KPM HOLDING LIMITED
吉輝控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8027)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2015

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the "Directors") of KPM Holding Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

The original announcement is prepared in the English language. This announcement is translated into Chinese. In the event of any inconsistencies between the Chinese and the English version, the latter shall prevail.

RESULTS

The board of Directors (the "Board") of KPM Holding Limited (the "Company") hereby announces the condensed consolidated results of the Company and its subsidiaries (the "Group") for the three months and the six months ended 30 June 2015, together with the comparative figures for the corresponding periods in 2014 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and six months ended 30 June 2015

		Three months ended 30 June		**Six months ended 30 June**	
		2015	2014	**2015**	2014
	Note	***S$***	*S$*	***S$***	*S$*
		(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Revenue	3	**2,694,141**	2,790,973	**5,631,578**	5,420,821
Cost of sales		**(1,517,520)**	(1,421,176)	**(3,174,231)**	(2,746,401)
Gross profit		**1,176,621**	1,369,797	**2,457,347**	2,674,420
Other income	4	**84,466**	43,510	**160,175**	63,595
Other gains and losses	5	**29,406**	(57,000)	**45,772**	(55,454)
Selling and administrative expenses		**(652,613)**	(464,093)	**(1,205,025)**	(895,694)
Other expenses	6	**(700,486)**	(21,084)	**(1,083,533)**	(21,083)
Finance costs	7	**(13,865)**	(30,787)	**(51,646)**	(64,464)
(Loss) Profit before tax		**(76,471)**	840,343	**323,090**	1,701,320
Income tax expense	8	**(105,000)**	(135,000)	**(230,000)**	(297,996)
(Loss) Profit for the period		**(181,471)**	705,343	**93,090**	1,403,324
Other comprehensive loss:					
Items that may be reclassified to profit or loss:					
Available-for-sale investments					
Fair value loss on available-for-sale investments		**—**	—	**—**	(12,809)
Reclassification of cumulative gains from investment valuation reserve to profit or loss upon disposal of available-for-sale investments		**—**	—	**—**	(9,394)
Other comprehensive loss for the period, net of tax		**—**	—	**—**	(22,203)
Total comprehensive (loss) income for the period		**(181,471)**	705,343	**93,090**	1,381,121
(Losses) Earnings per share					
Basic and diluted (S$ cents)	9	**(0.057)**	0.220	**0.029**	0.439

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	Note	30 June 2015 S$ (Unaudited)	31 December 2014 S$ (Audited)
Non-current assets			
Property, plant and equipment	11	**674,818**	679,373
Available-for-sale investments		**20**	20
		674,838	679,393
Current assets			
Inventories		**543,713**	615,661
Trade and other receivables	12	**3,878,840**	2,441,845
Amount due from a related party	15	—	44,860
Amount due from a director		—	7,006
Pledged bank deposits		**957,000**	586,564
Bank and cash balances		**3,269,264**	5,087,491
		8,648,817	8,783,427
Current liabilities			
Trade payables	13	**978,608**	689,656
Bills payables	13	—	909,841
Other payables and accruals	14	**1,275,937**	1,803,726
Amounts due to related parties	15	—	348,193
Amounts due to directors		—	1,999
Obligations under finance leases		**103,102**	91,825
Income tax payable		**195,135**	448,543
		2,552,782	4,293,783
Net current assets		**6,096,035**	4,489,644
Total assets less current liabilities		**6,770,873**	5,169,037
Non-current liability			
Obligations under finance leases		**163,916**	155,170
NET ASSETS		**6,606,957**	5,013,867
Capital and reserves			
Share capital	16	**1,724**	500,000
Share premium		**6,568,371**	—
Accumulated profits		**4,606,957**	4,513,867
Merger reserves		**(4,570,095)**	—
TOTAL EQUITY		**6,606,957**	5,013,867

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015

	Share capital *S$*	Share premium *S$*	Merger reserves *S$*	Investment valuation reserve *S$*	Accumulated profits *S$*	Total *S$*
At 1 January 2014 (Audited)	500,000	—	—	22,203	7,320,237	7,842,440
Profit for the period	—	—	—	—	1,403,324	1,403,324
Fair value loss on available-for-sale investments	—	—	—	(12,809)	—	(12,809)
Reclassification of cumulative gains from investment valuation reserve to profit or loss upon disposal of available-for-sale investments	—	—	—	(9,394)	—	(9,394)
Total comprehensive income (loss) for the period	—	—	—	(22,203)	1,403,324	1,381,121
At 30 June 2014 (Unaudited)	500,000	—	—	—	8,723,561	9,223,561
At 1 January 2015 (Unaudited)	**500,000**	**—**	**—**	**—**	**4,513,867**	**5,013,867**
Profit for the period, representing total comprehensive income for the period	**—**	**—**	**—**	**—**	**93,090**	**93,090**
Share issue by Signmechanic Singapore	**1,500,000**	**—**	**—**	**—**	**—**	**1,500,000**
Elimination of share capital pursuant to the re-organisation *(Note 2)*	**(2,000,000)**	**—**	**—**	**—**	**—**	**(2,000,000)**
Issue of 999,999 ordinary shares pursuant to the re-organisation *(Note 2)*	**1,724**	**6,568,371**	**(4,570,095)**	**—**	**—**	**2,000,000**
	(498,276)	**6,568,371**	**(4,570,095)**	**—**	**—**	**1,500,000**
At 30 June 2015 (Unaudited)	**1,724**	**6,568,371**	**(4,570,095)**	**—**	**4,606,957**	**6,606,957**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended 30 June 2015

	Six months ended 30 June	
	2015	2014
	S$	*S$*
	(Unaudited)	(Unaudited)
OPERATING ACTIVITIES		
Profit before tax	**323,090**	1,701,320
Adjustments for:		
Gain on disposal of property, plant and equipment	**(8,000)**	—
Property, plant and equipment written off	**931**	7,848
Depreciation expense	**130,548**	79,560
Interest income	**(12)**	—
Finance costs	**51,646**	64,464
(Reversal of) Allowance for doubtful debts	**(33,749)**	57,000
Fair value gain on available-for-sale investment	**—**	(9,394)
Bad debts written off	**1,465**	—
Operating cash flow before movements in working capital	**465,919**	1,900,798
Trade receivables and other receivables	**(1,404,711)**	(880,435)
Amount due from a related party	**44,860**	24,401
Inventories	**71,948**	(555,402)
Trade payables	**288,952**	30,145
Other payables and accruals	**(527,789)**	501,648
Amount due to related parties	**(348,193)**	(209,165)
Cash (used in) generated from operations	**(1,409,014)**	811,990
Income tax (paid) refunded	**(483,408)**	166,866
Net cash (used in) from operating activities	**(1,892,422)**	978,856
INVESTING ACTIVITIES		
Repayment from (Advance to) a director	**5,007**	(7,006)
Placement of pledged bank deposits	**(370,436)**	—
Purchase of property, plant and equipment	**(45,924)**	(301,264)
Proceeds from disposal of property, plant and equipment	**8,000**	—
Deposit received	**—**	90,000
Proceeds from disposal of available-for-sale investment	**—**	256,676
Interest received	**12**	—
Net cash (used in) from investing activities	**(403,341)**	38,406

	Six months ended 30 June	
	2015	2014
	S$	*S$*
	(Unaudited)	(Unaudited)
FINANCING ACTIVITIES		
Issuance of share capital	**1,500,000**	—
Repayment to directors	**—**	(25,591)
(Repayment of) raised in bills payables	**(909,841)**	201,878
Finance lease interest paid	**(7,404)**	(16,628)
Loan interest paid	**(19,185)**	(29,602)
Trade finance interest paid	**(25,057)**	(18,234)
Repayment of bank loan	**—**	(60,824)
Repayment of finance lease obligation	**(60,977)**	(33,760)
Net cash from financing activities	**477,536**	17,239
Net (decrease) increase in cash and cash equivalents	**(1,818,227)**	1,034,501
Cash and cash equivalents, represented by bank and cash balances at 1 January	**5,087,491**	2,818,571
Cash and cash equivalents, represented by bank and cash balances at 30 June	**3,269,264**	3,853,072

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

The Company was incorporated and registered as an exempted company in the Cayman Islands with limited liability on 10 March 2015 and its registered office is Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The principal place of business is at 424 Tagore Industrial Avenue, Sindo Industrial Estate, Singapore 787807. The shares of the Company were listed on GEM on 10 July 2015 (the "Listing Date").

The Company is an investment holding company and the principal activities of its operating subsidiary, Signmechanic Pte Ltd ("Signmechanic Singapore") is engaged in the design, fabrication, installation and maintenance of signage and related products.

The interim financial information is presented in Singapore Dollar ("S$" or "$"), which is also the functional currency of the Company.

This condensed consolidated interim financial information was approved by the Board of Directors of the Company on 11 August 2015.

2. GROUP RE-ORGANISATION, BASIS OF PREPARATION AND ACCOUNTING POLICIES

To effect the Group Reorganisation for the purpose of the listing of the Company's shares on GEM, on 23 June 2015, (i) Mr Tan Thiam Kiat Kelvin and Mr Tan Kwang Hwee Peter (together referred to as the "Controlling Shareholders"), who were the then beneficial shareholders of Signmechanic Singapore, transferred their respective shareholdings to Sino Promise Investment Limited ("Sino Promise") in consideration of the allotment and issuance of the 999,999 shares of the Company to Absolute Truth Investments Limited ("Absolute Truth") as a nominee of the Controlling Shareholders; and (ii) crediting of the one-nil paid share registered in the name of Absolute Truth. On the same date, in consideration by the Group, nominating Sino Promise to hold the entire share capital of Signmechanic Singapore, Sino Promise allotted additional 9 new shares of Sino Promise to the Company, credited as fully paid. Upon completion of the transfer, the Company became the holding company of the Group on 23 June 2015. Details of the Group Reorganisation are set out in the section headed "History and Development" in the listing prospectus of the Company dated 30 June 2015 (the "Prospectus").

The Group resulting from the Group Reorganisation is regarded as a continuing entity. Accordingly, the consolidated statement of profit or loss and other comprehensive income for the six months ended 30 June 2014 and 30 June 2015 together with the three months ended 31 March 2014 and 31 March 2015 respectively have been prepared to include the results and cash flows of the companies now comprising the Group as if the group structure upon the completion of the Group Reorganisation had been in existence throughout the period, or since their respective dates of incorporation or establishment where this is a shorter period.

These condensed consolidated financial statements for the six months ended 30 June 2015 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accounting Standards Board and the applicable disclosure requirements of the Chapter 18 of the Listing of Securities and the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules").

These condensed consolidated financial statements should be read in conjunction with the Accountant's Report for the year ended 31 December 2014 as set out in the prospectus of the Company dated 30 June 2015, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual financial statements and the Accountant's Report for the year ended 31 December 2014.

On 1 January 2015, the Group has adopted all the new and revised IFRS, amendments and Interpretations that are effective from that date and are relevant to its operations. The adoption of these new/revised IFRS, amendments and interpretations 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 period.

3. REVENUE AND SEGMENT INFORMATION

The Group operates in a single segment which mainly includes sale of signage, bollard, variable-message signs and aluminium railing to customers located in Singapore.

Information is reported to the chief operating decision maker ("CODM") of the Group, for the purposes of resource allocation and performance assessment. The CODM reviews revenue by nature of contracts, i.e. "Public" and "Private" and profit for the year as a whole. No analysis of the Group's assets and liabilities is regularly provided to the CODM for review. Accordingly, only entity-wide disclosures on products, major customers and geographical information are presented in accordance with IFRS 8 *Operating Segments*.

An analysis of the Group's revenue provided to the CODM for resource allocation and performance assessment is as follows:

	Three months ended 30 June		**Six months ended 30 June**	
	2015	2014	**2015**	2014
	S$	*S$*	***S$***	*S$*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Public	**2,457,801**	1,953,828	**5,048,940**	3,950,996
Private	**236,340**	837,145	**582,638**	1,469,825
	2,694,141	2,790,973	**5,631,578**	5,420,821

Entity-wide disclosures

Major products

Revenue represents sale of signage, bollard, variable-message signs and aluminium railing in Singapore.

No information in respect of revenues from external customers for each product and service was presented, as the necessary information is not available and the cost to develop it would be excessive in the opinion of the management of the Group.

Major customers

The revenue from customers individually contributed over 10% of total revenue of the Group are as follows:

	Three months ended 30 June		**Six months ended 30 June**	
	2015	2014	**2015**	2014
	S$	*S$*	***S$***	*S$*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Customer A	**—*Note***	—*Note*	**—*Note***	832,998
Customer B	**—*Note***	306,215	**—*Note***	—*Note*
Customer C	**802,470**	—*Note*	**1,698,838**	—*Note*

Note: The corresponding revenue did not contribute over 10% of the total revenue of the Group.

Geographical information

The Group principally operates in Singapore, also the place of domicile. All revenue and non- current assets of the Group are generated from external customers and located in Singapore by location of customers and non-current assets, respectively.

4. OTHER INCOME

	Three months ended 30 June		Six months ended 30 June	
	2015	2014	**2015**	2014
	S$	*S$*	***S$***	*S$*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Bank interest income	**6**	—	**12**	—
Government grants	**19,455**	—	**44,406**	18,519
Rental income under operating lease in respect of subleasing of workshop premises	**43,500**	42,672	**85,500**	42,672
Others, comprising mainly insurance claims received	**21,505**	838	**30,257**	2,404
	84,466	43,510	**160,175**	63,595

5. OTHER GAINS AND LOSSES

	Three months ended 30 June		Six months ended 30 June	
	2015	2014	**2015**	2014
	S$	*S$*	***S$***	*S$*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Reversal of (Allowance for) doubtful debts	**25,383**	(57,000)	**33,749**	(57,000)
Bad debts written off	**(1,465)**	—	**(1,465)**	—
Property, plant and equipment written off	**(931)**	—	**(931)**	(7,848)
Gain on disposal of property, plant and equipment	**—**	—	**8,000**	—
Fair value gain on available-for-sale investments	**—**	—	**—**	9,394
Foreign exchange gain	**6,419**	—	**6,419**	—
	29,406	(57,000)	**45,772**	(55,454)

6. OTHER EXPENSES

This included listing expenses of $679,486 and $1,034,533 (2014: Nil and Nil) for the three months and six months ended 30 June 2015 respectively, all unaudited.

7. FINANCE COSTS

	Three months ended 30 June		Six months ended 30 June	
	2015	2014	**2015**	2014
	S$	*S$*	***S$***	*S$*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Interests on borrowings wholly repayable within five years:				
— Bank loan	**—**	16,105	**19,185**	29,602
— Obligations under finance leases	**3,205**	3,601	**7,404**	16,628
— Trade financing	**10,660**	11,081	**25,057**	18,234
	13,865	30,787	**51,646**	64,464

8. INCOME TAX EXPENSE

	Three months ended 30 June		Six months ended 30 June	
	2015	2014	**2015**	2014
	S$	*S$*	***S$***	*S$*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Current tax				
— Singapore Corporate Income Tax ("CIT")	**105,000**	135,000	**200,000**	285,000
Underprovision in prior year	**—**	—	**30,000**	—
Deferred tax	**—**	—	**—**	12,996
	105,000	135,000	**230,000**	297,996

Singapore CIT is calculated at 17% of the estimated assessable profit eligible for CIT rebate of 30%, capped at $30,000 for Year of Assessment 2013 to 2015. Singapore incorporated companies can also enjoy 75% tax exemption on the first $10,000 of normal chargeable income and a further 50% tax exemption on the next $290,000 of normal chargeable income.

The income tax expense for the year can be reconciled to the (loss) profit before tax per the statement of profit or loss and other comprehensive income as follows:

	Three months ended 30 June		Six months ended 30 June	
	2015	2014	**2015**	2014
	S$	*S$*	***S$***	*S$*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
(Loss) Profit before tax	**(76,471)**	840,343	**323,090**	1,701,320
Tax at Singapore CIT of 17%	**(13,000)**	142,858	**54,925**	289,224
Tax effect of expenses not deductible for tax purpose	**115,513**	—	**175,871**	—
Tax effect of income under tax exemption and rebate	**(13,981)**	(13,981)	**(27,963)**	(27,963)
Tax effect of enhanced allowance *(Note)*	**—**	—	**(13,268)**	—
Underprovision in prior year	**—**	—	**30,000**	—
Others	**16,468**	6,123	**10,435**	36,735
Income tax expense for the year	**105,000**	135,000	**230,000**	297,996

Note: Being additional 300% tax deductions/allowances for qualified capital expenditures and operating expenses under the PIC scheme in Singapore.

9. (LOSSES) EARNINGS PER SHARE

The calculation of the basic (losses) earnings per share is based on the profit for the period attributable to owners of the company and the weighted average of 320,000,000 ordinary shares. The number of shares for the purpose of basic earnings per share for the period ended 30 June 2015 is based on the assumption that 320,000,000 ordinary shares (six-months ended 30 June 2014: 320,000,000 ordinary shares) of the Company are in issue and issuable, comprising an aggregate of 1,000,000 ordinary shares and 319,000,000 ordinary shares issuable upon capitalization of share premium, as if the Group Reorganisation was effective on 1 January 2014.

The diluted (losses) earnings per share is the same as the basic (losses) earnings per share as there were no unissued shares of the Company under option.

10. DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2015 (2014: Nil).

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2015, the Group acquired assets with aggregate cost of approximately $126,924 (2014: approximately $301,264) of which $81,000 (2014: Nil) was acquired under finance lease.

The Group incurred depreciation expenses for the three months ended 30 June 2015 of $68,094 (three months ended 30 June 2014: $34,031) and for the six months ended 30 June 2015 of $130,548 (six months ended 30 June 2014: $79,560).

12. TRADE AND OTHER RECEIVABLES

	30 June 2015	31 December 2014
	S$	*S$*
	(Unaudited)	(Audited)
Trade receivables	**2,841,681**	1,620,142
Less: allowance for doubtful debts	**(95,859)**	(129,608)
	2,745,822	1,490,534
Unbilled receivables	**60,140**	136,335
Retention receivables	**317,358**	241,017
Purchase advances paid to suppliers	**19,830**	143,536
Receivables from disposals of freehold property *(note a)*	**200,000**	200,000
Rental and other deposits	**155,948**	147,840
Other receivables and prepayments *(note b)*	**379,742**	82,583
	3,878,840	2,441,845

Note a: The amount of $200,000 is withheld by a lawyer as the stakeholder is pending the finalisation of transfer of a part of related common property from the Management Corporation Strata Title to increase in the gross floor area of the disposed property. The directors are of the view that the process is administrative and is confident that the finalisation will be done in due course. In addition, the Controlling Shareholders have provided an undertaking to indemnify the Group for any loss arising from non-settlement of this amount.

Note b: Other receivables and prepayments for 30 June 2015 included $368,372 for prepayment of listing expenses.

Trade receivables are generally granted a credit period of 30 to 60 days from the invoice date for trade receivables to all customers. The following is an aging analysis of trade receivables net of allowance for doubtful debts presented based on invoice date at the end of the reporting period, which approximated the respective revenue recognition dates:

	30 June 2015	31 December 2014
	S$	*S$*
	(Unaudited)	(Audited)
1–30 days	**889,682**	607,134
31–60 days	**530,334**	238,622
61–90 days	**555,821**	57,261
91–180 days	**522,621**	306,283
181–365 days	**101,647**	266,187
Over 365 days	**145,717**	15,047
	2,745,822	1,490,534

Movement in the allowance on doubtful debts for trade receivables

	30 June 2015	31 December 2014
	S$	*S$*
	(Unaudited)	(Audited)
At beginning of the period	**129,608**	23,210
(Decrease) Increase in allowance on doubtful debts recognised in profit or loss	**(33,749)**	106,398
At end of the period	**95,859**	129,608

13. TRADE PAYABLES/BILLS PAYABLES

	At 31 December	
	2015	2014
	S$	*S$*
	(Unaudited)	(Audited)
Trade payables	**978,608**	689,656
Bills payables	**—**	909,841

The following is an aging analysis of trade payables presented based on the purchase recognition date, that is, goods receipt date, at the end of each reporting period:

	30 June 2015	31 December 2014
	S$	*S$*
	(Unaudited)	(Audited)
0–30 days	**284,218**	148,912
31–90 days	**262,904**	260,016
Over 90 days	**431,486**	280,728
	978,608	689,656

The credit period on trade payable is normally between 30 to 60 days from the purchase recognition date.

As at 31 December 2014, all bills payables of the Group are aged within 120 days and the bills payables are drawn down under the terms of the banking facilities granted by the banks to the Group. Bills payables carried interest at prime rate plus margin per annum, i.e. 5.75% per annum as at 31 December 2014, and are secured by pledged bank deposits.

14. OTHER PAYABLES AND ACCRUALS

	30 June 2015	31 December 2014
	S$	*S$*
	(Unaudited)	(Audited)
Advance billings to customers	**588,279**	589,458
Retention payable to supplier	**39,235**	33,370
Deposit received from customers	**148,061**	—
Goods and services tax payable	**122,952**	751,710
Accrued operating expenses	**304,159**	356,396
Accrued staff bonus/commission	**35,000**	38,899
Payable for acquisition of property, plant and equipment	**—**	25,064
Other payables	**38,251**	8,829
	1,275,937	1,803,726

15. RELATED PARTY DISCLOSURES

The Group has entered into the following significant transactions with its related parties:

Name of related parties	**Nature of transactions**	**Three months ended 30 June**		**Six months ended 30 June**	
		2015	2014	**2015**	2014
		S$	*S$*	***S$***	*S$*
		(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
C.K. Toh Construction	Sub-contracting of installation work and supply of labour from related party	**—**	90,241	**—**	129,161
	Sales to related party	**—**	550	**—**	11,350
T3 Holdings	Rental expense of crane from related party	**—**	13,445	**—**	24,625
Signmechanic Sdn Bhd	Purchases of signages and sub-contracting of installation work from related party	**—**	28,563	**—**	33,593

The Controlling Shareholders have equity interests in these related parties with significant influence over them.

In addition, Mr. Tan Thiam Kiat Kelvin and Mr. Tan Kwang Hwee Peter had jointly and severally provided a personal guarantee in favour of Ethoz Capital Ltd ("Ethoz Capital") to secure the obligations and liabilities of Signmechanic Singapore under a loan agreement entered into between Signmenchanic Singapore as the borrower and Ethoz Capital as the lender dated 31 October 2014 in relation to a loan facility of $1,000,000 granted by Ethoz Capital to Signmechanic Singapore.

The loan had not been utilised as at 31 December 2014. It was utilised subsequent to 2014 and fully repaid in March 2015. Ethoz Capital has subsequently released the guarantee from Mr. Tan Thiam Kiat Kelvin and Mr. Tan Kwang Hwee Peter.

At the end of the respective reporting period, the Group has the following balances with related parties:

	30 June 2015	31 December 2014
	S$	*S$*
	(Unaudited)	(Audited)
Amount due from a related party		
— C.K. Toh Construction	**—**	44,860
Amounts due to related parties		
— C.K. Toh Construction	**—**	339,921
— Signmechanic Sdn Bhd	**—**	6,811
— T3 Holdings	**—**	1,461
	—	348,193

Compensation of key management personnel

The remuneration of directors of Signmechanic Singapore, which represent key management of the Group during the Track Record Period was as follows:

	Three months ended 30 June		**Six months ended 30 June**	
	2015	2014	**2015**	2014
	S$	*S$*	***S$***	*S$*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Short-term benefits	**84,200**	83,502	**164,506**	167,004
Post-employment benefits	**7,728**	7,430	**15,456**	14,860
	91,928	90,932	**179,962**	181,864

The remuneration of directors of Signmechanic Singapore and key executives is determined by having regard to the performance of individuals of the Group and market trends.

16. SHARE CAPITAL

For the purpose of presenting the share capital of the Group prior to the Reorganisation in the consolidated statement of financial position, the balances as at 1 January 2014 and 31 December 2014 represented the share capital of Signmechanic Singapore as the Company was incorporated in Cayman Islands on 10 March 2015. As at the date of its incorporation, the Company had an authorised share capital of HK$380,000 divided into 38,000,000 shares of HK$0.01 each.

On 23 June 2015, the Controlling Shareholders transferred the entire issued share capital of Signmechanic Singapore to Sino Promise in the consideration of HK$38,106,550, which was satisfied by (i) the Company allotting and issuing 999,999 new shares of the Company to the Controlling Shareholders, credited as fully paid and (ii) the crediting of the one nil-paid share of the Company.

	Number of shares	**Share capital**
		S$
Issued and fully paid of Signmechanic Singapore:		
At 1 January 2014 and 31 December 2014	500,000	500,000
Issued and fully paid of KPM Holding Limited:		
At date of incorporation	1	—
Issued during the period	999,999	1,724
At 30 June 2015	1,000,000	1,724

17. CONTINGENT LIABILITIES (SECURED)

The Group has following contingent liabilities:

	30 June 2015	31 December 2014
	S$	*S$*
	(Unaudited)	(Audited)
Guarantee provided in respect of performance bonds in favor of customers	**167,652**	193,528

18. SUBSEQUENT EVENTS

The Company was successfully listed on the GEM board of the Stock Exchange on 10 July 2015 by way of placing of 100,000,000 Shares (including 20,000,000 vendor shares) at the price of HK$0.50 per Share. The net proceeds were approximately HK$23.4 million (equivalent to approximately $4.11 million). The following is a description of the authorised and issued share capital of the Company as of the completion of the placing.

	Number of shares	**Share capital**	**Share capital**
		HK$	*S$*
		(Unaudited)	(Unaudited)
Authorised:			**(equivalent)**
Ordinary shares	500,000,000	5,000,000	862,070
Issued and fully paid:			
Share in issue	1,000,000	10,000	1,724
Share issued under the capitalization issue (including 20,000,000 vendor shares to be placed out)	319,000,000	3,190,000	550,000
Share issued under the placing	80,000,000	800,000	137,931
Total shares issued	400,000,000	4,000,000	689,655

MANAGEMENT DISCUSSION AND ANALYSIS

General

For the financial period to date, the Group had been principally engaged in the design, fabrication, installation and maintenance of signage and related products. The Group operates in a single segment which mainly includes sale of signage, bolland, variable-message signs and aluminium railing to customers located in Singapore.

FINANCIAL REVIEW

Revenue and Results

For the six months ended 30 June 2015, the Group recorded an unaudited revenue of approximately S$5,632,000 (2014: approximately S$5,421,000) and profit of S$93,000 (2014: approximately S$1,403,000).

Revenue has increased slightly by 3.9% attributable to several high value contracts recognized in the current six months period for the public sector. This is partly offset by lower revenue from the private sector as there was several high value contracts contributing to approximately S$500,000 in 2014.

The gross profit for the six months ended 30 June 2015 was approximately S$2,457,000 (2014: approximately S$2,674,000). The lower gross profit of S$217,000 is due to higher cost of materials and subcontractor and higher rental overheads.

Selling and administrative expenses for the six months ended 30 June 2015 was approximately S$1,205,000, (2014: approximately S$896,000) representing an increase of S$309,000 or 34.5% mainly due to higher expenses incurred for professional fees, upkeep of equipment and vehicles and rental of premises.

Other expenses for the six months ended 30 June 2015 included approximately S$1,035,000 listing expenses.

The Group recorded a profit before tax for the six months ended 30 June 2015 of approximately S$323,000 (2014: approximately S$1,701,000), representing a decrease of S$1,378,000 or 81.0% as compared with the corresponding period of last year. This is mainly due to the listing expenses incurred of S$1,035,000, lower gross profit of S$217,000 and higher selling and administrative expenses of S$309,000. Excluding the listing expenses, the net profit before tax for the six months ended 30 June 2015 would have been S$1,358,000, representing a decrease of S$343,000 or 20.2%.

Profit for the six months ended 30 June 2015 was approximately S$93,000, representing a decrease of S$1,310,000 or 93.4% as compared with approximately S$1,403,000 for the corresponding period in 2014.

Liquidity and Financial Resources

The Group's exposure to liquidity risk arises in the general funding of the Group's operations, in particular, that the duration of the contracts span from 1 month to 4 years and during which the amount of progress claim vary from month to month depending on the provision of signage and related products for the month. The supply and installation schedule is as directed by the customer, in accordance with the main contractor's schedule. As such, the Group actively manage our customers' credit limits, aging, and repayment of retention monies and monitor the operating cash flows to ensure adequate working capital funds and repayment schedule is met.

For the period under review, the Group financed its operations with internally generated funds. Upon Listing on 10 July 2015, the source of funds will be a combination of internal generated funds and net proceeds from the Placement.

The Group has repaid the bills payable of $909,841 outstanding as at 31 December 2014. As at 30 June 2015, the Group's borrowings comprised the obligations under finance lease of S$267,018 (31 December 2014: S$246,995).

At 30 June 2015, the Group had cash and cash equivalents of approximately S$3,269,264 (31 December 2014: approximately S$5,087,491) which were placed with major banks in Singapore.

Foreign Exchange Exposure

The Group transacts mainly in Singapore dollars, which is the functional currency of the Group. As such, the foreign currency risk is minimal.

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, and Future Plans for Material Investments or Capital Assets

There were no significant investments held, nor were there any material acquisitions and disposals of subsidiaries during the period under review. There was no plan authorised by the Board for any material investments or additions of capital assets at the date of this interim results announcement.

Charges on Group's Assets

The Group has total present value of minimum lease payments in relation to finance lease, which are secured by the relevant leased motor vehicles amounting to S$291,368.

Contingent liabilities

As at 30 June 2015, the guarantees in respect of performance bonds in favor of our customers of S$167,652, which is secured by pledged bank deposits.

BUSINESS REVIEW

Revenue comprised of revenue from the sales of signage and related products in both the public and private sectors in Singapore, which amounted to approximately S$5,420,000 and S$5,632,000 for the six months period ended 30 June 2014 and 2015, respectively.

Public sector includes road signage, education institutions, public housing flats/compounds, defence compound, airport and national parks, amongst others.

Private sector includes signage and related products for commercial buildings, industrial buildings, private residential buildings, hospital and fast food chains.

During the current financial period, the business revenue and net profit was approximately S$5,632,000 and S$93,000 respectively. The public sector revenue has increased by S$1,098,000 mainly due to the contribution of 2 significant contracts which only commenced around mid 2014. However, the revenue for private sector is lower due to the absence of major contracts in the first six months of 2015. The contracts and orders on hand are mainly for the public sector during the current six months period.

Prospects

Our corporate objective is to achieve sustainable growth in our business and financial performance so as to create long-term shareholders' value. We intend to achieve this by implementing the following corporate strategies:

- Expand and strengthen our market position in the public sector in Singapore
- Expand our business portfolio through the formation of new companies and/or acquisitions
- Expand our range of product offering to target and secure more non-road infrastructure related projects

During second quarter 2015, the local government has extended the existing contracts for the maintenance of signage and related products for 6 months as it has not awarded new maintenance contracts.

The Group continues to focus on the public sector in Singapore by participating in these private invitation and open tender opportunities.

Employee Information

As at 30 June 2015, the Group had an aggregate of 68 (2014: 57) employees.

The employees of the Group are remunerated according to their job scope and responsibilities. The local employees are also entitled to discretionary bonus depending on their respective performance. The foreign workers are employed on one or two year contractual basis and are remunerated according to their work skills.

Total staff costs, including Directors' emoluments, amounted to approximately S$1,246,300 for the six months ended 30 June 2015 (six months ended 30 June 2014: approximately S$1,042,066).

CORPORATE GOVERNANCE AND OTHER INFORMATION

Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or any Associated Corporation

Since the Shares were only listed on the GEM of the Stock Exchange on 10 July 2015, as at 30 June 2015, no disclosure of interests or short positions of any Director and/or the chief executive of the Company in any Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the "SFO")) was made to the Company under the provision of Divisions 7 and 8 of Part XV of the SFO.

Upon the Listing and as at 11 August 2015, the interests and short positions of each director and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which were required, pursuant to section

352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors, to be notified to the Company and the Stock Exchange, were as follows:

Aggregate long positions in the shares and underlying shares of the Company

Name of Director/chief executive	**Nature of interest**	**Number of shares held** *(in thousands)*	**Approximate percentage of issued share capital**(2)
Executive Directors:			
Mr. Tan Thiam Kiat Kelvin	Interest of controlled company(1)	300,000	75%
Mr. Tan Kwang Hwee Peter	Interest of controlled company(1)	300,000	75%

Note:

(1) The entire issued share capital of Absolute Truth Investment Limited is beneficially owned as to 50% by Mr. Tan Thiam Kiat Kelvin and as to 50% by Mr. Tan Kwang Hwee Peter. Under the SFO, each of Mr. Tan Thiam Kiat Kelvin and Mr. Tan Kwang Hwee Peter is deemed to be interested in all the shares held by Absolute Investment Limited. Details of the interest in the Company held by Absolute Investment Limited are set out in the section headed "Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares" below.

(2) The percentage of shareholding was calculated based on the Company's total number of issued Shares as at 11 August, 2015 (i.e. 400,000,000 Shares).

Save as disclosed above, as at 30 June 2015, none of the Directors and chief executive of the Company has or was deemed to have any interests or short positions in any shares, debentures or underlying shares of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES, DEBENTURES AND UNDERLYING SHARES OF THE COMPANY

Since the Shares were only listed on the GEM of the Stock Exchange on 10 July 2015, no disclosure of interests or short positions in any Shares or underlying Shares was made to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Upon the Listing and as at 11 August 2015, the register of substantial shareholders required to be kept under section 336 of Part XV of the SFO shows that as at 30 June 2015, the Company had been notified of the following substantial shareholders' interest and short positions, being 5% or more of the issued share capital of the Company.

Aggregate long positions in the shares and underlying shares of the Company

Name of substantial shareholders	Capacity	Nature of interest	Number of shares held	Approximate percentage of the issued share capital
Absolute Truth Investment Limited	Beneficial owner	Corporate interest	300,000,000	75%

Save as disclosed above, the Directors and the chief executive of the Company were not aware of any person (other than the Directors or chief executive of the Company the interests of which were disclosed above) who has an interest or short position in the securities of the Company that were required to be entered in the register of the Company pursuant to section 336 of the SFO as at 30 June 2015.

SHARE OPTIONS

There were no unissued shares of the Company or the subsidiaries under option.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

As the Shares were only listed on the GEM of the Stock Exchange on 10 July 2015, the required standard of dealings regarding securities transactions by the Directors as set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "Required Standard of Dealings") was not applicable to the Company for the Period. However, the Company adopted the Required Standard of Dealings on 23 June 2015. Further, the Company had made specific enquiry with all Directors and each of them has confirmed his compliance with the Required Standard of Dealing from the 10 July 2015 to 11 August 2015.

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the period under review, none of the Directors or the controlling shareholders or their respective associates (as defined in the GEM Listing Rules) of the Company had an interest in a business which competed with or might compete with the business of the Group.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to fulfilling its responsibilities to its shareholders and protecting and enhancing shareholder value through solid corporate governance.

As the Shares were only listed on the GEM of the Stock Exchange on 10 July 2015, the Corporate Governance Code (the "CG Code") contained in Appendix 15 to the GEM Listing Rules was not applicable to the Company during the Period. However, the Company adopted the CG Code as its own code of corporate governance on 23 June 2015.

DIRECTORS' SECURITIES TRANSACTIONS

As the Shares were only listed on the GEM of the Stock Exchange on 10 July 2015, the Company did not redeem any of its Shares listed on GEM nor did the Company or any of its subsidiaries purchase or sell any such Shares from the Listing Date to 11 August 2015.

AUDIT COMMITTEE

Our Group established an audit committee on 23 June 2015 with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and paragraph C.3 of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 of the GEM Listing Rules. The audit committee consists of three independent Non-Executive Directors namely Mdm. Kow Yuen-Ting, Mr. Tan Kiang Hua and Mr. Oh Eng Bin. Mdm. Kow Yuen-Ting, a Director with the appropriate professional qualifications, serves as the chairman of the audit committee.

The primary duties of the audit committee are to assist the Board in providing an independent view of the effectiveness of our Group's financial reporting process, internal control and risk management system, to oversee the audit process and to perform other duties and responsibilities as assigned by the Board.

The audit committee has reviewed the unaudited results for the six months ended 30 June 2015 and has provided advice and comments thereon.

The unaudited condensed consolidated financial information of the Group for the six months ended 30 June 2015 has been reviewed by Deloitte & Touche LLP, the auditor of the Company, in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Federation of Accountants.

By order of the Board
KPM Holding Limited
Kelvin Tan Thiam Kiat
Executive Director

Hong Kong, 11 August 2015

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Kelvin Tan Thiam Kiat (Chairman) and Mr. Tan Kwang Hwee Peter; and three independent non-executive Directors, namely, Mr. Tan Kiang Hua, Mr. Oh Eng Bin and Mdm. Kow Yuen-Ting.

This announcement will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its publication and on the Company's website at www.kpmholding.com.