well as changes to the original ballistic protection system requirements of a completed project, which resulted in higher than expected costs incurred for the project.

Other operating income

Our other operating income increased by approximately S\$487,000 or 333.6%, from S\$146,000 in 9M2014 to S\$633,000 in 9M2015. The increase was primarily due to foreign currency exchange gain of approximately S\$527,000 from firearm shooting range projects in the Middle East in 9M2015.

Employee benefit expenses

Our employee benefits expenses decreased by approximately S\$0.3 million or 12.0% from S\$2.5 million in 9M2014 to S\$2.2 million in 9M2015. The decrease in employee benefit expenses was primarily due to decrease in provision of bonuses for staff.

Depreciation expenses

Our depreciation expenses increased by approximately S\$342,000 or 80.7%, from S\$424,000 in 9M2014 to S\$766,000 in 9M2015, primarily due to the purchase of new machines, motor vehicles, equipments and leasehold property at 6 Tuas View Circuit.

Other operating expenses

Our other operating expenses decreased by approximately S\$0.6 million or 26.1%, from S\$2.3 million in 9M2014 to S\$1.7 million in 9M2015, primarily due to one-off IPO expenses incurred in 9M2014.

Finance costs

Our finance costs decreased by approximately S\$92,000 or 41.4%, from S\$222,000 in 9M2014 to S\$130,000 in 9M2015, primarily due to a decrease in the utilisation of bank overdrafts, letters of credit and trust receipts in 9M2015 as compared to 9M2014.

Income tax expense

Our income tax expense decreased by approximately S\$2.2 million or 103.9%, from S\$2.2 million in 9M2014 to S\$85,000 tax credit in 9M2015. The decrease in income tax expense was in line with the loss incurred before income tax and decrease in deferred tax liabilities.

Net loss for the period

As a result of the foregoing, we recorded a net loss of approximately S\$1.7 million in 9M2015.

Review of the Group's Financial Position

Current assets

Our current assets decreased by approximately S\$20.1 million from S\$49.5 million as at 31 December 2014 to S\$29.4 million as at 30 September 2015. The decrease in current assets were mainly due to the decrease in trade and other receivables of approximately S\$3.7 million, contract work-in-progress of approximately S\$11.7 million and fixed deposits of approximately S\$12.0 million, which were partially offset by an increase in cash and bank balances of approximately S\$5.7 million and inventories of approximately S\$1.6 million.

Non-current assets

Our non-current assets increased by approximately S\$22.7 million from S\$13.7 million as at 31 December 2014 to S\$36.4 million as at 30 September 2015, which was primarily due to the increase in property, plant and equipment following the purchase of 6 Tuas View Circuit.

Current liabilities

Our current liabilities decreased by approximately S\$5.3 million from S\$8.8 million as at 31 December 2014 to S\$3.5 million as at 30 September 2015. The decrease in current liabilities was primarily due to the decrease in trade and other payables of approximately S\$3.9 million and income tax payable of approximately S\$2.3 million, which was partially

offset by an increase in short term bank loans of approximately S\$0.5 million and contract work-in-progress of approximately S\$0.4 million.

Non-current liabilities

Our non-current liabilities increased by approximately S\$12.5 million from S\$3.0 million as at 31 December 2014 to S\$15.5 million as at 30 September 2015. The increase in non-current liabilities was primarily due to the increase in bank loans of approximately S\$12.7 million to finance the purchase of 6 Tuas View Circuit and partially offset by a decrease in finance leases of approximately S\$64,000 and decrease in deferred tax liabilities of approximately S\$102,000.

Review of the Group's Statement of Cash Flows

Net cash from operating activities

Net cash from operating activities was approximately S\$7.0 million in 9M2015, which was a result of working capital inflow of approximately S\$10.3 million, mainly pared by operating cash outflow before movements in working capital of approximately S\$0.9 million and income tax payments of approximately S\$2.4 million. The increase in working capital was primarily due to the decrease in trade and other receivables of approximately S\$3.6 million and decrease in contract work-in-progress of approximately S\$12.1 million, partially offset by an increase in inventories of approximately S\$1.5 million and a decrease in trade and other payables of approximately S\$3.9 million.

Net cash used in investing activities

Net cash used in investing activities was approximately S\$16.5 million in 9M2015, which was primarily due to the purchase of property, plant and equipment of approximately S\$23.5 million and partially offset by the withdrawal of fixed deposits of approximately S\$7.0 million.

Net cash from financing activities

Net cash from financing activities was approximately S\$10.2 million in 9M2015, which was primarily due to drawdown of a factory mortgage loan of approximately S\$15.0 million and partially offset by dividend payments of approximately S\$3.0 million and repayment of bank loans of approximately S\$1.8 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 as there was no forecast or any prospect statement previously disclosed to 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.

Military and law enforcement authorities are responding to the global trend of increasing terrorism threats by better equipping their security personnel with more effective and more

intense training on the use of live firearms. The Group is receiving a healthy level of enquiries for firearm shooting ranges and tactical training mock-ups from authorities in Southeast Asia and the Middle East. The Group will continue to respond to these enquiries and requests for tenders, and expects to secure more new contracts. The recently acquired larger factory will facilitate the execution of new contracts secured in 2015.

In addition, the Group is working to expand its portfolio of maintenance services contracts as users of firearm training facilities today are more mindful of working with reputable maintenance service providers to maintain the operational efficiency of their shooting ranges. This trend is in line with the increase in complexity and sophistication of shooting ranges to cope with more rigorous trainings and higher calibre of firearms used, and presents an opportunity to the Group to grow its recurrent revenue base.

A major portion of the Group's business is project based, and the revenue contribution from the Group's project based business may vary from quarter to quarter, depending on the size and scope of the projects on hand and their completion schedules.

11. Dividend

(a) Current Financial Period Reported On

Any dividend 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 the third quarter and nine months ended 30 September 2015.

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.

The Group has not obtained a general mandate from shareholders for interested person transactions.

14. Use of IPO proceeds

The Company refers to the gross proceeds of S\$15.5 million raised from the IPO on the Catalist Board of the SGX-ST on 10 July 2014. As at the date of this announcement, the status on the use of IPO proceeds is as follows:

Use of the gross proceeds

	Amount allocated (S\$'000)	Amount utilised (S\$'000)	Balance (S\$'000)
Acquisition of leasehold land and buildings	7,000	(7,000)	-
Acquisition of plant and machinery	800	(800)	-
General working capital purposes	5,687	(2,526)	3,161
IPO expenses	2,013	(2,013)	-
Total	15,500	(12,339)	3,161

The Company will make periodic announcements on the use of the proceeds as and when the funds are materially disbursed.

15. Negative Confirmation pursuant to Rule 705(5) of the Listing Manual.

On behalf of the Board of Directors of the Company, we confirm 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 of the Group and the Company for the third quarter and nine months ended 30 September 2015 to be false or misleading in any material aspect.

On behalf of the Board

Edward Lim Chin Wah
Executive Chairman

Yap Tin Foo
Managing Director

BY ORDER OF THE BOARD

Edward Lim Chin Wah
Executive Chairman

12 November 2015