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## **UNAUDITED HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2015**

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*This announcement has been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch ("**Sponsor**") for compliance with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"). The Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement. The contact person for the Sponsor is Ms Tan Cher Ting, Director, Investment Banking, CIMB Bank Berhad, Singapore Branch, at 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, Telephone: +65 6337 5115.*

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Choo Chiang Holdings Ltd. (the "**Company**") was incorporated in the Republic of Singapore on 5 September 2014 under the Companies Act (Chapter 50) of Singapore as a private limited company. The Group (as defined herein), comprising the Company and its subsidiaries (the "**Group**"), was formed pursuant to a restructuring exercise (the "**Restructuring Exercise**") undertaken to streamline and rationalise the corporate structure and shareholding structure of the Group prior to the Company's initial public offering ("**IPO**") and listing on the Catalist of the SGX-ST (the "**Catalist**"). Please refer to the Company's offer document dated 15 July 2015 ("**Offer Document**") in connection with the IPO for further details on the Restructuring Exercise.

The Company was admitted to the Catalist on 29 July 2015. For the purpose of this announcement, the Group's results for the six months ended 30 June 2015 ("**HY2015**") and comparative results for the six months ended 30 June 2014 ("**HY2014**") have been prepared on a combined basis and include the financial information of the companies now comprising the Group as if the current Group structure had been in existence throughout the relevant periods or from the date the entities are under common control as the case may be.

**Part I Information required for announcement 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**

	<b>Group</b>		Change + / (-) %
	<b>Six (6) months ended</b>		
	<b>30.06.15</b>	<b>30.06.14</b>	
	<b>S\$'000</b>	<b>S\$'000</b>	
<b>Revenue</b>	<b>31,581</b>	35,040	-9.9
Cost of sales	<u>(23,969)</u>	<u>(25,585)</u>	-6.3
<b>Gross profit</b>	<b>7,612</b>	9,455	-19.5
Other operating income	<b>421</b>	260	61.9
Distribution costs	<b>(18)</b>	(24)	-25.0
Administrative expenses	<b>(4,780)</b>	(4,230)	13.0
Other operating expenses	<b>(474)</b>	(691)	-31.4
Finance costs	<u>(48)</u>	<u>(79)</u>	-39.2
<b>Profit before tax</b>	<b>2,713</b>	4,691	-42.2
Income tax expense	<u>(492)</u>	<u>(773)</u>	-36.4
<b>Profit for the period, representing total comprehensive income for the period</b>	<u><b>2,221</b></u>	<u>3,918</u>	-43.3
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	<b>2,175</b>	3,806	-42.9
Non-controlling interests	<u><b>46</b></u>	<u>112</u>	-58.9
	<u><b>2,221</b></u>	<u>3,918</u>	-43.3

**1 (a)(i) Notes to the statements of comprehensive income:**

	<b>Group</b>		<b>Change + / (-) %</b>
	<b>Six (6) months ended 30.06.15 S\$'000</b>	<b>30.06.14 S\$'000</b>	
<b>Profit before tax is arrived after charging/(crediting):-</b>			
Cost of inventories included in expenses	<b>23,834</b>	25,436	-6.3
Gain on disposal of properties, plant and equipment	<b>(14)</b>	(79)	-82.3
Bad debts written off	<b>1</b>	5	-80.0
Allowance for doubtful debts	<b>68</b>	524	-87.0
Reversal of allowance for doubtful trade receivables	<b>(179)</b>	-	N.M
Reversal of stock obsolescence	<b>(44)</b>	(255)	-82.7
Depreciation of properties, plant and equipment	<b>218</b>	194	12.4
Depreciation of investment properties	<b>144</b>	15	860.0
Net foreign exchange loss	<b>8</b>	3	166.7
Interest income	<b>- *</b>	- *	N.M.
IPO related expenses	<b>311</b>	-	N.M.
Interest expenses	<b>48</b>	79	-39.2

N.M. : Not meaningful  
\* : Less than S\$1,000



**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**

	<b>Group As at</b>		<b>Company As at</b>	
	<b>30.06.15</b>	<b>31.12.14</b>	<b>30.06.15</b>	<b>31.12.14</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b><u>ASSETS</u></b>				
<b>Current assets</b>				
Cash and cash equivalents	<b>6,218</b>	3,303	<b>1,112</b>	692
Trade receivables	<b>5,906</b>	6,962	-	-
Other receivables and prepayments	<b>607</b>	323	<b>4,382</b>	4,785
Inventories	<b>16,042</b>	16,269	-	-
<b>Total current assets</b>	<b>28,773</b>	26,857	<b>5,494</b>	5,477
<b>Non-current assets</b>				
Properties, plant and equipment	<b>6,580</b>	6,619	-	-
Investment properties	<b>17,855</b>	15,254	-	-
Investment in subsidiaries	-	-	<b>2,500</b>	2,500
<b>Total non-current assets</b>	<b>24,435</b>	21,873	<b>2,500</b>	2,500
<b>Total assets</b>	<b>53,208</b>	48,730	<b>7,994</b>	7,977
<b><u>LIABILITIES AND EQUITY</u></b>				
<b>Current liabilities</b>				
Trade payables	<b>7,311</b>	7,330	-	-
Other payables and accruals	<b>4,437</b>	2,338	<b>391</b>	15
Bank loans	<b>639</b>	811	-	-
Finance leases	<b>124</b>	97	-	-
Income tax payable	<b>1,003</b>	1,019	-	-
<b>Total current liabilities</b>	<b>13,514</b>	11,595	<b>391</b>	15
<b>Non-current liabilities</b>				
Bank loans	<b>4,646</b>	4,318	-	-
Finance leases	<b>211</b>	208	-	-
Deferred tax liability	<b>31</b>	24	-	-
<b>Total non-current liabilities</b>	<b>4,888</b>	4,550	-	-
<b>Total liabilities</b>	<b>18,402</b>	16,145	<b>391</b>	15
<b>Capital, reserves and non-controlling interests</b>				
Share capital	<b>8,020</b>	8,020	<b>8,020</b>	8,020
Retained earnings (Accumulated losses)	<b>25,699</b>	23,524	<b>(417)</b>	(58)
<b>Equity attributable to owners of the Company</b>	<b>33,719</b>	31,544	<b>7,603</b>	7,962
Non-controlling interests	<b>1,087</b>	1,041	-	-
<b>Total equity</b>	<b>34,806</b>	32,585	<b>7,603</b>	7,962
<b>Total liabilities and equity</b>	<b>53,208</b>	48,730	<b>7,994</b>	7,977



- 1 (b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year

**(A) Amount repayable in one year or less, or on demand**

	As at 30.06.15		As at 31.12.14	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Bank loans	639	-	811	-
Finance leases	124	-	97	-
Amount owing to a related party	-	998	-	979

**(B) Amount repayable after one year**

	As at 30.06.15		As at 31.12.14	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Bank loans	4,646	-	4,318	-
Finance leases	211	-	208	-

**(C) Details of any collaterals**

The above bank borrowings and finance leases were secured by legal mortgages over a subsidiary's leasehold and freehold properties and personal guarantees provided by the Company's directors. Please also refer to paragraph 13(i) of this announcement.

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

	<b>Group</b>	
	<b>S\$'000</b>	<b>S\$'000</b>
	<b>30.06.15</b>	<b>30.06.14</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Operating activities:</b>		
Profit before tax	2,713	4,691
Adjustments for:		
Interest expenses	48	79
Interest income	- *	- *
Depreciation of property, plant and equipment	218	194
Depreciation of investment properties	144	15
Gain on disposal of property, plant and equipment	(14)	(79)
Allowance for doubtful trade receivables	68	524
Bad debts written off	1	5
Reversal of allowance for doubtful trade receivables	(179)	-
Reversal of allowance for inventories	(44)	(255)
<b>Operating cash flows before changes in working capital</b>	<b>2,955</b>	<b>5,174</b>
Trade receivables	1,166	565
Other receivables and prepayments	(284)	(274)
Inventories	271	84
Trade payables	(19)	(133)
Other payables and accruals	(14)	(594)
<b>Cash flows generated from operations</b>	<b>4,075</b>	<b>4,822</b>
Income tax paid	(501)	(1,018)
Interest received	- *	- *
<b>Net cash from operating activities</b>	<b>3,574</b>	<b>3,804</b>
<b>Investing activities:</b>		
Proceeds from disposal of properties, plant and equipment	14	79
Purchase of properties, plant and equipment (Note A)	(104)	(495)
Payments for investment properties (Note B)	(650)	(1,404)
<b>Net cash flows used in investing activities</b>	<b>(740)</b>	<b>(1,820)</b>
<b>Financing activities:</b>		
Proceeds from bank loans	675	1,610
Repayment of bank loans	(519)	(2,148)
Repayment of finance leases	(45)	(4)
Dividends paid	-	(2,000)
Interest paid	(30)	(41)
<b>Net cash flows from (used in) financing activities</b>	<b>81</b>	<b>(2,583)</b>
Net increase (decrease) in cash and cash equivalents	2,915	(599)
Cash and cash equivalents at beginning of the period	3,303	7,589
<b>Cash and cash equivalents at end of the period</b>	<b>6,218</b>	<b>6,990</b>

\* : Less than S\$1,000

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

	<b>Group</b>	
	<b>Six (6) months ended</b>	
	<b>30.06.15</b>	<b>30.06.14</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Note A</b>		
Additions to properties, plant and equipment	<b>179</b>	570
Less:		
Motor vehicles acquired under finance leases	<b>(75)</b>	(75)
Net cash outflow for purchase of properties, plant and equipment	<b>104</b>	495
<b>Note B</b>		
Additions to investment properties	<b>2,745</b>	1,404
Less:		
Unpaid balances at end of the period	<b>(2,095)</b>	-
Net cash outflow for payment for investment properties	<b>650</b>	1,404

**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	Retained	Attributable	Non-	Total
	capital	earnings	to the	controlling	equity
	<b>S\$'000</b>	<b>S\$'000</b>	<b>owners of</b>	<b>interests</b>	<b>S\$'000</b>
			<b>the</b>		
			<b>Company</b>		
			<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Balance as at 1 January 2015</b>	8,020	23,524	31,544	1,041	32,585
Profit for the period, representing total comprehensive income for the period	-	2,175	2,175	46	2,221
<b>Balance as at 30 June 2015</b>	<b>8,020</b>	<b>25,699</b>	<b>33,719</b>	<b>1,087</b>	<b>34,806</b>
<b>Balance as at 1 January 2014</b>	2,500	28,454	30,954	890	31,844
Profit for the period, representing total comprehensive income for the period	-	3,806	3,806	112	3,918
Transactions with owners, recognised directly in equity					
Dividend declared	-	(2,000)	(2,000)	-	(2,000)
<b>Balance as at 30 June 2014</b>	<b>2,500</b>	<b>30,260</b>	<b>32,760</b>	<b>1,002</b>	<b>33,762</b>



- 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 (*cont'd*)**

Company	Share capital S\$'000	Accumulated losses S\$'000	Total S\$'000
<b>Balance as at 1 January 2015</b>	8,020	(58)	7,962
Loss for the period, representing total comprehensive loss for the period	-	(359)	(359)
<b>Balance as at 30 June 2015</b>	<b>8,020</b>	<b>(417)</b>	<b>7,603</b>

**Note:**

- (1) There are no comparative figures for the Company for the corresponding period of the immediately preceding financial year, as the Company was incorporated on 5 September 2014.

- 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.**

On 5 September 2014, the Company was incorporated with an issued and paid-up capital of S\$1.00 comprising one (1) ordinary share. On 7 November 2014, the Company issued 2,699,999 new fully paid ordinary shares at S\$1.00 per share and the Company's issued and paid-up share capital increased from S\$1.00 to S\$2,700,000 comprising 2,700,000 ordinary shares. On 25 November 2014, the Company issued 500,000 new fully paid ordinary shares at S\$10.64 per share and the Company's issued and paid-up share capital increased from S\$2,700,000 comprising 2,700,000 ordinary shares to S\$8,020,000 comprising 3,200,000 ordinary shares. On 23 June 2015, in connection with the IPO, each ordinary share in the capital of the Company was sub-divided into 65 ordinary shares ("**Share Split**"), resulting in an issued and paid-up share capital of S\$8,020,000 comprising 208,000,000 ordinary shares.

As at 30 June 2015, the Company had an issued and paid-up share capital of S\$8,020,000 comprising 208,000,000 ordinary shares in issue. As at 30 June 2015, the Company did not have any outstanding options, warrants or other instrument convertible into securities of the Company. The Company had adopted the Choo Chiang Performance Share Plan prior to its listing on the Catalist and as at 30 June 2015, there was no award granted under this performance share plan. As at 30 June 2015, the Company did not hold any treasury shares.

There are no comparative figures for the Company as at the end of the corresponding period of the immediately preceding financial year, as the Company was incorporated on 5 September 2014.

- 1 (d)(iii) 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.**

	<b>Number of ordinary shares</b>	
	<b>As at</b>	
	<b>30.06.15</b>	<b>31.12.14</b>
Total number of issued shares	<u>208,000,000</u>	<u>208,000,000 <sup>(1)</sup></u>

**Note:**

(1) The number of shares as at 31 December 2014 shown in the table above has been adjusted for the Share Split.

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

Not applicable as the Company did not hold any treasury shares as at 30 June 2015.

**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.

**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 paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for HY2015 as its most recently audited financial statements for the financial year ended 31 December 2014.

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

In HY2015, the Group has adopted all the new and revised Financial Reporting Standards ("**FRS**") and Interpretations of FRS ("**INT FRS**") that are relevant to the Group and effective for the financial period beginning on 1 January 2015. The adoption of these new and revised FRS and INT FRS does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior periods.

**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.**

	<b>Group</b>	
	<b>Six (6) months ended</b>	
<b>Earnings per share</b>	<b>30.06.15</b>	<b>30.06.14</b>
Profit attributable to owners of the Company (S\$'000)	<b>2,175</b>	3,806
Number of ordinary shares ('000)	<b>208,000</b>	208,000
- Basic and diluted (Singapore cents)	<b>1.05</b>	1.83

Earnings per ordinary share is calculated based on the profit attributable to owners of the Company for HY2015 and HY2014 and 208,000,000 issued shares as at 30 June 2015 and as at 30 June 2014 (as adjusted for the Share Split).

**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	
	30.06.15	31.12.14	30.06.15	31.12.14
<b>Net Asset Value ("NAV")</b>				
Net assets (S\$'000)	<b>33,719</b>	31,544	<b>7,603</b>	N.A. <sup>(2)</sup>
Number of ordinary shares used in calculating NAV per ordinary share ('000)	<b>208,000</b>	208,000 <sup>(1)</sup>	<b>208,000</b>	N.A. <sup>(2)</sup>
NAV per ordinary share (Singapore cents)	<b>16.21</b>	15.17	<b>3.66</b>	N.A. <sup>(2)</sup>

**Notes:**

- (1) The number of shares as at 31 December 2014 shown in the table above has been adjusted for the Share Split.
- (2) "N.A." denotes not applicable. There are no comparative figures for the Company as at the end of the immediately preceding financial year, as the Company was incorporated on 5 September 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 current financial period reported on.**

**Review of financial performance**

***Revenue***

Revenue decreased by S\$3.46 million or 9.9%, from S\$35.04 million in HY2014 to S\$31.58 million in HY2015, mainly due to a downward adjustment in the selling prices for most of the Group's electrical products and accessories which commenced in the second half of the financial year ended 31 December 2014 ("**FY2014**") as part of the Group's strategy to maintain its price competitiveness in the industry.

***Cost of sales***

Cost of sales decreased by S\$1.62 million or 6.3%, from S\$25.59 million in HY2014 to S\$23.97 million in HY2015, as a result of a decrease in the purchase price of certain products the effects of which were partially offset by a decrease in the reversal of allowance for stock obsolescence of approximately S\$0.21 million.

### ***Gross profit and gross profit margin***

Gross profit decreased by S\$1.84 million or 19.5% from S\$9.45 million in HY2014 to S\$7.61 million in HY2015. Gross profit margin also declined from 27.0% in HY2014 to 24.1% in HY2015. These decreases were mainly due to the downward adjustment in the selling prices of most of the Group's electrical products and accessories which commenced in the second half of FY2014.

### ***Other operating income***

Other operating income increased by S\$0.16 million or 61.9% from S\$0.26 million in HY2014 to S\$0.42 million in HY2015. The increase in other operating income was mainly due to an increase in the bad debts recovered from customers in HY2015 and an increase in government grants received by the Group during HY2015. These were partially offset by a decrease in gain on disposal of motor vehicles and a decrease in sponsorship income received from suppliers.

### ***Distribution costs***

Distribution costs decreased marginally from S\$24,000 in HY2014 to S\$18,000 in HY2015.

### ***Administrative expenses***

Administrative expenses increased by S\$0.55 million or 13.0% from S\$4.23 million in HY2014 to S\$4.78 million in HY2015, mainly due to higher staff-related costs and IPO-related expenses.

### ***Other operating expenses***

Other operating expenses decreased by S\$0.22 million or 31.4% from S\$0.69 million in HY2014 to S\$0.47 million in HY2015, mainly as a result of a decrease in the allowance for doubtful debts partially offset by an increase in the Group's depreciation expenses on investment properties as well as bank charges incurred during HY2015.

### ***Finance costs***

Finance costs decreased from S\$79,000 in HY2014 to S\$48,000 in HY2015.

### ***Profit before tax***

Profit before tax decreased by S\$1.98 million or 42.2% from S\$4.69 million in HY2014 to S\$2.71 million in HY2015, mainly due to the decrease in the Group's revenue coupled with a decline in gross profit margin.

## **Review of financial position**

### ***Current assets***

Current assets increased by S\$1.91 million from S\$26.86 million as at 31 December 2014 to S\$28.77 million as at 30 June 2015. The increase in current assets was mainly due to an increase in cash and cash equivalents of S\$2.91 million and an increase in other receivables and prepayments of S\$0.29 million, which were partially offset by a decrease in trade receivables of S\$1.06 million and a decrease in inventories of S\$0.23 million.

### ***Non-current assets***

Non-current assets increased by S\$2.56 million from S\$21.87 million as at 31 December 2014 to S\$24.43 million as at 30 June 2015. The increase was mainly due to the purchase of plant and equipment of approximately S\$0.18 million and progress billings of three (3) investment properties upon issuance of temporary occupation permits amounting to S\$2.75 million.

### ***Current liabilities***

Current liabilities increased by S\$1.92 million from S\$11.60 million as at 31 December 2014 to S\$13.52 million as at 30 June 2015. The increase in current liabilities was mainly due to an increase in unpaid balances for three (3) investment properties of approximately S\$2.09 million, which was partially offset by a decrease in the current portion of bank borrowings of approximately S\$0.17 million.

### ***Non-current liabilities***

Non-current liabilities increased by S\$0.34 million from S\$4.55 million as at 31 December 2014 to S\$4.89 million as at 30 June 2015. The increase in non-current liabilities was mainly due to an increase in the non-current portion of bank borrowings of approximately S\$0.33 million.

## **Review of cash flow management**

### ***Net cash from operating activities***

In HY2015, the Group generated net cash from operating activities of approximately S\$3.57 million, which was a result of operating cash flows before changes in working capital of approximately S\$2.96 million, net working capital inflows of approximately S\$1.12 million and income tax paid of approximately S\$0.50 million.

***Net cash used in investing activities***

In HY2015, the Group used net cash in investing activities amounting to approximately S\$0.74 million, which was mainly due to payments for investment properties of approximately S\$0.65 million and purchases of property, plant and equipment of approximately S\$0.10 million, partially offset by proceeds from disposals of property, plant and equipment of approximately S\$0.01 million.

***Net cash from financing activities***

In HY2015, the Group generated net cash from financing activities amounting to approximately S\$0.08 million, mainly due to proceeds from bank loans for acquisition of investment properties of approximately S\$0.67 million which was partially offset by repayment of bank loans and finance leases of approximately S\$0.56 million and interest paid of approximately S\$0.03 million.

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

There has not been any forecast or prospect statement in relation to the Group's results 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.**

Barring unforeseen circumstances, the Group is cautiously optimistic of its business prospects taking into consideration the trends and developments in the construction industry and the general economic outlook in Singapore. It is the Group's current intention to expand its retail network and if appropriate and feasible, subject to availability of good location and other relevant business considerations, the Group plans to open new retail branch(es) in the second half of the current financial year ending 31 December 2015. The Group intends to continue to focus on strengthening its presence in the competitive market by widening the range of products sold under the "CCM" and "CRM" brands.

Please also refer to the sections entitled "Prospects", "Trend Information" and "Business Strategies and Future Plans" from pages 90 to 93 of the Offer Document. As the IPO comprised entirely of vendor shares and no new shares were issued by the Company, the Group did not receive any IPO proceeds.

**11. If a decision regarding dividend has been made:**

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

No dividend has been declared or recommended for HY2015.

	<b>Amount per share (Singapore cents)</b>
<b>(i) Current financial period reported on</b>	Nil
<b>(ii) Previous corresponding period</b>	Nil

**(b) 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 as no dividend has been declared or recommended for HY2015.

**(c) The date the dividend is payable**

Not applicable as no dividend has been declared or recommended for HY2015.

**(d) The date on which Registrable Transfers received by the company (up to 5.00 p.m.) will be registered before entitlements to the dividend are determined**

Not applicable as no dividend has been declared or recommended for HY2015.

**12. If no dividend has been declared (recommended), a statement to that effect.**

No dividend has been declared or recommended for HY2015.

As disclosed on page 41 of the Offer Document, subject to the considerations set out therein, the Directors intend to recommend and distribute dividends of not less than 30% of the Group's consolidated net profits attributable to shareholders in each of the financial years ending 31 December 2015 and 31 December 2016. The foregoing statements are merely statements of the Directors' present intention and shall not constitute legally binding statements in respect of the Company's future dividends which may be subject to modification (including reduction or non-declaration thereof) at the Directors' sole and absolute discretion. Please also refer to the Offer Document for details.



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

The Group did not obtain any general mandate from the Company's shareholders in respect of interested person transactions.

Name of interested person	Aggregate value of all interested person transactions during HY2015 (excluding transactions less than S\$100,000 and transactions conducted under general mandate)	Aggregate value of all interested person transactions conducted during HY2015 under the general mandate (excluding transactions less than \$100,000)
Lim Teck Chuan - Sale of electrical accessories by the Group to CCM Australia Pty Ltd (" <b>CCM Australia</b> ") <sup>(1)</sup>	Nil	Nil

**Note:**

- (1) CCM Ventures Pte. Ltd. ("**CCM Ventures**") owns 100% of the issued and paid-up share capital of CCM Australia. The Company's Executive Chairman and Chief Executive Officer, Lim Teck Chuan owns an interest of 60% in CCM Ventures and is also the sole director of CCM Ventures and a director of CCM Australia. Accordingly, CCM Australia is an Associate of Lim Teck Chuan and transactions between the Group and CCM Australia are interested person transactions within the ambit of Chapter 9 of the Catalist Rules.

The following is a summary of the interested person transactions as disclosed in the Offer Document:

**(i) Personal guarantees provided by Lim Teck Chuan and Lim Teck Seng**

As disclosed from pages 105 to 106 of the Offer Document, Lim Teck Chuan and Lim Teck Seng had provided personal guarantees to certain financial institutions and the Housing & Development Board ("**HDB**") in order that the Group may secure banking facilities, finance leases and lease agreements (as the case may be). Lim Teck Chuan and Lim Teck Seng did not receive any benefit in kind, commission or interest from the Group for providing these personal guarantees.

In respect of the personal guarantees provided to the financial institutions, it is intended that these will be replaced with corporate guarantees provided by the Group. In respect of the personal guarantees provided to HDB, Lim Teck Chuan and Lim Teck Seng had irrevocably and unconditionally undertaken to the Company that they will continue to provide such personal guarantees in relation to the Group's lease agreements with HDB as lessor for the benefit of the Group.

As at 30 June 2015 (being the end of the current financial period reported on), these personal guarantees were in effect and as at the date hereof, these personal guarantees remained in effect.

**(ii) Call option granted by Lim Teck Chuan**

As disclosed from pages 106 to 107 of the Offer Document, the Company, CCM Ventures and Lim Teck Chuan entered into a call option agreement on 26 June 2015 (“**TL Call Option Agreement**”) pursuant to which Lim Teck Chuan granted the Company a call option to acquire all the shares that he may from time to time hold in CCM Ventures (“**TL Call Option**”).

The Company may exercise the TL Call Option at any time, subject to Chapter 9 of the Catalist Rules. The exercise price shall be the fair market value of the shares of CCM Ventures prevailing as of the exercise date as determined by an independent appraiser to be jointly appointed by the Company and Lim Teck Chuan. The decision on the exercise of the TL Call Option will rest with the Company’s Independent Directors with the concurrence of the Audit Committee.

**(iii) Call option granted by CCM Australia**

As disclosed on page 108 of the Offer Document, the Company and CCM Australia entered into a call option agreement on 26 June 2015 (“**Australian TM Call Option Agreement**”) pursuant to which CCM Australia granted the Company a call option to purchase from CCM Australia the trademark that is used by CCM Australia (“**Australian TM**”) in Australia (“**Australian TM Call Option**”). The Company may exercise the Australian TM Call Option to require CCM Australia to sell, transfer and assign the Australian TM and all rights and interests thereto to the Company or any of its subsidiaries for an aggregate purchase consideration equivalent to the registration costs incurred by CCM Australia for the registration of such trademark in Australia.

The Australian TM Call Option may be exercised by the Company at any time, subject to Chapter 9 of the Catalist Rules, during the 6-month period commencing immediately after Lim Teck Chuan and his Associates cease to collectively hold a majority interest (direct or indirect) in the shares of CCM Australia. The decision on the exercise of the Australian TM Call Option will rest with the Independent Directors with the concurrence of the Audit Committee.

In addition to the above, the Company has obtained *inter alia* the following:

- (a) a non-competition deed provided by each of CCM Ventures and CCM Australia (as described from pages 114 to 115 of the Offer Document);
- (b) an undertaking provided by Lim Teck Chuan (as described from pages 115 to 116 of the Offer Document) pursuant to which he will *inter alia* (aa) within two (2) years from 29 July 2015 (being the date of listing of the Company on the Catalist), divest his shareholding in CCM Ventures to persons other than his Associates such that he will no longer be a shareholder of CCM Ventures; and (bb) grant the Company a right of first refusal of any sale of any shares in CCM Ventures by himself; and

- (c) an undertaking provided by CCM Ventures (as described from pages 116 to 117 of the Offer Document) pursuant to which, amongst others, (aa) in the event of any proposed issue by CCM Ventures of any shares to any Associate of Lim Teck Chuan, it shall be a condition precedent to such share issue that the proposed subscriber enters into a call option agreement with the Company on the same terms and conditions as the TL Call Option Agreement; and (bb) CCM Ventures granted the Company a right of first refusal of any sale of any shares in CCM Australia by CCM Ventures.

Please also refer to the Offer Document for details.

**14. Negative confirmation pursuant to Rule 705(5) (not required for announcement of full year results). This confirmation must be signed by two (2) directors on behalf of the board of directors.**

We, Lim Teck Chuan and Lim Teck Seng, being Directors of the Company, hereby confirm on behalf of the board of Directors that, to the best of the Directors' knowledge, nothing has come to the attention of the board of Directors which may render the unaudited consolidated financial statements of the Group for the six (6) months ended 30 June 2015 to be false or misleading in any material aspect.

Lim Teck Chuan  
Executive Chairman and Chief Executive Officer

Lim Teck Seng  
Executive Director

**BY ORDER OF THE BOARD**

Lim Teck Chuan  
Executive Chairman and Chief Executive Officer

Singapore

3 September 2015