

SBI OFFSHORE LIMITED
(Registration No: 199407121D)
Unaudited Financial Statements and Dividend Announcement
For the Half Year Ended 30 June 2015 ("1H2015")

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness, or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Lance Tan, Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.

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

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

Group	1H2015 US\$'000	1H2014 US\$'000	Change %
Revenue	4,657	7,866	(41)
Cost of sales	(2,556)	(5,603)	(54)
Gross profit	<u>2,101</u>	<u>2,263</u>	(7)
<i>Other items of income</i>			
Interest income	17	94	(82)
Other income	43	21	105
<i>Other items of expense</i>			
Administrative and other expenses	(2,466)	(2,225)	11
Finance costs	(12)	(36)	(67)
Share of results of an associate, net of tax	111	143	(22)
Share of results of a joint venture, net of tax	183	289	(37)
(Loss)/Profit before income tax	<u>(23)</u>	<u>549</u>	NM
Tax income/(expense)	29	(120)	NM
Profit for the financial period	<u>6</u>	<u>429</u>	(99)
Profit attributable to:			
Owners of the parent	6	429	(99)
Non-controlling interests	-	-	NM
	<u>6</u>	<u>429</u>	(99)

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

Group	1H2015 US\$'000	1H2014 US\$'000	Change %
<u>Statement of comprehensive income</u>			
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences arising from translation of foreign operations net of tax of US\$Nil	98	(68)	NM
Total comprehensive income for the financial period	104	361	(71)
Total comprehensive income attributable to:			
Owners of the parent	104	361	(71)
Non-controlling interests	-	-	NM
	104	361	(71)

NM – Not meaningful

1(a)(ii) Breakdown and explanatory notes to the statement of comprehensive income.

(Loss)/Profit before tax of the Group is arrived at after charging the following:

	1H2015 US\$'000	1H2014 US\$'000	Change %
Depreciation of property, plant and equipment	208	150	39
Amortization of intangible assets	32	67	(52)
Operating lease expenses	53	48	11
Employees' share-based payments	18	342	(95)
Foreign currency exchange loss	159	36	347

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

	Group		Company	
	30.06.2015	31.12.2014	30.06.2015	31.12.2014
	US\$'000	US\$'000	US\$'000	US\$'000
Non-current assets				
Property, plant and equipment	4,807	4,908	102	128
Intangible assets	1,125	1,157	53	72
Investments in subsidiaries	-	-	4,201	4,201
Investment in an associate	3,044	2,933	1,800	1,800
Investment in a joint venture	957	1,524	50	50
	9,933	10,522	6,206	6,251
Current assets				
Inventories	30	30	-	-
Trade and other receivables	13,159	11,071	18,372	17,854
Cash and cash equivalents	15,800	18,000	12,474	13,413
	28,989	29,101	30,846	31,267
Current liabilities				
Trade and other payables	7,359	8,130	5,312	6,486
Current income tax payable	214	431	9	33
Bank borrowings	1,105	940	1,105	940
	8,678	9,501	6,426	7,459
Net current assets	20,311	19,600	24,420	23,808
Non-current liabilities				
Deferred tax liabilities	4	4	4	4
Net assets	30,240	30,118	30,622	30,055
Equity				
Share capital	25,253	25,253	25,253	25,253
Other reserves	185	167	220	202
Foreign currency translation reserve	577	479	-	-
Accumulated profits	4,225	4,219	5,149	4,600
Equity attributable to owners of the parent	30,240	30,118	30,622	30,055

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

Amount repayable in one year or less, or on demand

	30.06.2015	31.12.2014
	US\$'000	US\$'000
Bank borrowings		
- secured	1,105	940
	<hr/>	<hr/>
	1,105	940
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Amount repayable after one year – Nil

Details of collaterals

As at 30 June 2015, bank borrowings bear effective interest rate ranging from 2.57% to 3.48% (31 December 2014: 2.35% to 5.00%) per annum.

The bank borrowings were secured by way of charge on the Company's fixed deposits.

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	1H2015 US\$'000	1H2014 US\$'000
<u>Cash flows from operating activities</u>		
(Loss)/profit before income tax	(23)	549
Adjustments for:		
Amortization of intangible assets	32	67
Depreciation of property, plant and equipment	208	150
Loss on disposal of plant and equipment	-	105
Interest income	(17)	(3)
Interest expense	12	36
Share of results of an associate	(111)	(143)
Share of results of a joint venture	(183)	(289)
Employees' share-based payments	18	342
Operating cash flows before working capital changes	(64)	814
Inventories	-	580
Trade and other receivables	(1,838)	(432)
Trade and other payables	(771)	(786)
Cash (used in)/generated from operations	(2,673)	176
Interest income	17	3
Interest expense	(12)	(36)
Income tax paid	(188)	(92)
Net cash (used in)/generated from operating activities	(2,856)	51
<u>Cash flows from investing activities</u>		
Purchase of plant and equipment	(107)	(110)
Purchase of intangible assets	-	(1)
Proceeds from disposal of plant and equipment	-	28
Dividend received from a joint venture	500	-
Net cash generated from/(used in) investing activities	393	(83)
<u>Cash flows from financing activities</u>		
Repayment of bank borrowings	(929)	(2,137)
Proceeds from bank borrowings	1,094	1,591
Dividends paid	-	(288)
Decrease in pledged fixed deposit	153	-
Net cash generated from/(used in) financing activities	318	(834)
Net change in cash and cash equivalents	(2,145)	(866)
Cash and cash equivalents at beginning of financial period	17,263	4,883
Effect of foreign exchange rate changes in cash and cash equivalent	96	31
Cash and cash equivalents at end of financial period	15,214	4,048
Cash and cash equivalents comprise the following:		
Cash and cash equivalents	15,800	6,723
Less: Bank deposits pledged	-	(1,932)
Less: Fixed deposits pledged	(586)	(743)
Cash and cash equivalents at end of financial period	15,214	4,048

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group

	Share capital	Share-based payment reserve	Equity non-controlling interest	Foreign currency translation reserve	Accumulated profits	Equity attributable to owners of the parent
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 January 2015	25,253	202	(35)	479	4,219	30,118
Total comprehensive income for the financial period						
Profit for the financial period	-	-	-	-	6	6
Other comprehensive income						
Exchange differences arising from translation of foreign operations	-	-	-	98	-	98
Total comprehensive income for the financial period	-	-	-	98	6	104
Transactions with owners of the parent recognised directly in equity						
Employees' share-based payments	-	18	-	-	-	18
Dividends	-	-	-	-	-	-
Total transactions with owners of the parent	-	18	-	-	-	18
Balance at 30 June 2015	25,253	220	(35)	577	4,225	30,240
Balance at 1 January 2014	11,559	570	(35)	596	3,897	16,587
Total comprehensive income for the financial period						
Profit for the financial period	-	-	-	-	429	429
Other comprehensive income						
Exchange differences arising from translation of foreign operations	-	-	-	(68)	-	(68)
Total comprehensive income for the financial period	-	-	-	(68)	429	361
Transactions with owners of the parent recognised directly in equity						
Employees' share-based payments	277	65	-	-	-	342
Dividends	-	-	-	-	(288)	(288)
Total transactions with owners of the parent	277	65	-	-	(288)	54
Balance at 30 June 2014	11,836	635	(35)	528	4,038	17,002

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Company

	Share capital US\$'000	Share- based payment reserve US\$'000	Accumulated profits US\$'000	Total equity US\$'000
Balance at 1 January 2015	25,253	202	4,600	30,055
Total comprehensive income for the financial period	-	-	549	549
Transactions with owners of the parent recognized directly in equity				
Employees' share-based payments	-	18	-	18
Dividends	-	-	-	-
Total transactions with owners of the parent	-	18	-	18
Balance at 30 June 2015	25,253	220	5,149	30,622
Balance at 1 January 2014	11,559	570	6,420	18,549
Total comprehensive income for the financial period	-	-	621	621
Transactions with owners of the parent recognized directly in equity				
Employees' share-based payments	277	65	-	342
Dividends	-	-	(288)	(288)
Total transactions with owners of the parent	277	65	(288)	54
Balance at 30 June 2014	11,836	635	6,753	19,224

1(d)(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 purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Ordinary Shares

There were no changes in the Company's share capital in 1H2015.

Employees' Share Option Scheme ("ESOS")/Performance Share Plan ("PSP")

The total number of outstanding share options granted under the ESOS as at 30 June 2015 was 10 million (30 June 2014: 13 million).

There were no outstanding share awards granted under the PSP as at 30 June 2015 (30 June 2014: 7 million).

Save for the aforementioned ESOS options and PSP shares, the Company did not have any other outstanding convertibles as at 30 June 2015 and 30 June 2014.

The Company did not have any treasury shares as at 30 June 2015 and 30 June 2014.

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

The total number of issued shares as at 30 June 2015 was 249,680,100 (31 December 2014: 249,680,100). The Company did not have any treasury shares as at 30 June 2015 and 31 December 2014.

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.

Not applicable.

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

The figures have not been audited nor reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable. The figures have not been audited nor reviewed by the auditors.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Save as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation adopted in the financial statements for the current financial period compared with those of the audited annual financial statements for the financial year ended 31 December 2014.

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

In the current financial period, the Group adopted all the applicable new and revised Singapore Financial Reporting Standards (“FRS”) and Interpretations of FRS (“INT FRS”) that are mandatory for annual periods beginning on or after 1 January 2015. The adoption of these new/revised FRS and INT FRS did not result in significant change to the Group’s accounting policies and has no material effect on the Group’s results.

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

Group	1H2015	1H2014
Basic earnings per share (US cents)	0.01	0.24
Weighted average number of shares ('000)	249,680	178,973
Fully diluted earnings per share (US cents)	0.01	0.22
Weighted average number of shares ('000)	259,680	195,973

The basic and diluted earnings per share was computed by dividing the profit or loss attributable to owners of the parent and by the weighted average number of ordinary shares.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

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

	Group		Company	
	30.06.2015	31.12.2014	30.06.2015	31.12.2014
Net asset value per share (US cents)	12.11	12.06	12.26	12.04
Number of shares in issue ('000)	249,680	249,680	249,680	249,680

Net asset value per ordinary share was calculated by dividing the equity attributable to the owners of the Group and the Company by the number of ordinary shares issued.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the financial period reported on.

Commentaries on performance

Revenue	1H2015	1H2014	Change	
	US\$'000	US\$'000	US\$'000	%
Marketing and distribution	4,423	4,353	70	2
Projects	234	3,513	(3,279)	(93)
Total	4,657	7,866	(3,209)	(41)

Revenue for 1H2015 was \$4.7 million, 41% lower than 1H2014 of \$7.9 million. The lower revenue was mainly attributed to challenging market conditions which was affected by the downturn of global oil and offshore market.

Marketing and distribution revenue reported minor increase of 2%, from \$4.3 million in 1H2014 to \$4.4 million in 1H2015.

Projects revenue reported a decrease of 93% from \$3.5 million in 1H2014 to \$0.2 million in 1H2015 due to the decrease in the number of contracts obtained from customers in relation to Engineering, Procurement, Construction and Commissioning ("EPCC") projects.

Gross profit margin improved from 29% in 1H2014 to 45% in 1H2015 despite the lower revenue recorded. This was mainly due to higher margin contributed by an EPCC project and lifeboat inspection services in 1H2015.

Interest income decreased by 82% from \$94,000 in 1H2014 to \$17,000 in 1H2015 which was mainly due to lower interest on loan to joint venture as a result of repayment of loan.

Other income increased by 105% from \$21,000 in 1H2014 to \$43,000 in 1H2015 mainly due to rental income received on a subsidiary's property rented out in 1H2015.

Administrative and other expenses increased by 11% from \$2.2 million in 1H2014 to \$2.5 million in 1H2015 due to higher headcount as well as higher marketing and travelling cost incurred in order to secure potential and new contracts for the Group's marketing and business development.

Changes in depreciation of property, plant and equipment and amortisation of intangible assets from 1H2014 to 1H2015 are mainly due to reclassification of amount from amortisation to depreciation and the absence of the amortisation cost arising from a subsidiary which is in the process of being struck off. In addition, the increase in the depreciation was partially due to purchase of plant and equipment in 1H2015.

Finance costs reduced 67% from \$36,000 in 1H2014 to \$12,000 in 1H2015 due to lower amount of outstanding bank loan in 1H2015 as compared to 1H2014.

The Group's share of results of an associate for 1H2015 decreased by \$32,000 to \$111,000 compared to \$143,000 in 1H2014, due to lower profit contributed by 35%-owned associate company, Jiangyin Neptune Marine Appliance Co., Ltd ("NPT"). NPT reported revenue of approximately \$2.8 million (equivalent to 35% equity stake) in 1H2015 and \$3.2 million (equivalent to 35% equity stake) in 1H2014 (not included in the Group's consolidated revenue). The decrease in revenue was due to lower sales volume generated arising from the downturn in the global oil and gas industry.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the financial period reported on.

Commentaries on performance

The Group's share of results of a joint venture for 1H2015 decreased by \$106,000 to \$183,000 compared to \$289,000 in 1H2014, due to lower profit contributed from the joint venture company, RBV Energy (Singapore) Pte. Ltd. ("RBVS"). RBVS reported revenue of approximately \$1.2 million (equivalent to 50% equity stake) in 1H2015 and \$3.9 million (equivalent to 50% equity stake) in 1H2014 (not included in the Group's consolidated revenue). The decrease in revenue was due to lower sales volume generated arising from the downturn in the global oil and gas industry.

Tax income of \$29,000 was due to a refund of income tax payment by tax authority to a subsidiary.

Employees' share-based payments decreased by 95% from \$0.3 million in 1H2014 to \$18,000 in 1H2015 was due mainly to the absence of Performance Share Plan ("PSP") which was approved and adopted by its members at an Extraordinary General Meeting held on 30 April 2013. 10 million shares were granted under PSP to Mr Chan Lai Tong, Executive Director and Executive Chairman of the Company in 2014.

Changes in the foreign currency exchange were due mainly to the strengthening of US Dollar against Singapore Dollar in 1H2015 as compared to 1H2014.

As a result, the Group registered a net profit attributable to owners of the parent of \$6,000 in 1H2015 against net profit of \$0.4 million in 1H2014.

Commentaries on financial position

Non-current assets decreased by \$0.6 million to \$9.9 million as at 30 June 2015 from \$10.5 million as at 31 December 2014, mainly due to depreciation and amortisation charged during the period and dividend declared by RBVS for \$0.75 million. The decrease was partially offset by share of results for RBVS and NPT in 1H2015.

Current assets decreased by \$0.1 million to \$29.0 million as at 30 June 2015 from \$29.1 million as at 31 December 2014. The decrease was mainly due to lower cash and cash equivalents of \$2.2 million used in operating activities and offset by higher trade and other receivables of \$2.1 million. Higher trade and other receivables as at 30 June 2015 as compared to 31 December 2014 was mainly due to a refundable deposit to a third party amounting of \$1.6 million.

Current liabilities decreased by \$0.8 million to \$8.7 million as at 30 June 2015 from \$9.5 million as at 31 December 2014. This was mainly due to lower trade and other payables and current income tax payable in 1H2015. Trade and other payables decreased by \$0.8 million were in line with the decrease in cost of sales. Current income tax payable decreased by \$0.2 million was due to payment of corporate income tax in 1H2015. Bank borrowings increased by \$0.1 million due to net proceeds from bank borrowings.

The Group's working capital position stood at \$20.3 million as at 30 June 2015, as compared to working capital of \$19.6 million as at 31 December 2014.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the financial period reported on.

Commentaries on cash flows

The Group's net cash used in operating activities amounted to \$2.9 million for 1H2015, as compared to net cash generated from operating activities of \$51,000 for 1H2014, mainly due to income tax paid, higher trade and other receivables and lower trade and other payables.

Net cash generated from investing activities for 1H2015 amounted to \$0.4 million, mainly due to dividend received from RBVS and partially offset by the additions of property, plant and equipment.

Net cash generated from financing activities for 1H2015 amounted to \$0.3 million, mainly due to net proceeds from bank borrowings and decrease of pledged fixed deposit.

The Group's cash and cash equivalents (net of fixed deposits pledged) decreased to \$15.2 million as of 30 June 2015, as compared to \$17.3 million as at 31 December 2014.

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

Not applicable. No forecast or prospect statement had been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Declining global oil prices has necessitated significant cost cutting measures, particularly in capital expenditure, by major oil companies which consequently slowed demand in the offshore and marine ("O&M") sector. While the Group continues to develop business opportunities in this sector, it recognizes that geopolitical factors and overall market forces could lead to continued weakness in the global oil and gas markets. Against the backdrop of a challenging operating environment, the Directors have been exploring other growth opportunities to reduce over-dependence on the O&M sector.

Accordingly, on 7 July 2015, the Group unveiled a proposed major diversification into the renewable energy market which will represent a new pillar of growth. SBI Offshore has formed a 51:49 joint venture ("JV") with German solar photovoltaic ("PV") specialists Gräss Group. The Singapore-based JV, Graess Energy Pte Ltd ("Graess Energy"), will build and operate solar PV energy plants and systems and will also undertake independent power producer ("IPP") activities.

The JV will serve as the new headquarters for the Gräss Group as it focuses on business opportunities in the Asia-Pacific region which is expected to be the world's largest solar user by 2018.

As announced on 4 August 2015, the Group has entered into an agreement to inject some of Gräss Group's existing assets – comprising of Gräss Engineering GmbH, Gräss Operation Maintenance GmbH and four solar PV power plants in Bulgaria – into Graess Energy. The proposed transaction will provide Graess Energy with the track record, expertise and projects to kick-start its initial phase in the solar energy sector. The four PV projects – which collectively generate 16.3 megawatts of PV power – will also provide Graess Energy a recurring income stream for the next 17 years.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group will tap growth opportunities in the Asia-Pacific and Middle East. It also intends to participate in solar projects in Singapore, which has been emphasising clean energy at the national level. The JV can also leverage SBI Offshore's O&M expertise to develop floating solar power plants and systems.

The injection of assets and any subsequent PV projects secured by Graess Energy are intended to form a new core business for SBI Offshore for which the Group will seek shareholders' approval at an extraordinary general meeting to be convened.

On the other hand, the Group will still remain focused on developing and exploring strategic O&M opportunities for its core O&M business, focusing on drilling equipment and related services.

11. If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No.

(b)(i) Amount per share (cents)

Not applicable.

(b)(ii) Previous corresponding period (cents)

None.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable

Not applicable.

(e) The date on which Registrable Transfers receive by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined

Not applicable.

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

No dividend has been declared/recommended for 1H2015.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transaction as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Name of interested person	Aggregate value of all interested person transactions during the financial year 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)
NIL	NIL	NIL

No general mandate has been obtained from shareholders for IPTs.

14. Use of Proceeds

On 27 December 2013, the Company issued 22 million new ordinary shares via share placements to a fund manager at an issue price of S\$0.125 per share, raising net proceeds of S\$2.7 million (US\$2.2 million). As at 30 June 2015, the Company had utilised approximately S\$0.2 million and S\$1.4 million of the net proceeds for new project and existing projects expenses respectively. The use of proceeds is in accordance with the stated use and percentage allocated as per the Company's announcement dated 4 December 2013. The Company has unused balance of S\$1.1 million as at 30 June 2015.

In October 2014, the Company issued 62 million new ordinary shares via share placements to four investors at an issue price of S\$0.2605 per share, raising net proceeds of S\$16.1 million (US\$12.8 million). As at 30 June 2015, the Company had utilised approximately S\$1.6 million of the net proceeds for working capital in relation to day-to-day running expenses such as trade related and general administrative expenses and funding for existing projects. The use of proceeds is in accordance with the stated use and percentage allocated as per the Company's announcement dated 23 September 2014. The Company has unused balance of S\$14.5 million as at 30 June 2015.

15. Negative confirmation by the Board pursuant to Rule 705(5) of the Listing Manual

We, Chan Lai Thong and Tan Woo Thian, being two directors do hereby confirm on behalf of the Board that, to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited financial statements for the half year ended 30 June 2015 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Chan Lai Thong
Executive Chairman

Tan Woo Thian
Chief Executive Officer

Date: 11 August 2015