

NEW SILKROUTES GROUP LIMITED
2nd Quarter and Half Year Financial Statement and Dividend Announcement For The Period Ended 31 December 2017
1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP 2ND QUARTER ENDED			GROUP HALF YEAR ENDED		
	31/12/17	31/12/16	Change	31/12/17	31/12/16	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	185,467	123,804	50%	334,724	193,080	73%
Other income	114	408	-72%	123	710	-83%
Purchases of finished goods	(187,560)	(124,670)	50%	(335,733)	(190,443)	76%
Changes in inventories of finished goods	5,149	2,518	104%	6,001	371	1518%
Personnel expenses	(1,562)	(686)	128%	(2,836)	(1,293)	119%
Amortisation of intangible assets	(43)	-	NM	(82)	-	NM
Depreciation of plant and equipment	(38)	(8)	375%	(64)	(14)	357%
Net fair value gain/(loss) on derivative financial instruments	399	(736)	-154%	292	(1,510)	-119%
Other operating expenses	(1,391)	(573)	143%	(2,460)	(922)	167%
Other gains	-	-	NM	301	-	NM
Finance costs	(406)	(249)	63%	(608)	(318)	91%
Share of results of associates, net of tax	-	(151)	NM	(61)	(151)	-60%
Profit/(Loss) before taxation	129	(343)	-138%	(403)	(490)	-18%
Taxation	6	-	NM	13	-	NM
Profit/(Loss) for the period	135	(343)	-139%	(390)	(490)	-20%
Other comprehensive income:						
Foreign currency translation	6	57	-89%	52	41	27%
Total comprehensive profit/(loss) for the period	141	(286)	-149%	(338)	(449)	-25%
Profit/(Loss) attributable to:						
Owners of the company	87	(315)	-128%	(464)	(461)	1%
Non-controlling interests	48	(28)	-271%	74	(29)	-355%
	135	(343)		(390)	(490)	
Total comprehensive income/(loss) attributable to:						
Owners of the company	82	(258)	-132%	(439)	(420)	5%
Non-controlling interests	59	(28)	-311%	101	(29)	-448%
	141	(286)		(338)	(449)	
Notes (The expenses below are included in "Other operating expenses" above):						
Foreign exchange gain/(loss)	28	(66)	-142%	4	(45)	-109%
Allowance for trade and non-trade receivables	-	-	NM	(28)	-	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	
	31/12/2017	30/06/2017	31/12/2017	30/06/2017
	US\$'000	US\$'000	US\$'000	US\$'000
ASSETS				
Non-current assets				
Plant and equipment	805	421	10	10
Intangible assets and goodwill	6,492	4,791	-	-
Subsidiaries	-	-	31,993	29,904
Associates	50	402	-	-
Available-for-sale investment	14,090	14,090	-	-
Deferred tax assets	36	-	-	-
Total non-current assets	21,473	19,704	32,003	29,914
Current assets				
Inventories	11,268	5,267	-	-
Trade and other receivables	42,773	26,517	9,307	11,200
Prepayments	5,015	5,475	17	27
Derivative financial instruments	-	136	-	-
Cash and cash equivalents	34,048	30,870	820	251
Total current assets	93,104	68,265	10,144	11,478
Total assets	114,577	87,969	42,147	41,392
EQUITY AND LIABILITIES				
Equity				
Share capital	74,257	71,179	74,257	71,179
Treasury shares	(171)	(510)	(171)	(510)
Capital reserve	45	68	45	68
Other reserves	1,164	1,139	666	666
Accumulated losses	(33,192)	(32,728)	(33,832)	(31,979)
	42,103	39,148	40,965	39,424
Non-controlling interests	684	384	-	-
Total equity	42,787	39,532	40,965	39,424
Non-current liabilities				
Deferred tax liabilities	399	413	-	-
Borrowings	206	201	1	2
Total non-current liabilities	605	614	1	2
Current liabilities				
Trade and other payables	55,010	38,330	1,179	1,356
Borrowings	14,633	9,452	2	610
Income tax payable	69	41	-	-
Derivative financial instruments	1,473	-	-	-
Total current liabilities	71,185	47,823	1,181	1,966
Total liabilities	71,790	48,437	1,182	1,968
Total equity and liabilities	114,577	87,969	42,147	41,392

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 2017		As at 30 June 2017	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
7,622	7,011	8,418	1,034

Amount repayable after one year

As at 31 December 2017		As at 30 June 2017	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
3	203	4	197

Details of any collateral

The Group's secured borrowings of US\$7.625m comprises:

- i. US\$0.006m: Finance lease secured by plant and equipment financed.
- ii. US\$6.514m: A floating charge on inventory and corporate guarantee on trade transactions financed.
- iii. US\$0.363m: This relates to a bank overdraft, the balance of which is secured on a fixed deposit and all sums in the current account of that bank of the subsidiary (Healthsciences International Pte. Ltd.) and on the personal guarantees of 2 directors (who are also shareholders) of that subsidiary as at the end of the reporting period.
- iv. US\$0.742m: This relates to a Money Market Line ("MML") facility which includes an overdraft sublimit of S\$200,000. The balance owing is secured on a pledged fixed deposit and a corporate guarantee from the ultimate holding 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.

	GROUP	
	6 MONTHS ENDED	
	31/12/2017	31/12/2016
	US\$'000	US\$'000
OPERATING ACTIVITIES		
Loss before taxation	(403)	(490)
Adjustments for:-		
Amortisation of intangible assets	82	-
Depreciation of plant and equipment	64	14
Gain on disposal of associate	(301)	-
Finance costs	608	318
Finance income	(3)	(567)
Allowance for impairment of receivables, net	28	-
Net fair value (gain)/loss on derivative financial instruments	(292)	1,510
Unrealised foreign exchange differences	(35)	46
Share of results of associates	61	151
Operating (loss)/profit before working capital changes	(191)	982
Increase / decrease in:		
Inventories	(6,001)	(1,606)
Trade and other receivables	(14,011)	(25,210)
Prepayments	460	2
Trade and other payables	16,634	59,448
Cash (used in)/from operations	(3,109)	33,616
Income tax paid	(24)	-
Net cash flows (used in)/from operating activities	(3,133)	33,616
INVESTING ACTIVITIES		
Acquisition of subsidiary, net of cash acquired (Note A & B)	178	(823)
Acquisition of plant and equipment	(15)	(2)
Incorporation of an associate	-	(701)
Interest received	3	-
Proceeds from disposal of available-for-sale investment	-	36
Proceeds from disposal of associate	427	-
Net cash flows from/(used in) investing activities	593	(1,490)
FINANCING ACTIVITIES		
Cash restricted in use	(8,167)	-
Interest paid	(584)	(318)
Proceeds from issuance of shares pursuant to exercise of warrants	2	1,017
Proceeds from issuance of shares	994	2,042
Proceeds from short-term loans	42,011	3,930
Proceeds from disposal of treasury shares	318	-
Purchase of treasury shares	(2)	(521)
Repayment of finance lease payables	(1)	(1)
Repayment of short-term loans	(37,014)	-
Net cash flows (used in)/from financing activities	(2,443)	6,149
Net (decrease)/increase in cash and cash equivalents	(4,983)	38,275
Cash and cash equivalents at beginning of the period	6,581	3,563
Effect of exchange rate differences in cash and cash equivalents	7	(4)
Cash and cash equivalents at end of financial period	1,605	41,834
Cash and cash equivalents comprise the following:		
Cash and cash equivalents	34,048	42,232
Less: Bank overdrafts	(363)	-
Less: Fixed deposits pledged	(120)	(285)
Less: Restricted cash	(31,960)	(113)
Cash and cash equivalents at end of financial period	1,605	41,834

Note A

On 10 October 2017, the Company and its subsidiary HSI Nominees A Pte. Ltd., entered into a share sale and purchase agreement with Dr Toh Teck Kiong, Ainsley and Dr Foong Siew Hong, to acquire an aggregate of 70% of the shares in each of 84 INC Pte. Ltd., The Dental Hub@SG Pte. Ltd., and NDC Consulting Pte. Ltd..

Completion took place on 30 October 2017.

The aggregate consideration for the sale and purchase of the Sale Shares is S\$2,827,841 (US\$2,081,856) in shares, based on 7,159,090 shares at the Company's closing share price of S\$0.395 on 30 October 2017.

	2018 At fair value US\$'000
ASSETS	
Plant and equipment	418
Intangible assets	89
Trade and other receivables	145
Cash and cash equivalents	178
Total assets	830
LIABILITIES	
Borrowings	106
Trade and other payables	46
Income tax payables	15
Total liabilities	167
Total identifiable net assets	663
Less: Non-controlling interests	(199)
Total identifiable net assets attributable to the Group	464
Add: Goodwill arising from acquisition	1,618
Total consideration	2,082
Consideration paid by issuance of shares	(2,082)
Less: Cash and cash equivalents of subsidiaries acquired	(178)
Cash inflow on acquisition per consolidated statement of cash flows	(178)

Note B

The Company had on 15 September 2016 entered into a sale and purchase agreement with the existing shareholders of Healthsciences International Pte. Ltd. ("HSI") to acquire 510,000 ordinary shares in the capital of HSI, comprising 51% of the issued and paid-up share capital of HSI, for an aggregate cash consideration of S\$2,167,500 (US\$1,522,000).

Completion took place on 7 December 2016.

	2017 At fair value US\$'000
ASSETS	
Plant and equipment	57
Intangible assets	1,556
Long-term deposits	55
Inventories	25
Trade and other receivables	27
Prepayments	6
Fixed deposits	113
Cash and cash equivalents	117
Total assets	1,956
LIABILITIES	
Borrowings	534
Trade and other payables	232
Deferred tax liabilities	269
Total liabilities	1,035
Total identifiable net assets	921
Less: Non-controlling interests	(451)
Total identifiable net assets attributable to the Group	470
Add: Goodwill arising from acquisition	1,052
	1,522
Less: Consideration payable	(854)
Consideration paid for the acquisition	668
Less: Cash and cash equivalents of subsidiaries acquired	(117)
Add: Bank overdrafts of subsidiary acquired	272
Cash outflow on acquisition per consolidated statement of cash flows	823

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.

	Share capital US\$'000	Treasury shares US\$'000	Warrant reserve US\$'000	Translation reserve US\$'000	Capital reserve US\$'000	Accumulated losses US\$'000	Equity attributable to owners of the Company US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
GROUP									
Balance as at 1 July 2017	71,179	(510)	666	473	68	(32,728)	39,148	384	39,532
(Loss)/Profit for the period	-	-	-	-	-	(464)	(464)	74	(390)
Other comprehensive income									
- foreign currency translation	-	-	-	25	-	-	25	27	52
Total comprehensive income/(loss) for the period	-	-	-	25	-	(464)	(439)	101	(338)
Contributions by and distributions to owners									
- Issue of shares	994	-	-	-	-	-	994	-	994
- Exercise of warrants	2	-	-	-	-	-	2	-	2
- Purchase of treasury shares	-	(2)	-	-	-	-	(2)	-	(2)
- Disposal of treasury shares	-	341	-	-	(23)	-	318	-	318
Changes in ownership interests in subsidiaries									
- Acquisition of subsidiaries through shares	2,082	-	-	-	-	-	2,082	199	2,281
Transactions with owners in their capacity as owners	3,078	339	-	-	(23)	-	3,394	199	3,593
Balance as at 31 December 2017	74,257	(171)	666	498	45	(33,192)	42,103	684	42,787
Balance as at 1 July 2016	63,958	(322)	1,088	460	-	(30,934)	34,250	(43)	34,207
Loss for the period	-	-	-	-	-	(461)	(461)	(29)	(490)
Other comprehensive income									
- foreign currency translation	-	-	-	41	-	-	41	-	41
Total comprehensive income/(loss) for the period	-	-	-	41	-	(461)	(420)	(29)	(449)
Contributions by and distributions to owners									
- Issue of shares	2,042	-	-	-	-	-	2,042	-	2,042
- Exercise of warrants	1,220	-	(203)	-	-	-	1,017	-	1,017
- Purchase of treasury shares	-	(521)	-	-	-	-	(521)	-	(521)
Changes in ownership interests in subsidiaries									
- Acquisition of a subsidiary	-	-	-	-	-	-	-	678	678
Transactions with owners in their capacity as owners	3,262	(521)	(203)	-	-	-	2,538	678	3,216
Balance as at 31 December 2016	67,220	(843)	885	501	-	(31,395)	36,368	606	36,974
	Share capital US\$'000	Treasury shares US\$'000	Warrant reserve US\$'000	Capital reserve US\$'000	Accumulated losses US\$'000	Total equity US\$'000			
COMPANY									
Balance as at 1 July 2017	71,179	(510)	666	68	(31,979)	39,424			
Issue of shares	994	-	-	-	-	994			
Exercise of warrants	2	-	-	-	-	2			
Purchase of treasury shares	-	(2)	-	-	-	(2)			
Disposal of treasury shares	-	341	-	(23)	-	318			
Acquisition of subsidiaries through shares	2,082	-	-	-	-	2,082			
Loss for the period, representing total comprehensive loss for the period	-	-	-	-	(1,853)	(1,853)			
Balance as at 31 December 2017	74,257	(171)	666	45	(33,832)	40,965			
Balance as at 1 July 2016	63,958	(322)	1,088	-	(29,138)	35,586			
Issue of shares	2,042	-	-	-	-	2,042			
Exercise of warrants	1,220	-	(203)	-	-	1,017			
Purchase of treasury shares	-	(521)	-	-	-	(521)			
Loss for the period, representing total comprehensive loss for the period	-	-	-	-	(1,392)	(1,392)			
Balance as at 31 December 2016	67,220	(843)	885	-	(30,530)	36,732			

- 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.**

The movement of the Company's share capital and treasury share reserve were as follows:

	No of issued shares	Amount US\$'000
Balance as at 1 October 2017	145,555,487	71,676
Issuance of new ordinary shares pursuant to exercise of warrants	7,500	2
Issuance of new ordinary shares for acquisition of subsidiaries	7,159,090	2,082
Issuance of new ordinary shares	3,068,182	994
Purchase of treasury shares	(9,900)	(2)
Balance as at 31 December 2017	<u>155,780,359</u>	<u>74,752</u>

The number of shares that may be issued on conversion of the Company's outstanding warrants as at the end of the financial period was 15,301,568 (31 December 2016: 20,354,068).

As at 31 December 2017, the Company held 498,700 (31 December 2016: 2,507,900) of its issued shares as treasury shares.

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

The number of issued shares excluding treasury shares as at the end of the financial period was 155,780,359 (30 June 2017: 144,563,187).

- 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.**

The movement of the Company's treasury shares are as follows:

	No. of shares	Amount US\$'000
Balance as at 1 October 2017	488,800	169
Purchase of treasury shares	9,900	2
Balance as at 31 December 2017	<u>498,700</u>	<u>171</u>

- 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 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.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as compared with those of the audited financial statements for 30 June 2017 except for the adoption of new or amended FRS and interpretations to FRS, which took effect from financial year beginning on or after 1 July 2017.

The adoption of the new or amended standards did not have any material effect on the financial performance or position of the Group and the Company.

- 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.**

There were no changes in the accounting policies and methods of computation.

- 6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding year of the immediately preceding financial year, after deducting any provision for preference dividends.**

Loss per ordinary share for the period based on net loss	HALF YEAR ENDED	
	31/12/2017	31/12/2016
	US\$	US\$
(i) Basic	(0.311) cents	(0.367) cents
(ii) Diluted	(0.311) cents	(0.367) cents

The basic and diluted earnings per ordinary share for the financial period ended 31 December 2017 was calculated based on the weighted average number of issued shares 149,015,945. For comparison, earnings per share for the corresponding period was computed based on the weighted average number of shares of 125,790,575.

At the end of the reporting period, the 15,301,568 (31 December 2016: 20,354,068) outstanding warrants were excluded from the calculation of the diluted weighted average number of ordinary shares in issue as their effect would have been anti-dilutive.

7 Net asset / (liability) 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 financial year reported on; and
(b) immediately preceding financial year

	GROUP		COMPANY	
	31/12/2017	30/06/2017	31/12/2017	30/06/2017
	US\$	US\$	US\$	US\$
Net asset value per ordinary share based on the issued share capital at the end of the period	27.027 cents	27.081 cents	26.296 cents	27.272 cents

Net asset value per ordinary share as at 31 December 2017 and 30 June 2017 was calculated based on the number of shares in issue excluding treasury shares of 155,780,359 and 144,563,187 respectively.

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.

Income Statement Review

Revenue increased from US\$123.804m for the second quarter ended 31 December 2016 ("2Q17") to US\$185.467m for the second quarter ended 31 December 2017 ("2Q18"). This is mainly attributable to increased oil trades (US\$60.1m), and the revenue contributed by the newly acquired healthcare subsidiaries (US\$1.6m).

Other income dropped from US\$0.408m in 2Q17 to US\$0.114m in 2Q18, substantially because the deposit for the acquisition of Thai General Nice Coal and Coke Co., Ltd. was converted into equity in 4Q17, and interest income (on the deposit) no longer applicable.

Personnel expenses increased from US\$0.686m for 2Q17 to US\$1.562m for 2Q18. The increase is mainly due to the personnel expenses of the newly acquired healthcare subsidiary, Healthsciences International Pte. Ltd ("HSI"; acquisition completed on 7 December 2016) and the dental companies (9 companies' acquisition completed on 30 June 2017 and 3 companies' acquisition completed on 30 October 2017).

Amortisation of intangible assets of US\$0.043m in 2Q18 mainly relates to the amortisation of the clinic management system of HSI.

Depreciation of plant and equipment increased from US\$0.008m for 2Q17 to US\$0.038m for 2Q18. The increase is due to depreciation of equipment of the newly acquired dental companies.

Other operating expenses increased from US\$0.573m for 2Q17 to US\$1.391m for 2Q18.

The increase is primarily due to:

- Increase in oil trading related costs e.g. inspection fees, letters of credit charges and commission as a result of the increase in oil trades.
- Professional fees relating to the Company's various corporate actions.
- Other operating expenses incurred by the newly acquired healthcare subsidiaries, HSI and dental companies.

Finance costs increased from US\$0.249m for 2Q17 to US\$0.406m for 2Q18. This is largely due to its increased oil trading activities - interest costs relating to the discounting of letters of credit and loan interest on short-term loans secured by subsidiary International Energy Group Pte Ltd ("IEG") for its oil trades.

The share of results of associates amounting to US\$0.151m in 2Q17 relates to the Group's share of the loss in New Silkroutes Asset Management Pte Ltd ("NSAM"). It decreased to nil as NSAM was disposed on 22 September 2017.

The small negative tax expense is due to the recognition of a deferred tax asset arising from unutilised tax losses in a subsidiary. It more than offset the tax expenses of other companies in the Group.

Financial Position Review

Plant and equipment increased from US\$0.421m for the financial year ended 30 June 2017 to US\$0.805m for the financial period ended 31 December 2017. The increase pertains to the equipment from the 3 newly acquired dental companies on 30 October 2017.

Intangible assets and goodwill increased from US\$4.791m for financial year ended 30 June 2017 to US\$6.492m for the financial period ended 31 December 2017 mainly due to the goodwill arising from the acquisition of the 3 dental companies on 30 October 2017.

Investments in associates decreased from US\$0.402m to US\$0.050m due to the divestment of NSAM on 22 September 2017.

The deferred tax assets arose due to unutilised tax losses in subsidiary HSI.

In 2Q18, the increase/decrease in the following items is primarily due to the increase in oil trading activities:

- Inventories increased from US\$5.267m to US\$11.268m.
- Trade and other receivables increased from US\$26.517m to US\$42.773m.
- Derivative financial instruments' (for oil price hedges) net asset position of US\$0.136m turning into a net liability position of US\$1.473m (as oil prices increased).
- Trade and other payables increased from US\$38.330m to US\$55.010m.
- Total borrowings increased from US\$9.653m to US\$14.839m - the increase being mainly due to short-term loans secured by IEG to finance its oil trades.
- The net of the above resulted in Cash and cash equivalents increasing from US\$30.870m to US\$34.048m.

Cash Flow Statement Review

The movement in the net cash flows used in operating activities is mainly due to the increased oil trading activities.

The net cash used in financing activities of US\$2.443m in the current period is mainly due to funds held in designated bank accounts, earmarked for letters of credit issued.

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

The results reported herein are in line with the announcements previously made.

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.

On 1 November 2017, the Group announced the completion of its acquisition of The Dental Hub's 3 clinics, following which it has nine dental clinics and two dental supplies companies within the Group. The Group intends to continue expanding its healthcare unit.

On 2 January 2018, the Company announced the change of its registered office effective 1 January 2018, as it moved into bigger office premises to accommodate its growing business operations, from 460 Alexandra Road #24-06 PSA Building, Singapore 119963 to 456 Alexandra Road #19-02 Fragrance Empire Building, Singapore 119962.

The Group has suspended trading of its stock on the Singapore Exchange since 4 December 2017 to prevent any unusual share-price activity while negotiations on potential transactions are ongoing but expect to lift the suspension shortly.

Utilisation of placement proceeds

Total placement proceeds of US\$0.994m on 28 October 2017 were utilised for the following purposes

	As at 31 December 2017 USD'000
Placement Proceeds	994
Less Placement Costs	(24)
Net Proceeds	970
Less utilised:	
Working capital (repayment of loans; staff salaries and related expenses)	(970)
	-

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the immediately Preceding Financial Year

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

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared or recommended for the period ended 31 December 2017.

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.

No IPT mandate has been obtained.

14 Negative assurance confirmation on the interim financial results under Rule 705(5)

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited second quarter financial results of the Group and the Company (comprising the statement of financial position, consolidated income statement, statement of changes in equity and the consolidated cash flow statement, if any) as of 31 December 2017 to be false or misleading in any material respect.

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

The Company confirms that it has procured undertakings from all its directors and executive officers as set out in Appendix 7.7 of Rule 720(1) of the Listing Manual.

On behalf of Board of Directors

Goh Jin Hian
Director

Pao Kiew Tee
Audit Committee Chairman

BY ORDER OF THE BOARD

Lim Koon Hock
Joint Company Secretary
12 February 2018