KING WAN CORPORATION LIMITED

Incorporated in Singapore (Company Registration No. 200001034R)

Third Quarter Results – Financial Statement And Related Announcement

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

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

KING WAN CORPORATION LIMITED
STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME
FINANCIAL YEAR ENDING 31 MARCH 2014

		GROUP 9 MONTHS ENDED 31 DECEMBER			GROUP QUARTER ENDED 31 DECEMBER		
	Note	2013	2012	Incre/ (Decre)	2013	2012	Incre/ (Decre)
		S$	S$		S$	S$	
Revenue		74,644,251	36,681,661	103%	25,037,950	11,003,245	128%
Cost of Sales		(64,856,343)	(28,252,108)	130%	(23,079,381)	(7,620,696)	203%
Gross Profit		9,787,908	8,429,553	16%	1,958,569	3,382,549	-42%
Other Operating Income							
Dividend income from held-for-trading investments		12,602	11,665	8%	-	-	n.m
Interest income	1	1,461,060	123,967	1,079%	589,701	44,175	1,235%
Management fees income		78,936	45,000	75%	26,255	10,200	157%
Rental income		860,862	746,080	15%	292,744	269,285	9%
Fee income from financial guarantees to associates	2	602,535	-	n.m	249,092	-	n.m
Sundry income		31,350	51,413	-39%	7,486	9,300	-20%
		3,047,345	978,125	212%	1,165,278	332,960	250%
Administrative Expenses	3	(5,722,757)	(4,357,365)	31%	(1,979,019)	(1,593,441)	24%
Share of Associates' Results	4	(501,571)	(66,821)	651%	(614,676)	312,710	-297%
Finance Costs	5	(339,500)	(150,261)	126%	(148,909)	(54,135)	175%
Profit Before Income Tax		**6,271,425**	**4,833,231**	30%	**381,243**	**2,380,643**	-84%
Income Tax Expense		(1,588,682)	(1,578,400)	1%	(311,725)	(673,400)	-54%
Profit For The Financial Period		**4,682,743**	**3,254,831**	44%	**69,518**	**1,707,243**	-96%
Profit for the Year from Discontinued Operations	6	-	**910,806**	-100%	-	-	n.m
Profit for the Year		**4,682,743**	**4,165,637**	12%	**69,518**	**1,707,243**	-96%
Other comprehensive income:							
Exchange differences on translation of foreign operations (associates)	7	331,343	(788,616)	-142%	149,930	(488,930)	-131%
Total Comprehensive Income attributable to equity holders of the Company		**5,014,086**	**3,377,021**	48%	**219,448**	**1,218,313**	-82%

Third Quarter (3Q2014) and 9 Months (9M2014) ended 31 December 2013

Note 1 – The higher interest income was derived mainly from interest charged on new loans made to associates of the Group for their business operations.

Note 2- The fee income from financial guarantees to associates relates to the inputed income on the financial guarantees issued by the Group to its associates to obtain bank facilities, that was amortised over the estimated lifespan of these facilities. There was no accrual in the last corresponding period.

Note 3 - Included in administration expenses are the following:

		GROUP 9 MONTHS ENDED			QUARTER 3 MONTHS ENDED		
		31.12.2013 S$	31.12.2012 S$	Increase/ (Decrease) S$	31.12.2013 S$	31.12.2012 S$	Increase/ (Decrease) S$
Net Reversal of Doubtful Trade Receivables	i	(11,190)	(754,482)	743,292	(513)	(59,781)	59,268
Loss (Gain) On Disposal Of Property, Plant And Equipment		10,250	(9,145)	19,395	24,787	(3,403)	28,190
Change in Fair Values and Loss (Gain) on Disposal Of Held-For–Trading Investments	ii	10,471	(143,013)	153,484	(27,675)	(47,853)	20,178
JTC Rental		179,158	172,224	6,934	59,719	57,408	2,311
Property Tax		98,356	87,225	11,131	32,785	29,075	3,710
Net Exchange(Gain) Loss		(19,183)	24,680	(43,863)	(110,986)	(488)	(110,498)
Directors Fees and Remuneration	iii	1,662,950	1,462,621	200,329	501,979	611,922	(109,943)
Staff related Expenses		1,208,242	1,168,486	39,756	442,823	396,656	46,167
Depreciation Property, Plant And Equipment		790,428	758,118	32,310	279,315	253,836	25,479

i. Allowance for doubtful trade receivables which were deemed no longer required were reversed during the last financial period.

ii. Changes to fair values refer to quoted securities held by the Group.

iii. The increase was due mainly to adjustments to directors' remuneration and profit sharing for executive directors for the current financial period.

Note 4 – There was higher negative contributions from the Group's property development associates. This worse performance was partly offset by positive contributions from the vessel chartering business, which commenced contributions in the current financial year.

Note 5 - There was higher utilization of bank facilities to finance the Group's business to finance its core M&E business as well as its associates in property development. This has resulted in the higher finance cost.

Note 6 – The profits from discontinued operations refers to the share of profits from the two Thai Associates, Environment Pulp & Paper Co Ltd ("EPPCO") and Ekarat Pattana Co., Ltd ("EPC") that were reclassified as non-current asset held for sale during the last financial year.

Note 7 - The exchange differences had arisen due to changes in exchange rates used in the translation of the Group's China associate.

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

KING WAN CORPORATION LIMITED (GROUP)

STATEMENT OF FINANCIAL POSITION

	As at 31.12.2013 S$	As at 31.3.2013 S$
ASSETS		
Current Assets:		
Cash And Cash Equivalents	9,545,965	16,712,439
Trade Receivables	9,168,897	7,808,456
Other Receivables And Prepayments	83,505	259,593
Construction Work-In-Progress	20,327,037	11,483,202
Inventories	1,071,372	1,132,952
Held for Trading Investments	447,174	457,645
	40,643,950	37,854,287
Non Current Assets Classified as Held For Sale	21,642,772	21,642,772
Total Current Assets	62,286,722	59,497,059
Non-Current Assets		
Property, Plant And Equipment	5,831,946	5,263,286
Other Receivables	63,456,090	49,059,489
Investments In Associates	4,267,104	12,042,006
Total Non-Current Assets	73,555,140	66,364,781
Total Assets	135,841,862	125,861,840
LIABILITIES AND EQUITY		
Current Liabilities		
Bank Borrowings	10,500,000	7,624,745
Bill Payables	14,993,204	7,793,056
Trade Payables	10,259,435	7,944,586
Accrual for Contract Costs	5,242,689	6,063,013
Other Payables	5,729,247	5,459,417
Construction Work-In-Progress	2,326,528	4,144,535
Income Tax Payable	1,635,971	1,657,989
Current Portion of Finance Leases	107,563	55,658
Total Current Liabilities	50,794,637	40,742,999
Non-Current Liabilities		
Finance Leases	205,775	53,823
Deferred Tax Liabilities	194,859	194,859
Total Non-Current Liabilities	400,634	248,682
Capital And Reserves		
Share Capital	46,813,734	46,813,734
Retained Earnings	39,441,077	39,995,988
Foreign Currency Translation Reserve	(1,608,220)	(1,939,563)
Total Equity	84,646,591	84,870,159
Total Liabilities And Equity	135,841,862	125,861,840

KING WAN CORPORATION LIMITED (COMPANY)

STATEMENT OF FINANCIAL POSITION

	As at 31.12.2013 S$	As at 31.3.2013 S$
ASSETS		
Current Assets:		
Cash And Cash Equivalents	4,111,910	5,235,498
Amount Due From Subsidiaries	16,204,110	17,013,402
Other Receivables And Prepayments	3,092	8,050
	20,319,112	22,256,950
Non Current Assets Classified as Held For Sale	9,840,000	9,840,000
Total Current Assets	30,159,112	32,096,950
Non-Current Assets:		
Investment In Subsidiaries	35,165,288	35,088,297
Investment In Associates	1,704,817	1,420,303
Total Non-Current Assets	36,870,105	36,508,600
Total Assets	67,029,217	68,605,550
LIABILITIES & EQUITY		
Current Liabilities:		
Other Payables	718,649	622,558
Income Tax Payable	92,835	92,835
Amount Due to a Related Party	1,791,270	1,947,432
Amount Due to a Subsidiary	11,431,649	6,037,599
Financial Guarantees	642,368	1,030,017
Total Current Liabilities	14,676,771	9,730,440
Capital And Reserves:		
Share Capital	46,813,734	46,813,734
Retained Earnings	5,538,712	12,061,376
Total Equity	52,352,446	58,875,110
Total Liabilities And Equity	67,029,217	68,605,550

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

Amount repayable in one year or less, or on demand

31.12.2013		31.3.2013	
Secured	**Unsecured**	**Secured**	**Unsecured**
$107,563	$25,493,204	$55,568	$15,417,801

Amount repayable after 1 year

31.12.2013		31.3.2013	
Secured	**Unsecured**	**Secured**	**Unsecured**
$205,775	$0	$53,823	$0

Details of any collateral

Secured liabilities refer to assets purchased under finance lease agreements. Unsecured liabilities refer to banking facilities guaranteed by the Company.

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

KING WAN CORPORATION LIMITED
STATEMENT OF CASHFLOWS
FOR THE 9 MONTHS ENDED

		GROUP		GROUP	
		9 MONTHS ENDED		QUARTER ENDED	
		31.12.2013	31.12.2012	31.12.2013	31.12.2012
	Note	S$	S$	S$	S$
Operating Activities					
Profit before income tax		6,271,425	5,744,037	381,243	2,380,643
Adjustments for					
Loss (Gain) On Disposal Of Property Plant And Equipment		10,250	(9,145)	24,787	(3,403)
Net Reversal of Allowance for Doubtful Trade Receivables		(11,190)	(754,482)	(513)	(59,781)
Change In Fair Values and Gain on Disposal Of Held-For-Trading Investments		10,471	(143,013)	(27,675)	(47,853)
Depreciation		790,428	758,118	279,315	253,836
Dividend Income from other investments		(12,602)	(11,665)	-	-
Interest Expense		339,500	150,261	148,909	54,135
Interest Income		(1,461,060)	(123,967)	(589,701)	(44,175)
Share of Associates' Results		501,571	(843,985)	614,676	(312,710)
Fee income from financial guarantee to associates		(602,535)	-	(249,092)	-
Operating profit before working capital changes		5,836,258	4,766,159	581,949	2,220,692
Construction Work-in-Progress		(10,661,841)	(1,556,294)	157,815	(2,004,726)
Inventories		61,580	(251,784)	75,936	202,899
Other Payables		811,287	139,028	(140,055)	265,441
Other Receivables & Prepayments		176,088	(7,065)	44,293	(10,985)
Trade Payables and bill payables		9,514,997	12,298,148	(2,730,798)	9,202,703
Accrual of Contract Costs		(820,324)	(189,294)	(344,693)	34,153
Trade Receivables		(1,349,251)	2,850,911	(200,460)	400,236
Cash from/ (used in) operations		3,568,794	18,049,809	(2,556,013)	10,310,413
Income Tax Paid		(1,610,700)	(1,910,462)	(710,357)	(946,767)
Interest Paid		(339,500)	(150,261)	(148,909)	(54,135)
Net cash from (used in) operating activities		1,618,594	15,989,086	(3,415,279)	9,309,511
INVESTING ACTIVITIES					
Investment in Associates		(450,500)	(30,000)	(500)	(30,000)
Advances to Associates		(4,973,880)	(26,558,204)	(1,709,293)	(16,027,517)
Dividends Received from Associates		-	3,667,678	-	-
Dividends Received from Held–for-Trading Investments		12,602	11,665	-	-
Interest Received		78,349	123,967	26,711	44,175
Advance Received from the Sale of Associates		-	2,464,090	-	-
Proceeds from the disposal of Property, Plant and Equipment		18,650	18,500	8,150	-
Purchase of Property, Plant and Equipment **(note b)**		(1,061,187)	(393,735)	(321,546)	(308,383)

Net cash used in investing activities	(6,375,966)	(20,696,039)	(1,996,478)	(16,321,725)
FINANCING ACTIVITIES				
Dividends Paid	(5,237,653)	(5,237,653)	(1,745,884)	(1,745,884)
Repayments Of Finance Leases	(46,704)	(41,744)	(18,875)	(13,915)
Proceeds from (Repayment of) Term Loans	2,875,255	1,017,297	(43,105)	3,218,451
Net cash (used in) from financing activities	(2,409,102)	(4,262,100)	(1,807,864)	1,458,652
NET CHANGE IN CASH AND CASH EQUIVALENTS	(7,166,474)	(8,969,053)	(7,219,621)	(5,553,562)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	16,712,439	28,690,341	16,765,586	25,274,850
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note a)	9,545,965	19,721,288	9,545,965	19,721,288

Note a

Cash and cash equivalents consist of cash, bank balances and fixed deposits, less bank overdrafts as follows:

		31.12.2013	**31.12.2012**
		S$	**S$**
Cash and Bank Balances		*4,720,172*	*7,597,498*
Fixed Deposits		*4,825,793*	*12,123,790*
Net		***9,545,965***	***19,721,288***

Note b

		31.12.2013	**31.12.2012**
		S$	**S$**
Purchase of property, plant and equipment		*1,387,988*	*393,735*
Less : Assets purchased under finance leases		*(250,561)*	*0*
Less : Deposit paid in the last financial year		*(76,240)*	*0*
Net		***1,061,187***	***393,735***

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

GROUP	SHARE CAPITAL	RETAINED EARNINGS	FOREIGN CURRENCY TRANSLATION SURPLUS/ (DEFICIT)	TOTAL
	S$	S$	S$	S$
Balance as at 1 April 2012	46,813,734	38,181,451	(1,358,020)	83,637,165
Total Comprehensive Income for the Period	-	1,418,752	(121,468)	1,297,284
Balance as at 30 June 2012	46,813,734	39,600,203	(1,479,488)	84,934,449
Total Comprehensive Income for the Period	-	1,039,642	(178,218)	861,424
Dividends Paid	-	(3,491,769)	-	(3,491,769)
Balance as at 30 September 2012	46,813,734	37,148,076	(1,657,706)	82,304,104
Total Comprehensive Income for the Period	-	1,707,243	(488,930)	1,218,313
Dividends Paid	-	(1,745,884)	-	(1,745,884)
Balance as at 31 December 2012	46,813,734	37,109,435	(2,146,636)	81,776,533
Balance as at 1 April 2013	46,813,734	39,995,988	(1,939,563)	84,870,159
Total Comprehensive Income for the Period	-	2,570,011	209,294	2,779,305
Balance as at 30 June 2013	46,813,734	42,565,999	(1,730,269)	87,649,464
Total Comprehensive Income for the Period	-	2,043,213	(27,881)	2,015,332
Dividends Paid	-	(3,491,769)	-	(3,491,769)
Balance as at 30 September 2013	46,813,734	41,117,443	(1,758,150)	86,173,027
Total Comprehensive Income for the Period	-	69,518	149,930	219,448
Dividends Paid	-	(1,745,884)	-	(1,745,884)
Balance as at 31 December 2013	46,813,734	39,441,077	(1,608,220)	84,646,591

COMPANY	SHARE CAPITAL	RETAINED EARNINGS	TOTAL
	S$	S$	S$
Balance as at 1 April 2012	46,813,734	14,545,561	61,359,295
Total Comprehensive Income for the Period	-	3,078,186	3,078,186
Balance as at 30 June 2012	46,813,734	17,623,747	64,437,481
Total Comprehensive Income for the Period	-	(517,318)	(517,318)
Dividends Paid	-	(3,491,769)	(3,491,769)
Balance as at 30 September 2012	46,813,734	13,614,660	60,428,394
Total Comprehensive Income for the Period	-	(571,891)	(571,891)
Dividends Paid	-	(1,745,884)	(1,745,884)
Balance as at 31 December 2012	46,813,734	11,296,885	58,110,619
Balance as at 1 April 2013	46,813,734	12,061,376	58,875,110
Total Comprehensive Income for the Period	-	(481,153)	(481,153)
Balance as at 30 June 2013	46,813,734	11,580,223	58,393,957
Total Comprehensive Income for the Period	-	(444,883)	(444,883)
Dividends Paid	-	(3,491,769)	(3,491,769)
Balance as at 30 September 2013	46,813,734	7,643,571	54,457,305
Total Comprehensive Income for the Period	-	(358,975)	(358,975)
Dividends Paid	-	(1,745,884)	(1,745,884)
Balance as at 31 December 2013	46,813,734	5,538,712	52,352,446

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.

There are no changes in the Company's share capital since the end of the previous period reported on. As at 31 December 2013, the Company does not have any outstanding convertibles or treasury shares (as at 31 March 2013 : Nil). The total number of issued shares as at 31 December 2013 is 349,176,870 (as at 31 March 2013 : 349,176,870).

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

The total number of issued shares as at the end of 31 December 2013 is 349,176,870 (as at 31 March 2013 : 349,176,870).

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

As at 31 December 2013, the Company does not have any treasury shares (as at 31 March 2013 : Nil).

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

The figures have not been audited or reviewed.

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in this announcement as those of the audited financial statements for the financial year ended 31 March 2013, as well as all the applicable Financial Reporting Standards ("FRS") which became effective for the financial year beginning on or after 1 April 2013. The adoption of those new and revised FRSs has no material effect on the current financial statements for the current period.

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

The Group has adopted all the new and revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 April 2013. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current period or prior years.

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

	Group		Group	
	9 months ended		Quarter ended	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
(i) Basic earnings per share (in cents)	1.34	1.19	0.02	0.49
Weighted Average Number of Shares	349,176,870	349,176,870	349,176,870	349,176,870
(ii) Diluted earnings per share (in cents)	1.34	1.19	0.02	0.49
Weighted Average Number of Shares	349,176,870	349,176,870	349,176,870	349,176,870

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year

	Group		Company	
	As at		As at	
	31.12.2013	31.3.2013	31.12.2013	31.3.2013
Net Asset Value Per Ordinary Share (in cents)	24.24	24.31	14.99	16.86
Number of Shares	349,176,870	349,176,870	349,176,870	349,176,870

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Third Quarter ended 31 December 2013 (3Q2014)

The Group's revenue for 3Q2014 recorded S$25 million, an increase of 128% compared to the corresponding quarter last year (3Q2013). The increase was due to higher recognition of revenue from Mechanical and Electrical (M&E) contracts.

The Group's net profit after income tax for 3Q2014 was S$0.07 million. This was 96% lower than the profit after income tax of S$1.71 million achieved in 3Q2013. The lower net profit was due to lower net receipts from operating activities and negative contributions from the Group's associates.

The Group's gross profit margin for 3Q2014 was lower than that achieved in 3Q2013. This was attributed to a number of contracts with better margins in 3Q2013, while the contracts in the current period yielded lower margins.

Nine Months ended 31 December 2013 (9M2014)

The Group's turnover for 9M2014 recorded S$76.64 million, an increase of 103% compared to the last corresponding period (9M2013). The increase in revenue was due to a significant increase in the total revenue generated from Mechanical and Electrical contracts.

The Group's net profit after income tax for 9M2014 was S$4.68 million. This was 12% higher than the profit after income tax of S$4.17 million achieved in 9M2013. The higher net profit can be attributed to higher gross profits from its M&E engineering contracts, higher interest income from loans to its associates and the recognition of fee income from financial guarantees issued on behalf of its associates.

Earnings Per Share (EPS) and Net Asset Value Per Share (NAV)

EPS for 3Q2014 decreased to 0.02 cent from 0.49 cent in 3Q2013 due to a lower net profit achieved. EPS for 9M2014 increased to 1.34 cents, compared with 1.19 cent achieved in 9M2013 due to a higher profit achieved for the period.

NAV for the Group stood at 24.24 cents per share at 31 December 2013, a slight decrease from 24.31 cents per share at 31 March 2013. This can be attributed to the profits achieved during the period, less total dividends paid out of S$5.24 million during the 9 months ended 31 December 2013.

Balance Sheet Review

The Group's equity base stood at S$84.65 million as at 31 December 2013, a slight decrease from S$84.87 million as at 31 March 2013.

Total current assets increased by S$2.79 million to S$62.29 million from S$59.50 million. The increase was mainly due to higher value of construction work-in-progress at the end of the period.

Non-current assets increased by S$7.19 million from S$66.36 million to S$73.56 million. The increase in non-current receivables was due to loans made to its associates during the period as well as dividends declared and receivable from an associate amounting to S$9.28 million.

Investment in associates had decreased by S$7.77 million from S$12.04 million to S$4.27 million due to adjustments made for dividends declared and receivable from an associate amounting to S$9.28 million. The decrease was partially offset by additional investments in associates amounting to S$0.45 million and foreign exchange gains on foreign associates during the period.

Current liabilities increased to S$50.79 million from S$40.74 million due mainly to higher trade payables in line with the increase in M&E activities. There was also higher utilization of bank facilities to support the increase in the Group's business activities. In addition, there was also the recognition of financial guarantee liabilities arising from corporate guarantees issued to banks to enable its associates to secure loan facilities to finance their business activities.

Due to higher bank borrowings, the debt equity ratio has increased to 0.31 as at 31 December 2013 compared to 0.18 as at 31 March 2013.

Cashflows & Liquidity

Third Quarter ended 31 December 2013 (3Q2014)

Net cash used in operating activities for 3Q2014 amounted to S$3.42 million compared to a net cash inflow of S$9.31 million in 3Q2013. The higher net cash outflow was due mainly to the repayments of trade payables and lower operating receipts.

Net cash used in investing activities for 3Q2014 amounted to S$2.0 million, lower than the S$16.32 million used in 3Q2013. There were less advances made to associates for property development business in the current quarter.

Net cash used in financing activities amounted to S$1.81 million in 3Q2014 compared to a net inflow of S$1.46 million in 3Q2013 due to net repayment of term loans.

Nine Months ended 31 December 2013 (9M2014)

Net cash from operating activities for 9M2014 amounted to S$1.62 million compared to S$15.99 million in 9M2013. The lower net cash inflow was due mainly to higher trade receivables and higher value of construction work-in-progress as at period end.

Net cash used in investing activities for 9M2014 amounted to S$6.38 million, compared to S$20.70 million used in 9M2013. This was due to lower advances made to its associates.

Net cash used in financing activities amounted to S$2.41 million in 9M2014 compared to a net cash used of S$4.26 million in 9M2013 due to additional bank borrowings.

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

No forecast had been issued.

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

As at the date of this announcement, the Group has approximately S$166 million worth of M&E engineering contracts on hand, with completion dates ranging from years 2014 to 2017. The Group expects the M&E business segment to contribute positively to the Group's results in the next 12 months.

Update on the listing of Kaset Thai International Sugar Corporation Public Company Limited - formerly known as Kaset Thai Industry Sugar Company Limited ("KTIS")

Based on the terms of the share sale agreement signed with KTIS on 25 April 2012, whereby the Group agreed to sell to KTIS its entire shareholding in EPPCO and EPC (collectively known as "Thai Associates") for a total consideration of THB1,224,400,000 (equivalent to S$50.2 million), 5% of the consideration has been paid by cash and the remaining 95% shall be by way of shares in KTIS when KTIS has been successfully listed on the Stock Exchange of Thailand (SET).

The share sale agreement also allows each party to exercise its option to recover the consideration paid/ shareholdings sold, in the event that listed KTIS shares are not allotted to the Group within 12 months from 25 June 2012.

On 16 August 2013, the Office of Securities and Exchange Commission ("SEC") in Thailand had given the approval for KTIS to sell its shares to the public, subject to KTIS updating the relevant information in its prospectus. Upon this approval, KTIS has up to six months to sell its shares to the public, with an option to extend this by a further 6 months.

In view of the current political environment in Thailand, KTIS has decided to hold back its launch on the SET and would continue to monitor the situation. KTIS had applied for SEC's approval to extend the deadline to sell its shares to the public up to 15 August 2014. In view of this extension, the Group had agreed with KTIS to extend the expiry date of the share sale agreements up to the date to be approved by SEC.

KTIS will continue to monitor the situation in Thailand and will decide on the most appropriate time to launch on the SET.

The Company will make further announcements when there are any new developments.

11. Dividend

(a) Current Financial Period Reported On
Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year
Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not Applicable.

(d) Books closure date

Not Applicable.

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

No dividend has been declared or recommended

13. If the Group has obtained a general mandate from shareholders for interested person transactions ("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 does not have any interested person transaction and no IPT mandate has been obtained.

NEGATIVE ASSURANCE CONFIRMATION ON INTERIM FINANCIAL RESULTS PURSUANT TO RULE 705(4) OF THE LISTING MANUAL

We, the undersigned, hereby confirm to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for the nine months ended 31 December 2013 to be false or misleading.

On behalf of the Board of Directors

Chua Kim Hua Executive Chairman	Chua Eng Eng Managing Director

12 February 2014

BY ORDER OF THE BOARD

Lim Bee Lian Eliza
Company Secretary