Chuan Holdings Limited
川控股有限公司*

(Incorporated in the Cayman Islands with limited liability)
Stock Code : 1420

Interim Report
2017

* For identification purposes only

Contents

Corporate Information

DIRECTORS

Executive Directors

Mr. Lim Kui Teng *(Chairman)*
Mr. Quek Sze Whye
Mr. Bijay Joseph
Mr. Lau Yan Hong
Mr. Wong Kee Chung (appointed on 10 July 2017)

Independent Non-executive Directors

Mr. Chow Wing Tung
Mr. Phang Yew Kiat
Mr. Lee Teck Leng

AUDIT COMMITTEE

Mr. Chow Wing Tung *(Chairman)*
Mr. Lee Teck Leng
Mr. Phang Yew Kiat

NOMINATION COMMITTEE

Mr. Lim Kui Teng *(Chairman)*
Mr. Phang Yew Kiat
Mr. Chow Wing Tung

REMUNERATION COMMITTEE

Mr. Phang Yew Kiat *(Chairman)*
Mr. Lim Kui Teng
Mr. Chow Wing Tung

COMPANY SECRETARY

Ms. Ngan Chui Wan Judy

AUTHORIZED REPRESENTATIVES

Mr. Lim Kui Teng
Ms. Ngan Chui Wan Judy

COMPLIANCE ADVISER

VBG Capital Limited
A corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
18th Floor, Prosperity Tower
39 Queen's Road Central
Hong Kong

AUDITOR

BDO Limited
Certified Public Accountant
25th Floor, Wing On Centre,
111 Connaught Road Central,
Central, Hong Kong

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

57/F, The Center
99 Queen's Road Central
Hong Kong

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS

20 Senoko Drive
Singapore 758207

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Codan Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 22 Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

Malayan Banking Berhad
Standard Chartered Bank (Singapore) Limited
DBS Bank Ltd (Singapore)

LISTING INFORMATION

The Stock Exchange of Hong Kong Limited
Stock Code: 1420

COMPANY WEBSITE

www.chuanholdings.com

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2017

		Six months ended 30 June	
	Notes	**2017**	2016
		S$'000	S$'000
		(Unaudited)	(Unaudited)
Revenue	*5*	**39,342**	50,960
Direct costs		**(34,216)**	(39,921)
Gross profit		**5,126**	11,039
Other income and gains	*5*	**675**	965
Administrative and other operating expenses		**(2,829)**	(2,279)
Other expenses		**(556)**	(1,115)
Finance costs	*6*	**(150)**	(83)
Profit before income tax	*7*	**2,266**	8,527
Income tax expense	*8*	**(387)**	(1,450)
Profit for the period		**1,879**	7,077
Other comprehensive income for the period, net of tax			
Items that may be reclassified subsequently to profit or loss:			
Gains/(losses) in revaluation of available-for-sale financial assets		**13**	(35)
Exchange differences arising on translation		**(1,261)**	–
Other comprehensive income for the period, net of tax		**(1,248)**	(35)
Total comprehensive income for the period attributable to the owners of the Company		**631**	7,042
Earnings per share attributable to owners of the Company – basic and diluted (S cents/share)	*9*	**0.18**	0.83

Condensed Consolidated Statement of Financial Position

As at 30 June 2017

	Notes	30 June 2017 S$'000 (Unaudited)	31 December 2016 S$'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	*11*	**15,836**	16,206
Investment property		**1,352**	1,358
Other assets		**373**	373
Deposits and other receivables		**486**	363
Available-for-sale financial assets		**1,708**	1,695
		19,755	19,995
Current assets			
Due from customers for contract work		**17,706**	16,658
Trade receivables	*12*	**21,961**	23,226
Deposits, prepayments and other receivables		**1,284**	1,815
Pledged deposits	*13*	**3,297**	3,297
Cash and cash equivalents	*13*	**45,194**	48,808
		89,442	93,804
Current liabilities			
Due to customers for contract work		**1,433**	2,999
Trade payables	*15*	**5,259**	7,131
Other payables, accruals and deposits received		**1,893**	5,801
Bank borrowings	*16*	**67**	252
Finance lease obligations		**4,348**	4,492
Income tax payable		**1,258**	1,713
		14,258	22,388
Net current assets		**75,184**	71,416
Total assets less current liabilities		**94,939**	91,411

Condensed Consolidated Statement of Financial Position

As at 30 June 2017

	Notes	30 June 2017 S$'000 (Unaudited)	31 December 2016 S$'000 (Audited)
Non-current liabilities			
Bank borrowings	*16*	**94**	148
Finance lease obligations		**7,060**	4,109
Deferred tax liabilities		**35**	35
		7,189	4,292
Net assets		**87,750**	87,119
EQUITY			
Share capital	*14*	**1,808**	1,808
Reserves		**85,942**	85,311
Total equity		**87,750**	87,119

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2017

	Share capital S$'000 (Note 14)	Share premium S$'000	Merger reserve S$'000	Translation reserve S$'000	Investment revaluation reserve S$'000	Retained profits S$'000	Total S$'000
At 1 January 2016	–	–	5,166	–	(408)	43,242	48,000
Issue of new shares	361	31,466	–	–	–	–	31,827
Share issues expenses	–	(2,090)	–	–	–	–	(2,090)
Share capitalisation	1,447	(1,447)	–	–	–	–	–
Transactions with owners	1,808	27,929	–	–	–	–	29,737
Profit for the period	–	–	–	–	–	7,077	7,077
Other comprehensive income							
Losses in revaluation of available-for-sale financial assets	–	–	–	–	(35)	–	(35)
Total comprehensive income for the period	–	–	–	–	(35)	7,077	7,042
At 30 June 2016 (unaudited)	**1,808**	**27,929**	**5,166**	**–**	**(443)**	**50,319**	**84,779**
At 1 January 2017	**1,808**	**27,929**	**5,166**	**1,606**	**(348)**	**50,958**	**87,119**
Profit for the period	–	–	–	–	–	1,879	1,879
Other comprehensive income							
Gains in revaluation of available-for-sale financial assets	–	–	–	–	13	–	13
Exchange differences arising on translation	–	–	–	(1,261)	–	–	(1,261)
Total comprehensive income for the period	–	–	–	(1,261)	13	1,879	631
At 30 June 2017 (unaudited)	**1,808**	**27,929**	**5,166**	**345**	**(335)**	**52,837**	**87,750**

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2017

	Six months ended 30 June	
	2017	2016
	S$'000	S$'000
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Cash generated from operations	**1,611**	13,398
Income tax paid, net	**(842)**	(1,353)
Net cash generated from operating activities	**769**	12,045
Cash flows from investing activities		
Decrease in time deposits with maturity over three months	**2,185**	–
Proceeds from disposal of property, plant and equipment	**197**	129
Purchases of property, plant and equipment	**(524)**	(1,745)
Interest received	**125**	27
Dividend received	**1**	1
Net cash generated from/(used in) investing activities	**1,984**	(1,588)
Cash flows from financing activities		
Net proceed from issue of shares	**–**	16,277
Decrease in amounts due to directors	**–**	(400)
Interest element on finance lease payments	**(146)**	(76)
Capital element of finance lease obligations	**(2,532)**	(1,966)
Repayment of bank borrowings	**(239)**	(125)
Increase in pledged deposits	**–**	(11)
Interests paid	**(4)**	(7)
Net cash (used in)/generated from financing activities	**(2,921)**	13,692
Net (decrease)/increase in cash and cash equivalents	**(168)**	24,149
Cash and cash equivalents at beginning of the period	**42,073**	10,632
Effect of foreign exchange rate changes, net	**(1,261)**	–
Cash and cash equivalents at end of the period	**40,644**	34,781
Analysis of balances of cash and cash equivalents		
Cash and bank balances	**27,266**	34,781
Time deposits with maturity less than three months	**13,378**	–
	40,644	34,781

1. CORPORATE INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 25 August 2015. The address of the Company's registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business is located at 20 Senoko Drive, Singapore 758207.

The Company is an investment holding company while the principal subsidiary of the Group is engaged in provision of earthworks and related services and general construction in Singapore.

The Company has listed its shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 8 June 2016.

The condensed consolidated financial statements are unaudited, but have been reviewed by the Audit Committee of the Company. The unaudited condensed consolidated statements for the six months ended 30 June 2017 were approved and authorised for issue by the directors on 30 August 2017.

2. BASIS OF PREPARATION

The condensed consolidated interim financial statements of the Group have been prepared in accordance with the Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("**HKAS 34**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange.

The condensed consolidated interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2016 which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**"), which collective terms include all applicable individual HKFRSs, Hong Kong Accounting Standards and Interpretations issued by the HKICPA.

The condensed consolidated financial statements of the Group are presented in Singapore dollars ("**S$**") and all values are rounded to the nearest thousand except when otherwise indicated.

The preparation of the condensed consolidated interim financial statements in conformity with HKAS 34 requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated interim financial information are consistent with those followed in the preparation of the annual financial statements of the Group for the year ended 31 December 2016, except as described below.

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

In the current interim period, the Group has applied, for the first time, the following new standards, amendments and interpretations issued by the HKICPA which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 January 2017:

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses

Amendments to HKAS 7 Disclosure Initiatives

The amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

Amendments to HKAS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments relate to the recognition of deferred tax assets and clarify some of the necessary considerations, including how to account for deferred tax assets related to debt instruments measured at fair value.

The above amendments to HKFRSs has no material impact on the Group's accounting policies, presentation of the Group's condensed consolidated interim financial statements and amounts reported for the current and prior periods. The Group has not early adopted any new HKFRSs that have been issued but are not yet effective.

4. SEGMENT INFORMATION

For the purpose of resources allocation and performance assessment, the Group determines its operating segments based on reports reviewed by the executive directors of the Company, being the chief operating decision-maker ("**CODM**") that are used to make strategic decisions. Financial statements reported to the CODM, based on the following segments:

(i) Provision of earthworks and related services, mainly include excavation, earth disposal, demolition and various ancillary services (collectively referred as "**Earthworks**"); and

(ii) Provision of general construction works, mainly include construction of new buildings, alternation and addition works (collectively referred as "**General Construction Works**").

(a) Segment revenue and results

Segment revenue below represents revenue from external customers. There were no inter-segment revenue during the respective periods. Operating revenue, direct costs, gains on disposal of property, plant and equipment, interest expenses on finance leases, provision for impairment of trade receivables and bad debts recovered, are allocated to different segments to assess corresponding performance.

The corporate and unallocated expenses mainly includes director's emoluments, employee benefit expenses, depreciation of office equipment, operating lease expenses and other centralised administrative cost for the Group's headquarter and listing expenses.

4. SEGMENT INFORMATION (CONTINUED)

(a) Segment revenue and results (Continued)

The segment revenue and results, and the totals presented for the Group's operating segments, reconcile to the Group's key financial figures as presented in the financial statements are as follows:

For the six months ended 30 June 2017 (unaudited)

	Earthworks S$'000	General construction works S$'000	Total S$'000
Revenue from external customers	**31,525**	**7,817**	**39,342**
Reportable segment results	**4,176**	**371**	**4,547**
Unallocated other income and gains			**552**
Corporate and other unallocated expenses			**(2,829)**
Interest on bank loans			**(4)**
Profit before income tax			**2,266**

For the six months ended 30 June 2016 (unaudited)

	Earthworks S$'000	General construction works S$'000	Total S$'000
Revenue from external customers	23,424	27,536	50,960
Reportable segment results	6,611	4,691	11,302
Unallocated other income and gains			452
Corporate and other unallocated expenses			(3,220)
Interest on bank loans			(7)
Profit before income tax			8,527

4. SEGMENT INFORMATION (CONTINUED)

(b) Segment assets and liabilities

The following is an analysis of the Group's segment assets by reportable and operating segment:

Reportable segment assets

	As at 30 June 2017 S$'000 (Unaudited)	As at 31 December 2016 S$'000 (Audited)
Earthworks	**54,269**	45,634
General construction works	**1,370**	10,428
Total	**55,639**	56,062

	As at 30 June 2017 S$'000 (Unaudited)	As at 31 December 2016 S$'000 (Audited)
Reportable segment assets	**55,639**	56,062
Corporate and other unallocated assets	**53,558**	57,737
Group assets	**109,197**	113,799

Corporate and other unallocated assets mainly included deposit, prepayments paid for operating leases and office expenses, and other receivables due from related parties.

4. SEGMENT INFORMATION (CONTINUED)

(b) Segment assets and liabilities (Continued)

The following is an analysis of the Group's segment liabilities by reportable and operating segment:

Reportable segment liabilities

	As at 30 June 2017 S$'000 (Unaudited)	As at 31 December 2016 S$'000 (Audited)
Earthworks	**16,691**	16,193
General Construction Works	**1,409**	2,538
Total	**18,100**	18,731

	As at 30 June 2017 S$'000 (Unaudited)	As at 31 December 2016 S$'000 (Audited)
Reportable segment liabilities	**18,100**	18,731
Corporate and other unallocated liabilities	**3,347**	7,949
Group liabilities	**21,447**	26,680

The corporate and other unallocated liabilities mainly include accruals for employee benefit expenses, listing expenses and payable of office operating expenses and utilities.

5. REVENUE, OTHER INCOME AND GAINS

(a) Revenue, which is also the Group's turnover, represents the income from Earthworks and General Construction Works. Revenue recognised during the respective periods is as follows:

	Six months ended 30 June	
	2017	2016
	S$'000	S$'000
	(Unaudited)	(Unaudited)
Earthworks	**31,525**	23,424
General Construction Works	**7,817**	27,536
Total	**39,342**	50,960

(b) Other income and gains recognised during the respective periods is as follows:

	Six months ended 30 June	
	2017	2016
	S$'000	S$'000
	(Unaudited)	(Unaudited)
Other income		
Management service income	**99**	151
Interest income on financial assets carried at amortised cost	**125**	27
Bad debts recovered	**115**	465
Rental income from investment property	**66**	67
Dividend income from available-for-sale financial assets	**1**	1
Sales of scrap materials and consumables	**49**	93
Others	**212**	113
	667	917
Gains		
Gains on disposals of property, plant and equipment	**8**	48
	675	965

6. FINANCE COSTS

	Six months ended 30 June	
	2017	2016
	S$'000	S$'000
	(Unaudited)	(Unaudited)
Interest expenses for financial liabilities carried at amortised cost:		
– Interest on finance leases	**146**	76
– Interest on bank loans wholly repayable within five years	**4**	7
	150	83

7. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging:

	Six months ended 30 June	
	2017	2016
	S$'000	S$'000
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment *	**2,676**	2,282
Depreciation of investment property **	**6**	6
Direct operating expenses arising from investment property that generated rental income	**12**	13
Operating lease rental expenses in respect of:		
– Office equipment and machineries	**3,919**	2,057
– Warehouses, premises, dormitories and workshops	**816**	644
	4,735	2,701
Employee benefit expenses (including directors' remuneration)		
– Salaries, wages and bonuses	**7,286**	6,508
– Defined contribution	**267**	270
– Other short-term benefits	**1,131**	907
	8,684	7,685
Listing expenses	**–**	940
Provision for impairment of trade and other receivables	**556**	175

7. PROFIT BEFORE INCOME TAX (CONTINUED)

* Depreciation of property, plant and equipment amounted to approximately S$2,607,000 (six months ended 30 June 2016: approximately S$2,222,000) has been included in direct costs and approximately S$69,000 (six months ended 30 June 2016: approximately S$60,000) in administrative and other operating expenses.

** Depreciation of investment property has been included in administrative and other operating expenses in the respective periods.

8. INCOME TAX EXPENSE

	Six months ended 30 June	
	2017	2016
	S$'000	S$'000
	(Unaudited)	(Unaudited)
Current tax – Singapore income tax		
Tax for the period	**387**	1,450

Singapore income tax has been provided at the rate of 17% on the estimated assessable profits for each of the financial periods. No provision for Hong Kong profits tax has been made as the Group did not derive any assessable profits for the six months ended 30 June 2016 and 2017.

9. EARNINGS PER SHARE

The calculation of basic earnings per share for the six months ended 30 June 2017 is based on the profits attributable to the owners of the Company of approximately S$1,879,000 (six months ended 30 June 2016: approximately S$7,077,000), and on the weighted average number of 1,037,500,000 (six months ended 30 June 2016: 856,222,527) ordinary shares in issue during the period.

Diluted earnings per share is the same as the basic earnings per share because the Group has no dilutive potential ordinary shares during the periods.

10. DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2017 (six months ended 30 June 2016: nil).

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2017, the Group incurred capital expenditure of S$1,055,000 (six months ended 30 June 2016: approximately S$3,069,000) in plant and machinery, approximately S$16,000 (six months ended 30 June 2016: S$107,000) in furniture, fixtures and office equipment, and approximately S$1,423,000 (six months ended 30 June 2016: S$1,577,000) in motor vehicles.

Items of property, plant and equipment with net book value amounting to approximately S$189,000 were disposed of during the six months ended 30 June 2017 (six months ended 30 June 2016: S$81,000), resulting in a gain on disposal of S$8,000 (six months ended 30 June 2016: S$48,000).

12. TRADE RECEIVABLES

	As at 30 June 2017 S$'000 (Unaudited)	As at 31 December 2016 S$'000 (Audited)
Trade receivables	**18,303**	17,881
Retention sum receivables	**6,115**	7,361
	24,418	25,242
Less: Provision for impairment of trade receivables	**(2,457)**	(2,016)
	21,961	23,226

Retention sum receivables refer to retention sum which will be partially billed upon the practical completion, and the balance shall be billed upon the final completion. Retention sum receivables are non-interest-bearing and on terms based on the respective contract's retention period.

The credit period granted to the Group's customers generally within 30 days from invoice date of the relevant contract revenue. The terms of some construction contracts stipulate that the customers withhold a portion of total contract sum (usually 5%) until a specified period (usually 1 year) after completion of the contract.

12. TRADE RECEIVABLES (CONTINUED)

Based on invoices date, ageing analysis of the Group's trade receivables as at the end of each of the respective periods is as follows:

	As at 30 June 2017 S$'000 (Unaudited)	As at 31 December 2016 S$'000 (Audited)
0 to 30 days	**7,457**	12,569
31 to 90 days	**4,321**	6,672
91 to 180 days	**2,873**	1,944
181 to 365 days	**6,608**	1,496
1 year to less than 2 years	**702**	545
	21,961	23,226

As at 30 June 2017 and 31 December 2016, there were no retention sum receivables which were past due.

Movement in the provision for impairment of trade receivables:

	As at 30 June 2017 S$'000 (Unaudited)	As at 31 December 2016 S$'000 (Audited)
Opening balance	**2,016**	2,048
Impairment losses	**556**	424
Bad debts recovered	**(115)**	(456)
Closing balance	**2,457**	2,016

13. CASH AND CASH EQUIVALENTS

	As at 30 June 2017 S$'000 (Unaudited)	As at 31 December 2016 S$'000 (Audited)
Cash and bank balances	**30,563**	33,440
Time deposits with an original maturity of more than three months	**4,550**	6,735
Time deposits with an original maturity of less than three months	**13,378**	11,930
	48,491	52,105
Less: Pledged deposits (note)	**(3,297)**	(3,297)
Cash and cash equivalents	**45,194**	48,808

Note:

As at 30 June 2017 and 31 December 2016, pledged deposits are restricted bank balances to secure:

(i) the guarantee arrangement and the issuance of performance bonds (Note 21); and

(ii) the banking facilities including letter of credits, overdraft and bank guarantee amounting to approximately S$12.5 million (31 December 2016: approximately S$18.5 million).

14. SHARE CAPITAL

	Number of shares		Share capital	
	As at 30 June 2017 (Unaudited)	As at 31 December 2016 (Audited)	As at 30 June 2017 S$'000 (Unaudited)	As at 31 December 2016 S$'000 (Audited)
Ordinary shares of HK$0.01 each				
Authorised:				
At beginning and end of the period/year	**10,000,000,000**	10,000,000,000	**17,430**	17,430
Issued and fully paid				
At beginning and end of the period/year	**1,037,500,000**	1,037,500,000	**1,808**	1,808

15. TRADE PAYABLES

	As at 30 June 2017 S$'000 (Unaudited)	As at 31 December 2016 S$'000 (Audited)
Trade payables	**4,631**	5,874
Retention payables	**628**	1,257
	5,259	7,131

The Group's trade payables are non-interest bearing and generally have payment terms of 30 days.

Ageing analysis of trade payables as at the reporting dates is as follows:

	As at 30 June 2017 S$'000 (Unaudited)	As at 31 December 2016 S$'000 (Audited)
0 to 30 days	**2,888**	4,489
31 to 90 days	**1,078**	1,629
91 to 180 days	**434**	232
Over 180 days	**859**	781
	5,259	7,131

16. BANK BORROWINGS

	As at 30 June 2017 S$'000 (Unaudited)	As at 31 December 2016 S$'000 (Audited)
Current liabilities		
Amounts payable within one year		
– Secured mortgage loan	**67**	62
– Secured term loans	**–**	190
	67	252
Non-current liabilities		
Amounts payable in second to fifth year		
– Secured mortgage loan	**94**	132
– Secured term loans	**–**	16
	94	148
Total balance of bank borrowings	**161**	400

The summary of pledged assets and pledged deposits to bank borrowings are as follows:

	As at 30 June 2017 S$'000 (Unaudited)	As at 31 December 2016 S$'000 (Audited)
Investment property	**1,352**	1,358
Pledged deposits	**3,297**	3,297

17. COMMITMENTS

The Group has the following commitments as at the reporting dates in respect of:

	As at 30 June 2017 S$'000 (Unaudited)	As at 31 December 2016 S$'000 (Audited)
– Contracted but not provided for, in respect of acquisition of property, plant and equipment	**4,940**	3,361

18. OPERATING LEASE ARRANGEMENT

a) As lessor

Future minimum lease rental receivables under non-cancellable operating leases of the Group as at the reporting dates are as follows:

	As at 30 June 2017 S$'000 (Unaudited)	As at 31 December 2016 S$'000 (Audited)
Within one year	**112**	35
Within second to fifth year	**73**	–
	185	35

The Group leases its investment property under operating lease. The leases run for an initial period of 1 to 2 years. None of these leases includes any contingent rentals.

18. OPERATING LEASE ARRANGEMENT (CONTINUED)

b) As lessee

Future minimum rental payables under non-cancellable operating lease of the Group as at the reporting dates are as follows:

	As at 30 June 2017 S$'000 (Unaudited)	As at 31 December 2016 S$'000 (Audited)
Within one year	**1,529**	1,529
Within second to fifth year	**765**	1,529
	2,294	3,058

The Group leases office premises, office equipments, workshops and warehouses and a dormitory under operating leases. The leases run for an initial period of 1 to 3 years, with options to renew the lease terms upon expiry when all terms are re-negotiated. None of these leases includes any contingent rentals.

19. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the condensed consolidated interim financial statements, the following material transactions were carried out with related parties at terms mutually agreed by both parties:

	Six months ended 30 June	
	2017	2016
	S$'000	S$'000
	(Unaudited)	(Unaudited)
Construction contract work and ancillary services income received from related parties	**3,052**	10,614
Sales of scrap materials and consumables to related parties	**18**	4
Purchase of property, plant and equipment from a related party	**7**	84
Construction costs and related supporting service fees charged by related parties	**1,327**	860
Rental expenses charged by a related party	**48**	24

20. COMPENSATION OF KEY MANAGEMENT PERSONNEL

The remuneration of directors and other members of key management for the six months ended 30 June 2017 and 2016 were as follows:

	Six months ended 30 June	
	2017	2016
	S$'000	S$'000
	(Unaudited)	(Unaudited)
Short-term employee benefits	**1,018**	704

21. CONTINGENT LIABILITIES

Performance bonds and guarantees provided for ordinary course of business

(a) As at 30 June 2017, the Group had contingent liabilities in respect of performance bonds of construction contracts in its ordinary course of business of approximately S$6,502,000 (31 December 2016: approximately S$7,616,000). The guarantees in respect of performance bonds issued by banks are secured by pledged deposits (Note 13).

(b) As at 30 June 2017, the Group has contingent liabilities on providing guarantee on an agreement amounting to S$300,000 (31 December 2016: S$300,000) to a fuel supplier for commercial fuel supply to the Group, which was arranged via a bank under mutual agreement between parties whereby the Group has pledged its bank deposits (Note 13).

22. EVENTS AFTER THE REPORTING PERIOD

No significant events occurred after 30 June 2017.

23. APPROVAL OF THE INTERIM REPORT

The unaudited condensed consolidated interim financial statements for six months ended 30 June 2017 were approved and authorised for issue by the board of Directors on 30 August 2017.

Management Discussion and Analysis

BUSINESS REVIEW

The Group is one of the top earthworks contractors in Singapore, our two major business segments include: provision of earthworks and related services, including land clearing, demolition, rock breaking, mass excavation, deep basement excavation, foundation excavation, earth disposal, earth filling and shore protection; and general construction works and construction of new buildings. With over 20 years of experience in the construction industry in Singapore, we continue to strive for delivering timely and reliable services with integrity and good workmanship that meet the needs of our customers while fulfilling safety and regulatory requirements.

Industry review

After suffering from a year of the slowest economic growth since 2009, Singapore's economy remained gloomy in 2016. Although the economy started to show a sign of recovery, the impact of the economic downturn has carried forward to the first half of 2017. For the construction industry, it experienced contraction in both the private and public sectors, resulting in a challenging business environment for the Group.

Against the stagnant market situation, the Group continued to seek development opportunities in particular in the earthworks and related services projects. For the six months ended 30 June 2017 ("**the period under review**"), the Group continued to expand its capacity through the purchase of excavation machines and tipper trucks that amounted to approximately S$1.9 million. Such investments enabled us to secure 22 more earthworks and related services projects during the period under review, adding up to 90 ongoing earthworks and related services projects as at 30 June 2017, which made the segment our major revenue contributor, accounting for approximately 80.1% of the Group's total revenue.

Overall performance

During the period under review, as keen price competition was observed among the construction industry in Singapore, the Group witnessed a downturn of revenue, from approximately S$51.0 million to S$39.3 million, representing a year-on-year decrease of approximately 22.8%. Our efforts to boost the revenue from earthworks and related services was partially offset by the decrease in revenue from the general construction works.

In response to the poor market conditions, the Group adopted stringent costs and risks control measures as the first line of defense in securing the Group's profitability. As we adopted a more aggressive pricing strategy in securing new contracts to capture a larger market share, the Group's overall gross profit and gross profit margin saw a modest decline. Gross profit was approximately S$5.1 million (2016 Interim: S$11.0 million) while gross profit margin was approximately 13% (2016 Interim: approximately 21.7%). Profit for the period was approximately S$1.9 million (2016 Interim: S$7.1 million).

Earthworks and related services

With our effort to seize every opportunity to further develop our earthworks and related services business, the Group had secured 22 more projects with a total contract value of approximately S$29.7 million during the period under review. As at 30 June 2017, the Group had a total of 90 ongoing earthworks and related services projects. The segmental revenue was approximately S$31.5 million, representing a year-on-year growth of 34.6%. However, the segmental gross profit decreased by approximately 25.1% to approximately S$4.8 million and its gross profit margin decreased from approximately 27.1% to 15.1%, mainly due to competitive pricing in new contracts and higher than proportionate increase in direct costs attributable to the segment.

The Group has secured one new earthworks and related services project since 1 July 2017, with a total contract value of approximately S$2.1 million.

General construction works

As the Group continued to focus on strengthening our market position within the earthworks and related services industry in Singapore, after completion of a major private industrial building general construction project in 2016, the Group had tendered several minor general construction projects with relatively low profit margin, resulting in a drop of revenue recognised that was attributable to the segment. As a result, the segmental revenue was approximately S$7.8 million (2016 Interim: S$27.5 million) during the period under review.

Since government projects which yielded relatively low profit margin took up a major portion of the general construction segment, the segmental gross profit and gross profit margin were approximately S$0.4 million and 4.8% respectively, representing a drop of S$4.3 million and 12.2 percentage points respectively as compared with the same period last year.

During the period under review, the Group secured 4 new general construction works projects with a total contract value of approximately S$18.6 million and had 13 ongoing general construction works projects as at 30 June 2017.

FINANCIAL REVIEW

Revenue and gross profit

	For six months ended 30 June 2017			For six months ended 30 June 2016		
	Revenue recognised S$'000	Gross profit S$'000	Gross profit margin	Revenue recognised S$'000	Gross profit S$'000	Gross profit margin
Earthworks and related services	31,525	4,753	15.1%	23,424	6,349	27.1%
General construction works	7,817	373	4.8%	27,536	4,690	17.0%
Total	39,342	5,126	13.0%	50,960	11,039	21.7%

For the six months ended 30 June 2017, the Group recorded an unaudited revenue of approximately S$39.3 million (30 June 2016: approximately S$51.0 million), a decrease of approximately S$11.7 million or 22.8%. The decrease was principally due to less revenue recognised from the minor projects in general construction works and the resulting drop in revenue of the segment, which was approximately S$7.8 million for the six months ended 30 June 2017 (30 June 2016: approximately S$27.5 million).

However, the revenue attributable to the earthworks and related services saw an increase of approximately S$8.1 million or 34.6% during the six months ended 30 June 2017, from approximately S$23.4 million to approximately S$31.5 million, mainly due to active development of the segment.

For the six months ended 30 June 2017, approximately 80.1% of our revenue was derived from earthworks and related services (30 June 2016: approximately 46.0%) while approximately 19.9% of our revenue was generated from general construction works (30 June 2016: approximately 54.0%).

Gross profit of the Group declined by approximately S$5.9 million or 53.6%, from approximately S$11.0 million to approximately S$5.1 million, mainly due to the decrease in gross profit of general construction works which dropped by S$4.3 million, from approximately S$4.7 million to approximately S$0.4 million. The gross profit margin decreased to approximately 13.0% for the six months ended 30 June 2017 (30 June 2016: approximately 21.7%). It was mainly due to higher than proportionate increase in direct costs attributable to the earthworks and related services segment.

As at 30 June 2017, the Group had 90 ongoing earthworks and related services projects (31 December 2016: 73 projects), with an aggregate contract sum of approximately S$149.4 million (31 December 2016: approximately S$119.9 million). Approximately S$108.6 million of the aggregate contract sum has been recognised as revenue, with an estimated remaining balance of approximately S$25.0 million to be recognised in the second half of 2017 and approximately S$15.8 million to be recognised after 2017.

As at 30 June 2017, the Group had 13 ongoing general construction works projects (31 December 2016: 11 projects), with an aggregate contract sum of approximately S$107.8 million (31 December 2016: approximately S$91.5 million). Approximately S$73.5 million of the aggregate contract sum has been recognised as revenue, with an estimated remaining balance of approximately S$27.7 million to be recognised in the second half of 2017, and approximately S$6.6 million to be recognised after 2017.

Other income and gains

For the six months ended 30 June 2017, other income and gains decreased by approximately S$0.3 million or 30.1%, from approximately S$1.0 million for the last corresponding period to approximately S$0.7 million, primarily due to the decrease in bad debts recovered and gains on disposal of property, plant and equipment, which was partially offset by the increase in interest income on financial assets carried at amortised cost.

Administrative and other operating expenses

For the six months ended 30 June 2017, administrative and other operating expenses increased by approximately S$0.5 million or 24.1%, from approximately S$2.3 million to approximately S$2.8 million. The increase was primarily due to the increase of audit fee, professional fee for compliance with Listing Rules of The Stock Exchange of Hong Kong Limited as well as corporate secretarial fee and remuneration for executive directors of the Group.

Other expenses

For the six months ended 30 June 2017, other expenses decreased by approximately S$0.6 million or 50.1%, from approximately S$1.1 million during the last corresponding period to approximately S$0.5 million, mainly due to the absent of listing expenses occurred during the period under review.

Finance costs

For the six months ended 30 June 2017, finance costs increased by approximately S$67,000 or 80.7%, from approximately S$83,000 during the last corresponding period to approximately S$150,000. The increase was primarily due to the increase in interest expenses for financing purchase of additional machinery and equipment.

Income tax expenses

The effective tax rate was relatively stable at approximately 17.1% for the six months ended 30 June 2017 (30 June 2016: approximately 17.0%), consistent with the statutory tax rate in Singapore.

Profit after tax and net profit margin

As a result of the above factors, the Group recorded a profit after tax of approximately S$1.9 million for the six months ended 30 June 2017 (30 June 2016: approximately S$7.1 million). Net profit margin was approximately 4.8% for the six months ended 30 June 2017 (30 June 2016: approximately 13.9%).

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

Liquidity

The Group generally meets its working capital requirements with its internal resources, and maintained a healthy financial position. Upon listing on 8 June 2016, the source of funds of the Group has been a combination of internal resources and net proceeds from the global offering. For the six months ended 30 June 2017, the Group generated a net cash inflow from operating activities of approximately S$0.8 million (30 June 2016: approximately S$12.0 million), mainly due to the decrease of revenue and significant trade receivables due from a related company wholly-owned by Mr. Lim Kui Teng and Ms. Yee Say Lee during the corresponding period in 2016, while there was no significant change in trade receivables during the period under review.

As at 30 June 2017, the Group had cash and cash equivalents of approximately S$45.2 million (31 December 2016: approximately S$48.8 million), out of which approximately 50.4% was denominated in Singapore Dollars and approximately 0.8% was denominated in United States Dollars which were placed with major banks in Singapore and approximately 48.8% was denominated in Hong Kong Dollars which were placed in a licenced financial institution in Hong Kong.

Use of proceeds

The net proceeds from the global offering was approximately S$26.5 million (after deducting underwriting fees, commissions and listing expenses), out of which approximately S$6.5 million has been utilised as at 31 July 2017.

Intended applications	**Net proceeds** S$'000	**Amount utilised as at 31 July 2017** S$'000	**Balance as at 31 July 2017** S$'000
Purchase of excavation machines and tipper trucks	11,129	3,515	7,614
Purchase of software	2,085	174	1,911
Secure earth filling projects	6,607	–	6,607
Expand and enhance workforce	4,414	806	3,608
Working capital	2,247	2,036	211
	26,482	6,531	19,951

Borrowings and gearing ratio

As at 30 June 2017, the Group had an aggregate of current and non-current bank borrowings and finance lease obligations of approximately S$11.6 million (31 December 2016: approximately S$9.0 million), all denominated in Singapore Dollars with annual interest rates ranging from 1.1% to 2.8%. The increase in our borrowings was mainly due to loans taken prior to our listing, to finance the purchase of machineries and equipment. As at 30 June 2017, we had unutilised credit facilities of approximately S$18.6 million (31 December 2016: approximately S$16.6 million).

As at 30 June 2017, the Group's gearing ratio was approximately 0.13 times (31 December 2016: approximately 0.10 times). Gearing ratio is calculated by dividing total borrowings (bank borrowings and finance lease obligations) by total equity as at the end of the respective period.

Foreign exchange exposure

The Group's principal place of business is in Singapore, hence transactions arising from its operations were generally settled in Singapore Dollars, which is the functional currency of the Group. Apart from a portion of the cash and cash equivalents of the Group arising from the global offering is denominated in Hong Kong Dollars and a small portion denominated in United States Dollars, the Group was not exposed to any significant foreign currency risk nor had employed any financial instrument for hedging.

Charges on Group's assets

As at 30 June 2017, the Group's bank borrowings were secured by (i) the pledge of the Group's deposits of approximately S$3.3 million (31 December 2016: approximately S$3.3 million); and (ii) the investment property of the Group with net book value of approximately S$1.4 million (31 December 2016: approximately S$1.4 million), while the Group's finance lease obligations were secured by the charge over leased assets with net book value of approximately S$12.8 million (31 December 2016: approximately S$10.0 million).

Contingent liabilities

As at 30 June 2017, the Group had contingent liabilities in respect of (a) performance bonds of construction contracts in our ordinary course of business with utilised amount of approximately S$6.5 million (31 December 2016: approximately S$7.6 million); and (b) guarantee provided and restricted to one of the major fuel suppliers for the commercial fuel supply agreement amounting to S$300,000, both of which were secured by the pledge of the Group's deposit of approximately S$3.3 million.

Capital expenditures and capital commitments

For the six months ended 30 June 2017, the Group invested approximately S$2.5 million in purchase of property, plant and equipment, which was mainly funded by our finance lease obligations and proceeds from listing.

Management Discussion and Analysis

As at 30 June 2017, the Group's capital commitments in respect of acquisition of property, plant and equipment was approximately S$4.9 million (31 December 2016: approximately S$3.4 million).

Significant investments held, material acquisitions and disposal of subsidiaries, associates and joint ventures

There were no significant investments held, material acquisitions and disposal of subsidiaries, associates and joint ventures for the six months ended 30 June 2017.

EMPLOYEES

As at 30 June 2017, the Group had 429 employees (31 December 2016: 435), including foreign workers.

The employees of the Group are remunerated according to their scope of duties and responsibilities. The local employees are also entitled to discretionary bonus depending on their respective performance. The foreign workers are typically employed on one-year basis depending on the duration of their work permits, and subject to renewal based on their performance and are remunerated according to their work skills.

Total staff costs, including Directors' emoluments, amounted to approximately S$8.7 million for the six months ended 30 June 2017 (30 June 2016: approximately S$7.7 million).

PROSPECTS

Amidst the sluggish economic environment in Singapore at present, we anticipate steady economic growth in medium term. According to the Singapore's Ministry of Trade and Industry, the latest gross domestic product growth forecast for 2017 narrows upward to 2% to 3%, from earlier forecast of 1% to 3% and is likely to exceed 2% growth rate saved for any downside risks being materialised. With regard to construction industry, the ministry's data also showed that this sector contracted by 5.7% year-on-year during the second quarter of 2017, extending the 6.3% decline recorded in the first quarter, due to persisting stagnant demand in private construction works. Nonetheless, the Singapore Government has announced S$700 million worth of public sector infrastructure projects which shall commence in 2017 and continue through 2018, so as to stimulate growth within the construction industry. The Group is fully aware of the abovementioned challenges, and we remain cautiously optimistic towards our performance in the second half of 2017.

Given that the second half of the financial year is the traditional peak season for the construction industry, we anticipate the number of related projects is likely to increase. To capture the opportunities, we will leverage on our expertise, technology and experience to continue focusing on earthworks and related services as it remains as the promising perspective for the Group. We will explore any opportunities to tender government projects as a main-contractor with respect to earthworks and related services. Another strand of our focus on growth is to embark on strategic initiatives to improve our performance in general construction works. In addition, we will further diversify our business portfolio, as well as explore possible strategies to further expand our comprehensive services and identify suitable overseas projects. Through effective pricing strategy and stringent costs control policy, we are also determined to perpetuate our profitability and financial stability. Ultimately, we will strive to consolidate our market position as the front-runner within the Singapore market and yield ample returns for our shareholders in the long-run.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN EQUITY OR DEBT SECURITIES

As at 30 June 2017, the interests of the directors (the "**Directors**") and the chief executives and their associates in the shares, underlying shares and debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to section 352 of the Securities and Futures Ordinance ("**SFO**"), or as otherwise notified to the Company and pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**"), The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") were as follows:

Aggregate long positions (L) in the shares and underlying shares of the Company

Name of Director/ Chief Executive	Nature of interest and capacity	Number of shares of the Company	Approximate percentage of interest in the issued share capital of the Company as at 30 June 2017
Mr. Lim Kui Teng ("**Mr. Alan Lim**")	Interest of controlled corporation *(Notes 1)*	529,125,000 (L)	51.00%
Ms. Yee Say Lee ("**Ms. Yee**")	Interest of spouse *(Notes 1 and 2)*	529,125,000 (L)	51.00%

Notes:

(1) The entire issued share capital of Brewster Global Holdings Limited ("**Brewster Global**") is beneficially owned by Mr. Alan Lim who is deemed to be interested in all the shares of the Company held by Brewster Global by virtue of the SFO. Mr. Alan Lim is a substantial shareholder and Executive Director of the Company.

(2) Ms. Yee is the spouse of Mr. Alan Lim and deemed to be interested in the shares of the Company indirectly held by Mr. Alan Lim through Brewster Global.

Save as disclosed above, none of the directors or chief executives or their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at 30 June 2017.

SHARE OPTION SCHEME

Pursuant to the shareholders resolutions passed on 10 May 2016, the Company has conditionally adopted a share option scheme (the "**Share Option Scheme**") by the shareholders of the Company. During the six months ended 30 June 2017 ("**Interim Period**"), the Company has not issued any option to any participant under the Share Option Scheme.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed "Directors' and Chief Executives' Interests and Short Position in Equity or Debt Securities" and in the section headed "Share Option Scheme" above:

(a) at no time during the Interim Period was the Company, any of its subsidiaries, a party to any arrangement to enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate; and

(b) none of the Directors; or their spouses or children under the age of 18 had any right to subscribe for the securities of the Company or had exercised any such right during the Interim Period.

SUBSTANTIAL SHAREHOLDERS' INTEREST IN THE SECURITIES OF THE COMPANY

As at 30 June 2017, so far as is known to any Director or chief executive of the Company, other than the interests and short positions of the Directors or chief executive of the Company as disclosed above, the following persons had interest, or short positions in the Shares or underlying Shares in respect of equity derivatives of the company as regarded in the register of substantial shareholders required to be kept under Section 336 of the SFO or which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Aggregate long positions (L) in the shares and underlying shares of the Company

Name of shareholder(s)	Nature of interest and capacity	Number of shares of the Company	Approximate percentage of interest in the issued share capital of the Company as at 30 June 2017
Brewster Global	Beneficial owner *(Notes 1)*	529,125,000 (L)	51.00%
Mr. Alan Lim	Interest of controlled corporation *(Notes 1)*	529,125,000 (L)	51.00%
Ms. Yee	Interest of spouse *(Notes 1 and 2)*	529,125,000 (L)	51,00%

Notes:

(1) The entire issued share capital of Brewster Global is beneficially owned by Mr. Alan Lim who is deemed to be interested in all the shares of the Company held by Brewster Global by virtue of the SFO. Mr. Alan Lim is a substantial shareholder and Executive Director of the Company.

(2) Ms. Yee is the spouse of Mr. Alan Lim and deemed to be interested in the shares of the Company indirectly held by Mr. Alan Lim through Brewster Global.

Save as disclosed herein, as at 30 June 2017, the Company had not been notified by any persons who had interests or short positions in the Shares or underlying Shares in respect of equity derivatives of the Company which had been recorded in the register of substantial shareholders required to be kept under Section 336 of the SFO or which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 5% or more of the issued Shares.

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the Interim Period, none of the Directors or the controlling shareholders of the Company or controlling shareholder of their respective associates of the Company (as defined in the Listing Rules) has any interest in a business which competed with or might compete with the business of the Group. In particular, Mr. Lim Kui Teng, being a Chairman, executive Director and the controlling shareholder of the Company, declared that he did not engage in business competed or might compete with the business of the Group during the Interim Period and he has complied with the undertaking given under the Deed of Non-Competition as disclosed in the prospectus of the Company dated 25 May 2016. The independent non-executive Directors did not notice any incident of non-compliance of such undertaking.

CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the directors, except below, the Company has complied with the code on Corporate Governance Practices ("**CG Code**") as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2017.

The roles of the chairman (the "**Chairman**") and the chief executive officer (the "**Chief Executive Officer**") of the Company are served by Mr. Lim Kui Teng and have not segregated as repaired under Code A.2.1 of the CG Code. However, the Company considers that the combination of the roles of the Chairman and the Chief Executive Officer will involve a realignment of power and authority under the existing corporate structure and facilitate the ordinary business activities of the Company.

CODES FOR SECURITIES TRANSACTION BY DIRECTORS AND RELEVANT EMPLOYEES

The Company has adopted the Model Code as its code of conduct regarding securities transactions by the Directors. All Directors, following specific enquiries made by the Company, have confirmed that they have complied with the required standard as set out in the Model Code during the Interim Period.

The Company has also adopted a code of conduct regarding securities transactions by relevant employees on terms no less exacting than the required standard set out in the Model Code. All the relevant employees who, because of office or employment, are likely to be in possession of inside information in relation to the Company's securities has been requested to follow such code when dealing in the securities of the Company.

AUDIT COMMITTEE

The Audit Committee of the Company established on 10 May 2016 which comprised of three independent non-executive directors namely, Mr. Chow Wing Tung (Chairman), Mr. Lee Teck Leng and Mr. Phang Yew Kiat.

At the request of the audit committee of the Company (the "**Audit Committee**"), BDO Limited, the auditor of the Company, has performed certain agreed-upon procedures on the Group's interim condensed consolidated financial statements for the Reporting Period in accordance with Hong Kong Standard on Related Services 4400 "Engagements to Perform Agreed-Upon Procedures Regarding Financial Information" issued by the Hong Kong Institute of Certified Public Accountant ("**HKICPA**").

The agreed-upon procedures were performed solely to assist the Audit Committee to review the interim results of the Reporting Period of the Group. Because the agreed-upon procedures did not constitute an assurance engagement performed in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, the auditor of the Company does not express any assurance on the interim results of the Company. The Audit Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the unaudited interim financial information of the Group for the six months ended 30 June 2017.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

There was no purchase, sale or redemption of the Company's listed shares by the Company or any of its subsidiaries during the Interim Period.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirmed that the Company has maintained a sufficient amount of public float for its shares as required under the Listing Rules throughout the Interim Period.

On behalf of the Board

Mr. Lim Kui Teng
Chairman

30 August 2017