



MERCURIUS CAPITAL
INVESTMENT LIMITED

MERCURIUS CAPITAL INVESTMENT LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.198200473E)

**Unaudited Financial Statements Announcement for the Third Quarter and Nine-Months
Financial Period Ended 30 September 2017**

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. ("**Sponsor**"), for compliance with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst. The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	3 Months Ended			9 Months Ended		
	30/09/2017	30/09/2016	Change	30/09/2017	30/09/2016	Change
	SS'000	SS'000	%	SS'000	SS'000	%
Continuing operations	Unaudited	Unaudited (Re-presented)		Unaudited	Unaudited (Re-presented)	
Revenue	-	-	NM	-	-	NM
Cost of sales	-	-	NM	-	-	NM
Gross profit	-	-	NM	-	-	NM
Other income, net	(37)	-	NM	1,851	1,920	-4
Other losses, net	3	704	-100	(1,321)	178	NM
Administrative expenses	(132)	(128)	3	(406)	(408)	0
Finance costs	-	-	NM	(1)	(1)	0
(Loss)/profit before income tax	(166)	576	NM	123	1,689	-93
Income tax credit/(expenses)	17	(21)	NM	-	-	NM
Net (loss)/profit for the financial period from continuing operation	(149)	555	NM	123	1,689	-93
Discontinued operations						
Net loss for the financial period from discontinued operations, net of tax	-	(5,338)	-100	(819)	(9,204)	-91
Total loss for the financial period	(149)	(4,783)	-97	(696)	(7,515)	-91
Other comprehensive (loss)/income:						
Items that may be reclassified subsequently to profit or loss:						
Currency translation differences arising from consolidation						
- Gains/(losses)	33	51	-35	81	(646)	NM
Total comprehensive loss	(116)	(4,732)	-98	(615)	(8,161)	-92
Net (loss)/profit attributable to:						
Equity holders of the Company-continuing operations	(149)	555	NM	123	1,689	-93
Equity holders of the Company-discontinued operations	-	(5,338)	-100	(819)	(9,204)	-91
Equity holders of the Company	(149)	(4,783)	-97	(696)	(7,515)	-91
Total comprehensive (loss)/income attributable to:						
Equity holders of the Company-continuing operations	(116)	606	NM	204	1,043	-80
Equity holders of the Company-discontinued operations	-	(5,338)	-100	(819)	(9,204)	-91
Equity holders of the Company	(116)	(4,732)	-98	(615)	(8,161)	-92

NM = Not Meaningful

1(a)(ii) Notes to Consolidated Statement of Comprehensive Income

(Loss)/profit before income tax for the financial period was arrived at after crediting/(charging) the following:

	Continuing Operations			Discontinued Operations		
	3 months ended		Change	3 months ended		Change
	30/09/2017	30/09/2016		30/09/2017	30/09/2016	
	SS'000	SS'000	%	SS'000	SS'000	%
	Re-presented			Re-presented		
Interest income	-	-	-	-	-	-
Gain on disposal/strike off of subsidiary corporations	-	-	-	-	-	-
Reversal of allowance for impairment of trade and other receivables, net	1	-	NM	-	-	-
Depreciation of property, plant and equipment	(1)	(2)	-50	-	(54)	-100
Salaries, bonuses and allowances	(21)	-	NM	-	(88)	-100
Rental expenses on operating lease	-	(7)	-100	-	131	-100
Interest expense	-	-	-	-	(230)	-100
Currency translation (losses)/gains, net	2	704	-100	-	1	-100

	Continuing Operations			Discontinued Operations		
	9 months ended		Change	9 months ended		Change
	30/09/2017	30/09/2016		30/09/2017	30/09/2016	
	SS'000	SS'000	%	SS'000	SS'000	%
	Re-presented			Re-presented		
Interest income	-	-	-	-	4	-100
Gain on disposal/strike off of subsidiary corporations	876	-	NM	-	-	-
Reversal of allowance for impairment of trade and other receivables, net	879	1,920	-54	-	-	-
Depreciation of property, plant and equipment	(3)	(3)	0	(4)	(161)	-98
Salaries, bonuses and allowances	(63)	(63)	0	(88)	(681)	-87
Rental expenses on operating lease	-	(21)	-100	(22)	(52)	-58
Interest expense	-	(1)	-100	(127)	(547)	-77
Currency translation (losses)/gains, net	(1,318)	178	NM	(629)	(36)	NM

NM = Not Meaningful

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

	Group		Company	
	As at		As at	
	30/09/2017	31/12/2016	30/09/2017	31/12/2016
	S\$'000	S\$'000	S\$'000	S\$'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
ASSETS				
Current assets				
Cash and cash equivalents	536	165	512	145
Trade and other receivables	120	69	113	24
Income tax recoverable	3	18	-	-
	<u>659</u>	<u>252</u>	<u>625</u>	<u>169</u>
Assets held-for-sale	-	32,008	-	18,089
	<u>659</u>	<u>32,260</u>	<u>625</u>	<u>18,258</u>
Non-current assets				
Investments in subsidiary corporations	-	-	-	-
Property, plant and equipment	6	9	6	9
Intangible assets	4	-	4	-
	<u>10</u>	<u>9</u>	<u>10</u>	<u>9</u>
TOTAL ASSETS	<u>669</u>	<u>32,269</u>	<u>635</u>	<u>18,267</u>
LIABILITIES				
Current liabilities				
Trade and other payables	616	2,822	569	781
Convertible loans	1,000	-	1,000	-
	<u>1,616</u>	<u>2,822</u>	<u>1,569</u>	<u>781</u>
Liabilities held-for-sale	-	30,008	-	18,089
TOTAL LIABILITIES	<u>1,616</u>	<u>32,830</u>	<u>1,569</u>	<u>18,870</u>
NET LIABILITIES	<u>(947)</u>	<u>(561)</u>	<u>(934)</u>	<u>(603)</u>
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	132,732	49,074	132,732	132,732
Other reserves	(2,918)	8,831	-	-
Accumulated losses	(130,769)	(58,245)	(133,666)	(133,335)
	<u>(955)</u>	<u>(340)</u>	<u>(934)</u>	<u>(603)</u>
Non-controlling interests	8	(221)	-	-
TOTAL EQUITY	<u>(947)</u>	<u>(561)</u>	<u>(934)</u>	<u>(603)</u>

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

- Amount repayable in one year or less, or on demand

	As at 30/09/2017		As at 31/12/2016	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Convertible loan	-	1,000	-	-

- Amount repayable after one year

	As at 30/09/2017		As at 31/12/2016	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Convertible loan	-	-	-	-

Details of any collateral

Not applicable, as there is no collateral on the convertible loan.

Convertible Loan

On 17 March 2017, the Company entered into a convertible loan agreement with two investors whereby the investors provided a redeemable convertible loan of an aggregate principal value of S\$1.0 million ("**Convertible Loan**") to the Company, which is convertible up to 10.8 million new ordinary shares in the issued and paid-up share capital of the Company ("**Shares**").

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

	30/09/2017 S\$'000 (Unaudited)	30/09/2016 S\$'000 (Unaudited)
Cash flows from operating activities		
Net loss	(696)	(7,515)
Adjustments for:		
Income tax expense	-	17
Depreciation of property, plant and equipment	7	164
Reversal of impairment of property, plant and equipment	-	(443)
Bad debts written off	4	-
Reversal of allowance for doubtful debts	(879)	(1,920)
Interest expense	127	548
Interest income	-	(4)
Gain on disposal/strike off of subsidiary corporations	(876)	-
Loss on disposal of property, plant and equipment, net	-	140
Unrealised currency translation loss/(gain)	1,947	(142)
Operating cash flows before working capital changes	<u>(366)</u>	<u>(9,155)</u>
Changes in working capital		
Trade and other receivables	(89)	16,635
Inventories	265	4,855
Trade and other payables	(278)	(11,184)
Cash (used in)/provided by operations	<u>(468)</u>	<u>1,151</u>
Interest received	-	4
Income tax refund	13	-
Income tax paid	(29)	(78)
Net cash (used in)/provided by operating activities	<u>(484)</u>	<u>1,077</u>
Cash flows from investing activities		
Additions of intangible assets	(4)	-
Proceeds from disposal of property, plant and equipment	-	385
Disposal/strike off of subsidiary corporations, net of cash	(52)	-
Net cash (used in)/provided by investing activities	<u>(56)</u>	<u>385</u>
Cash flows from financing activities		
Proceeds from convertible loan	1,000	-
Proceeds from borrowings	152	24,069
Repayment of borrowings	(154)	(26,825)
Interest paid	(127)	(548)
Decrease in bank deposits and bank balances pledged	39	1,208
Net cash provided by/(used in) financing activities	<u>910</u>	<u>(2,096)</u>
Net increase/(decrease) in cash and cash equivalents	370	(634)
Cash and cash equivalents		
Cash and cash equivalent at beginning of financial period	196	1,040
Effects of currency translation on cash and cash equivalents	(30)	(207)
Cash and cash equivalent at end of financial period	<u>536</u>	<u>199</u>

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

Notes to consolidated statement of cash flows:-

a) Cash and cash equivalents included in the consolidated statement of cash flows comprises the followings:

	9 Months Ended	
	30/09/2017	30/09/2016
	S\$'000	S\$'000
Continuing operations:-		
Cash and cash equivalents as per statement of financial position	536	40
Discounted operations:-		
Cash and cash equivalents as per statement of financial position	-	1,716
Less : bank balances pledged with banks	-	(1,557)
	-	159
Cash and cash equivalents per consolidated cash flow statement	536	199

1(d)(i) A statement (for the issuer and the 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	Equity attributable to owners of the parent							
	Share capital S\$'000	Statutory surplus reserve S\$'000	Capital reserve S\$'000	Foreign currency translation account S\$'000	Accumulated losses S\$'000	Equity attributable to owners of the parent S\$'000	Non-controlling interests S\$'000	Total Equity S\$'000
Balance at 1 January 2017	49,074	1,911	6,992	(72)	(58,245)	(340)	(221)	(561)
Reclassification pursuant to disposal of subsidiary corporations	83,658	(1,911)	(6,992)	(2,927)	(71,828)	-	-	-
Total comprehensive income/(loss) for the financial period	-	-	-	81	(696)	(615)	229	(386)
Balance at 30 September 2017	132,732	-	-	(2,918)	(130,769)	(955)	8	(947)
Balance at 1 January 2016	49,074	1,911	6,992	47	(35,673)	22,351	(221)	22,130
Total comprehensive loss for the financial period	-	-	-	(646)	(7,515)	(8,161)	-	(8,161)
Balance at 30 September 2016	49,074	1,911	6,992	(599)	(43,188)	14,190	(221)	13,969
COMPANY								
	Share Capital S\$'000	Accumulated Losses S\$'000	Total S\$'000					
Balance at 1 January 2017	132,732	(133,335)	(603)					
Total comprehensive loss for the financial period	-	(331)	(331)					
Balance at 30 September 2017	132,732	(133,666)	(934)					
Balance at 1 January 2016	132,732	(112,042)	20,690					
Total comprehensive income for the financial period	-	1,526	1,526					
Balance at 30 September 2016	132,732	(110,516)	22,216					

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.

	Issued and fully paid-up ordinary shares	Share capital S\$'000
Balance as at 1 July 2017 and 30 September 2017	1,104,008,940	132,732

There was no change in the Company's share capital from 30 June 2017 to 30 September 2017.

As at 30 September 2017, the Convertible Loan is convertible up to 10.8 million Shares (30 September 2016: nil). Save for this, the Company does not have any other convertible securities.

There were no treasury shares or subsidiary holdings as at 30 September 2016 and 30 September 2017.

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 excluding treasury shares as at 30 September 2017 was 1,104,008,940 (31 December 2016: 1,104,008,940). There were no treasury shares as at 30 September 2017 and 31 December 2016.

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 thereon.

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, disposals, cancellation, and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the financial period reported on.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Group's auditors.

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

Not applicable.

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

Save as disclosed in Section 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial reporting period as those applied in the preparation of the audited financial statements of the Group for the financial year ended 31 December 2016.

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 had adopted all the applicable new and revised Financial Reporting Standards ("FRS") including related interpretations ("INT FRS") which become effective for the financial year beginning on or after 1 January 2017. The adoption of these new and revised FRS and INT FRS did not give rise to any material impact on the Group's financial statements for the current financial period reported on.

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.**

	3 Months Ended		9 Months Ended	
	30-09-2017	30-09-2016	30-09-2017	30-09-2016
Weighted average number of ordinary shares for basic earnings	1,104,008,940	1,104,008,940	1,104,008,940	1,104,008,940
Weighted average number of ordinary shares for diluted earnings	1,117,519,563	1,104,008,940	1,117,519,563	1,104,008,940
Continuing Operations				
Net (loss)/profit for the financial period (S\$'000)	(149)	356	123	1,490
Basic (loss)/earnings per share (cents)	(0.01)	0.03	0.01	0.13
Diluted (loss)/earnings per shares (cents)	(0.01)	0.03	0.01	0.13
Discontinued Operations				
Net loss for the financial period (S\$'000)	-	(5,139)	(819)	(9,005)
Basic loss per share (cents)	-	(0.47)	(0.07)	(0.82)
Diluted loss per share (cents)	-	(0.47)	(0.07)	(0.82)

For the financial period ended 30 September 2017, the weighted average number of shares for diluted earnings per share included the followings:-

- i. 10 million new Shares allotted and issued to Chang Wei Lu on 11 October 2017, in discharge and full settlement of the interest-free cash loan amounting to S\$450,000 owed by the Company to Chang Wei Lu.
- ii. up to 10.8 million new Shares that may be issued and allotted pursuant to the conversion of the Convertible Loan

7. **Net asset value (for the issuer and the 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	
	30/09/2017	31/12/2016
Net Liabilities Value Per Ordinary Share		
- Based on issued share capital at the end of financial period/year	(0.09) cents	(0.05) cents
- Number of existing issued shares at the end of financial period/year	1,104,008,940	1,104,008,940
Company		
Net Liabilities Value Per Ordinary Share		
- Based on issued share capital at the end of financial period/year	(0.08) cents	(0.05) cents
- Number of existing issued shares at the end of financial period/year	1,104,008,940	1,104,008,940

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

Following the completion of the disposal of China Children Fashion Holdings Pte Ltd and its subsidiary corporations (the "CCFHPL Group") on 28 February 2017 ("Completion"), the Group has excluded the CCFHPL Group from its consolidated financial statements with effect from the same date. The comparative figures have also been adjusted accordingly to reflect the discontinued operations.

(A) **Review of consolidated statement of comprehensive income**

Revenue and Gross Profit

Following the Completion of the disposal of the CCFHPL Group, the Group does not have any revenue stream in the third quarter ended 30 September ("3Q") 2017 and the nine months ended 30 September ("9M") 2017. The Group's proposed new business in property development and property investment as set out in the circular to shareholders of the Company dated 15 March 2017 which was duly approved by the shareholders on 30 March 2017, is still in early stages and has not generated any revenue for the Group.

Other Income/Losses

Other losses of S\$0.04 million in 3Q2017 relates to changes in exchange rate from payable written off due to strike off of Friven Eagleton Sourcing Limited in 2Q2017. No such income was reported in 3Q2016.

Other income decreased by S\$0.70 million, from S\$0.70 million in 3Q2016 to S\$3,000 in 3Q2017, mainly due to a gain from exchange translation of S\$0.70 million in 3Q2016 and no such gain was recorded in 3Q2017.

Other income of S\$1.85 million in 9M2017 (9M2016: S\$1.92 million) was mainly derived from disposal/strike off of subsidiary corporations amounting to \$0.90 million as a result of the disposal of the CCFHPL Group and striking off of Friven Eagleton Sourcing Limited, accompanied by reversal of allowances for trade and other receivable amounting to S\$0.90 million.

Other losses increased by \$1.50 million, from a S\$0.18 million gain in 9M2016 to a S\$1.32 million loss in 9M2017, mainly due to loss from currency translation amounting to S\$1.30 million as a result of the volatility in Chinese Yuan and Malaysian Ringgit.

Administrative Expenses

Administrative expenses of S\$0.13 million in 3Q2017 (3Q2016: S\$0.13 million) and S\$0.41 million in 9M2017 (9M2016: S\$0.41 million) relate to salary expenses, depreciation of property, plant and equipment, and professional fees.

Net (loss)/profit from continuing operation

As a result of the above, the Group recorded a net loss after tax of S\$0.15 million in 3Q2017 and a net profit after tax of S\$0.12 million in 9M2017, as compared to a net profit of S\$0.36 million and S\$0.15 million in 3Q2016 and 9M2016, respectively.

Net loss from discontinued operations

The discontinued operations recorded a net loss after tax of S\$0.82 million in 9M2017 (S\$9.2 million in 9M2016; S\$5.3 million in 3M2016).

(B) Review of statement of financial position

Current Assets

Cash and cash equivalents increased to S\$0.54 million as at 30 September 2017, from S\$0.17 million as at 31 December 2016. Please refer to the consolidated statement of cashflows on the movement in cash and cash equivalents.

Trade and other receivables increased to S\$0.12 million as at 30 September 2017, from S\$0.07 million as at 31 December 2016, mainly due to an increase in prepaid expenses of S\$0.05 million, which relates to professional and listing fees.

Income tax recoverable decreased marginally to S\$3,000 as at 30 September 2017, from S\$0.02 million as at 31 December 2016.

Assets held-for-sale of S\$32.01 million as at 31 December 2016 relates to the assets of CCFHPL Group, which was disposed of by the Company on 28 February 2017.

Non-current Assets

Non-current assets remained relatively stable at S\$0.01 million as at 30 September 2017 and 31 December 2016. The Group recorded intangible assets of S\$4,000 as at 30 September 2017 (31 December 2016: Nil) which relates to renewal of trademark for the bed linen products.

Current Liabilities

Trade and other payables decreased by S\$2.20 million, from S\$2.82 million as at 31 December 2016 to S\$0.62 million as at 30 September 2017. The decrease was mainly due to striking off of Friven Eagleton Sourcing Limited in 9M2017, which had contributed S\$1.8 million in trade and other payables as at 31 December 2016.

Convertible loans of S\$1.0 million as at 30 September 2017 relate to the convertible loan agreements entered into by the Company on 17 March 2017 with two investors for the provision of redeemable convertible loans of an aggregate principal value of S\$1.0 million by the two investors.

Liabilities held-for-sale of S\$30.01 million as at 31 December 2016 relate to liabilities of the CCFHPL Group, which was disposed of by the Company on 28 February 2017.

The Group recorded negative working capital of S\$0.95 million as at 30 September 2017, as compared to S\$0.56 million as at 31 December 2016. Notwithstanding the negative working capital as at 30 September 2017, the Group's working capital had improved subsequently in October 2017 with the Subscription, whereby the Company allotted and issued 10 million new Shares to Chang Wei Lu, in discharge and full settlement of the S\$450,000 interest-free cash loan due to him.

Equity

The Group had negative equity of S\$0.95 million as at 30 September 2017, as compared to S\$0.56 million as at 31 December 2016. This was mainly due to an increase in accumulated losses of S\$130.8 million as at 30 September 2017. The Group recorded other deficit of S\$2.92 million as opposed to other reserves of S\$8.83 million as at 31 December 2016, due to disposal of CCFHPL Group.

(C) Consolidated statement of cash flows

Net cash used in operating activities amounted to S\$0.48 million for 9M2017. This was due to (i) cash outflow before changes in working capital of S\$0.37 million; (ii) decrease in trade and other payables by S\$0.28 million as a result of the striking off of Friven Eagleton Sourcing Limited; (iii) increase in trade and other receivables of S\$0.09 million; and (iii) partially offset by decrease in inventories of S\$0.27 million as a result of the disposal of CCFHPL Group.

Net cash used in investing activities of S\$0.06 million in 9M2017 was mainly due to the disposal/strike off of subsidiary corporations during the financial period.

Net cash provided by financing activities of S\$0.91 million in 9M2017 was mainly due to proceeds from convertible loan and borrowings of S\$1.0 million and S\$0.15 million, respectively, partially offset by repayment of borrowings of S\$0.15 million and interest paid of S\$0.13 million.

As a whole, the Group had a net cash inflow of S\$0.37 million in 9M2017. The cash and cash equivalents as at 30 September 2017 amounted to S\$0.54 million.

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

Not applicable.

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

The Company had obtained its shareholders' approval on 30 March 2017 to diversify its core business to include property development and property investment ("New Business"). To initiate work on the New Business, the Company appointed Y. Architect Sdn Bhd as the architect for the proposed land development on the joint venture properties in Johor Bahru, Malaysia. The Company is also sourcing for consultant and contractor for the proposed land development and will keep the shareholders of the Company informed of any updates from time to time where appropriate or required under the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalyst.

The Board is cautiously optimistic of the New Business and believes that it will allow the Group to have better prospects of profitability and improve shareholders' value in the long run. The Board noted the negative working capital of the Group as at 30 September 2017, and barring unforeseen circumstances, believes that the Group's financial performance will improve once the New Business is fully operational.

11. If a decision regarding dividend has been made:

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

No.

(b) Amount of dividend per share of the current reporting financial period and of the previous corresponding period.

Nil (30 September 2016: Nil).

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5:00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

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

No dividend has been declared or recommended for the financial period ended 30 September 2017.

13. If the Group has obtained a general mandate from shareholders for interested person transactions (“IPT”) 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.

No general mandate for IPT has been obtained from shareholders.

14. Confirmation by Directors pursuant to Rule 705(5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited

The Board of Directors of the Company confirms that, to the best of their knowledge, nothing has come to their attention that may render the unaudited financial statements for the nine months ended 30 September 2017 to be false or misleading in any material aspect.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

The Company confirms that it has procured undertakings from all its directors and executive officers (in the updated format set out in Appendix 7H of the Catalist Rules) under Rule 720(1) of the Catalist Rules.

BY ORDER OF THE BOARD

Chang Wei Lu
Executive Chairman and Chief Executive Officer
14 November 2017