



KING WAN CORPORATION LIMITED

Incorporated in Singapore (Company Registration No. 200001034R)

Third Quarter & Nine Months – 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 PERIOD ENDED 31 DECEMBER 2015**

	Not e	GROUP 9 MONTHS ENDED 31 DECEMBER			GROUP QUARTER ENDED 31 DECEMBER		
		2015 S\$	2014 S\$	Incre/ (Decr)	2015 S\$	2014 S\$	Incre/ (Decr)
Revenue		78,567,847	61,480,089	28%	26,250,855	21,591,559	22%
Cost of Sales		(65,602,328)	(52,220,311)	26%	(23,427,190)	(19,842,765)	18%
Gross Profit		12,965,519	9,259,778	40%	2,823,665	1,748,795	61%
Other Operating Income							
Dividend income		9,407	16,186	-42%	-	6,580	n.m
Exchange gain (loss)	1	-	271,122	-100%	(11,719)	217,619	-105%
Gain on disposal of available- for-sale investments	2	-	270,465	n.m	-	143,715	n.m
Interest income	3	1,134,172	1,317,381	-14%	410,504	437,663	-6%
Management fees income		82,240	79,129	4%	27,704	26,599	4%
Rental income		675,497	734,475	-8%	235,270	255,921	-8%
Fee income from financial guarantees to associates		581,234	657,656	-12%	263,351	373,621	-30%
Sundry income		84,660	29,829	184%	57,259	7,772	637%
		2,567,210	3,376,243	-24%	982,369	1,469,490	-33%
Gain on disposal of associates	4	-	24,134,088	-100%	-	-	n.m
Administrative expenses	5	(5,069,919)	(7,707,375)	-34%	(1,328,475)	(1,903,962)	-30%
Allowance for amounts due from an associate	6	(8,000,000)	-	n.m	(8,000,000)	-	n.m
Share of associates' results	7	1,400,133	(829,829)	-269%	236,095	(861,229)	-127%
Finance costs	8	(973,412)	(569,862)	71%	(376,824)	(210,608)	79%
Profit (Loss) Before Income Tax		2,889,531	27,663,043	-90%	(5,663,170)	242,486	-2435%
Income Tax Expense	9	(1,641,025)	(923,023)	78%	(197,728)	(157,107)	26%
Profit (Loss) For The Financial Period		1,248,506	26,740,020	-95%	(5,860,898)	85,379	-6964%
Other comprehensive (expense) income:							
<i>Items that may be reclassified subsequently to profit or loss</i>							
Exchange differences on translation of foreign operations		(14,532)	428,690	-103%	(6,562)	267,017	-102%
Reclassification adjustment of cumulative exchange differences to profit or loss upon disposal of associates	10	-	1,974,740	n.m	-	-	n.m
Fair value adjustment of available-for-sale investments	11	(8,434,522)	10,119,772	-183%	(3,375,614)	829,137	-507%
Total Comprehensive (Expense) Income attributable to equity holders of the Company		(7,200,548)	39,263,222	-118%	(9,243,074)	1,181,533	-882%

Third Quarter (3Q2016) and 9 Months ended 31 December 2015

Note 1 - There was a higher exchange gain in the last corresponding period due to the strengthening of the USD against the SGD

Note 2 – There was no disposal of available-for-sale investments in the current period.

Note 3 – There was no interest income recognized on loans made to an associate (Dalian Shicheng Property Development (S) Pte Ltd (“DLSC Singapore”) in the current period.

Note 4 – The gain on disposal of associates arose as a result of completion of divestment of the Group’s two Thailand associates, Environment Pulp & Paper Company Ltd (“EPPCO”) and Ekarat Pattana Company Ltd (“EPC”).

Note 5 - Included in administration expenses are the following:

		GROUP 9 MONTHS ENDED			QUARTER 3 MONTHS ENDED		
		31.12.2015 S\$	31.12.2014 S\$	Increase/ (Decrease) S\$	31.12.2015 S\$	31.12.2014 S\$	Increase/ (Decrease) S\$
Net (Reversal) Allowance for doubtful trade receivables	i	(258,752)	39,230	(297,982)	8,268	17,293	(9,025)
Trade receivables written off		-	12,161	(12,161)	-	12,161	(12,161)
Loss (gain) on disposal of plant and equipment		34,613	10,288	24,325	25,098	(11,022)	36,120
Change in fair values of investments held for trading		35,119	43,892	(13,016)	(16,015)	38,098	(54,113)
JTC rental		193,776	187,728	6,048	64,592	84,239	(19,647)
Property tax		97,500	97,500	-	32,500	32,500	-
Directors remuneration	ii	1,065,326	3,281,600	(2,216,274)	(144,378)	319,720	(464,098)
Directors fees		132,001	132,003	(2)	44,001	44,001	-
Staff related expenses		1,395,312	1,386,967	8,345	435,790	478,060	(42,270)
Depreciation		900,743	881,473	19,270	289,825	308,457	(18,632)

i. Trade amounts due from main contractors for Mechanical & Electrical engineering contracts which were previously provided for allowance and which were subsequently collected and written back during the period.

ii. The decrease was due to higher provision for profit sharing for Executive Directors in view of the higher net profit before income tax achieved in the last corresponding period.

Note 6 - Allowance was made in connection with the Group’s real estate development business in Dalian, China. In view of the continuing depressed real estate market in Dalian, China, the Group made allowance for doubtful receivables due from its associate, DLSC Singapore amounting to an aggregate of S\$8.0 million for the nine months ended 31 December 2015.

Note 7 – There was higher recognition of contributions from the Group’s property development associates in Singapore from the ongoing residential development projects.

Note 8 - There was higher utilization of bank facilities to finance the Group’s business activities.

Note 9 – The effective tax rate for the current period was higher due to adjustments made for losses that were not tax deductible.

Note 10 – The reclassification of exchange differences in the previous corresponding period had arisen from the completion of divestment of the Group’s two Thailand associates, EPPCO and EPC.

Note 11 – The comprehensive income from the revaluation of available-for-sale investments was a result of marking the Kaset Thai International Sugar Corporation Public Company Limited (“KTIS”) shares (listed on the Stock Exchange of Thailand) held by the Group to market values as at period end. The shares had decreased in value due to a lower closing price and weakening of the Thai Baht against the Singapore Dollar.

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 31.12.2015	As at 31.3.2015
	S\$	S\$
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	8,098,201	11,350,261
Trade receivables	14,768,718	13,057,089
Other receivables and prepayments	212,028	165,178
Construction work-in-progress	14,863,344	10,074,530
Inventories	1,038,155	1,259,445
Held for trading investments	577,739	612,858
Total current assets	39,558,185	36,519,361
Non-current assets		
Property, plant and equipment	4,539,768	5,343,386
Other receivables	84,558,299	72,166,145
Available-for-sale investments	36,006,552	44,441,074
Investment in associates and a joint venture	5,798,427	3,702,791
Total non-current assets	130,903,046	125,653,396
Total assets	170,461,231	162,172,757
<u>LIABILITIES AND EQUITY</u>		
Current Liabilities		
Bank borrowings	27,066,317	18,944,832
Trade payables	14,017,474	13,690,634
Bills payables	26,165,489	19,569,737
Provision for rectification costs	1,437,231	1,408,227
Other payables	5,751,142	4,510,974
Construction work-in-progress	3,996,379	3,038,404
Income tax payable	1,715,214	1,453,352
Current portion of finance leases	268,941	278,702
Total current liabilities	80,418,187	62,894,862
Non-current liabilities		
Finance leases	307,913	510,254
Bank borrowings	2,043,980	384,374
Deferred tax liabilities	214,859	214,859
Total non-current liabilities	2,566,752	1,109,487
Capital and reserves		
Share capital	46,813,734	46,813,734
Retained earnings	48,649,388	50,892,450
Foreign currency translation reserve	142,138	156,670
Revaluation reserve	(8,128,968)	305,554
Total equity	87,476,292	98,168,408
Total liabilities and equity	170,461,231	162,172,757

KING WAN CORPORATION LIMITED (COMPANY)
STATEMENT OF FINANCIAL POSITION

	As at 31.12.2015	As at 31.3.2015
	S\$	S\$
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	450,674	440,523
Amount due from subsidiaries	15,774,599	16,711,981
Available-for-sale investments	27,925,440	34,269,751
Other receivables and prepayments	3,700	20,034
Total current assets	44,154,413	51,442,289
Non-current assets:		
Investment in subsidiaries	26,955,100	26,389,213
Investment in associates and a joint venture	3,556,899	2,831,953
Property, plant and equipment	5,801	9,638
Total non-current assets	30,517,800	29,230,804
Total assets	74,672,213	80,673,093
<u>LIABILITIES & EQUITY</u>		
Current liabilities:		
Other payables	3,460,418	3,157,562
Income tax payable	40	95,000
Amount due to a subsidiary	9,724,298	6,124,298
Total current liabilities	13,184,756	9,376,860
Capital and reserves:		
Share capital	46,813,734	46,813,734
Retained earnings	20,782,413	24,246,878
Revaluation reserve	(6,108,690)	235,621
Total equity	61,487,457	71,296,233
Total liabilities and equity	74,672,213	80,673,093

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

Amount repayable in one year or less, or on demand

31.12.2015		31.3.2015	
Secured	Unsecured	Secured	Unsecured
\$268,941	\$53,231,806	\$278,702	\$38,514,569

Amount repayable after 1 year

31.12.2015		31.3.2015	
Secured	Unsecured	Secured	Unsecured
\$307,913	\$2,043,980	\$510,254	\$384,374

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**

	Note	GROUP 9 MONTHS ENDED		GROUP QUARTER ENDED	
		31.12.2015 S\$	31.12.2014 S\$	31.12.2015 S\$	31.12.2014 S\$
Operating Activities					
<i>Profit before income tax</i>		2,889,531	27,663,043	(5,663,170)	242,486
Adjustments for					
Loss (Gain) on disposal of plant and equipment		34,613	10,288	25,098	(11,022)
Gain on disposal of available-for-sale investments		-	(270,465)	-	(143,715)
Net (reversal of) allowance for doubtful trade receivables		(258,752)	39,230	8,268	17,293
Change in fair values and gain on sale of available for sale investments		35,119	43,892	(16,015)	38,098
Depreciation		900,743	881,473	289,825	308,457
Dividend income from other investments		(824,217)	(1,343,152)	-	(6,580)
Gain on disposal of associates		-	(24,134,088)	-	-
Interest expense		973,412	569,862	376,824	210,608
Interest income		(1,134,172)	(1,317,381)	(410,504)	(437,663)
Provision for rectification costs		105,200	302,172	105,200	120,072
Share of associates' results		(1,400,133)	829,829	(236,095)	861,229
Fee income from financial guarantee to associates		(581,234)	(657,656)	(263,351)	(373,621)
Allowance for amounts due from an associate		8,000,000	-	8,000,000	-
Trade receivables written off		-	12,161	-	12,161
<i>Operating profit before working capital changes</i>		8,740,111	2,629,208	2,216,080	837,801
Construction work-in-progress		(3,830,839)	5,416,635	(969,061)	3,178,063
Inventories		221,290	(169,794)	259,189	(54,311)
Other payables		1,096,457	3,154,901	(28,811)	554,966
Other receivables and prepayments		(40,817)	74,781	(71,164)	(25,119)
Trade payables and bill payables		6,922,590	1,097,506	(206,147)	(476,408)
Provision for rectification costs utilised		(76,196)	-	(72,122)	-
Trade receivables		(1,452,877)	(5,077,496)	1,282,604	(1,621,859)
<i>Cash from operations</i>		11,579,718	7,125,741	2,410,568	2,393,133
Income tax paid		(1,379,163)	(1,383,329)	(456,932)	(601,043)
Interest paid		(973,412)	(569,862)	(376,824)	(210,608)
<i>Net cash from operating activities</i>		9,227,143	5,172,550	1,576,812	1,581,482
INVESTING ACTIVITIES					
Investment in an associate		-	(190,000)	-	(190,000)
Advances to associates		(19,279,289)	(9,440,157)	(6,947,010)	(1,524,991)
Dividends received from held-for-trading investments		824,217	1,343,152	-	6,581
Interest received		30,186	35,926	15,206	7,976
Purchase of held-for-trading investments		-	(250,000)	-	-
Proceeds from sale of held-for-trading investments		-	41,558	-	-
Proceeds from disposal of available-for-sale investments		-	1,498,965	-	977,215
Proceeds from disposal of plant and equipment		1,490	48,889	-	48,889
Purchase of plant and equipment		(133,227)	(677,849)	(17,185)	(522,444)
<i>Net cash used in investing activities</i>		(18,556,623)	(7,589,516)	(6,948,989)	(1,196,774)
FINANCING ACTIVITIES					
Dividends (paid) refunded		(3,491,568)	(7,681,911)	201	(2,444,238)
Repayments of obligations under finance leases		(212,102)	(208,512)	(69,863)	(74,406)
Proceeds from bank borrowings		6,983,433	9,200,000	1,491,131	3,700,000
<i>Net cash from financing activities</i>		3,279,763	1,309,577	1,421,469	1,181,356
NET CHANGE IN CASH AND CASH EQUIVALENTS		(6,049,717)	(1,107,389)	(3,950,708)	1,566,064
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		11,350,261	9,045,391	9,251,252	6,371,938
CASH AND CASH EQUIVALENTS AT END OF PERIOD	a	5,300,544	7,938,002	5,300,544	7,938,002

Note a

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

	31.12.2015	31.12.2014
	S\$	S\$
Cash and Bank Balances	8,098,201	9,231,910
Fixed Deposits	-	230,055
Bank Overdrafts	(2,797,657)	(1,523,963)
Net	5,300,544	7,938,002

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

STATEMENT OF CHANGES IN EQUITY

GROUP	SHARE CAPITAL	RETAINED EARNINGS	INVESTMENT REVALUATION RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE	TOTAL
	S\$	S\$	S\$	S\$	S\$
Balance as at 1 April 2014	46,813,734	41,493,592	-	(1,878,514)	86,428,812
Foreign Currency Translation Reserve on associates disposed during the Period	-	-	-	1,974,740	1,974,740
Dividends paid	-	(7,681,912)	-	-	(7,681,912)
Total Comprehensive Income for the Period	-	26,740,020	10,119,772	428,690	37,288,482
Balance as at 31 December 2014	46,813,734	60,551,700	10,119,772	524,916	118,010,122
Balance as at 1 April 2015	46,813,734	50,892,450	305,554	156,670	98,168,408
Dividends paid	-	(3,491,568)	-	-	(3,491,568)
Total Comprehensive Income for the Period	-	1,248,506	(8,434,522)	(14,532)	(7,200,548)
Balance as at 31 December 2015	46,813,734	48,649,388	(8,128,968)	142,138	87,476,292

COMPANY	SHARE CAPITAL	RETAINED EARNINGS	INVESTMENT REVALUATION RESERVE	TOTAL
	S\$	S\$	S\$	S\$
Balance as at 1 April 2014	46,813,734	16,783,293	-	63,597,027
Dividends paid	-	(7,681,912)	-	(7,681,912)
Total Comprehensive Income for the Period	-	24,110,569	8,203,098	32,313,667
Balance as at 31 December 2014	46,813,734	33,211,950	8,203,098	88,228,782
Balance as at 1 April 2015	46,813,734	24,246,878	235,621	71,296,233
Dividends paid	-	(3,491,568)	-	(3,491,568)
Total Comprehensive Income for the Period	-	27,103	(6,344,311)	(6,317,208)
Balance as at 31 December 2015	46,813,734	20,782,413	(6,108,690)	61,487,457

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 2015, the Company does not have any outstanding convertibles or treasury shares (as at 31 December 2014 : Nil).

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 2015 is 349,176,870 (as at 31 March 2015 : 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 2015, the Company does not have any treasury shares.

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 2015, as well as all the applicable Financial Reporting Standards ("FRS") which became effective for the financial year beginning on or after 1 April 2015. The adoption of those new and revised FRSs has no material effect on the 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 2015. 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	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
(i) Basic & Diluted earnings per share (in cents)	0.36	7.66	-1.68	0.03
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	
	31.12.2015	31.3.2015	31.12.2015	31.3.2015
Net Asset Value Per Ordinary Share (in cents)	25.05	28.11	17.61	20.42
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 2015 (3Q2016)

The Group's revenue for 3Q2016 recorded S\$26.25 million, an increase of 22% compared to the corresponding quarter last year (3Q2015). The increase was due to higher recognition of revenue from increased ongoing Mechanical and Electrical (M&E) contracts during the quarter.

The Group's net loss for 3Q2016 was S\$5.86 million, compared to a gain of S\$0.09 million achieved in the last corresponding period (3Q2015). There were improvements brought about by higher gross profits achieved during the quarter from an increased turnover, improved contributions from associates and collection of debts that were previously provided for. However, these increases were offset by an allowance made in connection with the Group's real estate development business in Dalian, China. In view of the continuing depressed real estate market in Dalian, China, the Group made allowance for doubtful receivables due from its associate, Dalian Shicheng Property Development (S) Pte Ltd ("DLSC") amounting to an aggregate of S\$8.0 million for the nine months ended 31 December 2015. An allowance of S\$12.0 million was made for amounts due from DLSC Singapore in the last financial year ended 31 March 2015.

Gross profit margin for the works completed in 3Q2016 was 10.8%, which was higher than the 8.1% achieved in 3Q2015.

9 Months ended 31 December 2015 (9M2016)

The Group's revenue for 9M2016 recorded S\$78.57 million, a 28% increase compared to 9M2015. The increase was brought about by the higher recognition of revenue from increased ongoing Mechanical and Electrical (M&E) contracts. Gross profit margin for the works completed in 9M2016 was 16.5%, which was higher than the 15.1% achieved in 9M2015.

The Group's net profit after income tax was S\$1.25 million, which was lower than the S\$26.74 million achieved in 9M2015. Besides the allowance for amounts receivable from DLSC Singapore of S\$8.0 million in the current period, 9M2015's profits included a one-time net gain from the completion of divestment of the two associates in Thailand. If the one-time net gain was excluded, the net profit for 9M2015 would have amounted to S\$2.61 million.

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

EPS for 3Q2016 was -1.68 cents, compared to 0.03 cents in 3Q2015, while EPS for 9M2016 was 0.36 cents, lower than the 7.66 cents in 9M2015 which included a one-time net gain from the completion of divestment of the two Thailand associates.

NAV for the Group stood at 25.05 cents per share at 31 December 2015, a decrease from 28.11 cents per share at 31 March 2015. This was due mainly to a reduction in investment revaluation reserve as a result of downward adjustment to the fair value of the available-for-sale investments held by the Group, as well as dividends paid out during the current period.

Balance Sheet Review

The Group's equity base stood at S\$87.48 million as at 31 December 2015, a decrease from S\$98.17 million as at 31 March 2015.

Total current assets amounted to S\$39.56 million, higher than the S\$36.52 million as at 31 March 2015. The increase was due mainly to the increase in construction work-in-progress and higher trade receivables due to the increase in mechanical and electrical engineering activities.

Non-current assets increased by S\$5.25 million from S\$125.65 million to S\$130.90 million. The increase in non-current receivables was due to loans made to the Group's associates during the current period for their business activities. There was also an increase in the investment in associates and joint venture due to share of contributions from these investments. These increases were partly offset by a reduction in the fair values of the available-for-sale investments held by the Group, allowance for amounts due from an associate and reduction in the value of property, plant and equipment that was caused by normal depreciation charged.

Current liabilities increased to S\$80.42 million from S\$62.89 million were due mainly to higher trade and bills payables at period end resulting from the higher mechanical and electrical engineering activities. There were also higher bank borrowings to finance the Group's business and higher other payables due to the accrual of staff benefits. There were also provisions made for income tax on income earned in the current period.

Non-current liabilities increased by S\$1.46 million due to increased bank borrowings to finance the Group's business.

The debt equity ratio has increased to 0.64 as at 31 December 2015 as compared to 0.40 as at 31 March 2015 due to the increased bank borrowings.

Cashflows & Liquidity

Third Quarter ended 31 December 2015 (3Q2016)

Net cash from operating activities amounted to S\$1.58 million, consistent with that of 3Q2015.

Net cash used in investing activities amounted to S\$6.95 million, higher than the S\$1.20 million used in 3Q2015. The higher cash outflow was due to higher loans extended to associates of the Group during the current quarter

Net cash from financing activities amounted to S\$1.42 million in 3Q2016 compared to S\$1.18 million in 3Q2015. No interim dividends were paid out in the current quarter and there were also lower proceeds from bank borrowings in the current quarter as compared to the last corresponding quarter.

9 Months ended 31 December 2015 (9M2016)

Net cash from operating activities for 9M2016 amounted to S\$9.23 million compared to S\$5.17 million in 9M2015. The higher net cash inflow was attributable to the increased operating receipts during the period and timing differences in the payment of trade payables as at period end.

Net cash used in investing activities for 9M2016 amounted to S\$18.56 million, higher than the S\$7.59 million used in 9M2015. This was a result of loans to associates to finance their business during the current period. There was also absence of proceeds from the disposal of available-for-sale investments in the current period.

Net cash from financing activities amounted to S\$3.28 million in 9M2016 compared to S\$1.31 million in 9M2015 due to lower dividend paid and lower proceeds from bank borrowings during the current period.

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

The Mechanical and Electrical (M&E) business segment will remain the core business of the Group and will continue to contribute positively to the Group's results for the next 12 months.

As at the date of this Announcement, the Group has approximately S\$156 million worth of M&E engineering contracts on hand, with completion dates ranging from years 2016 to 2018.

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/recommendeded, 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.

14. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720 (1).

The Company confirms compliance with Rule 720(1).

15. Confirmation pursuant to Rule 705(5) of the Listing Manual

We confirm on behalf of the Board of Directors, that, to the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited third quarter financial results of the Group and the Company for the period ended 31 December 2015 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Chua Kim Hua
Executive Chairman

Chua Eng Eng
Managing Director

13 February 2016

BY ORDER OF THE BOARD

Lim Bee Lian Eliza
Company Secretary