



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 Second Quarter and Half Year Ended 30 June 2016

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, Senior 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.

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			Six Months Ended		
	30 Jun 2016	30 Jun 2015	Change	30 Jun 2016	30 Jun 2015	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	8,006	4,123	94.2	14,771	6,998	111.1
Other operating income	26	43	(39.5)	93	279	(66.7)
Project and production costs	(8,375)	(3,909)	114.2	(13,527)	(6,312)	114.3
Employee benefit expenses	(911)	(677)	34.6	(1,796)	(1,324)	35.6
Depreciation expense	(419)	(269)	55.8	(820)	(442)	85.5
Other operating expenses	(620)	(662)	(6.3)	(1,430)	(990)	44.4
Finance costs	(68)	(45)	51.1	(131)	(64)	104.7
Loss before income tax	(2,361)	(1,396)	69.1	(2,840)	(1,855)	53.1
Income tax benefit/(expense)	681	(5)	13,720.0	729	(60)	1,315.0
Loss for the period	(1,680)	(1,401)	19.9	(2,111)	(1,915)	10.2
Other comprehensive income:						
<u>Items that may be reclassified subsequently to profit or loss:</u>						
Exchange difference on translation of foreign operation	*	*	n.m.	*	*	n.m.
Total comprehensive loss for the period	(1,680)	(1,401)	19.9	(2,111)	(1,915)	10.2
Loss attributable to owners of the Company	(1,680)	(1,401)	19.9	(2,111)	(1,915)	10.2
Total comprehensive loss attributable to owners of the Company	(1,680)	(1,401)	19.9	(2,111)	(1,915)	10.2

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			Six Months Ended		
	30 Jun 2016	30 Jun 2015	Change	30 Jun 2016	30 Jun 2015	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Depreciation of property, plant and equipment	419	269	55.8	820	442	85.5
Gain on disposal of property, plant and equipment	-	(9)	n.m.	(35)	(9)	288.9
Amortisation of prepaid insurance	12	11	9.1	23	22	4.5
Interest expenses	68	45	51.1	131	64	104.7
Foreign exchange (gains)/losses/-net	(50)	112	(144.6)	180	(181)	(199.4)
Interest income	(5)	(6)	(16.7)	(9)	(25)	(64.0)

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 Jun 2016	31 Dec 2015	30 Jun 2016	31 Dec 2015
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash on hand and at bank	1,045	8,376	637	470
Trade and other receivables	8,127	5,998	10,541	12,655
Contract work-in-progress	11,593	7,409	-	-
Inventories	3,364	4,245	-	-
Total current assets	24,129	26,028	11,178	13,125
Non-current assets				
Fixed deposits pledged	4,528	4,236	-	-
Prepayment	1,044	1,067	-	-
Property, plant and equipment	32,983	32,851	-	-
Deferred tax assets	800	67	-	-
Investment in subsidiaries	-	-	30,438	30,438
Total non-current assets	39,355	38,221	30,438	30,438
Total assets	63,484	64,249	41,616	43,563
LIABILITIES AND EQUITY				
Current liabilities				
Bank overdraft and loans	2,460	644	-	-
Trade and other payables	4,305	2,450	172	123
Current portion of finance leases	86	86	-	-
Contract work-in-progress	65	-	-	-
Income tax payable	7	7	7	7
Total current liabilities	6,923	3,187	179	130
Non-current liabilities				
Bank loans	13,677	13,999	-	-
Finance leases	207	250	-	-
Total non-current liabilities	13,884	14,249	-	-
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	1	1	-	-
Warrant reserve	475	-	475	-
Retained earnings	21,851	26,462	392	2,863
Total equity	42,677	46,813	41,437	43,433
Total liabilities and equity	63,484	64,249	41,616	43,563

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 Jun 2016		31 Dec 2015	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	2,546	-	730	-
Amount repayable after one year	13,884	-	14,249	-

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\$293,000 (31 Dec 2015: S\$336,000) 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		Six Months Ended	
	30 Jun 2016	30 Jun 2015	30 Jun 2016	30 Jun 2015
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Loss before income tax	(2,361)	(1,396)	(2,840)	(1,855)
Adjustments for:				
- Gain on disposal of property, plant and equipment	-	(9)	(35)	(9)
- Depreciation expense	419	269	820	442
- Interest expense	68	45	131	64
- Interest income	(5)	(6)	(9)	(25)
- Amortisation of prepaid insurance	12	11	23	22
Operating cash flows before movements in working capital	(1,867)	(1,086)	(1,910)	(1,361)
Trade and other receivables	(645)	4,546	(2,122)	5,101
Contract work-in-progress	(642)	(540)	(4,119)	5,268
Inventories	338	(1,976)	881	(1,727)
Trade and other payables	2,349	(877)	1,854	(4,287)
Net cash (used in) generated from operations	(467)	67	(5,416)	2,994
Income tax paid	(4)	(821)	(4)	(1,542)
Interest paid	(68)	(45)	(131)	(64)
Interest received	-	19	2	21
Net cash (used in) from operating activities	(539)	(780)	(5,549)	1,409
Investing activities				
(Increase)/Decrease in fixed deposits	(136)	-	(292)	6,998
Proceeds from disposal of property, plant and equipment	-	-	35	-
Purchase of property, plant and equipment	(683)	(23,194)	(952)	(23,231)
Net cash used in investing activities	(819)	(23,194)	(1,209)	(16,233)
Financing activities				
Proceeds from bank loans	-	15,000	-	15,000
Repayment of finance lease	(21)	(22)	(43)	(43)
Proceeds from rights issue of warrants, net of transaction costs	475	-	475	-
Repayment of bank loans	(161)	(1,570)	(321)	(1,597)
Dividend paid	(2,500)	(3,000)	(2,500)	(3,000)
Net cash (used in) from financing activities	(2,207)	10,408	(2,389)	10,360
Net decrease in cash and cash equivalents	(3,565)	(13,566)	(9,147)	(4,464)
Cash and cash equivalents at beginning of financial period	2,794	19,798	8,376	10,696
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	*	1	*	1
Cash and cash equivalents at end of financial period	(771)	6,233	(771)	6,233

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

- 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 (con'd).

Note A: Cash and cash equivalents

	Group	
	Three months ended	
	30 Jun 2016	30 Jun 2015
	S\$'000	S\$'000
Cash on hand and at bank	1,045	6,233
Fixed deposits	4,528	3,519
Bank overdraft	(1,816)	-
	3,757	9,752
Less: fixed deposits pledged	(4,528)	(3,519)
Cash and cash equivalents	(771)	6,233

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	Warrant reserve	Retained earnings	Total equity
	S\$'000	S\$'000	\$'000	\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2016	40,570	5,218	1	(25,438)	-	26,462	46,813
Transactions with owners, recognised directly in equity							
Rights issue of warrants	-	-	-	-	625	-	625
Warrants issue expenses	-	-	-	-	(150)	-	(150)
Dividend	-	-	-	-	-	(2,500)	(2,500)
	<u>40,570</u>	<u>5,218</u>	<u>1</u>	<u>(25,438)</u>	<u>475</u>	<u>23,962</u>	<u>44,788</u>
Total comprehensive loss for the period :							
Loss for the period	-	-	-	-	-	(2,111)	(2,111)
Other comprehensive income	-	-	*	-	-	-	*
Balance at 30 June 2016	<u>40,570</u>	<u>5,218</u>	<u>1</u>	<u>(25,438)</u>	<u>475</u>	<u>21,851</u>	<u>42,677</u>
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)
	<u>40,570</u>	<u>5,218</u>	<u>*</u>	<u>(25,438)</u>	<u>-</u>	<u>28,122</u>	<u>48,472</u>
Total comprehensive loss for the period							
Loss for the period	-	-	-	-	-	(1,915)	(1,915)
Other comprehensive income	-	-	1	-	-	-	1
Balance at 30 June 2015	<u>40,570</u>	<u>5,218</u>	<u>1</u>	<u>(25,438)</u>	<u>-</u>	<u>26,207</u>	<u>46,558</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 (con'd).

<u>Company</u>	<u>Share capital</u>	<u>Warrant reserve</u>	<u>Retained earnings</u>	<u>Total equity</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2016	40,570	-	2,863	43,433
Transactions with owners, recognised directly in equity				
Rights issue of warrants	-	625	-	625
Warrants issue expenses	-	(150)	-	(150)
Dividend	-	-	(2,500)	(2,500)
	40,570	475	363	41,408
Total comprehensive income for the period	-	-	29	29
Balance at 30 June 2016	40,570	475	392	41,437
Balance at 1 January 2015	40,570	-	3,254	43,824
Transactions with owners, recognised directly in equity				
Dividend	-	-	(3,000)	(3,000)
	40,570	-	254	40,824
Total comprehensive income for the period	-	-	60	60
Balance at 30 June 2015	40,570	-	314	40,884

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.

On 15 June 2016, the Company issued 62,500,000 warrants at an issue price of S\$0.01 for each warrant. Each warrant carries the right to subscribe for one new ordinary share in the capital of the Company at an exercise price of S\$0.25 for each new share on the basis of one warrant for every four existing ordinary share in the capital of the Company. The exercise price and the number of warrants held by each warrant holder may be adjusted under certain terms and conditions being met. The warrants expire on 14 June 2021. As at 30 June 2016, there was no warrant converted to new share of the Company. Upon full conversion, the number of issued shares will increase to 312,500,000.

Save for the 62,500,000 warrants, there were no outstanding convertibles or treasury shares held by the Company as at 30 June 2016 and 30 June 2015.

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

	Number of ordinary shares	
	30 Jun 2016	31 Dec 2015
Total number of issued shares excluding treasury shares	250,000,000	250,000,000

There were no treasury shares held by the Company as at 30 June 2016 and 31 December 2015.

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 2015, 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 2015.

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 2016.

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		Six Months Ended	
	30 Jun 2016	30 Jun 2015	30 Jun 2016	30 Jun 2015
Loss attributable to owners of the Company (S\$’000)	(1,680)	(1,401)	(2,111)	(1,915)
Weighted average number of ordinary shares (’000)	250,000	250,000	250,000	250,000
Basic and diluted loss per ordinary share (cents)	(0.67)	(0.56)	(0.84)	(0.77)

Warrants do not carry a dilutive effect as the average market price of ordinary shares during the period below the exercise price of the warrants of S\$0.25 as at 30 June 2016.

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 ⁽¹⁾	
	30 Jun 2016	31 Dec 2015	30 Jun 2016	31 Dec 2015
Net asset value per ordinary share (cents)	17.07	18.73	16.57	17.37
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

Our revenue increased by approximately S\$7.8 million or 111.1%, from S\$7.0 million in the half year ended 30 June 2015 ("HY2015") to S\$14.8 million in the half year ended 30 June 2016 ("HY2016"). This can be attributed to the different work phases that our projects are in, as revenue is recognised based on the percentage-of-completion method. In HY2016, we are involved primarily in the fabrication and installation work phases of Marina One architectural steel project at Marina Way in Singapore, and design and fabrication work phases for three firearm shooting range projects in the Middle East. In comparison, our projects in HY2015 were mostly in their final phase, which is the installation work phase 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.

Project and production costs

Our project and production costs increased by approximately S\$7.2 million or 114.3%, from S\$6.3 million in HY2015 to S\$13.5 million in HY2016. The increase was primarily due to the additional costs incurred in fabrication and installation work phases of Marina One architectural steel project and design and fabrication costs for the three firearm shooting range projects in the Middle East in HY2016 as compare to HY2015.

Gross profit

As a result of the foregoing, our gross profit increased by approximately S\$0.6 million from S\$0.7 million in HY2015 to S\$1.3 million in HY2016. Our gross profit margin decreased from 10.0% in HY2015 and 8.1% in HY2016. The decrease of gross profit margin mainly due to additional costs incurred for Marina One architectural steel project at Marina Way in Singapore.

Other operating income

Our other operating income decreased by approximately S\$186,000 or 66.7%, from S\$279,000 in HY2015 to S\$93,000 in HY2016. The decrease was primarily due to the decrease in foreign currency exchange gain from firearm shooting range projects in the Middle East as compared to HY2015.

Employee benefit expenses

Our employee benefits expenses increased by approximately S\$0.5 million or 35.6%, from S\$1.3 million in HY2015 to S\$1.8 million in HY2016. The increase in employee benefits expenses was primarily due to the recruitment of additional staff and provision of bonus.

Depreciation expenses

Our depreciation expenses increased by approximately S\$378,000 or 85.5%, from S\$442,000 in HY2015 to S\$820,000 in HY2016, 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 increased by approximately S\$0.4 million or 44.4%, from S\$1.0 million in HY2015 to S\$1.4 million in HY2016, primarily due to the increase in foreign currency exchange loss arising from the projects in the Middle East and additional land rent and property taxes incurred for the leasehold property at 6 Tuas View Circuit.

Finance costs

Our finance costs increased by approximately S\$67,000 or 104.7%, from S\$64,000 in HY2015 to S\$131,000 in HY2016, primarily due to an increase in the utilisation of term loan and bank overdrafts in HY2016 as compared to HY2015.

Income tax benefit

Our income tax benefit increased by approximately S\$789,000 or 1,315.0%, from income tax expense of S\$60,000 in HY2015 to income tax benefit S\$729,000 in HY2016. The decrease in income tax expense was in line with the loss incurred for the period and recognition of deferred tax asset arising from unutilised tax losses, capital allowances and tax benefits entitled under the Productivity and Innovation Credit scheme.

Net loss for the period

As a result of the foregoing, we recorded a net loss of S\$2.1 million in HY2016.

Review of the Group's Financial Position

Current assets

Our current assets decreased by approximately S\$1.9 million from S\$26.0 million as at 31 December 2015 to S\$24.1 million as at 30 June 2016. The decrease in current assets was mainly due to the decrease in cash on hand and at bank of approximately S\$7.3 million and inventories of approximately S\$0.9 million, which was partially offset by an increase in trade and other receivables of approximately S\$2.1 million and contract work-in-progress of approximately S\$4.2 million.

Non-current assets

Our non-current assets increased by approximately S\$1.1 million from S\$38.2 million as at 31 December 2015 to S\$39.3 million as at 30 June 2016. The increase in non-current assets is mainly due to the increase in deferred tax assets of approximately S\$0.7 million, fixed deposit pledged of approximately S\$0.3 million and property, plant and equipment of approximately S\$0.1 million.

Current liabilities

Our current liabilities increased by approximately S\$3.7 million from S\$3.2 million as at 31 December 2015 to S\$6.9 million as at 30 June 2016. The increase in current liabilities is mainly due to the increase in bank overdraft and loans of approximately S\$1.8 million and trade and other payables of approximately S\$1.9 million.

Non-current liabilities

Our non-current liabilities decreased by approximately S\$0.3 million from S\$14.2 million as at 31 December 2015 to S\$13.9 million as at 30 June 2016. The decrease in non-current liabilities is mainly due to the repayment of bank loans.

Review of the Group's Statement of Cash Flows

Net cash used in operating activities

Net cash used in operating activities was approximately S\$5.5 million in HY2016, which was a result of operating cash outflows before movements in working capital of approximately S\$1.9 million, an increase in working capital of approximately S\$3.5 million and interest payment of approximately S\$0.1 million. The increase in working capital was primarily due to the increase in trade and other receivables of approximately S\$2.1 million and contract work-in-progress of approximately S\$4.1 million and partially offset by a decrease in inventories of approximately S\$0.9 million and an increase in trade and other payables of approximately S\$1.8 million.

Net cash used in investing activities

Net cash used in investing activities was approximately S\$1.2 million in HY2016, which was primarily due to the increase in fixed deposits of approximately S\$0.3 million and purchase of property, plant and equipment of approximately S\$0.9 million.

Net cash used in financing activities

Net cash used in financing activities was approximately S\$2.4 million in HY2016, which was primarily due to dividends payment of S\$2.5 million, repayment of bank loans and

finance lease of approximately S\$0.4 million and partially offset by net proceeds from rights issue of warrant of approximately S\$0.5 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.

The rising trend of terrorism threats have prompted military and law enforcement authorities globally to respond by better training their security personnel on the use of live firearms. This trend has resulted in a healthy level of enquiries for firearm shooting ranges and tactical training mock-ups from authorities in Southeast Asia and the Middle East. Through responding to these enquiries and requests for tenders, the Group expects to secure more contracts in the current year, amidst continued competition in both Southeast Asia and the Middle East markets.

As sophisticated and complex firearm training facilities are subject to more vigorous trainings with higher calibre firearms, such ranges require proper and timely maintenance by reputable service providers to prolong their operational efficiency. In this regard, the Group is working with relevant authorities to expand its portfolio of maintenance services contracts and grow its recurrent revenue base.

As a major portion of the Group's business is project based, 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/recommendeded, a statement to that effect

No dividend has been declared or recommended for the second quarter and half year ended 30 June 2016.

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 warrants issue proceeds**

On 15 June 2016, the company raised gross proceeds of S\$625,000 from the subscription of 62,500,000 warrants at the issue price of S\$0.01 for each warrant.

As at the date of this announcement, the status on the use of the warrants issue proceeds is as follows:

Use of the gross proceeds

	Amount allocated (S\$'000)	Amount utilised (S\$'000)	Balance (S\$'000)
General working capital purposes	475	-	475
Professional fees	150	(150)	-
Total	625	(150)	475

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

15. **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 all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

16. **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 second quarter and half year ended 30 June 2016 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 August 2016