



KLW HOLDINGS LIMITED

Company Registration No.199504141D

UNAUDITED SECOND QUARTER AND/OR HALF YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2016

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, R & T Corporate Services Pte. Ltd. ("Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this announcement including the accuracy or completeness of any of the figures used, statements, opinions or other information made or disclosed.

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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 30 September 2016 (hereinafter referred as "Q2-FY2017") and comparative figures for the three (3) months ended 30 September 2015 (hereinafter referred as "Q2-FY2016"). Whereas results for six (6) months ended 30 September 2016 (hereinafter referred as "HY-2017") and comparative figures for the six (6) months ended 30 September 2015 (hereinafter referred as "HY-2016")

	Second Quarter			Half Year		
	(Three months ended 30 September 2016)			(Six months ended 30 September 2016)		
	1-Jul-16 to 30-Sept-16	1-Jul-15 to 30-Sept-15	Increase / (Decrease)	1-Apr-16 to 30-Sept- 16	1-Apr-15 to 30-Sept- 15	Increase / (Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	14,292	11,674	22	26,983	25,468	6
Cost of sales	(8,800)	(8,043)	9	(17,369)	(18,092)	(4)
Gross profit	5,492	3,631	51	9,614	7,376	30
Other operating income	235	156	51	449	268	68
Selling and distribution expenses	(299)	(243)	23	(550)	(463)	19
Administrative expenses	(1,682)	(3,800)	(56)	(3,989)	(6,390)	(38)
Profit/(Loss) from operations	3,746	(256)	N/M	5,524	791	598
Finance costs	(317)	(315)	0	(633)	(660)	(4)
Profit/(Loss) before tax	3,429	(571)	N/M	4,891	131	3634
Tax expense	(467)	(125)	274	(601)	(398)	51
Profit/(Loss) for the period	2,962	(696)	N/M	4,290	(267)	N/M
Profit/(Loss) attributable to:						
Equity holders of the Company	2,962	(696)	N/M	4,290	(267)	N/M

N/M : Not Meaningful

	<u>(Three months ended 30 September 2016)</u>			<u>(Six months ended 30 September 2016)</u>		
	1-Jul-16 to 30-Sept-16	1-Jul-15 to 30-Sept-15	Increase / (Decrease)	1-Apr-16 to 30-Sept-16	1-Apr-15 to 30-Sept-15	Increase / (Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Profit / (Loss) for the period	2,962	(696)	N/M	4,290	(267)	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	(357)	(94)	279	(89)	(545)	(84)
Total comprehensive income/(loss) for the period	2,605	(790)	N/M	4,201	(812)	N/M
Total comprehensive income/(loss) attributable to:						
Equity holders of the Company	2,605	(790)	N/M	4,201	(812)	N/M

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

	<u>(Three months ended 30 September 2016)</u>			<u>(Six months ended 30 September 2016)</u>		
	1-Jul-16 to 30-Sept-16	1-Jul-15 to 30-Sept-15	Increase / (Decrease)	1-Apr-16 to 30-Sept-16	1-Apr-15 to 30-Sept-15	Increase / (Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Depreciation	194	203	(4)	393	411	(4)
Interest expense	317	315	1	633	660	(4)
Interest income	(124)	(58)	114	(253)	(84)	201
Gain /(Loss) on disposal of property, plant and equipment	9	(7)	N/M	22	(7)	N/M
Impairment loss on trade and other receivables	-	876	(100)	-	876	(100)

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>	
	30-Sept-2016	31-Mar-2016	30-Sept-2016	31-Mar-2016
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	22,156	20,134	2,621	40
Investment property	26,676	26,471	-	-
Investments in subsidiaries	-	-	28,820	28,820
Available-for-sale financial assets	3	3	-	-
Prepayments	18	15	-	-
	48,853	46,623	31,441	28,860
Current assets				
Development property	13,797	13,690	-	-
Trade and other receivables	11,773	10,627	23,381	22,838
Inventories	5,871	5,969	-	-
Cash and cash equivalents	35,687	35,946	24,638	28,493
	67,128	66,232	48,019	51,331
Total Assets	115,981	112,855	79,460	80,191
Non-current liabilities				
Borrowings	17,920	17,844	-	-
Deferred tax liabilities	1,026	1,073	-	-
	18,946	18,917	-	-
Current liabilities				
Trade and other payables	6,471	7,823	284	654
Shares with preference rights*	4,935	5,160	4,935	5,160
Borrowings	972	986	-	-
Income tax payable	1,468	981	-	-
	13,846	14,950	5,219	5,814
Total liabilities	32,792	33,867	5,219	5,814
Net assets	83,189	78,988	74,241	74,377
EQUITY				
Share capital	103,171	103,171	103,171	103,171
Revaluation and other reserves	4,426	4,515	4,271	3,287
Accumulated losses	(24,408)	(28,698)	(33,201)	(32,081)
Total equity	83,189	78,988	74,241	74,377

* For the financial period ended 30 September 2016, the amount of \$4.935 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 - Deemed Preference Shares". 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 30 September 2016		As at 31 March 2016	
	Secured (\$'000)	Unsecured (\$'000)	Secured (\$'000)	Unsecured (\$'000)
Trust receipts	706	-	724	-
Term loan	244		242	
Finance lease	22		20	
Total	972		986	

Amount repayable after one year

	As at 30 September 2016		As at 31 March 2016	
	Secured (\$'000)	Unsecured (\$'000)	Secured (\$'000)	Unsecured (\$'000)
Trust receipts	-	-	-	-
Term loan	17,840		17,791	
Finance lease	80		53	
Total	17,920	-	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 personal guarantee by a former director of the Company. Management is working closely with the bank to change the personal guarantee to corporate guarantee and the Company will make the necessary announcement(s) via SGXNET on such change.

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>Second Quarter</u>		<u>Half Year</u>	
	1-Jul-16 to 30-Sept-16 \$'000	1-Jul-15 to 30-Sept-15 \$'000	1-Apr-16 to 30-Sept-16	1-Apr-15 to 30-Sept-15
Cash flows from operating activities				
Profit / (Loss) before income tax	3,429	(571)	4,891	131
Adjustments for:				
Depreciation of property, plant and equipment	194	203	393	411
(Gain)/ Loss on disposal of property, plant and equipment	(9)	7	(22)	7
Interest expense	317	315	633	660
Interest income	(124)	(58)	(253)	(84)
Impairment loss of trade and other receivables	-	876	-	876
Operating cash flow before working capital changes	3,807	772	5,642	2,001
Inventories	72	(2,055)	(81)	363
Trade and other receivables	(16)	515	(1,289)	(7,737)
Trade and other payables	(547)	1,689	(1,139)	871
Currency translation adjustments	(597)	(40)	(110)	156
Cash generated from/(used in) operations	2,719	(6,319)	3,023	(4,146)
Interest paid	(317)	(315)	(633)	(660)
Interest income received	124	(26)	253	-
Income tax paid	(80)	87	(230)	84
Net cash generated (used in)/from operating activities	2,446	(6,573)	2,413	2,278
Cash flows from investing activities				
Other receivables - Due from its former subsidiaries	-	(20)	-	-
Other receivables - Commitment fees	-	9,000	-	9,000
Purchase of property, plant and equipment	(497)	(127)	(2,660)	(181)
Proceeds from disposal of property, plant and equipment	94	0	122	-
Net cash (used in)/generated for investing activities	(403)	8,853	(2,538)	8,819
Cash flows from financing activities				
Repayments of borrowings	(1,019)	-	(1,079)	(651)
Proceeds from borrowings	1,125	405	1,019	321
Net cash (used in)/generated for financing activities	106	405	(60)	(330)
Net increase/(decrease) in cash and cash equivalents	2,149	2,685	(185)	10,767
Cash and cash equivalents at beginning of the period	33,487	39,227	35,946	31,247
Effect of exchange rate changes on cash and cash equivalents	51	(335)	(74)	(437)
				(7,000)
Cash and cash equivalents at end of the period	35,687	41,577	35,687	41,577

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

	<u>The Group</u>	
	30 September 2016	30 September 2015
	\$'000	\$'000
Cash and bank balances	13,935	8,455
Fixed deposits	21,752	33,122
Cash and bank balances as per balance sheets	35,687	41,577
Cash and cash equivalents as per consolidated statement of cash flows	35,687	41,577

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 six months ended 30-Sept-2016	-	-	-	4,290	4,290
Other comprehensive loss for the period	-	(89)	-	-	(89)
Total comprehensive income / (loss) for the period	-	(89)	-	4,290	4,201
Balance at 30-Sept-2016	103,171	1,139	3,287	(24,408)	83,189

Prior Period

Balance at 1-Apr-2015	103,171	2,327	3,287	(32,446)	76,339
Profit for the six months ended 30-Sept-2015	-	-	-	(267)	(267)
Other comprehensive loss for the period	-	(545)	-	-	(545)
Total comprehensive income/(loss) for the period	-	(545)	-	(267)	(812)
Balance at 30-Sept-2015	103,171	1,782	3,287	(32,713)	75,527

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	-	-	(136)	(136)
Balance at 30-Sept-2016	103,171	3,287	(32,217)	74,241
Balance at 1-Apr-2015	103,171	3,287	(20,927)	85,531
Net loss and total comprehensive loss for the period	-	-	(514)	(514)
Balance at 30-Sept-2015	103,171	3,287	(21,441)	85,017

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

	Number of Shares '000	\$'000
Balance as at 30 September 2016	5,380,556	103,171

There was no change in the Company's share capital since 30 September 2015.

The Company had on 15 November 2013 granted a call option to Prince Abdul Qawi 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. The call option had expired on 10 June 2016 and lapsed, and the period for the Company to exercise the put option has commenced on 11 June 2016 and will expire on 11 December 2016. As at 11 November 2016, the Company had served the put option notice.

As at 30 September 2016, there are 2,440,278,158 outstanding warrants issued by the Company (30 September 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 30 September 2016. (30 September 2015: nil).

Save for the above, the Company did not have any other outstanding convertible securities as at 30 September 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 30 September 2016 was 5,380,556,316 (30 September 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 30 September 2016 (30 September 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).**

	Second Quarter ended		Half Year ended	
	30-Sept-16	30-Sept-15	30-Sept-2016	30-Sept-2015
Earnings / (Loss) per share	Cents	Cents	Cents	Cents
- basic	0.05	(0.01)	0.08	(0.005)
- diluted	0.05	(0.01)	0.08	(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 30 September 2016 (30 September 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 30 September 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 30 September 2016 and 30 September 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

	30-Sept-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	1.54	1.47
- Company	1.38	1.38

Net asset value per share is calculated based on 5,380,556,316 shares as at 30 September 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
Q2-FY2017

Revenue by business activities	Q2-FY2017	Q2-FY2016	Increase	Increase	HY-2017	HY-2016	Increase / (Decrease)	Increase / (Decrease)
	\$'000	\$'000	\$'000	%	\$'000	\$'000	\$'000	%
Door business	13,957	11,353	2,604	23	26,314	24,816	1,498	6
Property business	335	321	14	4	669	652	17	3
Total	14,292	11,674	2,618	22	26,983	25,468	1,515	6

The Group registered revenue of approximately \$14.29 million for Q2-FY2017, representing an increase of 22% or \$2.62 million when compared to Q2-FY2016. This was due mainly to a higher revenue derived from the Doors business during Q2-FY2017, compared with that during Q2-FY2016.

The revenue from Property business remained constant at \$0.34 million in Q2-FY2017 as compared to Q2-FY2016. The revenue from Property business consists mainly of rental income from the Group's investment property located at 301 Flinders Lane, Melbourne, Victoria, Australia which is leased to Victoria University.

Cost of sales

Cost of sales increased by approximately 9% to \$8.8 million in Q2-FY2017 as compared to \$8.04 million in Q2-FY2016 in line with higher revenue.

The Group's gross profit margin in Q2-FY2017 increased to 38% from 31% in Q2-FY2016. This improvement in gross profit margin was attributed mainly to a change in the Group's revenue mix with larger proportion attributable to local condominium project sales and foreign currency exchange difference.

Other operating income

The Group's other operating income increased by 51% from \$0.16 million in Q2-FY2016 to \$0.24 million in Q2-FY2017. This is mainly due to interest income derived from fixed deposits placed with banks.

Selling and distribution expenses

Selling and distribution expenses increased by 23% from \$0.24 million in Q2-FY2016 to \$0.3 million in Q2-FY2017. The increase was mainly due to an increase in marketing activities for the Group's door business.

Administrative expenses

Administrative expenses declined by 56% from \$3.80 million in Q2-FY2016 to \$1.68 million in Q2-FY2017. The decline in Q2-FY2017 was mainly due to the absence of the following:

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

Tax expenses

Tax expenses for the Group increased by 274% from \$0.13 million in Q2-FY2016 to \$0.47 million in Q2-FY2017. The increase was mainly due to higher provision of tax as a result of higher profit generated for Q2-FY2017.

Profit for the period Q2-FY2017

Due to the factors mentioned above, profit for the period for Q2-FY2017 increased to \$2.96 million from a loss of 0.7 million in Q2-FY2016.

HY-2017

As a result of a higher revenue generated in Q2-FY2017, the Group posted \$26.98 million of revenue for HY-2017 (representing the six-month cumulative revenue from 1 April 2016 to 30 September 2016) as compared with \$25.47 million in HY-2016.

Cost of sales

Cost of sales decreased by approximately 4% to \$17.4 million in HY-2017 as compared to \$18.1 million in HY-2016 as the Group reaped benefits from its efforts to maximise costs savings from inventory control and currency translation differences.

The Group's gross profit margin in HY-2017 increased to 35.6% from 29% in HY-2016. This improvement in gross profit margin was attributed mainly to a change in the Group's revenue mix with larger proportion attributable to local condominium project sales and foreign currency exchange difference.

Other operating income

The Group's other operating income increased by 68% from \$0.27 million in HY-2016 to \$0.45 million in HY-2017. This is mainly due to interest income derived from fixed deposits recognized on time proportion basis.

Selling and distribution expenses

Selling and distribution expenses increased by 19% from \$0.46 million in HY-2016 to \$0.55 million in HY-2017. The increase was mainly due to an increase in marketing activities for the Group's door business.

Administrative expenses

Administrative expenses declined by 38% from \$3.99 million in HY-2016 to \$6.39 million in HY-2017. The decline in HY-2017 was mainly due to the absence of the following:

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

Tax expenses

Tax expenses for the Group increased by 51% from \$0.4 million in HY-2016 to \$0.6 million in HY-2017. The increase was mainly due to higher provision of tax as a result of higher profit generated for HY-2017.

Profit for the period HY-2017

Accounting for HY-2017 performance, the Group posted a profit for the period of \$4.29 million for the 6 months ended 30 September 2017 ("HY-2017"), compared with a loss of \$0.27 million in HY2016.

Review of the Balance Sheet of the Group

Non-current assets

Property, plant and equipment increased by 10% from \$20.13 million in FY2016 to \$22.15 million in HY-2017 mainly due to the acquisition of property as an office unit at No. 2 Kallang Avenue, CT Hub #07-03/04, Singapore 339407.

Current assets

Trade and other receivables increased by 11% from \$10.63 million in FY2016 to \$11.77 million in HY-2017 mainly due to higher revenue.

Equity

Revaluation and other reserves decreased by 2% to \$4.43 million in HY-2017 from \$4.5 million in FY2016 mainly due to currency translation differences. Accumulated losses decreased by 15% to \$24.41 million in HY-2017 from \$28.70 million in FY2016 due to the profits earned for the past 6 months ended 30 September 2016.

Current liabilities

Trade and other payables decreased by 15% to \$6.62 million in HY-2017 mainly due to payment made to creditors.

Cash Flow Statement Review

The Group's cash flow used in operating activities (net) for Q2-FY2017 was \$2.45 million. This was mainly attributable to the profit generated for past three months and changes in working capital for inventories and receivables.

Cash flows used in investing activities (net) was \$0.4 million for Q2-FY2017. This was mainly attributable to the purchase of plant and equipment.

Cash flows generated from financing activities (net) was \$0.1 million for Q2-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 \$35.69 million for the period ended 30 September 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 Doors business remains challenging. The Group continues to focus on core export of doors and to increase our existing manufacturing capabilities. The Group's gross order book stands at an acceptable level; however the group remains vigilant of orders that may be subjected to cancellation, deferral, rescheduling or variations by customers.

We continue to improve and adopt good corporate governance practices and will stay vigilant of possible risk factors that could impact our business and we will also focus on managing our costs. Barring any unforeseen circumstances, the Group remains cautiously optimistic for its performance.

The Group is closely monitoring the impact of Brexit and will take the necessary actions accordingly.

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 31 March 2016	Utilisation in Q2-FY2017	Balance
Funding acquisition opportunities	S\$32.84 million	S\$10.52 million	-	S\$10.52 million
Working Capital	S\$9.66 million	S\$6.92 million	S\$1.17 million	S\$5.75million
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\$17.44 million	S\$1.17 million	S\$16.27 million

The Company will make further announcements via SGXNET as and when the remaining net proceeds from the 2014 Rights cum Warrants Issue are materially disbursed.

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 second quarter and half year financial results of the Company and the Group for the period ended 30 September 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
14 November 2016