

UMS HOLDINGS LIMITED
COMPANY REGISTRATION NO: 200100340R
First Quarter Financial Statement And Dividend Announcement

PART I – 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.

UNAUDITED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 31 MARCH 2017

	Group		
	3 Months Ended		
	31-Mar-17	31-Mar-16	Change
	S\$'000	S\$'000	%
Revenue	41,760	20,362	105%
Net finance income (Note (a))	67	29	131%
Changes in inventories	5,700	152	3650%
Raw material purchases and subcontractor charges	(26,013)	(8,279)	214%
Employee benefits expense	(3,538)	(2,613)	35%
Depreciation expense	(1,250)	(1,420)	-12%
Other expenses (Note (b))	(3,266)	(2,645)	23%
Other charges (Note (c))	(1,035)	(1,870)	-45%
Share of result of associate (net of income tax)	-	(11)	-100%
Profit before income tax	12,425	3,705	235%
Income tax expense (Note (d))	(1,257)	(325)	287%
Net profit for the period from continuing operations	11,168	3,380	230%
Attributable to:			
Equity holders of the Company	11,168	3,380	230%
Minority interests	-	-	N.M
	11,168	3,380	230%

N.M - Not meaningful

NOTES TO INCOME STATEMENT

Note (a) Net finance income

	Group		
	3 Months Ended		
	31-Mar-17	31-Mar-16	Change
	S\$'000	S\$'000	%
Interest income from cash and cash equivalents	56	29	93%
Interest income from an associate	12	-	N.M
Interest expense from bank borrowings	(1)	-	N.M
Net finance income	67	29	131%

Note (b) Other expenses

	Group		
	3 Months Ended		
	31-Mar-17	31-Mar-16	Change
	S\$'000	S\$'000	%
Legal and professional fees (Note (i))	(554)	(304)	82%
Rental expense	(246)	(223)	10%
Utilities (Note (ii))	(720)	(624)	15%
Freight charges (Note (ii))	(264)	(108)	144%
Insurance	(118)	(141)	-16%
Upkeep of properties and equipment	(83)	(198)	-58%
Upkeep of machinery (Note (iii))	(853)	(542)	57%
Others	(428)	(505)	-15%
	(3,266)	(2,645)	23%

Note 1 (a)(b)(i) – The increase in professional fees was mainly due to sales commission provision payable to the Group's sales consultant.

Note 1 (a)(b)(ii) – The increase in utilities and freight charges by S\$0.1 million and S\$0.2 million respectively were mainly due to higher production activities during the period.

Note 1 (a)(b)(iii) – The increase was mainly due to higher maintenance of machinery and equipment carried out during the period.

Note (c) Other charges

	Group		
	3 Months Ended		
	31-Mar-17	31-Mar-16	Change
	S\$'000	S\$'000	%
Foreign exchange loss (Note (i))	(1,044)	(1,927)	-46%
Gain on disposal of property, plant and equipment	15	7	114%
Property, plant & equipment written off	-	(20)	-100%
Inventories written off	(224)	-	N.M
Write back of allowance for inventories obsolescence	195	-	N.M
Others	23	70	-67%
	(1,035)	(1,870)	-45%

Note 1(a)(c)(i) - The exchange loss was due to the depreciation of the US dollar during the period.

Note (d) Income tax

	Group		
	3 Months Ended		
	31-Mar-17	31-Mar-16	Change
	S\$'000	S\$'000	%
Income tax:			
- Current	(1,194)	(325)	267%
- Prior years	(63)	-	N.M
	(1,257)	(325)	287%

Note 1(a)(d) - The increase in current income tax was due to higher profits during the period.

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

	Group		Company	
	31 Mar 2017 S\$'000	31 Dec 2016 S\$'000	31 Mar 2017 S\$'000	31 Dec 2016 S\$'000
ASSETS				
Current Assets				
Cash and bank balances (Note (ii))	48,052	42,620	1,705	329
Trade receivables and other current assets (Note (iii))	26,861	20,944	3,201	3,618
Inventories (Note (iv))	37,424	31,725	-	-
Total Current Assets	112,337	95,289	4,906	3,947
Non-Current Assets				
Investment in subsidiaries (Note (i))	-	-	192,415	192,415
Property, plant and equipment	30,914	31,704	-	-
Investment property	2,284	2,284	-	-
Investment in associate (Note (v))	-	-	-	-
Loan to associate	828	828	828	828
Goodwill	80,083	80,083	-	-
Total Non-Current Assets	114,109	114,899	193,243	193,243
Total Assets	226,446	210,188	198,149	197,190
LIABILITIES AND EQUITY				
Current Liabilities				
Bank borrowings (Note 1(b)(ii))	249	249	-	-
Trade and other payables (Note (iv))	21,511	16,563	7,597	6,067
Income tax payable	3,397	2,210	7	7
Total Current Liabilities	25,157	19,022	7,604	6,074
Non Current Liabilities				
Deferred tax liabilities	1,243	1,243	-	-
Long-term provision*	433	433	-	-
Total Non-Current Liabilities	1,676	1,676	-	-
Total Liabilities	26,833	20,698	7,604	6,074
Capital and Reserves				
Share Capital	136,623	136,623	136,623	136,623
Reserves	(12,008)	(10,963)	-	-
Retained earnings	74,998	63,830	53,922	54,493
Total Equity	199,613	189,490	190,545	191,116
Total Liabilities and Equity	226,446	210,188	198,149	197,190

* Provision for reinstatement of leased premises.

Note 1 (b)(i)(i) Investment in Subsidiaries

The details of the subsidiaries as at 31 March 2017 are as follows:

Name	Effective percentage of equity held by the group		Company's cost of investment	
	31-Mar-2017	31-Dec-2016	31-Mar-2017	31-Dec-2016
	%	%	S\$'000	S\$'000
<u>Held by the Company</u>				
UMS Systems Pte Ltd (Singapore)	100	100	9,561	9,561
UMS International Pte Ltd (Singapore)	100	100	800	800
UMS Pte Ltd (Singapore)	100	100	127,081	127,081
UMS Aerospace Pte Ltd (Singapore)	100	100	20,000	20,000
Integrated Manufacturing Technologies Pte Ltd (Singapore)	100	100	19,803	19,803
Integrated Manufacturing Technologies Inc. (United States)	100	100	8,196	8,196
Ultimate Machining Solutions (M) Sdn. Bhd. (Malaysia)	100	100	30,772	30,772
Unquoted equity shares, at cost			216,213	216,213
Less: Provision for impairment			(23,798)	(23,798)
			192,415	192,415
<u>Held through UMS International Pte Ltd</u>				
Ultimate Manufacturing Solutions (M) Sdn. Bhd. (Malaysia)	100	100		
<u>Held through UMS Pte Ltd</u>				
UMS Solutions Pte Ltd (Singapore)	100	100		

Note 1(b)(i)(ii) – The increase in cash and cash equivalents by S\$5.4 million was mainly due to net cash generated from operation activities during the period.

Note 1(b)(i)(iii) – Trade receivables and other current assets increased by S\$5.9 million, which were mainly due to higher sales during the period.

Note 1(b)(i)(iv) – The increase in inventories and trade and other payables by S\$5.7 million and S\$4.9 million respectively were mainly due to higher purchases made during the period.

Note 1(b)(i)(v) – Investment in associate relates to the Group's 10% equity interest investment in Allstar Manufacturing Sdn Bhd (the "Associate"). The Group has fully recognised share of losses of the associate in year 2016.

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

Amount repayable in one year or less, or on demand

As at 31 Mar 2017			As at 31 Dec 2016		
Secured	Unsecured	Total	Secured	Unsecured	Total
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
-	249	249	-	249	249

Details of any collateral

The Group's borrowing comprise short-term bank borrowing.

Not applicable.

- 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	
	3 Months Ended	
	31-Mar-17	31-Mar-16
	S\$'000	S\$'000
Cash flows from operating activities		
Profit before income tax	12,425	3,705
Adjustments for:		
Depreciation expense	1,250	1,420
Write back of allowance for inventories obsolescence	(195)	-
Inventories written off	224	-
Property, plant and equipment written off	-	20
Gain on disposal of property, plant and equipment	(15)	(7)
Interest income	(68)	(29)
Interest expense	1	-
Share of result of associate (net of income tax)	-	11
Unrealised foreign exchange loss	777	1,918
Operating cash flows before working capital changes	14,399	7,038
Changes in working capital:		
Trade receivables and other current assets	(6,304)	(1,918)
Inventories	(5,692)	(144)
Trade and other payables	5,455	684
Cash generated from operations	7,858	5,660
Income tax paid	(70)	(31)
Net cash generated from operating activities	7,788	5,629
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	17	7
Purchase of property, plant and equipment	(939)	(593)
Improvement to investment property	(36)	-
Loan to associate	-	(142)
Investment in associate	-	(48)
Interest received	68	29
Net cash used in investing activities	(890)	(747)
Cash flows from financing activities		
Interest paid	(1)	-
Net cash used in financing activities	(1)	-
Net effect of exchange rate changes	(1,465)	(1,036)
Net increase in cash and cash equivalents	5,432	3,846
Cash and cash equivalents at beginning of the period	42,620	38,934
Cash and cash equivalents at end of the period	48,052	42,780

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

	Group		
	3 Months Ended		
	31-Mar-17	31-Mar-16	Change
	S\$'000	S\$'000	%
Net Profit for the period	11,168	3,380	230%
Other comprehensive income, net of income tax:			
<i>Items that may be classified subsequently to profit and loss:</i>			
Exchange differences on translation of foreign operations	(1,045)	1,308	N.M
Total comprehensive income for the period	10,123	4,688	116%
Attributable to:			
Equity holders of the Company	10,123	4,688	116%
Minority interests	-	-	N.M

1(e)(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 capitalization issues and distribution to shareholders, together with a comparative statement for the corresponding period of the immediate preceding financial year.

Group	Share Capital S\$'000	Foreign Exchange Translation Reserve S\$'000	Retained Earnings S\$'000	Total equity attributable to equity of holders of the Company S\$'000
Balance at 1 January 2016	136,623	(9,146)	66,988	194,465
Changes in equity for first quarter				
Net profit for the period	-	-	3,380	3,380
Other comprehensive income for the period- Exchange differences on translation of foreign operations	-	1,308	-	1,308
Total comprehensive income for the quarter	-	1,308	3,380	4,688
Balance at 31 March 2016	136,623	(7,838)	70,368	199,153

Group	Share Capital S\$'000	Foreign Exchange Translation Reserve S\$'000	Retained Earnings S\$'000	Total equity attributable to equity of holders of the Company S\$'000
Balance at 1 January 2017	136,623	(10,963)	63,830	189,490
Changes in equity for first quarter				
Net profit for the period	-	-	11,168	11,168
Other comprehensive income for the period- Exchange differences on translation of foreign operations	-	(1,045)	-	(1,045)
Total comprehensive income for the quarter	-	(1,045)	11,168	10,123
Balance at 31 March 2017	136,623	(12,008)	74,998	199,613

	Share Capital S\$'000	Capital Reserve S\$'000	Retained Earnings S\$'000	Total equity attributable to equity of holders of the Company S\$'000
Company				
Balance at 1 January 2016	136,623	-	52,239	188,862
Changes in equity for first quarter				
Net loss for the period	-	-	(566)	(566)
Total comprehensive expenses for the quarter	-	-	(566)	(566)
Balance at 31 March 2016	136,623	-	51,673	188,296

	Share Capital S\$'000	Capital Reserve S\$'000	Retained Earnings S\$'000	Total equity attributable to equity of holders of the Company S\$'000
Company				
Balance at 1 January 2017	136,623	-	54,493	191,116
Changes in equity for first quarter				
Net loss for the period	-	-	(571)	(571)
Total comprehensive expenses for the quarter	-	-	(571)	(571)
Balance at 31 March 2017	136,623	-	53,922	190,545

- 1(e)(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 purposes since the end of the previous period reported on. State the number of shares that may be issued on conversion of all outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There was no change in the Company's issued share capital since last financial year ended 31 December 2016 to 31 March 2017. There are neither treasury shares nor subsidiary holdings as at 31 March 2017 and 31 March 2016.

- 1(e)(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.**

The total number of issued shares excluding treasury shares as at 31 March 2017 was 429,143,947 (31 December 2016: 429,143,947).

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

There was no treasury share held as at 31 December 2016 and 31 March 2017.

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

There were no subsidiary holdings as at 31 March 2017.

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 our external auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including and qualifications or emphasis of 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.

Except as stated in Note 5, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those of the audited financial statements for the financial year ended 31 December 2016.

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

The Group has adopted all the new and revised Singapore Financial Reporting Standards (FRS) and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning 1 January 2017.

The adoption of the new/ revised FRS and INT FRS does not result in any significant changes to the accounting policies of the Group and has no material effect on the amounts reported for the current and prior periods.

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

	Group	
	3 Months Ended	
	31-Mar-17	31-Mar-16
Earnings per ordinary share of the Group based on net profit attributable to owners of the company:-		
(a) Based on the weighted average number of ordinary shares on issue	2.60 cents	0.79 cents
- Weighted average number of shares	429,143,947	429,143,947
(b) On a fully diluted basis	2.60 cents	0.79 cents
- Weighted average number of shares	429,143,947	429,143,947

- 7 **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediate preceding financial year.**

	Group		Company	
	31-Mar-17	31-Dec-16	31-Mar-17	31-Dec-16
Net asset per ordinary share based on existing issued share capital as at end of period reported on	46.51 cents	44.16 cents	44.40 cents	44.53 cents

The net asset per outstanding ordinary share as at both the current and the previous financial year have been calculated based on 429,143,947 outstanding ordinary shares.

- 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 on 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) seasonable 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.

Revenue
1Q2017 Vs 1Q2016

	Group		
	3 Months Ended		
	31-Mar-17	31-Mar-16	Change
	S\$'000	S\$'000	%
Business Segments			
Semiconductor (Semicon)	40,880	19,608	108%
Others	880	754	17%
	<u>41,760</u>	<u>20,362</u>	<u>105%</u>
Geographical Regions			
Singapore	31,152	10,893	186%
United States of America ('US')	4,079	2,455	66%
Malaysia	609	385	58%
Others	5,920	6,629	-11%
	<u>41,760</u>	<u>20,362</u>	<u>105%</u>

Revenue

Revenue for the three months ended 31 March 2017 ("1Q2017") surged by 105% from S\$20.4 million a year ago ("1Q2016") to S\$41.8 million. This was mainly attributed to the strong performance by our Semiconductor business segment. On a sequential basis, revenue in 1Q2017 increased by 22% from S\$34.2 million in the preceding quarter ("4Q2016").

The revenue boost came mainly from the Group's semiconductor business segment which leapt by 108% to S\$40.9 million from S\$19.6 million in the previous corresponding period. Semiconductor Integrated System sales jumped 192% from S\$8.3 million in 1Q2016 to S\$24.3 million in 1Q2017. Revenue from component sales increased by 47% from S\$11.3 million in 1Q2016 to S\$16.6 million in 1Q2017. Revenue contributions from the Others segment increased 17% to \$0.88 million from S\$0.75 million in the same period.

Compared to 4Q2016, 1Q2017, revenue contributions from the semiconductor segment rose by 26%. Revenue in Others segment decreased 51% due mainly to the fluctuations in shipment dates of water disinfection equipment, which comprises Kalf Engineering's projects.

Geographically, Singapore continues to account for most or 75% of the Group's revenue, contributing S\$31.2 million in 1Q2017, a 186% jump from S\$10.9 million in 1Q2016. The increase is mainly due to strong demand for the Semiconductor Integrated System.

Contributions from the US also surged. For 1Q2017, sales in US soared 66% to \$4.1 million from \$2.5 million in 1Q2016 as a result of higher component sales for new system built.

Revenue from the Others segment slipped 11% vs 1Q2016 mainly due to lower component sales to a customer in China.

Profitability

Net profit in 1Q2017 shot up by 230% to S\$11.2 million from S\$3.4 million in 1Q2016.

The surge in net profit came on the back of the Group's strong sales growth in 1Q2017. An increase in net finance income and reduced foreign exchange loss also contributed to the higher net profit.

UMS's gross material margin in 1Q2017 eased to 51% from 60% in 1Q2016 arising from a change in product mix. In the quarter under review, the Group secured higher integrated systems sales - which command a lower margin compared to component sales.

During the current quarter, employee benefits expense increased by 35% to S\$3.5 million mainly due to higher overtime and provision for bonus. Depreciation expense fell by 12% to S\$1.3 million from S\$1.4 million in 1Q2016 - as more plant and equipment become fully depreciated. Other expenses increased 23% over last year to support the higher level of production activities undertaken. Other charges/ credits in 1Q2017 declined by 45% - mainly due to lower exchange loss. The exchange loss is attributed to the depreciation of USD during the quarter.

Income tax rose in line with the higher profits generated.

Cashflow

In 1Q2017, UMS continued to achieve strong cash flow - as evidenced by the Group registering \$7.8 million positive net cash from operating activities.

The Group also generated \$6.8 million free cash flow in 1Q2017. The Group would have generated more cash if not for the higher working capital deployed to secure materials for the coming quarters.

The Group recorded an all-time record level of cash and cash equivalents of S\$48.1 million as at 31 Mar 2017.

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

The current announced results are in line with the general prospect commentary previously disclosed to shareholders in the previous announcement made on 28 February 2017. The Group maintains its positive outlook for the industry.

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.

Fab equipment spending is expected to reach an industry all-time record, to more than US\$46 billion in 2017, according to the latest version of the SEMI (www.semi.org) World Fab Forecast. The record is expected to be broken again in 2018, with spending hitting near the US\$50 billion mark (Source: **Unprecedented spending for fab equipment expected, SEMI (March 7, 2017)**).

The largest growth drivers for the industry are mobile devices (including devices using SSDs), automotive, and IoT (Internet of Things).

These buoyant trends augur well for UMS as we are well-poised to ride on this growth wave to scale greater heights.

We will step up our plans to expand our production capacity – especially in Penang. By doing so, we will be able to take advantage of larger pool of talent and more favourable tax status. We will invest more in our Penang facilities with additional new cleanrooms to boost capacity. We intend to invest an additional RM80 million in Penang over the next few years.

Going forward, UMS will continue to drive growth in our existing semiconductor business segment while embarking on its diversification strategy to broaden our revenue and income streams and to minimize exposure risks to any single source or market.

Recently, we took a majority stake in Kalf Engineering, a company that specialises in water and chemical engineering solutions for the offshore, power generation and chemical industries. It has secured seven projects in Asia, the Middle East and South America worth approximately S\$13 million.

Five of the new projects are expected to be completed in the second half of 2017, while the other two in China and Middle East are expected to be completed in the second half of 2018. The five projects, scheduled for completion this year, will be expected to contribute to the Group's financial performance in FY2017.

Apart from these seven projects secured, Kalf is also in the midst of procuring additional projects.

Barring unforeseen circumstances, the Board of Directors remains optimistic that the Group will deliver an improved performance in FY2017.

11 Dividend

(a) Current Financial Period Reported

Any dividend declared for the current financial period reported on? **Yes**

Name of Dividend	Proposed Interim Dividend
Dividend Type	Cash
Dividend Amount (SGD)	1.0 cent per ordinary share, (tax exempt one-tier)
Tax rate	Not applicable

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Name of Dividend	Proposed Interim Dividend
Dividend Type	Cash
Dividend Amount (SGD)	1.0 cent per ordinary share, (tax exempt one-tier)
Tax rate	Not applicable

(c) Date payable

27 July 2017.

(d) Books closure date

NOTICE IS HEREBY GIVEN THAT the Share Transfer Books and Register of Members of the Company will be closed on 12 July 2017, for the purpose of determining members' entitlements to the First Interim Dividend of 1.0 cent per ordinary share (tax-exempt one-tier) for the financial year ending 31 December 2017.

Duly completed registrable transfers received by the Company's Share Registrar, RHT Corporate Advisory Pte. Ltd., 9 Raffles Place, #29-01 Republic Plaza Tower 1, Singapore 048619 up to the close of business at 5.00 p.m. on 11 July 2017 will be registered before entitlement to the First Interim Dividend are determined. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 11 July 2017 will be entitled to the First Interim Dividend.

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

Not applicable.

- 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.**

	3 Months Ended 31 March 2017
Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual) S\$'000
Kalf Engineering Pte Ltd (Note 1)	
Fabrication of water disinfection system	273

Note 1: Kalf Engineering Pte Ltd ("Kalf") is a company in which both executive directors Mr. Luong Andy and Mr. Stanley Loh Meng Chong have an interest. The above aggregate value of Interested person transactions is from 1 Jan 2017 to 30 Mar 2017.

On 24 Feb 2017, the Group entered into a Conditional Subscription agreement with Kalf to subscribe for 51% equity of Kalf's enlarged Shareholdings via issuance of new shares for a total consideration of S\$990,000.

Kalf has become a subsidiary of the Group and will be consolidated on 1 April 2017.

- 14 **Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1)**

The Company hereby confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1).

- 15 **Negative confirmation pursuant to Rule 705 (5)**

The Board of Directors hereby confirm that, to the best of their knowledge, nothing has come to their attention which may render the 1Q2017 and the period ended 31 March 2017 financial results to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Luong Andy
Chief Executive Officer
 12 May 2017