

Design Studio Group Ltd

(Incorporated in Singapore)
(Registration Number: 199401553D)

1st Quarter Financial Statements And Dividend Announcement For The Period Ended 31 March 2016

Design Studio Group Ltd
(Registration Number: 199401553D)

1st Quarter Financial Statements and Dividend Announcement

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

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

Consolidated Income Statement

		Group		+ / (-) %
		31.03.2016 S\$'000	3 Months ended 31.03.2015 S\$'000	
Revenue		21,082	49,421	(57.3)
Cost of sales		(16,261)	(40,298)	(59.6)
Gross profit		4,821	9,123	(47.2)
Other income	1(a)(1)	121	109	11.0
		4,942	9,232	(46.5)
Marketing and distribution expenses		(1,172)	(1,340)	(12.5)
General and administrative expenses		(1,547)	(2,564)	(39.7)
Profit from operations	1(a)(2)	2,223	5,328	(58.3)
Finance income	1(a)(3)	48	31	54.8
Profit before tax		2,271	5,359	(57.6)
Income tax expense	1(a)(4)	(361)	(797)	(54.7)
Profit net of tax		1,910	4,562	(58.1)
Profit attributable to:				
Owners of the Company		1,911	4,588	
Non-controlling interests		(1)	(26)	
		1,910	4,562	

N.M.: Not Meaningful

Design Studio Group Ltd
(Registration Number: 199401553D)

Notes to Consolidated Income Statement

Note 1(a)(1) Other income

	Group		
	31.03.2016	3 Months ended 31.03.2015	+ / (-) %
	S\$'000	S\$'000	
Sundry income	121	109	11.0

Note 1(a)(2) Profit from operations is determined after charging/(crediting) the following:

	Group		
	31.03.2016	3 Months ended 31.03.2015	+ / (-) %
	S\$'000	S\$'000	
Depreciation of property, plant and equipment	940	1,095	(14.2)
Foreign exchange (gain)/ loss, net	(260)	276	N.M.
Loss on disposal of property, plant and equipment	1	12	(91.7)
Amortisation of club membership	1	1	0.0

Note 1(a)(3) Finance income:

	Group		
	31.03.2016	3 Months ended 31.03.2015	+ / (-) %
	S\$'000	S\$'000	
Finance income			
- Cash and short-term deposits	48	31	54.8

Note 1(a)(4) Income tax expense include the following:

	Group		
	31.03.2016	3 Months ended 31.03.2015	+ / (-) %
	S\$'000	S\$'000	
Current tax			
Singapore			
- current year	103	362	(71.5)
- overprovision for prior year	-	(69)	N.M.
Foreign			
- current year	301	472	(36.2)
	404	765	(47.2)
Deferred tax			
Singapore	(34)	32	N.M.
Foreign	(9)	-	N.M.
	361	797	(54.7)

Design Studio Group Ltd
(Registration Number: 199401553D)

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

Balance Sheets

	Note	Group		Company	
		31.03.2016 S\$'000	31.12.2015 S\$'000	31.03.2016 S\$'000	31.12.2015 S\$'000
Non-current assets					
Property, plant and equipment		17,229	18,543	2,180	2,255
Investment in subsidiaries		-	-	41,368	41,359
Intangible assets	1(b)(2)	2,742	2,743	13	14
Deferred tax assets		364	321	242	257
Trade and other receivables	1(b)(1)	13,515	14,169	1,266	2,000
Current assets					
Inventories	1(b)(3)	14,820	13,690	-	-
Gross amount due from customers for contract work-in-progress	1(b)(4)	9,295	5,654	278	265
Trade and other receivables	1(b)(1)	28,422	36,358	3,374	3,162
Prepayments		1,467	2,228	44	22
Loan to a subsidiary		-	-	2,675	2,675
Tax recoverable		1,141	1,154	-	-
Cash and short-term deposits		55,697	54,107	17,709	12,361
		110,842	113,191	24,080	18,485
Current liabilities					
Trade and other payables	1(b)(5)	33,981	39,673	2,138	2,658
Provision for tax		2,898	2,748	159	248
		36,879	42,421	2,297	2,906
Net current assets		73,963	70,770	21,783	15,579
Net assets		107,813	106,546	66,852	61,464
Equity attributable to owners of the Company					
Share capital		32,732	32,732	32,732	32,732
Reserves		75,537	74,268	34,120	28,732
		108,269	107,000	66,852	61,464
Non-controlling interests		(456)	(454)	-	-
Total equity		107,813	106,546	66,852	61,464

Design Studio Group Ltd
(Registration Number: 199401553D)

Notes to Balance Sheets

Note 1(b)(1) Trade and other receivables

	Group		Company	
	31.03.2016	31.12.2015	31.03.2016	31.12.2015
	S\$'000	S\$'000	S\$'000	S\$'000
Trade and other receivables (non-current):				
<u>Trade receivables: Retention monies</u>				
Third parties	13,515	14,169	804	1,140
Subsidiary	-	-	462	860
	<u>13,515</u>	<u>14,169</u>	<u>1,266</u>	<u>2,000</u>
Trade and other receivables (current):				
Trade receivables	24,149	32,618	2,943	2,821
Other receivables and deposits	4,273	3,740	431	341
	<u>28,422</u>	<u>36,358</u>	<u>3,374</u>	<u>3,162</u>
Trade receivables:				
<u>Third parties:</u>				
Trade receivables	17,339	26,786	833	915
Retention monies	6,469	6,032	1,269	1,580
	<u>23,808</u>	<u>32,818</u>	<u>2,102</u>	<u>2,495</u>
Less: Allowance for doubtful receivables	(270)	(270)	-	-
	<u>23,538</u>	<u>32,548</u>	<u>2,102</u>	<u>2,495</u>
Movement in allowance accounts:				
At beginning of the year	270	-	-	-
Charge for the year	-	281	-	-
Write-off during the year	-	(11)	-	-
At end of the year	<u>270</u>	<u>270</u>	<u>-</u>	<u>-</u>
Corporate shareholder:				
Trade receivables	611	70	-	-
Retention monies	-	-	-	-
	<u>611</u>	<u>70</u>	<u>-</u>	<u>-</u>
Subsidiaries:				
Trade receivables	-	-	378	282
Retention monies	-	-	463	44
	<u>-</u>	<u>-</u>	<u>841</u>	<u>326</u>
Total trade receivables (current)	<u>24,149</u>	<u>32,618</u>	<u>2,943</u>	<u>2,821</u>
Other receivables and deposits:				
Other receivables	930	1,071	64	65
Deposits	3,343	2,669	60	60
	<u>4,273</u>	<u>3,740</u>	<u>124</u>	<u>125</u>
Amount due from subsidiaries (non-trade)	-	-	307	216
	<u>4,273</u>	<u>3,740</u>	<u>431</u>	<u>341</u>

Design Studio Group Ltd
(Registration Number: 199401553D)

Note 1(b)(2) Intangible assets

	Group		Company	
	31.03.2016	31.12.2015	31.03.2016	31.12.2015
	S\$'000	S\$'000	S\$'000	S\$'000
Club membership	128	128	128	128
Order backlog	3,116	3,116	-	-
Less: Impairment loss on club membership	(28)	(28)	(28)	(28)
	3,216	3,216	100	100
Less: Accumulated amortisation	(3,203)	(3,202)	(87)	(86)
Goodwill	2,729	2,729	-	-
	2,742	2,743	13	14

Note 1(b)(3) Inventories

	Group		Company	
	31.03.2016	31.12.2015	31.03.2016	31.12.2015
	S\$'000	S\$'000	S\$'000	S\$'000
Raw materials, at cost	10,660	10,682	-	-
Work-in-progress, at cost	3,240	2,248	-	-
Finished goods, at cost	920	760	-	-
	14,820	13,690	-	-

Note 1(b)(4) Gross amount due from customers for contract work-in-progress

	Group		Company	
	31.03.2016	31.12.2015	31.03.2016	31.12.2015
	S\$'000	S\$'000	S\$'000	S\$'000
Aggregate amount of costs incurred and recognised profits (less recognised losses) to date	349,692	431,328	133,865	157,044
Less: Progress billings	(340,397)	(425,674)	(133,587)	(156,779)
	9,295	5,654	278	265
Presented as:				
Gross amount due from customers for contract work	9,295	5,654	278	265

Note 1(b)(5) Trade and other payables

	Group		Company	
	31.03.2016	31.12.2015	31.03.2016	31.12.2015
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Trade payables:</u>				
Amount due to third parties	6,356	7,060	25	33
Amount due to subsidiaries	-	-	49	31
Amount due to a corporate shareholder	142	148	-	-
Retention payables	7,126	7,479	534	705
	13,624	14,687	608	769
Other payables	1,177	1,031	75	10
Non-trade payables due to a corporate shareholder	157	140	138	120
Accrued operating expenses	15,415	22,038	1,317	1,759
Deposits received	3,608	1,777	-	-
	33,981	39,673	2,138	2,658

Design Studio Group Ltd (Registration Number: 199401553D)

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

Amount repayable in one year or less, or on demand

As at 31.03.2016		As at 31.12.2015	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 31.03.2016		As at 31.12.2015	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral

As at 31 March 2016, our Group's bank facilities were secured by the following:

- (i) pledge of cash and short-term deposits of a subsidiary amounting to approximately S\$82,000 (31 December 2015: S\$232,000); and
- (ii) corporate guarantees provided by the Company.

Design Studio Group Ltd
(Registration Number: 199401553D)

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Statement of Cash Flows

	Group	
	31.03.2016 S\$'000	31.03.2015 S\$'000
Cash flows from operating activities		
Profit before tax	2,271	5,359
Adjustments:		
Depreciation of property, plant and equipment	940	1,095
Loss on disposal of property, plant and equipment	1	12
Finance income	(48)	(31)
Interest accretion	-	-
Amortisation of club membership	1	1
Currency translation difference	(218)	367
Operating profit before working capital changes	2,947	6,803
Decrease/ (increase) in:		
Inventories	(1,130)	2,102
Contract work-in-progress	(3,641)	1,621
Trade and other receivables	8,807	14,313
Prepayments	761	204
Decrease in:		
Trade and other payables	(5,762)	(11,789)
Cash flows from operations	1,982	13,254
Income taxes paid	(241)	(141)
Net cash flows from operating activities	1,741	13,113
Cash flows from investing activities		
Costs incurred for construction-in-progress	(185)	(19)
Finance income received	48	31
Proceeds from disposal of property, plant and equipment	-	-
Purchase of property, plant and equipment	(26)	(89)
Net cash flows used in investing activities	(163)	(77)
Cash flows from financing activities		
Increase in fixed deposits pledged	149	(155)
Net cash flows from/ (used in) financing activities	149	(155)
Net increase in cash and cash equivalents	1,727	12,881
Effect of exchange rate changes on cash and cash equivalents	13	(183)
Cash and cash equivalents at beginning of the period	53,875	48,314
Cash and cash equivalents at end of the period (Note A)	55,615	61,012

Design Studio Group Ltd
(Registration Number: 199401553D)

Consolidated Statement of Cash Flows (cont'd)

Notes to Consolidated Statement of Cash Flows

A. Cash and cash equivalents

	Group	
	31.03.2016	31.03.2015
	S\$'000	S\$'000
Cash at banks and on hand	42,522	54,474
Fixed deposits	13,175	6,783
Cash and short-term deposits	55,697	61,257
Less: Cash and short-term deposits pledged	(82)	(245)
Cash and cash equivalents	55,615	61,012

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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

(A) Consolidated Statement of Comprehensive Income

	Group		
	31.03.2016	3 Months ended	
	S\$'000	31.03.2015	+ / (-)
		S\$'000	%
Profit net of tax	1,910	4,562	(58.1)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation	(643)	590	N.M.
Total comprehensive income	1,267	5,152	(75.4)
Total comprehensive income attributable to:			
Owners of the Company	1,269	5,176	
Non-controlling interests	(2)	(24)	
	1,267	5,152	

Design Studio Group Ltd
(Registration Number: 199401553D)

(B) Statements of Changes in Equity

Group

	Attributable to owners of the Company				Non-controlling interests S\$'000	Total Equity S\$'000
	Share capital	Revenue reserve	Other reserves	Total		
	S\$'000	S\$'000	S\$'000	S\$'000		
2016						
Balance at 1 January 2016	32,732	73,623	645	107,000	(454)	106,546
Total comprehensive income for 1Q2016	-	1,911	(642)	1,269	(2)	1,267
Balance at 31 March 2016	32,732	75,534	3	108,269	(456)	107,813
2015						
Balance at 1 January 2015	32,732	75,615	1,506	109,853	(424)	109,429
Total comprehensive income for 1Q2015	-	4,588	588	5,176	(24)	5,152
Balance at 31 March 2015	32,732	80,203	2,094	115,029	(448)	114,581

Company

	Share capital S\$'000	Revenue reserve S\$'000	Total S\$'000
2016			
Balance at 1 January 2016	32,732	28,732	61,464
Total comprehensive income for 1Q2016	-	5,388	5,388
Balance at 31 March 2016	32,732	34,120	66,852
2015			
Balance at 1 January 2015	32,732	39,930	72,662
Total comprehensive income for 1Q2015	-	6,616	6,616
Balance at 31 March 2015	32,732	46,546	79,278

1(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, share buy-back, exercise of share options of warrants, conversion of other issues of equity securities, issue of share 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 at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of shares	Share capital in S\$'000
Issued and fully paid ordinary shares:		
At 31 December 2015 and 31 March 2016	260,264,171	32,732

There were no changes in the share capital of the company in the 1st quarter of 2016.

There were no outstanding convertible securities as at 31 December 2015 and 31 March 2016.

The Company had adopted an employee share option scheme and performance share plan known as the Design Studio's Employee Share Option Scheme and the Design Studio's Performance Share Plan respectively, approved by the shareholders in an Extraordinary General Meeting held on 25 January 2013.

As of 31 March 2016, no options or shares have been granted to employees or directors.

Design Studio Group Ltd
(Registration Number: 199401553D)

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.

	31.03.2016	31.12.2015
Total number of shares (excluding treasury shares)	260,264,171	260,264,171

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

There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at 31 March 2016 as the Company does not have any treasury shares.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited or reviewed.

3. Where the figures have been audited, or reviewed, the auditors' report (including any 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.

The Group and Company have applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements as at 31 December 2015, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 January 2016. Please see note 5.

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

In the current year, the Group adopted the new/revised Financial Reporting Standards ("FRS") that are effective for annual periods beginning on or after 1 January 2016. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS.

The following are the amendments to the FRS that are relevant to the Group:

Description	Effective for annual periods beginning on or after
Amendments to FRS 16 and FRS 38 Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Improvements to the Financial Reporting Standards (November 2014)	1 January 2016
Amendments to FRS 1: Disclosure Initiative	1 January 2016

The adoption of the above FRS did not result in any substantial change to the Group's accounting policies or any significant financial impact on the financial statements.

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 weighted average number of ordinary shares on issue**
(b) Based on fully diluted basis (detailing any adjustments made to the earnings)

	Group	
	3 Months ended	
	31.03.2016	31.03.2015
(a) Based on weighted average number of ordinary shares in issue	0.73 cents	1.76 cents
(b) On fully diluted basis	0.73 cents	1.76 cents

The basic earnings per ordinary share for the first quarter ended 31 March 2016 is calculated by dividing the first quarter profit attributable to shareholders of S\$1.9 million (31 March 2015: S\$4.6 million) by the weighted average number of 260,264,171 (31 March 2015: 260,264,171) shares in issue during the financial period.

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) immediately preceding financial year

(1) Current period reported on

	Group 31.03.2016	Company 31.03.2016
Net asset value per ordinary share for the period based on existing issued share capital as at 31 March 2016 of 260,264,171 ordinary shares	41.42 cents	25.69 cents

(2) Immediately preceding financial year

	Group 31.12.2015	Company 31.12.2015
Net asset value per ordinary share for the period based on existing issued share capital as at 31 December 2015 of 260,264,171 ordinary shares	40.94 cents	23.62 cents

Design Studio Group Ltd (Registration Number: 199401553D)

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of Group Performance

1Q2016 vs 1Q2015

	1st Quarter ended		+/(-) %
	31.03.2016 S\$'000	31.03.2015 S\$'000	
Residential property	10,181	24,035	(57.6)
Hospitality and commercial	10,827	25,351	(57.3)
Distribution	74	35	111.4
Total	21,082	49,421	(57.3)

For 1Q2016, the Group's revenue decreased by 57.3% to S\$21.1 million as compared with the revenue for 1Q2015, due to decrease in projects completed during the quarter from the Residential property and Hospitality and commercial segments.

The gross margin increased from 18.5% in 1Q2015 to 22.9% for 1Q2016, as a result of higher margins recorded in projects completed during the quarter.

Marketing and distribution expenses decreased by 12.5% to S\$1.2 million in 1Q2016 as a result of lower depreciation and staff cost.

General and administrative expenses decreased by 39.7% from S\$2.6 million in 1Q2015 to S\$1.5 million in 1Q2016. The decrease is mainly due to an exchange gain in 1Q2016 as compared with an exchange loss in 1Q2015, global executive search fees in 1Q2015 and lower staff cost.

Overall, the Group achieved lower profit before tax of S\$2.3 million for 1Q2016, a decrease of 57.6% as compared with S\$5.4 million for 1Q2015. After taking into account tax expenses, the Group's net profit after tax was S\$1.9 million for 1Q2016.

Balance Sheet (31 March 2016 vs 31 December 2015)

Property, plant and equipment decreased by S\$1.3 million mainly due to depreciation charges during the period.

Contracts work-in-progress increased by S\$3.6 million to S\$9.3 million [Note 1(b)(4)] as at 31 March 2016 due to less projects completed during the quarter.

Total current trade receivables decreased to S\$24.1 million [Note 1(b)(1)] as at 31 March 2016 as compared with S\$32.6 million as at 31 December 2015. The decrease was in line with the decrease in revenue for 1Q2016 as compared with 4Q2015.

Other receivables and deposits increased by S\$533,000 to S\$4.3 million [Note 1(b)(1)]. The increase was mainly due to increase in deposits made to suppliers and subcontractors.

Trade payables decreased by S\$1.1 million to S\$13.6 million [Note 1(b)(5)]. The decrease was mainly due to payment made to creditors during the period.

Accrued operating expenses decreased by S\$6.6 million to S\$15.4 million [Note 1(b)(5)]. The decrease was mainly due to the payment of bonus in 1Q2016 and the lower accruals of project-related expenses.

Design Studio Group Ltd

(Registration Number: 199401553D)

Cash Flow (1Q2016 vs 1Q2015)

For 1Q2016, there was net cash inflow of S\$1.7 million, mainly derived from operating activities.

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

The Group's performance is in line with the commentary previously disclosed in the results announcement for the full year ended 31 December 2015, via SGXNET.

10. A commentary at the date of the announcement of the 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

We expect the operating environment in the key markets that we are operating to remain challenging for FY2016. We maintain focused on Singapore and Malaysia as our core markets while continue to expand our growth in China market and International exports. We will also continue to enhance our relationships with our business partners and customers to sustain recurring revenues and explore with them opportunities in new markets.

On the operational front, we will stay vigilant of risk factors that could impact our business and manage our cost.

Design Studio Group is well positioned to ride through the current market challenges and to seize opportunities to further strengthen our market position, given our healthy order book of S\$223.3 million and a strong cash position. Barring any unforeseen circumstances, we expect to remain profitable in FY2016.

11. Dividend

(1) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Nil

(2) Corresponding Period of the immediately Preceding Financial Year

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

Nil

Date payable

Not applicable

Books closure date

Not applicable

12. If no dividend has been declared/recommendeded, a statement to the effect.

No interim dividend has been declared/ recommended for 1Q ended 31 March 2016.

Design Studio Group Ltd
(Registration Number: 199401553D)

PART II- ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

- 13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

Not applicable

- 14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

Not applicable

- 15. A breakdown of sales**

Not applicable

- 16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year**

Not applicable

Design Studio Group Ltd
(Registration Number: 199401553D)

AGGREGATE VALUE OF TRANSACTION UNDER RULE 920(1)(A)(II) OF THE LISTING MANUAL

Aggregate value of transactions conducted pursuant to the general mandate for interested person transactions for the 3 months period ended 31 March 2016 pursuant to Rule 920(1)(a)(ii) of the Listing Manual:

Name of interested person	Aggregate value of all interested person transactions during the period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Depa Interiors LLC & its associates	Nil	S\$16,992,851

CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL ITS DIRECTORS AND EXECUTIVE OFFICERS UNDER RULE 720(1) OF THE LISTING MANUAL

The Company confirms that it has procured undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Hazel Chia
Company Secretary

Date: 29 April 2016

CONFIRMATION BY THE BOARD

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors which may render the unaudited financial statements for the first quarter ended 31 March 2016 to be false or misleading in any material aspect.

ON BEHALF OF BOARD OF DIRECTORS

Name: Ku Wei Siong
Director

Name: Kelly Ng Chai Choey
Director

Date: 29 April 2016