



KING WAN CORPORATION LIMITED

Incorporated in Singapore (Company Registration No. 200001034R)

Second Quarter & Half Year – 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

	N ot e	GROUP 6 MONTHS ENDED 30-Sep				GROUP QUARTER ENDED 30-Sep		
		2014	2013	Incr/ (Decr)		2014	2013	Incr/ (Decr)
		S\$	S\$			S\$	S\$	
Revenue	1	39,888,530	49,606,301	-20%		21,118,081	24,460,598	-14%
Cost of Sales		-32,377,546	-41,776,962	-22%		-19,279,059	-20,505,182	-6%
Gross Profit		7,510,984	7,829,339	-4%		1,839,022	3,955,416	-54%
Other Operating Income								
Change in fair value and gain on disposal of held-for-trading investments		4,243	-	n.m		4,243	-	n.m
Dividend Income from held-for-trading investments		9,606	12,602	-24%		-	8	n.m
Net Foreign Exchange Gain		53,503	-	n.m		53,503	-	n.m
Gain on Disposal of Plant and Equipment		-	14,537	-100%		-	6,143	-100%
Gain on Disposal of Associates	2	24,134,088	-	n.m		-	-	n.m
Gain on Disposal of Available for Sale Investments	3	126,750	-	n.m		126,750	-	n.m
Interest Income		879,718	871,359	1%		459,044	439,447	4%
Management Fees Income		52,530	52,681	0%		26,227	26,450	-1%
Rental Income	4	478,554	568,118	-16%		236,330	288,490	-18%
Fee Income from financial guarantees to associates		284,035	353,443	-20%		148,592	194,065	-23%
Sundry Income		22,058	23,864	-8%		20,965	21,645	-3%
		26,045,085	1,896,604	1273%		1,075,654	976,248	11%
Administrative Expenses	5	-5,807,657	-3,758,275	55%		-2,001,897	-1,943,086	3%
Share of Associates' Results	6	31,400	113,105	-72%		150,019	-187,076	-180%
Finance Costs	7	-359,254	-190,591	88%		-173,420	-81,331	113%
Profit Before Income Tax		27,420,558	5,890,182	366%		889,378	2,720,171	-67%
Income Tax Expense	8	-765,917	-1,276,958	-40%		-138,733	-676,958	-80%
Profit For The Financial Period		26,654,641	4,613,224	478%		750,645	2,043,213	-63%
Other comprehensive (expense) income: Items that may be reclassified subsequently to profit or loss :								
Exchange differences on translation of foreign operations		161,673	181,413	-11%		164,327	-27,881	-689%
Reclassification adjustment of cumulative exchange differences to profit or loss upon disposal of associates		1,974,740	-	n.m		-	-	-
Fair value adjustment of available for sale investments	9	9,290,635	-	n.m		12,442,853	-	n.m
Total Comprehensive Income attributable to equity holders of the Company		38,081,689	4,794,637	694%		13,357,825	2,015,332	563%

Second Quarter (2Q2015) and 6 Months (1H2015) ended 30 September 2014

Note 1 – Included in revenue is a S\$1.33 million dividend income received from the Group’s shareholding in Kaset Thai International Sugar Corporation Public Company Limited (“KTIS”).

Note 2 – The income has arisen from the completion of divestment of the Group’s two Thailand associates, Environment Pulp & Paper Company Ltd (“EPPCO”) and Ekarat Pattana Company Ltd (“EPC”).

Note 3 - The gain has arisen from the disposal of KTIS shares during 2Q2015.

Note 4 - Lower rental income is a result of lower occupancy rate in the Group’s owned workers’ dormitory.

Note 5 - Included in administration expenses are the following:

		GROUP 6 MONTHS ENDED			QUARTER 3 MONTHS ENDED		
		30.9.2014 S\$	30.9.2013 S\$	Increase/ (Decrease) S\$	30.9.2014 S\$	30.9.2013 S\$	Increase/ (Decrease) S\$
Allowance (Write-back of allowance) for doubtful trade receivables		21,937	(10,677)	32,614	20,004	(478)	20,482
Loss (gain) on disposal of plant and equipment		21,310	(14,537)	35,847	530	(6,143)	6,673
Change In fair values and gain on sale of held-for-trading investments		10,037	38,146	(28,109)	9,552	27,802	(18,250)
JTC rental		103,489	119,439	(15,950)	41,396	59,720	(18,324)
Property tax		65,000	65,571	(571)	32,500	32,786	(286)
Net foreign exchange loss (gain)	iv	-	91,803	(91,803)	(150,467)	1,289	(151,756)
Directors’ remuneration	i	2,961,880	1,072,970	1,888,910	612,089	571,845	40,244
Directors fees		88,002	88,002	-	44,002	44,002	-
Staff related expenses	ii	908,907	765,418	143,489	582,074	394,490	187,584
Withholding tax	iii	135,840	6,561	129,279	857	3,024	(2,167)
Depreciation		573,016	511,113	61,903	286,022	266,138	19,884

- i. The increase was due mainly to higher provision for profit sharing for Executive Directors in view of the higher net profit before income tax achieved in the current quarter.
- ii. Adjustments were made to staff salaries in 2Q2015.
- iii. Withholding tax has been imposed on the dividends declared and paid by KTIS in Thailand.
- iv. The exchange gain was due mainly to the strengthening of the US Dollars and Thai Baht in 2Q2015.

Note 6 – There were lower contributions from the Group’s property development associates, which had experienced a slowdown in property sales in the prior year.

Note 7 - There was higher utilization of bank facilities to finance the Group’s business activities.

Note 8 – The lower effective tax rate was due to adjustments made for gains that are not taxable.

Note 9 – The comprehensive income from the revaluation of investments available for sale was a result of marking the KTIS shares (listed on the Stock Exchange of Thailand) held by the Group to market values as at period end.

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 30.9.2014	As at 31.3.2014
	S\$	S\$
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	7,696,641	11,219,322
Trade receivables	12,769,280	9,335,580
Other receivables and prepayments	103,009	158,909
Construction work-in-progress	13,865,970	15,694,127
Inventories	1,129,263	1,013,781
Available-for-sale investments	54,259,655	-
Held-for-trading investments	683,166	480,519
	90,506,985	37,902,238
Non-current assets classified as held for sale	-	21,642,772
Total current assets	90,506,985	59,545,010
Non-current assets		
Property, plant and equipment	5,405,527	5,626,840
Other receivables	76,345,113	67,622,180
Investment in associates and a joint venture	2,561,044	2,166,295
Total non-current assets	84,311,684	75,415,315
Total assets	174,818,669	134,960,325
<u>LIABILITIES AND EQUITY</u>		
Current Liabilities		
Bank borrowings	17,324,704	12,673,931
Trade payables	12,019,529	13,661,153
Bills payables	15,864,368	12,648,830
Provision for rectification costs	1,168,964	986,864
Other payables	5,438,052	5,308,059
Construction work-in-progress	915,975	505,560
Income tax payable	1,669,891	1,686,260
Current portion of finance leases	282,782	244,290
Total current liabilities	54,684,265	47,714,947
Non-current liabilities		
Finance leases	646,717	601,707
Deferred tax liabilities	214,859	214,859
Total non-current liabilities	861,576	816,566
Capital and reserves		
Share capital	46,813,734	46,813,734
Retained earnings	62,910,560	41,493,592
Foreign currency translation reserve	257,899	-1,878,514
Revaluation reserve	9,290,635	-
Total equity	119,272,828	86,428,812
Total liabilities and equity	174,818,669	134,960,325

KING WAN CORPORATION LIMITED (COMPANY)
STATEMENT OF FINANCIAL POSITION

	As at 30.9.2014	As at 31.3.2014
	S\$	S\$
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	1,304,136	4,029,204
Amount due from subsidiaries	17,087,620	16,956,012
Held-for-trading investments	-	37,315
Available-for-sale investments	41,181,297	-
Other receivables and prepayments	12,851	9,701
	59,585,904	21,032,232
Non-current assets classified as held for sale	0	9,840,000
Total current assets	59,585,904	30,872,232
Non-current assets:		
Investment in subsidiaries	35,490,829	35,268,954
Investment in associates and a joint venture	2,182,857	1,981,181
Property, plant and equipment	12,197	14,755
Total non-current assets	37,685,883	37,264,890
Total assets	97,271,787	68,137,122
<u>LIABILITIES & EQUITY</u>		
Current liabilities:		
Other payables	3,555,444	3,472,641
Income tax payable	39,185	75,000
Amount due to a subsidiary	3,884,061	992,454
Total current liabilities	7,478,690	4,540,095
Capital and reserves:		
Share capital	46,813,734	46,813,734
Retained earnings	35,832,196	16,783,293
Revaluation reserve	7,147,167	-
Total equity	89,793,097	63,597,027
Total liabilities and equity	97,271,787	68,137,122

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

Amount repayable in one year or less, or on demand

30.9.2014		31.3.2014	
Secured	Unsecured	Secured	Unsecured
\$282,782	\$33,189,072	\$244,290	\$25,322,761

Amount repayable after 1 year

30.9.2014		31.3.2014	
Secured	Unsecured	Secured	Unsecured
\$646,717	\$0	\$601,707	\$0

Details of any collateral

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

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

KING WAN CORPORATION LIMITED

STATEMENT OF CASHFLOWS

	Note	GROUP 6 MONTHS ENDED		GROUP QUARTER ENDED	
		30.9.2014 S\$	30.9.2013 S\$	30.9.2014 S\$	30.9.2013 S\$
Operating Activities					
Profit before income tax		27,420,558	5,890,182	889,378	2,720,171
Adjustments for					
Loss (Gain) on disposal of plant and equipment		21,310	(14,537)	530	(6,143)
Gain on disposal of available for sale assets		(126,750)	-	(126,750)	-
Allowance for doubtful trade receivables		21,937	(10,677)	20,004	(478)
Change in fair values and gain on sale of investments held for trading		10,037	38,146	9,552	27,802
Depreciation		573,016	511,113	286,022	266,138
Dividend income from held-for-trading investments		(9,606)	(12,602)	-	(8)
Dividend income from available for sale investments		(1,326,965)	-	-	-
Gain on disposal of associates		(24,134,088)	-	-	-
Profit on disposal of quoted investments		(4,243)	-	(4,243)	-
Interest expense		359,254	190,591	173,420	81,331
Interest income		(879,718)	(871,359)	(459,044)	(439,447)
Provision for rectification costs		182,100	-	182,100	-
Share of associates' results		(31,400)	(113,105)	(150,019)	187,076
Fee income from financial guarantee to associates		(284,035)	(353,443)	(148,592)	(194,065)
Operating profit before working capital changes		1,791,407	5,254,309	672,358	2,642,377
Construction work-in-progress		2,238,573	(10,819,657)	3,807,439	(4,008,910)
Inventories		(115,483)	(14,355)	61,773	134,236
Other payables		2,599,933	951,342	453,019	489,602
Other receivables and prepayments		99,900	131,795	22,633	93,658
Trade payables and bill payables		1,573,914	12,245,794	2,580,305	10,789,422
Provision for rectification costs utilised		-	(475,631)	-	(176,909)
Trade receivables		(3,455,637)	(1,148,791)	(5,034,362)	(560,415)
Cash from operations		4,732,607	6,124,806	2,563,165	9,403,061
Income tax paid		(782,286)	(900,343)	(777,407)	(860,343)
Interest paid		(359,254)	(190,591)	(173,420)	(81,331)
Net cash from operating activities		3,591,067	5,033,872	1,612,338	8,461,387
INVESTING ACTIVITIES					
Investment in associates		-	(450,000)	-	-
Advances to associates		(7,915,166)	(3,264,587)	(5,835,800)	(648,797)

Dividends received from available-for-sale investments	1,326,965	-	-	-
Dividends received from held-for-trading investments	9,606	12,602	-	8
Interest received	27,950	51,638	10,055	23,297
Purchase of held for trading investments	(250,000)	-	-	-
Proceeds from sale of held-for-trading investments	41,558	-	41,558	-
Proceeds from the disposal of available-for-sale investments	521,750	-	521,750	-
Proceeds from the disposal of plant and equipment	-	10,500	-	-
Purchase of plant and equipment	(155,405)	(739,641)	(129,035)	(630,535)
Net cash used in investing activities	(6,392,742)	(4,379,488)	(5,391,472)	(1,256,027)
FINANCING ACTIVITIES				
Dividends paid	(5,237,673)	(3,491,769)	(5,237,673)	(3,491,769)
Repayments of finance leases	(134,106)	(27,829)	(69,369)	(13,914)
Net proceeds from bank Borrowings	5,500,000	2,918,360	2,000,000	2,637,234
Net cash from (used in) financing activities	128,221	(601,238)	(3,307,042)	(868,449)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(2,673,454)	53,146	(7,086,176)	6,336,911
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	9,045,391	16,712,439	13,458,114	10,428,674
CASH AND CASH EQUIVALENTS AT END OF PERIOD	6,371,937	16,765,585	6,371,937	16,765,585

Note a

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

		30.9.2014	30.9.2013
		S\$	S\$
Cash and Bank Balances		7,083,561	11,377,751
Fixed Deposits		613,080	5,387,834
Bank Overdraft		(1,324,704)	-
Net		6,371,937	16,765,585

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

GROUP	SHARE CAPITAL	RETAINED EARNINGS	INVESTMENT REVALUATIO N RESERVE	FOREIGN CURRENCY TRANSLATIO N RESERVE	TOTAL
	S\$	S\$	S\$	S\$	S\$
Balance as at 1 April 2013	46,813,734	39,995,988	-	-1,939,563	84,870,159
Total Comprehensive Income for the Period	-	2,570,011	-	209,294	2,779,305
Balance as at 30 June 2013	46,813,734	42,565,999	-	-1,730,269	87,649,464
Total Comprehensive Income for the Period	-	2,043,213	-	-27,881	2,015,332
Dividends Paid	-	-3,491,769	-	-	-3,491,769
Balance as at 30 September 2013	46,813,734	41,117,443	-	-1,758,150	86,173,027
Balance as at 1 April 2014	46,813,734	41,493,592	-	-1,878,514	86,428,812
Total Comprehensive Income for the Period	-	25,903,996	-3,152,218	1,972,086	24,723,864
Balance as at 30 June 2014	46,813,734	67,397,588	-3,152,218	93,572	111,152,676
Total Comprehensive Income for the Period	-	750,645	12,442,853	164,327	13,357,825
Dividends Paid	-	-5,237,673	-	-	-5,237,673
Balance as at 30 September 2014	46,813,734	62,910,560	9,290,635	257,899	119,272,828

COMPANY	SHARE CAPITAL	RETAINED EARNINGS	INVESTMENT REVALUATIO N RESERVE	TOTAL
	S\$	S\$	S\$	S\$
Balance as at 1 April 2013	46,813,734	12,061,376	-	58,875,110
Total Comprehensive Income for the Period	-	-481,153	-	-481,153
Balance as at 30 June 2013	46,813,734	11,580,223	-	58,393,957
Total Comprehensive Income for the Period	-	-444,883	-	-444,883
Dividends Paid	-	-3,491,769	-	-3,491,769
Balance as at 30 September 2013	46,813,734	7,643,571	-	54,457,305
Balance as at 1 April 2014	46,813,734	16,783,293	-	63,597,027
Total Comprehensive Income for the Period	-	24,509,706	-2,364,936	22,144,770
Balance as at 30 June 2014	46,813,734	41,292,999	-2,364,936	85,741,797
Total Comprehensive Income for the Period	-	-223,130	9,512,103	9,288,973
Dividends Paid	-	-5,237,673	-	-5,237,673
Balance as at 30 September 2014	46,813,734	35,832,196	7,147,167	89,793,097

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 30 September 2014, the Company does not have any outstanding convertibles or treasury shares (as at 30 September 2013 : Nil). The total number of issued shares as at 30 September 2014 is 349,176,870 (as at 30 September 2013 : 349,176,870).

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

The total number of issued shares as at the end of 30 September 2014 is 349,176,870 (as at 31 March 2014 : 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 30 September 2014, the Company does not have any treasury shares (as at 30 September 2013 : Nil).

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

The figures have not been audited or reviewed.

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in this announcement as those of the audited financial statements for the financial year ended 31 March 2014, as well as all the applicable Financial Reporting Standards ("FRS") which became effective for the financial year beginning on or after 1 April 2014. The adoption of those new and revised FRSs has no material effect on the current financial statements for the current period.

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

The Group has adopted all the new and revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 April 2014. 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	
	6 months ended		Quarter ended	
	30.9.2014	30.9.2013	30.9.2014	30.9.2013
(i) Basic earnings per share (in cents)	7.63	1.32	0.21	0.58
Weighted Average Number of Shares	349,176,870	349,176,870	349,176,870	349,176,870
(ii) Diluted earnings per share (in cents)	7.63	1.32	0.21	0.58
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	
	30.9.2014	31.3.2014	30.9.2014	31.3.2014
Net asset value per ordinary share (in cents)	34.16	24.75	25.72	18.21
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.

6 Months ended 30 September 2014 (1H2015)

The Group's revenue for 1H2015 recorded S\$39.89 million, a decrease of 20% compared to 1H2014. The decrease was due to lower recognition of revenue from Mechanical and Electrical (M&E) contracts. However, the Group's gross profit margin for 1H2015 was 18.8%, higher than the 15.8% achieved in 1H2014

The Group's net profit after income tax was S\$26.7 million. The profits included the one-time net gain from the completion of divestment of the two Thailand associates during the period. If such one-time net gain is excluded, the net profit after tax for 1H2015 would amount to S\$4.45 million. This would be 3.5% lower than the profit after income tax of S\$4.61 million achieved in 1H2014

Second Quarter ended 30 September 2014 (2Q2015)

The Group's revenue for 2Q2015 recorded S\$21.11 million, a decrease of 14% compared to the corresponding quarter last year (2Q2014). The decrease was due to lower recognition of revenue from Mechanical and Electrical (M&E) contracts.

The Group's net profit after income tax for 2Q2015 was S\$0.75 million, lower than the S\$2.04 million achieved in 2Q2014. This was brought about by the lower gross profit margin achieved.

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

EPS for 1H2015 increased to 7.63 cent from 1.32 cent in 1H2014. The substantial increase was due mainly to the recognition of a one-time net gain from the completion of divestment of the two Thai associates.

Correspondingly, NAV for the Group stood at 34.16 cents per share at 30 September 2014, an increase from 24.75 cents per share at 31 March 2014.

Balance Sheet Review

The Group's equity base stood at S\$119.27 million as at 30 September 2014, an increase from S\$86.43 million as at 31 March 2014.

Total current assets increased significantly by S\$30.96 million from S\$59.55 million to S\$90.51 million. This increase was due mainly to the receipt of KTIS' shares as balance payment for the completion of divestment of the Group's Thailand associates in 1H2015 and their subsequent increase in market value as at 30 September 2014.

Non-current assets increased by S\$8.89 million from S\$75.42 million to S\$84.31 million. The increase in non-current receivables was due to loans made to its associates during the period.

Current liabilities increased to S\$54.68 million from S\$47.71 million due mainly to higher bank borrowings.

The debt equity ratio has decreased to 0.29 as at 30 September 2014 as compared to 0.30 as at 31 March 2014.

Cashflows & Liquidity

6 Months ended 30 September 2014 (1H2015)

Net cash from operating activities for 1H2015 amounted to S\$3.59 million compared to a net cash of S\$5.03 million in 1H2014. The lower net cash inflow was attributable to lower operating receipts.

Net cash used in investing activities for 1H2015 amounted to S\$6.39 million, higher than the S\$4.38 million used in 1H2014. This was a result of higher advances made to associates for property development business in the current quarter. This was partially offset by dividend income received from KTIS during the period.

Net cash from financing activities amounted to S\$0.13 million in 1H2015 compared to a net outflow of S\$0.60 million in 1H2014 due to higher net proceeds from term loans in the current period.

Second Quarter ended 30 September 2014 (2Q2015)

Net cash from operating activities for 2Q2015 amounted to S\$1.61 million compared to a net cash of S\$8.46 million in 2Q2014. The lower net cash inflow was attributable to lower operating receipts.

Net cash used in investing activities for 2Q2015 amounted to S\$5.39 million, higher than the S\$1.26 million used in 2Q2014. This was due to higher advances made to associates for property development business in the current quarter.

Net cash used in financing activities amounted to S\$3.31 million in 2Q2015 compared to a net outflow of S\$0.87 million in 2Q2014 as a result of higher dividends paid out during the quarter.

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 construction industry outlook remains challenging in the next 12 months with increasing competition and increase in labour cost.

As at the date of this announcement, the Group has approximately S\$166 million worth of M&E engineering contracts on hand, with completion dates ranging from years 2014 to 2017. S\$21 million of these orders were secured in the last 4 months.

The Group expects the M&E business segment to contribute positively to the Group's results in the next 12 months.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes.

Name of Dividend	First Interim Dividend
Dividend Type	Cash
Dividend Amount per Share	0.7 cent per ordinary share
Dividend Rate	N.A
Tax Rate	1 tier tax exempt

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes.

Name of Dividend	First Interim Dividend
Dividend Type	Cash
Dividend Amount per Share	0.5 cent per ordinary share
Dividend Rate	N.A
Tax Rate	1 tier tax exempt

(c) Date payable

9 December 2014

(d) Books closure date

25 November 2014

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

Not applicable.

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

The Group does not have any interested person transaction and no IPT mandate has been obtained.

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

We, the undersigned, hereby confirm to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for the six months ended 30 September 2014 to be false or misleading.

On behalf of the Board of Directors

Chua Kim Hua
Executive Chairman

Chua Eng Eng
Managing Director

10 November 2014

BY ORDER OF THE BOARD

Lim Bee Lian Eliza
Company Secretary