

CREATIVE TECHNOLOGY LTD

FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2014 FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

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UNAUDITED RESULTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2014

1 CONSOLIDATED INCOME STATEMENT

	GROUP		GROUP	
	Three months ended 30 June		Financial year ended 30 June	
	2014 US\$'000	2013 US\$'000	2014 US\$'000	2013 US\$'000
Sales, net	23,048	30,222	116,332	165,342
Cost of goods sold	18,419	24,202	86,250	111,618
Gross profit	4,629	6,020	30,082	53,724
Expenses:				
Selling, general and administrative	(7,697)	(8,969)	(34,093)	(38,749)
Research and development	(6,398)	(6,280)	(25,488)	(28,346)
Total expenses	(14,095)	(15,249)	(59,581)	(67,095)
Other income	55	115	225	443
Other gains (losses), net	1,492	(97)	3,029	28,177
Share of losses of associated companies	--	--	--	(1,088)
(Loss) profit before income tax	(7,919)	(9,211)	(26,245)	14,161
Income tax credit	4,530	2,662	4,473	2,501
Net (loss) profit	(3,389)	(6,549)	(21,772)	16,662
Attributable to:				
Equity holders of the Company	(3,386)	(6,544)	(21,849)	16,668
Non-controlling interests	(3)	(5)	77	(6)
(Loss) earnings per share attributable to equity holders of the Company				
- Basic (US\$ per share)	(0.05)	(0.09)	(0.31)	0.24
- Diluted (US\$ per share)	(0.05)	(0.09)	(0.31)	0.24

1(a) Net (loss) profit is arrived at after accounting for:

	GROUP			
	Three months ended		Financial year ended	
	30 June		30 June	
	2014	2013	2014	2013
	US\$'000	US\$'000	US\$'000	US\$'000
Write-off/write-down for inventory obsolescence	(1,124)	(152)	(4,075)	(684)
Impairment loss on investments	(819)	(2,229)	(972)	(2,288)
Gain on disposal of investments	-	2,812	18	29,585
Foreign exchange gain (loss)	730	(1,447)	2,221	(629)

1(b) Breakdown of sales:

	GROUP		
	Financial	Financial	+ / (-)
	year ended	year ended	
	30 June 2014	30 June 2013	%
	US\$'000	US\$'000	
<u>First Half Year</u>			
(a) Sales	68,191	101,289	(33%)
(b) Net (loss) profit	(9,625)	33,644	(129%)
<u>Second Half Year</u>			
(c) Sales	48,141	64,053	(25%)
(b) Net loss	(12,147)	(16,982)	28%

2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	GROUP			
	Three months ended		Financial year ended	
	30 June		30 June	
	2014	2013	2014	2013
	US\$'000	US\$'000	US\$'000	US\$'000
Net (loss) profit	(3,389)	(6,549)	(21,772)	16,662
Other comprehensive income:				
Fair value gains (losses) of financial assets, available-for-sale:				
Fair value gains	583	1,090	512	3,080
Reclassification	(6)	(2,193)	(101)	(2,253)
Total comprehensive (loss) income for the period	<u>(2,812)</u>	<u>(7,652)</u>	<u>(21,361)</u>	<u>17,489</u>
Attributable to:				
Shareholders of the Company	(2,809)	(7,647)	(21,438)	17,495
Non-controlling interests	(3)	(5)	77	(6)
Total comprehensive (loss) income for the period	<u>(2,812)</u>	<u>(7,652)</u>	<u>(21,361)</u>	<u>17,489</u>

3 BALANCE SHEETS

	Group		Company	
	30 June 2014 US\$'000	30 June 2013 US\$'000	30 June 2014 US\$'000	30 June 2013 US\$'000
ASSETS				
Current assets:				
Cash and cash equivalents	124,638	163,574	118,974	150,804
Trade receivables	10,559	14,728	4,208	4,748
Amounts due from subsidiaries	-	-	44,515	42,801
Inventories	28,922	25,353	15,002	11,369
Other current assets	1,896	2,178	187	656
	166,015	205,833	182,886	210,378
Non-current assets:				
Financial assets, available-for-sale	21,608	22,654	-	-
Amounts due from subsidiaries	-	-	143,022	146,659
Investments in subsidiaries	-	-	24,706	28,390
Property and equipment	6,465	6,892	651	705
Other non-current assets	98	1,827	-	1,729
	28,171	31,373	168,379	177,483
Total assets	194,186	237,206	351,265	387,861
LIABILITIES				
Current liabilities:				
Trade payables	9,383	13,753	5,907	9,460
Amounts due to subsidiaries	-	-	9,139	10,940
Accrued liabilities and provisions	37,899	44,496	24,474	26,576
Current income tax liabilities	735	706	-	-
	48,017	58,955	39,520	46,976
Non-current liabilities:				
Amounts due to subsidiaries	-	-	21,746	21,173
Deferred income tax liabilities	10,702	15,202	-	-
	10,702	15,202	21,746	21,173
Total liabilities	58,719	74,157	61,266	68,149
NET ASSETS	135,467	163,049	289,999	319,712
EQUITY				
Share capital	266,753	266,753	266,753	266,753
Treasury shares	(16,262)	(16,606)	(16,262)	(16,606)
Fair value reserve	9,896	9,485	-	-
Other reserves	62,570	63,351	35,106	35,887
Retained earnings	(187,695)	(160,170)	4,402	33,678
	135,262	162,813	289,999	319,712
Non-controlling interests	205	236	-	-
Total equity	135,467	163,049	289,999	319,712

4 CONSOLIDATED STATEMENTS OF CASH FLOWS

	GROUP	
	Financial year ended 30 June	
	2014	2013
	US\$'000	US\$'000
Cash flows from operating activities:		
Net (loss) profit	(21,772)	16,662
Adjustments for:		
Income tax credit	(4,473)	(2,501)
Depreciation of property and equipment	697	1,392
Employee share-based expenses	(437)	(12)
Share of loss of associated companies	--	1,088
Loss (Gain) on disposal of property and equipment	1	(707)
Impairment loss of financial assets, available-for-sale	972	2,288
Gain on disposal of financial assets, available-for-sale	(18)	(2,835)
Gain on disposal of investments in subsidiary	--	(26,750)
Currency translation (gain) loss	(1,775)	724
Dividend income	--	(203)
Interest income	(225)	(240)
	<u>(27,030)</u>	<u>(11,094)</u>
Changes in working capital, net of effects from acquisition and disposal of subsidiaries		
Trade receivables	4,169	4,113
Inventories	(1,841)	2,469
Other assets and receivables	291	11,645
Trade payables	(4,370)	(88)
Accrued liabilities and provisions	(6,595)	(9,590)
Cash used in operations	<u>(35,376)</u>	<u>(2,545)</u>
Interest received	223	241
Income tax paid	<u>(26)</u>	<u>(260)</u>
Net cash used in operating activities	<u>(35,179)</u>	<u>(2,564)</u>
Cash flows from investing activities:		
Purchase of property and equipment	(271)	(1,237)
Proceeds from sale of property and equipment	--	5,921
Proceeds received from escrow account	4,500	--
Proceeds from sale of subsidiary held in escrow account	--	(4,500)
Proceeds from sale of subsidiary (net of cash disposed of)	(110)	28,001
Proceeds from sale of financial assets, available-for-sale	753	6,371
Purchase of financial assets, available-for-sale	(250)	(1,000)
Dividend received	--	203
Net cash provided by investing activities	<u>4,622</u>	<u>33,759</u>
Cash flows from financing activities:		
Dividends paid to equity holders of the Company	(5,676)	(2,858)
Net cash used in financing activities	<u>(5,676)</u>	<u>(2,858)</u>
Net (decrease) increase in cash and cash equivalents	(36,233)	28,337
Cash and cash equivalents at beginning of financial year	159,074	131,432
Effects of currency translation on cash and cash equivalents	1,797	(695)
Cash and cash equivalents at end of the period	<u>124,638</u>	<u>159,074</u>

5 STATEMENTS OF CHANGES IN EQUITY

5(a) Statements of Changes in Equity for the Group

	Share Capital US\$'000	Treasury Shares US\$'000	Fair Value Reserve US\$'000	Other Reserves US\$'000	Retained Earnings US\$'000	Total US\$'000	Non- controlling Interests US\$'000	Total Equity US\$'000
FY2014								
Balance at 1 July 2013	266,753	(16,606)	9,485	63,351	(160,170)	162,813	236	163,049
Utilisation of treasury shares for shares issued under employee options plans and performance share plan	-	344	-	(344)	-	-	-	-
Employee share-based expense	-	-	-	(437)	-	(437)	-	(437)
Disposal of subsidiary	-	-	-	-	-	-	(108)	(108)
Dividends paid	-	-	-	-	(5,676)	(5,676)	-	(5,676)
Total comprehensive income (loss) for the period	-	-	411	-	(21,849)	(21,438)	77	(21,361)
Balance at 30 June 2014	266,753	(16,262)	9,896	62,570	(187,695)	135,262	205	135,467
FY2013								
Balance at 1 July 2012	266,753	(17,676)	8,658	64,433	(173,980)	148,188	242	148,430
Utilisation of treasury shares for shares issued under employee options plans and performance share plan	-	1,070	-	(1,070)	-	-	-	-
Employee share-based expense	-	-	-	(12)	-	(12)	-	(12)
Dividends paid	-	-	-	-	(2,858)	(2,858)	-	(2,858)
Total comprehensive income (loss) for the period	-	-	827	-	16,668	17,495	(6)	17,489
Balance at 30 June 2013	266,753	(16,606)	9,485	63,351	(160,170)	162,813	236	163,049

5(b) Statements of Changes in Equity of the Company

	Share Capital US\$'000	Treasury Shares US\$'000	Other Reserves US\$'000	Retained Earnings US\$'000	Total Equity US\$'000
FY2014					
Balance at 1 July 2013	266,753	(16,606)	35,887	33,678	319,712
Utilisation of treasury shares for shares issued under employee options plans and performance share plan	-	344	(344)	-	-
Employee share-based expense	-	-	(437)	-	(437)
Dividends paid	-	-	-	(5,676)	(5,676)
Total comprehensive loss for the period	-	-	-	(23,600)	(23,600)
Balance at 30 June 2014	266,753	(16,262)	35,106	4,402	289,999
FY2013					
Balance at 1 July 2012	266,753	(17,676)	36,969	28,829	314,875
Utilisation of treasury shares for shares issued under employee options plans and performance share plan	-	1,070	(1,070)	-	-
Employee share-based expense	-	-	(12)	-	(12)
Dividends paid	-	-	-	(2,858)	(2,858)
Total comprehensive income for the period	-	-	-	7,707	7,707
Balance at 30 June 2013	266,753	(16,606)	35,887	33,678	319,712

5(c) CHANGES IN THE COMPANY'S SHARE CAPITAL

Issued and paid up capital

As at 30 June 2014, the Company's issued and paid up capital excluding treasury shares comprised 70,331,649 (30 June 2013: 70,232,900) ordinary shares.

As at 30 June 2014, the Company's issued and paid up share capital was US\$266.8 million (31 March 2014: US\$266.8 million).

Employee share options plan

During the fourth quarter of FY2014, the Company did not issue any ordinary shares for cash upon the exercise of the options under the Company's Share Options Plan (Q4 FY2013: Nil).

As at 30 June 2014, there were 2,519,500 (30 June 2013: 3,187,500) unissued ordinary shares under options granted to eligible employees and directors under the Company's Employee Share Options Plan.

Employee performance share plan

During the fourth quarter of FY2014, the Company issued 76,249 ordinary shares pursuant to the Employee Performance Share Plan to eligible employees and directors of the Company and its subsidiaries (Q4 FY2013: 299,876).

As at 30 June 2014, there were 287,250 (30 June 2013: 560,500) unissued ordinary shares granted to eligible employees and directors under the Company's Employee Performance Share Plan.

Treasury shares

As at 30 June 2014, the Company held 4,668,351 (30 June 2013: 4,767,100) treasury shares against 70,331,649 (30 June 2013: 70,232,900) issued ordinary shares excluding treasury shares.

The movement of treasury shares for the period is as follows:

	Three months ended	
	30 June	
	2014	2013
Balance at beginning of period	4,744,600	5,066,976
Issue for Employee Performance Share Plan	(76,249)	(299,876)
Balance at end of period	<u>4,668,351</u>	<u>4,767,100</u>

6 GROUP BORROWINGS

	GROUP	
	30 June 2014 US\$'000	30 June 2013 US\$'000
Amount repayable:		
<u>In one year or less, or on demand</u>		
Secured	-	-
Unsecured	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
<u>After one year</u>		
Secured	-	-
Unsecured	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
Total	-	-

7 NET ASSET VALUE

	GROUP		COMPANY	
	30 June 2014 US\$	30 June 2013 US\$	30 June 2014 US\$	30 June 2013 US\$
Net asset value per ordinary share based on issued capital at the end of the financial year	1.93	2.32	4.12	4.55

8 AUDIT

The figures have not been audited or reviewed by our auditors.

9 AUDITORS' REPORT

Not applicable.

10 ACCOUNTING POLICIES

As disclosed in Item 11 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at 30 June 2013.

11 CHANGES IN ACCOUNTING POLICIES

None.

12 REVIEW OF GROUP PERFORMANCE

CONSOLIDATED INCOME STATEMENT

Net Sales

Net sales for the fourth quarter of FY2014 decreased by 24% compared to the same quarter in FY2013, and net sales for FY2014 decreased by 30% compared to the same period in FY2013. Revenue in FY2013 included a one time US\$20.0 million licensing income. Excluding the US\$20.0 million licensing income, revenue for FY2014 decreased by 20% compared to the same period in FY2013. Revenue was lower in the fourth quarter and FY2014 due to the uncertain and difficult market conditions which continued to affect the sales of the Group's products and impacted sales across all three geographical regions. Net sales in FY2014 decreased across the three geographical regions by 38%, 25% and 16% in Asia Pacific, the Americas and Europe regions, respectively. Net sales in Asia Pacific region included a one time US\$20.0 million licensing income reported in the second quarter of FY2013. Excluding this one time licensing income, net sales in Asia Pacific region for FY2014 decreased by 21% compared to FY2013.

Gross Profit

Gross profit margin at 20% in the fourth quarter of FY2014 was similar to that of the fourth quarter of FY2013. Gross profit margin in the fourth quarter of FY2014 included employee severance charges of US\$0.4 million (see below). For FY2014, gross profit margin was 26% compared to 33% in FY2013. Excluding the one time licensing income as mentioned above, gross profit margin was 23% for FY2013. Gross profit margin in the fourth quarter and FY2014 included write-down for inventory obsolescence for certain existing products following the introduction of new product models.

Net Profit

Net loss for the fourth quarter of FY2014 was US\$3.4 million compared to a net loss of US\$6.5 million in the fourth quarter of FY2013. In view of the lower revenue, the Group undertook a restructuring exercise in the fourth quarter of FY2014 to reduce costs. The restructuring exercise include a reduction in worldwide headcount, incurring a total employee severance charge of US\$2.2 million of which US\$0.4 million was charged to cost of goods sold, US\$0.7 million to selling, general and administrative expenses and US\$1.1 million to research and development expenses. Excluding the effect of employee severance charges, net loss for the fourth quarter of FY2014 was US\$1.2 million.

Net loss for FY2014 was US\$21.8 million compared to a net profit of US\$16.7 million in FY2013. Excluding the effect of severance charges as mentioned above, net loss for FY2014 was US\$19.6 million. Net profit for FY2013 was due mainly to the one time licensing income of US\$20.0 million and US\$26.7 million gain on divestment of a subsidiary company, ZiiLABS Limited.

Selling, general and administrative expenses in the fourth quarter and full year of FY2014 decreased by 14% and 12%, respectively, compared to the same periods in the prior year. Excluding the employee severance charges as mentioned above, selling, general and administrative expenses in the fourth quarter and full year of FY2014 decreased by 21% and 14%, respectively, compared to the same periods in the prior year. The decrease in selling, general and administrative expenses was due mainly to lower level of sales.

Research and development expenses in the fourth quarter of FY2014 remained at about the same level as in the fourth quarter of FY2013. For the full year of FY2014, research and development expenses decreased by 10% compared to FY2013. Excluding the employee severance charges as mentioned above, research and development expenses in the fourth quarter and full year of FY2014 decreased by 16% and 14%, respectively, compared to the same periods in the prior year. The decrease in research and development expenses in the fourth quarter of FY2014 compared to FY2013 was due mainly to cost cutting actions taken by management. The decrease in the full year of FY2014 compared to FY2013 also includes cost savings resulting from the divestment of ZiiLABS Limited.

Other gains (net) of US\$1.5 million in the fourth quarter of FY2014 were due mainly to foreign exchange gain of US\$0.7 million and a US\$1.5 million reversal of provisions upon finalisation of all costs and liabilities relating to the divestment of ZiiLABS Limited in the previous year, offset partially by a US\$0.8 million impairment of investments. Other losses (net) of US\$97,000 in the fourth quarter of FY2013 included foreign exchange loss of US\$1.4 million and impairment of investments of US\$2.2 million, offset partially by gain on disposal of investments of US\$2.8 million.

Other gains (net) of US\$3.0 million in FY2014 were due mainly to foreign exchange gain of US\$2.2 million and a US\$1.5 million reversal of provisions upon finalisation of all costs and liabilities relating to the divestment of ZiiLABS Limited in the previous year, offset partially by a US\$1.0 million impairment of investments. Other gains (net) of US\$28.2 million in FY2013 was due mainly to a US\$26.7 million gain on divestment of ZiiLABS Limited, and gain on disposal of investments of US\$2.8 million, offset partially by a US\$2.3 million impairment of investments.

The functional currency of the Company and its subsidiaries is predominantly the US dollar and accordingly, gains and losses resulting from the translation of monetary assets and liabilities denominated in currencies other than the US dollar are reflected in the determination of net (loss) profit. The exchange differences were due mainly to the cash and cash equivalent balances held by the Group. Cash and cash equivalents were held mainly in Singapore dollar, with the balance mainly in US dollar, Euro, British Pound and Japanese Yen. The exchange gain in the fourth quarter of FY2014 was due mainly to the appreciation of Singapore dollar against US dollar. The exchange gain for FY2014 was due mainly to the appreciation of Singapore dollar, Euro and British Pound against US dollar. The exchange loss in the fourth quarter of FY2013 was due mainly to the depreciation of Singapore dollar and Japanese Yen against the US dollar. The exchange loss in FY2013 was due mainly to the depreciation of Japanese Yen against the US dollar.

Income tax credit of US\$4.5 million in FY2014 was due mainly to a US\$4.5 million write back of deferred tax liabilities. The write back of deferred tax liabilities of US\$4.5 million was an adjustment to the Group's provision for transfer pricing and withholding tax exposure of foreign subsidiaries.

BALANCE SHEETS

The decrease in cash and cash equivalents was due mainly to net cash used in operating activities (see below) and payment of dividends to equity holders of the Company. The decrease in trade receivables was in line with the lower level of sales. The increase in inventories was due mainly to inventories for new products. The decrease in other non-current assets was due to a reduction in deferred expenses. The decrease in trade payables and accrued liabilities and provisions was due mainly to lower level of operating activities and reduction in provisions for commitments for other expenditures and obligations due to payments made to vendors.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Net cash used in operating activities of US\$35.2 million in FY2014 (FY2013: US\$2.6 million) was due mainly to the net operating loss for the year, increase in inventories, reduction in trade payables, and accrued liabilities and provisions.

Net cash provided by investing activities of US\$4.6 million in FY2014 (FY2013: US\$33.8 million) was due mainly to US\$4.5 million cash received from the escrow account relating to the divestment of ZiiLABS Limited.

Net cash used in financing activities of US\$5.7 million in FY2014 (FY2013: US\$2.9 million) was due to dividends paid to equity holders of the Company.

13 VARIANCE FROM PROSPECT STATEMENT

There has been no significant variance in the operating performance of the Group in the fourth quarter of FY2014 as compared to the prospect statement disclosed in the announcement of results for the third quarter ended 31 March 2014.

14 PROSPECTS

During the year, the Company introduced a number of new and exciting products including the Sound Blaster Roar, a high performance wireless portable speaker. The reception to the Sound Blaster Roar which was launched towards the end of FY2014 was very positive. The successful launch of the Sound Blaster Roar is expected to provide good potential revenue growth opportunities for the Group in the current financial year. For the current quarter, with the Sound Blaster Roar beginning to contribute to revenue, the Group expects an improvement in revenue from the current levels and to report a lower operating loss.

15 DIVIDEND

(a) Current Financial Year Reported On

The Directors are pleased to recommend a tax exempt one-tier final dividend of S\$0.05 per share (2013: S\$0.10) in respect of the financial year ended 30 June 2014 for approval by shareholders at the next Annual General Meeting to be convened.

Name of Dividend	Final
Dividend type	Cash
Dividend per share	S\$0.05
Tax rate	Tax exempt

(b) Corresponding Period of the Immediately Preceding Financial Year

A tax exempt one-tier final dividend of S\$0.10 per share was paid in the second quarter of FY2014.

(c) Date Payable

The payment date for the proposed final dividend will be announced after the Annual General Meeting.

(d) Books Closure Date

Book closure will be announced at a later date for the preparation of dividend payment.

(e) Total Annual Dividend

	FY2014 US\$'000	FY2013 US\$'000
Ordinary final dividend	2,815	5,676
Total	2,815	5,676

16 SEGMENTAL REPORTING

	ASIA PACIFIC US\$'000	THE AMERICAS US\$'000	EUROPE US\$'000	TOTAL US\$'000
GROUP				
2014				
Sales	59,275	17,228	39,829	116,332
(Loss) gain after total expenses	(30,543)	(221)	1,265	(29,499)
Other income	223	2	-	225
Other gains, net	2,542	-	487	3,029
(Loss) profit before income tax	(27,778)	(219)	1,752	(26,245)
Income tax credit (expense)	1,795	2,687	(9)	4,473
Net (loss) profit	(25,983)	2,468	1,743	(21,772)
Other segment items				
Additions to				
- property and equipment	267	1	3	271
Depreciation	431	72	194	697
Impairment of financial assets, available-for sale	(972)	-	-	(972)
Segment assets	163,016	9,686	21,484	194,186
Segment liabilities	43,440	5,020	10,259	58,719

	ASIA PACIFIC US\$'000	THE AMERICAS US\$'000	EUROPE US\$'000	TOTAL US\$'000
GROUP				
2013				
Sales	95,203	22,927	47,212	165,342
(Loss) gain after total expenses	(16,414)	1,474	1,569	(13,371)
Other income	439	2	2	443
Other gains, net	27,141	913	123	28,177
Share of loss of associated companies	(1,088)	-	-	(1,088)
Profit before income tax	10,078	2,389	1,694	14,161
Income tax credit (expense)	2,509	(17)	9	2,501
Net profit	12,587	2,372	1,703	16,662
Other segment items				
Additions to				
- property and equipment	1,174	1	62	1,237
Depreciation	1,087	81	224	1,392
Impairment of financial assets, available-for sale	(2,288)	-	-	(2,288)
Segment assets	203,753	10,367	23,086	237,206
Segment liabilities	53,660	9,535	10,962	74,157

Summary of net sales by country:

	GROUP	
	30 June 2014 US\$'000	30 June 2013 US\$'000
Singapore	51,751	65,657
United States of America	17,228	22,927
Ireland	39,829	47,212
Other countries	7,524	29,546
	<u>116,332</u>	<u>165,342</u>

Summary of net sales by product category:

	GROUP	
	30 June 2014 US\$'000	30 June 2013 US\$'000
Audio, speakers and headphones	103,565	121,999
Personal digital entertainment	8,171	13,652
Other products	4,596	29,691
	<u>116,332</u>	<u>165,342</u>

Summary of non-current assets by country:

	GROUP	
	30 June 2014 US\$'000	30 June 2013 US\$'000
Singapore	1,051	2,945
United States of America	848	918
Ireland	4,562	4,753
Other countries	4	4
	<u>6,465</u>	<u>8,620</u>

17 INTERESTED PERSON TRANSACTIONS

The Group has not obtained a general mandate from shareholders for Interested Person Transactions.

18 REPORT OF PERSONS OCCUPYING MANAGERIAL POSITIONS WHO ARE RELATED TO A DIRECTOR, CHIEF EXECUTIVE OFFICER OR SUBSTANTIAL SHAREHOLDER

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Low Ting Pong	66	Brother-in-law of Mr. Sim Wong Hoo, Chairman, Chief Executive Officer and substantial shareholder.	Senior Vice President, HQ Services since 1999. Responsible for overseeing the facility and related services.	Nil.

BY ORDER OF THE BOARD

NG KEH LONG
COMPANY SECRETARY
6 AUGUST 2014