



KLW HOLDINGS LIMITED

Company Registration No.199504141D

UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016

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

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

Results for the three (3) months ended 31 December 2016 (hereinafter referred as "Q3-FY2017") and comparative figures for the three (3) months ended 31 December 2015 (hereinafter referred as "Q3-FY2016"). Whereas results for nine (9) months ended 31 December 2016 (hereinafter referred as "9M-FY2017") and comparative figures for the nine (9) months ended 31 December 2015 (hereinafter referred as "9M-FY2016")

	<u>Third Quarter</u>			<u>Nine months</u>		
	<u>(Three months ended 31 December 2016)</u>			<u>(ended 31 December 2016)</u>		
	1-Oct-16 to 31-Dec-16	1-Oct-15 to 31-Dec-15	Increase / (Decrease)	1-Apr-16 to 31-Dec- 16	1-Apr-15 to 31-Dec- 15	Increase / (Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	10,450	13,650	(23)	37,433	39,118	(4)
Cost of sales	(7,408)	(9,874)	(25)	(24,777)	(27,966)	(11)
Gross profit	3,042	3,776	(19)	12,656	11,152	13
Other operating income	30	431	(93)	480	699	(31)
Selling and distribution expenses	(291)	(463)	(37)	(841)	(926)	(9)
Administrative expenses	(2,205)	(3,273)	(33)	(6,195)	(9,662)	(36)
Profit from operations	576	471	22	6,100	1,263	383
Finance costs	(345)	(312)	11	(978)	(974)	0.4
Profit before tax	231	159	45	5,122	289	1,672
Tax expense	(120)	(133)	(10)	(721)	(532)	36
Profit/(Loss) for the period	111	26	327	4,401	(243)	N/M
Profit/(Loss) attributable to:						
Equity holders of the Company	111	26	327	4,401	(243)	N/M

N/M : Not Meaningful

	<u>(Three months ended 31 December 2016)</u>			<u>(Nine months ended 31 December 2016)</u>		
	1-Oct-16 to 31-Dec-16	1-Oct-15 to 31-Dec-15	Increase / (Decrease)	1-Apr-16 to 31-Dec-16	1-Apr-15 to 31-Dec-15	Increase / (Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Profit / (Loss) for the period	111	26	327	4,401	(243)	N/M
Other comprehensive income/(loss):						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Currency translation differences arising from consolidation and other comprehensive income for the period, net of tax	852	(90)	N/M	763	(635)	N/M
Total comprehensive income/(loss) for the period	963	(64)	N/M	5,164	(878)	N/M
Total comprehensive income/(loss) attributable to:						
Equity holders of the Company	963	(64)	N/M	5,164	(878)	N/M

(ii) **The following items have been included in arriving at profit from operations:-**

	<u>(Three months ended 31 December 2016)</u>			<u>(Nine months ended 31 December 2016)</u>		
	1-Oct-16 to 31-Dec-16	1-Oct-15 to 31-Dec-15	Increase / (Decrease)	1-Apr-16 to 31-Dec-16	1-Apr-15 to 31-Dec-15	Increase / (Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Depreciation	200	199	1	593	610	(3)
Interest expense	345	312	11	978	974	-
Interest cost /(income)	69	(218)	N/M	(184)	(302)	(39)
Gain /(Loss) on disposal of property, plant and equipment	-	2	N/M	22	(9)	N/M
Impairment loss on trade and other receivables	-	876	(100)	-	876	(100)
Exchange differences	134	(90)	N/M	(711)	708	N/M

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

	<u>The Group</u>		<u>The Company</u>	
	31-Dec-2016	31-Mar-2016	31-Dec-2016	31-Mar-2016
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	21,797	20,134	2,593	40
Investment property	-	26,471	-	-
Investments in subsidiaries	-	-	28,820	28,820
Available-for-sale financial assets	3	3	-	-
Prepayments	17	15	-	-
	21,817	46,623	31,413	28,860
Non-current assets held for sale				
Investment property	26,830	-	-	-
	26,830	-	-	-
Current assets				
Development property	13,876	13,690	-	-
Trade and other receivables	8,170	10,627	21,405	22,838
Inventories	6,599	5,969	-	-
Cash and cash equivalents	37,717	35,946	26,247	28,493
	66,362	66,232	47,652	51,331
Total Assets	115,009	112,855	79,065	80,191
Non-current liabilities				
Borrowings	17,811	17,844	-	-
Deferred tax liabilities	1,004	1,073	-	-
	18,815	18,917	-	-
Current liabilities				
Trade and other payables	5,304	7,823	140	654
Shares with preference rights*	4,830	5,160	4,830	5,160
Borrowings	848	986	-	-
Income tax payable	1,060	981	-	-
	12,042	14,950	4,970	5,814
Total liabilities	30,857	33,867	4,970	5,814
Net assets	84,152	78,988	74,095	74,377
EQUITY				
Share capital	103,171	103,171	103,171	103,171
Revaluation and other reserves	5,278	4,515	3,287	3,287
Accumulated losses	(24,297)	(28,698)	(32,363)	(32,081)
Total equity	84,152	78,988	74,095	74,377

* For the financial period ended 31 December 2016, the amount of \$4.83 million relates to the RM15 million received to-date for the sale of the Group's 30% equity interest in KLW Resources Sdn Bhd to Koperasi Permodalan Felda Malaysia Berhad which the company has recorded as "current liability - Shares with preference rights". The balance RM2 million of the total RM17 million sale consideration, equivalent to \$670,000 (FY2016: \$688,000), will be paid to the Company upon fulfilling the terms and conditions as stipulated in the Shares Sale Agreement. The consideration is classified as financial liability as the 30% equity interest sold is deemed as preference shares issued by the Group. The difference in amount is due to currency translation for the two comparative years.

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

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

	As at 31 December 2016		As at 31 March 2016	
	Secured (\$'000)	Unsecured (\$'000)	Secured (\$'000)	Unsecured (\$'000)
Trust receipts	456	-	724	-
Term loan	375	-	242	-
Finance lease	17	-	20	-
Total	848	-	986	-

Amount repayable after one year

	As at 31 December 2016		As at 31 March 2016	
	Secured (\$'000)	Unsecured (\$'000)	Secured (\$'000)	Unsecured (\$'000)
Term loan	17,735	-	17,791	-
Finance lease	76	-	53	-
Total	17,811	-	17,844	-

Details of any collateral

The obligations under finance leases are effectively secured by a charge over the leased motor vehicles of the Group and the Company to the lessor in the event of default by the Group.

The trust receipts of the Group are secured by the following:-

- (a) a corporate guarantee from the Company;
- (b) a negative pledge over certain assets of the Group's subsidiary; and
- (c) legal charges over certain properties of the Group's subsidiary.

The term loan of the Group is secured by the following:-

- (a) legal charges over the Group's leasehold land and building in Singapore and investment property in Australia; and
- (b) a corporate guarantee from the Company over the leasehold land and building in Singapore.

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

	<u>Third Quarter</u>		<u>9 Months</u>	
	1-Oct-16 to 31-Dec-16 \$'000	1-Oct-15 to 31-Dec-15 \$'000	1-Apr-16 to 31-Dec-16	1-Apr-15 to 31-Dec-15
Cash flows from operating activities				
Profit before income tax	231	159	5,122	289
Adjustments for:				
Depreciation of property, plant and equipment	200	199	593	610
(Gain)/ Loss on disposal of property, plant and equipment	-	2	(22)	9
Interest expense	345	312	978	974
Interest cost / (income)	69	(218)	(184)	(302)
Inventories written down	154	-	154	-
Impairment loss of trade and other receivables	-	-	-	876
Operating cash flow before working capital changes	999	454	6,641	2,456
Inventories	(885)	934	(966)	1,297
Trade and other receivables	3,730	1,440	2,433	906
Trade and other payables	(1,309)	(962)	(2,448)	(91)
Currency translation adjustments	109	(448)	7	(294)
Cash generated from operations	2,644	1,418	5,667	4,274
Interest paid	(345)	(312)	(978)	(974)
Interest (cost) / income received	(69)	218	184	302
Income tax paid	(85)	(168)	(315)	(168)
Net cash generated from operating activities	2,145	1,156	4,558	3,434
Cash flows from investing activities				
Other receivables - Commitment fees	-	-	-	9,000
Purchase of property, plant and equipment	(12)	(237)	(2,672)	(418)
Purchase of development property	-	(12,774)	-	(12,774)
Proceeds from disposal of property, plant and equipment	-	-	122	-
Net cash used in investing activities	(12)	(13,011)	(2,550)	(4,192)
Cash flows from financing activities				
Repayments of borrowings	(853)	-	(1,932)	(590)
Proceeds from borrowings	584	75	1,603	335
Net cash (used in)/generated for financing activities	(269)	75	(329)	(255)
Net increase/(decrease) in cash and cash equivalents	1,864	(11,780)	1,679	(1,013)
Cash and cash equivalents at beginning of the period	35,687	41,577	35,946	31,247
Effect of exchange rate changes on cash and cash equivalents	166	36	92	(401)
Cash and cash equivalents at end of the period	37,717	29,833	37,717	29,833

For the purpose of the consolidated cash flow statement, the consolidated cash and cash equivalents comprise the following:

	<u>The Group</u>	
	31 December 2016	31 December 2015
	\$'000	\$'000
Cash and bank balances	22,572	6,833
Fixed deposits	15,145	23,000
Cash and bank balances as per balance sheets	37,717	29,833
Cash and cash equivalents as per consolidated statement of cash flows	37,717	29,833

1 (d) 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.

Attributable to equity holders of the Company

	Share Capital	Revaluation and Other reserves	Warrant reserve	Accumulated profit/(losses)	Total Equity
<u>Current Period</u>					
<u>The Group</u>	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1-Apr-2016	103,171	1,228	3,287	(28,698)	78,988
Profit for the nine months ended 31-Dec-2016	-	-	-	4,401	4,401
Other comprehensive loss for the period	-	763	-	-	763
Total comprehensive income / (loss) for the period	-	763	-	4,401	5,164
Balance at 31-Dec-2016	103,171	1,991	3,287	(24,297)	84,152
 <u>Prior Period</u>					
Balance at 1-Apr-2015	103,171	2,327	3,287	(32,446)	76,339
Loss for the nine months ended 31-Dec-2015	-	-	-	(243)	(243)
Other comprehensive loss for the period	-	(635)	-	-	(635)
Total comprehensive income/(loss) for the period	-	(635)	-	(243)	(878)
Balance at 31-Dec-2015	103,171	1,692	3,287	(32,689)	75,461

Company

<u>The Company</u>	<u>Share capital</u> \$'000	<u>Warrant reserve</u> \$'000	<u>Accumulated Losses</u> \$'000	<u>Total</u> \$'000
Balance at 1-Apr-2016	103,171	3,287	(32,081)	74,377
Net loss and total comprehensive loss for the period	-	-	(282)	(282)
Balance at 31-Dec-2016	103,171	3,287	(32,363)	74,095
Balance at 1-Apr-2015	103,171	3,287	(20,927)	85,531
Net loss and total comprehensive loss for the period	-	-	(631)	(631)
Balance at 31-Dec-2015	103,171	3,287	(21,558)	84,900

- 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

Issued and fully paid ordinary share capital

	<u>Number of Shares</u> '000	<u>\$'000</u>
Balance as at 31 December 2016	5,380,556	103,171

There was no change in the Company's share capital since 31 December 2016.

The Company had on 15 November 2013 granted a call option to Prince Abdul Qawi (the "**Subscriber**") for the subscription of up to 2,000,000,000 new ordinary shares in the capital of the Company at an issue price of S\$0.02 per share (the "**Call Option**"). The Call Option had expired on 10 June 2016 and lapsed, and the period for the Company to exercise the put option had commenced on 11 June 2016 and expired on 11 December 2016 (the "**Put Option**"). On 11 November 2016, the Company had served the Put Option notice and subsequently a letter was received on 16 November 2016 from the Subscriber's lawyers stating that the Company was not entitled to exercise the Put Option and claimed that the Company had breached the condition as stipulated in Clause 4.2(e) of the Subscription and Share Subscription Agreement between the Company and the Subscriber (the "**Letter**"). On 9 December 2016, the Company announced that the Board sought legal advice in response to the claims contained in the Letter from the lawyers representing the Subscriber. After taking into account the legal advice obtained by the Company, as well as after due deliberation and consideration, the Board decided that it was not in the Company's interest to pursue the completion of the exercise of the Put Option.

As at 31 December 2016, there are 2,440,278,158 outstanding warrants issued by the Company (31 December 2015: 2,440,278,158). Each warrant entitles the warrant holder to subscribe for 1 new ordinary share in the

capital of the Company at an exercise price of \$0.07 each during the exercise period which expires on 30 June 2017.

The Company does not have any treasury shares as at 31 December 2016. (31 December 2015: nil).

Save for the above, the Company did not have any other outstanding convertible securities as at 31 December 2016.

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 the end of the current financial period ended 31 December 2016 was 5,380,556,316 (31 December 2015: 5,380,556,316).

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 year reported on.

The company did not have any sales, transfers, disposal, cancellation and/or use of treasury shares during the current financial period reported on.

There were no treasury shares held by the Company as at 31 December 2016 (31 December 2015: nil).

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

The financial statements have not been audited or reviewed by the Company's auditors.

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 the financial statements for the current reporting period compared with the audited financial statements for the financial year ended 31 March 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

None.

6 Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends, (a) based on the weighted average number of ordinary shares on issue and (b) on a fully diluted basis (detailing any adjustments made to the earnings).

	Third Quarter ended		Nine months ended	
	31-Dec-2016	31-Dec-2015	31-Dec-2016	31-Dec-2015
Earnings / (Loss) per share	Cents	Cents	Cents	Cents
- basic	0.002	0.0005	0.082	(0.005)
- diluted	0.002	0.0005	0.082	(0.005)

N.A. : Not Applicable

The weighted average number of ordinary shares for the purposes of basic and diluted earnings per share is 5,380,556,316 shares for the financial period ended 31 December 2016 (31 December 2015: 5,380,556,316 shares).

Basic earnings per share is calculated by dividing the profit after tax attributable to shareholders by the weighted average number of fully paid ordinary shares in issue during the financial year.

For the purposes of calculating diluted earnings per share, the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. As at 31 December 2016, the Company has 2,440,278,158 outstanding warrants. As the outstanding warrants are anti-dilutive, the basic EPS for the financial period ended 31 December 2016 and 31 December 2015 were the same as the diluted EPS for the respective financial periods.

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

	31-Dec-2016	31-Mar-2016
Net asset value backing per ordinary share based on existing issued share capital as at end of period/year	Cents	Cents
- Group	1.56	1.47
- Company	1.38	1.38

Net asset value per share is calculated based on 5,380,556,316 shares as at 31 December 2016. (31 March 2016: 5,380,556,316).

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

Income Statement Review
Q3-FY2017

Revenue by business activities	Q3-FY2017	Q3-FY2016	Increase / (Decrease)	Increase / (Decrease)	9M-FY2017	9M-FY2016	Increase / (Decrease)	Increase / (Decrease)
	\$'000	\$'000	\$'000	%	\$'000	\$'000	\$'000	%
Door business	10,094	13,319	(3,225)	(24)	36,408	38,135	(1,727)	(5)
Property business	356	331	25	8	1,025	983	42	4
Total	10,450	13,650	(3,200)	(23)	37,433	39,118	(1,685)	(4)

Revenue

The Group registered revenue of approximately \$10.45 million for Q3-FY2017, representing a decrease of 23% or \$3.20 million when compared to Q3-FY2016. This was due mainly to a decline in revenue

attributable to projects to supply and installation of doors from the Door business during Q3-FY2017, compared with Q3-FY2016.

The revenue from Property business remained constant at \$0.36 million in Q3-FY2017 as compared to Q3-FY2016. The revenue from Property business consists of rental income from the Group's investment property located at 301 Flinders Lane, Melbourne, Victoria, Australia which is leased to Victoria University.

The Group had on 21 December 2016 entered into a contract of sale with Mill Place Investments Pty Ltd for the sale of 301 Flinders Lane, Melbourne Australia for a total cash consideration of AUD 34.2 million (approximately SGD 36.45 million). Pending legal completion on transfer of title and existing leased arrangement with Victoria University, the Group will have an estimated net realizable gain of AUD 5.63 million (approximately SGD 6.0 million) as other income for the next fiscal year.

Cost of sales

Cost of sales declined by approximately 25% to \$7.41 million in Q3-FY2017 as compared to \$9.87 million in Q3-FY2016, in line with lower revenue.

Gross Profit

The Group's gross profit margin in Q3-FY2017 increased to 29% from 28% in Q3-FY2016. This improvement in gross profit margin was attributed mainly to higher project sales to supply and install of doors and foreign currency exchange difference during the period.

Other operating income

The Group's Other operating income declined by 93% from \$0.43 million in Q3-FY2016 to \$0.03 million in Q3-FY2017. This is mainly due to lower interest income derived from fixed deposits placed with banks.

Selling and distribution expenses

Selling and distribution expenses decreased by 37% from \$0.46 million in Q3-FY2016 to \$0.29 million in Q3-FY2017. The decrease was mainly due to lower sale commission expenses for the Group's Door business.

Administrative expenses

Administrative expenses declined by 33% from \$3.27 million in Q3-FY2016 to \$2.21 million in Q3-FY2017. The decline in Q3-FY2017 was mainly due to the absence of the following expenses incurred in Q3-FY2016:

- professional costs of approximately \$193,000 associated with debt recovery and special audit fees of approximately \$350,000; and
- an impairment of long overdue receivables of approximately \$876,000.

Tax expenses

Tax expenses for the Group decreased by 10% from \$0.13 million in Q3-FY2016 to \$0.12 million in Q3-FY2017. The decrease was mainly due to lower provision of tax as a result of lower profit generated for Q3-FY2017.

Profit for the period Q3-FY2017

Due to the factors mentioned above, profit for the period for Q3-FY2017 increased to \$0.11 million from \$0.03 million in Q3-FY2016.

9M-FY2017

Revenue

The Group posted \$37.43 million of revenue for 9M-FY2017 representing a decrease of \$1.69 million as compared with \$39.12 million for 9M-FY2016. This was due to a decline in revenue attributable to projects relating to the supply and installation of doors during the period.

Cost of sales

Cost of sales decreased by approximately 11% to \$24.78 million in 9M-FY2017 as compared to \$27.97 million in 9M-FY2016 in line with a decrease in revenue for the period.

Gross Profit

The Group's gross profit margin in 9M-FY2017 increased to 34% from 29% in 9M-FY2016. This improvement in gross profit margin was attributed mainly to higher project sales to supply and install of doors and foreign currency exchange difference during the period.

Other operating income

The Group's other operating income decreased by 31% from \$0.69 million in 9M-FY2016 to \$0.48 million in 9M-FY2017. This is mainly due to lower interest income derived from fixed deposits.

Selling and distribution expenses

Selling and distribution expenses decreased by 9% from \$0.93 million in 9M-FY2016 to \$0.84 million in 9M-FY2017. The decrease was mainly due to lower sales commission for the Group's Door business.

Administrative expenses

Administrative expenses declined by 36% from \$9.66 million in 9M-FY2016 to \$6.19 million in 9M-FY2017. The decline in 9M-FY2017 was mainly due to the absence of the following:

- professional cost of approximately \$193,000 associated with debt recovery and special audit fees of approximately \$350,000 and
- an impairment of long overdue receivables of approximately \$876,000.

Tax expenses

Tax expenses for the Group increased by 36% from \$0.53 million in 9M-FY2016 to \$0.72 million in 9M-FY2017. The increase was mainly due to higher provision of tax as a result of higher profit generated for 9M-FY2017.

Profit for the period 9M-FY2017

Accounting for 9M-FY2017 performance, the Group posted a profit for the period of \$4.40 million compared with a loss of \$0.24 million in 9M-FY2016.

Review of the Balance Sheet of the Group

Non-current assets

Property, plant and equipment increased by 8.3% from \$20.13 million in FY2016 to \$21.8 million in 9M-FY2017 mainly due to the acquisition of property as an office unit at No. 2 Kallang Avenue, CT Hub #07-03/04, Singapore 339407.

Non-current assets held for sale

Investment property is being reclassified from Non-current assets in FY2016 to Non-current assets held for sale due to the contract of sale being entered into by the Group in respect of the property at 301 Flinders Lane, Melbourne, Victoria, Australia on 21 December 2016.

Current assets

Trade and other receivables decreased by 23% from \$10.63 million in FY2016 to \$8.17 million in 9M-FY2017 mainly due to payment collection from customers on completed contract work relating to the supply and installation of doors.

Equity

Total equity improved by 6.5% to \$84.15 million in 9M-FY2017 from \$78.98 million in FY2016 mainly due to profit generated during the period and positive currency translation differences.

Current liabilities

Trade and other payables decreased by 32% to \$5.30 million in 9M-FY2017 mainly due to payment made to creditors.

Cash Flow Statement Review

The Group's cash flow generated from operating activities (net) for Q3-FY2017 was \$2.15 million. This was mainly attributable to the profit generated for past three months and changes in working capital for inventories, receivables and payables.

Cash flows used in investing activities (net) was \$0.012 million for Q3-FY2017. This was mainly attributable to the purchase of plant and equipment.

Cash flows used in financing activities (net) was \$0.27 million for Q3-FY2017. This arose from installment payments for property mortgage loans in respect of the Group's properties located at 301 Flinders Lane, Melbourne, Victoria and the industrial terrace unit located at 39 Kaki Bukit Industrial Terrace.

As a result of the above, the Group's net cash and cash equivalent stood at \$37.72 million for the period ended 31 December 2016.

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 operating environment for the Group's Doors business remains challenging. The export sales for doors ("**Export Sales**") remain the Group's core focus.

For the Property business, upon the completion of the disposal of 301 Flinders Lane, Melbourne, Victoria (the "**Disposal**"), the Group will have an estimated net return of 22%* from its investment which it acquired in 2014. The Disposal will impact next financial year's rental income in the property business. The Group will continue to seek potential property acquisitions to develop for sale and / or for rental.

* Calculated based on simple Return on Investment over the entire holding period

11 If a decision regarding dividend has been made:

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

None.

(b) (i) Amount per share

Not applicable.

(ii) Previous corresponding period

Not applicable.

(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.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate for interested person transactions.

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Not applicable	-	-

14. Use of proceeds pursuant to Rule 704(30)

The utilisation of proceeds from the Company's 2014 Rights cum Warrants Issue as at the date of this Announcement is as follows:

Use of proceeds	Revised allocation	Balance brought forward 30 September 2016	Utilisation in Q3-FY2017	Balance
Funding acquisition opportunities	S\$32.84 million	S\$10.52million	-	S\$10.52 million
Working Capital	S\$9.66 million	S\$5.75 million	S\$0.88million	S\$4.87million
Funding for the purchase or construction of premises or factory for operational and manufacturing use.	S\$5.8 million	-	-	-
Total	S\$48.30 million	S\$16.27 million	S\$0.88 million	S\$15.39 million

15 Statement by Directors pursuant to Rule 705(5) of the Listing Manual

The Directors of the Company hereby confirm on behalf of the Board of Directors of the Company, 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 of the Company and the Group for the third quarter and nine-month period ended 31 December 2016 to be false or misleading in any material aspect.

16. 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 format set out in Appendix 7H under Rule 720(1) of the Listing Manual of SGX-ST.

On behalf of the Board

Terence Lam
Executive Director
13 February 2017