



PAN-UNITED CORPORATION LTD

(Company Reg No: 199106524G)

THIRD QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2017

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

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

CONSOLIDATED INCOME STATEMENT						
	3Q 2017	3Q 2016	+ / (-)	YTD 2017	YTD 2016	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	170,954	173,248	(1)	488,947	527,423	(7)
Other income	752	1,109	(32)	2,479	3,552	(30)
Raw materials, subcontract cost and other direct costs	(130,254)	(131,482)	(1)	(377,440)	(407,937)	(7)
Staff costs	(9,994)	(10,993)	(9)	(27,454)	(30,182)	(9)
Depreciation and amortisation expenses	(6,044)	(5,745)	5	(18,017)	(17,295)	4
Other expenses	(14,444)	(11,087)	30	(42,060)	(37,571)	12
Finance costs	(2,623)	(2,943)	(11)	(8,588)	(9,303)	(8)
	8,347	12,107	(31)	17,867	28,687	(38)
Share of results of associates	1,248	717	74	4,020	1,724	133
Profit before income tax from continuing operations	9,595	12,824	(25)	21,887	30,411	(28)
Income tax	(2,829)	(2,820)	0	(5,064)	(7,113)	(29)
Profit from continuing operations, net of tax	6,766	10,004	(32)	16,823	23,298	(28)
Discontinued operations						
Loss from discontinued operations, net of tax	-	(1,525)	nm	-	(5,062)	nm
Profit for the period, net of tax	6,766	8,479	(20)	16,823	18,236	(8)
Attributable to:						
Equity holders of the Company						
Profit from continuing operations, net of tax	5,656	8,775	(36)	14,132	19,611	(28)
Loss from discontinued operations, net of tax	-	(1,525)	nm	-	(5,062)	nm
	5,656	7,250	(22)	14,132	14,549	(3)
Non-controlling interests						
Profit from continuing operations, net of tax	1,110	1,229	(10)	2,691	3,687	(27)
	6,766	8,479	(20)	16,823	18,236	(8)

nm: Not meaningful

The loss from discontinued operations in YTD 2016 comprised the results of the tug and barge business which was disposed on 7 December 2016.

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

A. Profit before income tax is arrived at after crediting/(charging) the following:	3Q 2017	3Q 2016	+/(-) %	YTD 2017	YTD 2016	+/(-) %
	\$'000	\$'000	%	\$'000	\$'000	%
Interest income	137	103	33	448	277	62
Interest expense	(2,580)	(2,907)	(11)	(8,344)	(9,168)	(9)
Dividend income from other investments	-	164	nm	-	490	nm
(Impairment)/reversal of impairment loss on trade receivables	(46)	33	nm	149	116	28
Foreign exchange (loss)/gain	(197)	2,633	(107)	(287)	2,678	(111)
Gain/(loss) on disposal of property, plant and equipment	1	(24)	(104)	27	253	(89)
Write-off of property, plant and equipment	(452)	(626)	(28)	(760)	(662)	15

B. The Group's tax charge for YTD 2017 included a reversal of tax provision of \$728,000 related to previous periods.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME						
	3Q 2017	3Q 2016	+/(-) %	YTD 2017	YTD 2016	+/(-) %
	\$'000	\$'000	%	\$'000	\$'000	%
Profit for the period, net of tax	6,766	8,479	(20)	16,823	18,236	(8)
Other comprehensive income:						
Foreign currency translation	(14)	(1,483)	(99)	(5,038)	(11,977)	(58)
Fair value changes of derivatives	286	1,197	(76)	(4,116)	(1,118)	nm
Other comprehensive income for the period, net of tax	272	(286)	(195)	(9,154)	(13,095)	(30)
Total comprehensive income for the period	7,038	8,193	(14)	7,669	5,141	49
Attributable to:						
Equity holders of the Company	5,920	6,622	(11)	5,849	3,016	94
Non-controlling interests	1,118	1,571	(29)	1,820	2,125	(14)
Total comprehensive income for the period	7,038	8,193	(14)	7,669	5,141	49
Attributable to Equity holders of the Company:						
Total comprehensive income from continuing operations, net of tax	5,920	8,464	(30)	5,849	8,346	(30)
Total comprehensive income from discontinued operations, net of tax	-	(1,842)	nm	-	(5,330)	nm
Total comprehensive income for the period attributable to equity holders of the Company	5,920	6,622	(11)	5,849	3,016	94

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.

BALANCE SHEETS	Group		Company	
	30-Sep-17 \$'000	31-Dec-16 \$'000	30-Sep-17 \$'000	31-Dec-16 \$'000
Non-current assets				
Property, plant and equipment	454,221	455,178	273	318
Intangible assets	25,610	24,507	-	-
Subsidiaries	-	-	210,298	180,119
Associates	8,993	9,803	-	-
Other investments	801	996	774	930
Other receivables	699	933	-	-
Deferred tax assets	954	831	-	-
	<u>491,278</u>	<u>492,248</u>	<u>211,345</u>	<u>181,367</u>
Current assets				
Cash and short-term deposits	40,327	72,662	12,749	43,270
Trade and other receivables	155,558	146,252	2,530	2,812
Prepayments	3,414	3,322	653	580
Work-in-progress	343	382	-	-
Inventories	18,973	20,193	-	-
Derivatives	-	2,879	-	2,879
Other assets	2,437	1,577	-	-
	<u>221,052</u>	<u>247,267</u>	<u>15,932</u>	<u>49,541</u>
Current liabilities				
Loans and borrowings	48,941	52,381	-	2,000
Payables and accruals	107,621	109,215	1,285	1,953
Deferred income	392	558	-	-
Provisions	1,393	1,983	-	-
Income tax payable	2,727	3,350	-	2
Derivatives	1,276	-	1,276	-
	<u>162,350</u>	<u>167,487</u>	<u>2,561</u>	<u>3,955</u>
Net current assets	<u>58,702</u>	<u>79,780</u>	<u>13,371</u>	<u>45,586</u>
Non-current liabilities				
Loans and borrowings	175,849	245,936	20,000	78,000
Deferred tax liabilities	10,702	10,605	-	-
Deferred income	867	893	-	-
Other liabilities	545	580	-	-
Provisions	2,948	3,000	-	-
Derivatives	329	368	329	368
	<u>191,240</u>	<u>261,382</u>	<u>20,329</u>	<u>78,368</u>
Net assets	<u>358,740</u>	<u>310,646</u>	<u>204,387</u>	<u>148,585</u>
Equity attributable to equity holders of the Company				
Share capital	151,799	92,052	151,799	92,052
Treasury shares	(957)	(1,759)	(957)	(1,759)
Reserves	170,190	183,394	53,545	58,292
	<u>321,032</u>	<u>273,687</u>	<u>204,387</u>	<u>148,585</u>
Non-controlling interests	37,708	36,959	-	-
Total equity	<u>358,740</u>	<u>310,646</u>	<u>204,387</u>	<u>148,585</u>

- 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. (continued)

Explanatory Notes to Balance Sheets

The share capital of the Company has increased by \$59.7 million from the rights issue that was completed on 19 July 2017. The net proceeds were used for partial retirement of the Company's external bank borrowings.

The decrease in cash and short term deposits were mainly due to capital expenditure and payment of dividends to shareholders.

- 1(b)(ii) In relation to the aggregate amount of group's borrowings and debts securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

	As of 30 Sep 2017		As of 31 Dec 2016	
	<u>Secured</u> \$'000	<u>Unsecured</u> \$'000	<u>Secured</u> \$'000	<u>Unsecured</u> \$'000
Amount repayable in one year or less, or on demand	23,941	25,000	20,381	32,000
Amount repayable after one year	130,849	45,000	142,936	103,000

Details of any collateral

Certain short and long-term bank loans are secured by mortgages over certain assets of foreign subsidiaries.

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

CONSOLIDATED CASH FLOW STATEMENTS	3Q 2017	3Q 2016	YTD 2017	YTD 2016
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Profit before income tax	9,595	12,824	21,887	30,411
Loss from discontinued operations	-	(1,525)	-	(5,061)
Adjustments for				
Depreciation and amortisation expenses	6,044	7,062	18,017	21,279
Dividend income from other investments	-	(164)	-	(490)
Interest income	(137)	(103)	(448)	(277)
Interest expense	2,580	2,907	8,344	9,168
(Gain)/loss on disposal of property, plant and equipment	(1)	24	(27)	(253)
Impairment/(reversal) of impairment loss on trade receivables	46	(33)	(149)	(116)
Gain on disposal of other investments	-	-	(24)	-
Reversal of provisions	(141)	-	(162)	-
Write-off of property, plant and equipment	452	626	760	662
Fair value changes of derivatives	-	(31)	-	(31)
Share-based payment expenses	24	60	95	179
Share of results of associates	(1,248)	(717)	(4,020)	(1,724)
Foreign exchange differences	(568)	(2,624)	(952)	(2,248)
Operating cash flows before working capital changes	16,646	18,306	43,321	51,499
Decrease/(Increase) in				
Trade and other receivables	(9,485)	957	(8,923)	15,353
Prepayments	1,106	(237)	(92)	(579)
Inventories and work-in-progress	(3,286)	4,719	1,259	9,718
Other assets	(2,212)	765	(860)	1,344
Increase/(Decrease) in				
Payables, accruals and provisions	8,731	(3,198)	(2,207)	(27,602)
Deferred income	(37)	1,177	(192)	2,580
Cash flows from operations	11,463	22,489	32,306	52,313
Interest paid	(2,580)	(2,907)	(8,344)	(9,168)
Income tax paid	(1,804)	(1,361)	(5,713)	(4,867)
Interest received	137	103	448	277
Net cash flows from operating activities	7,216	18,324	18,697	38,555
Cash flows from investing activities				
Acquisition of property, plant and equipment	(10,953)	(8,997)	(26,489)	(34,169)
Purchase of other investments	-	(29)	-	(63)
Proceeds from disposal of property, plant and equipment	1	229	672	973
Proceeds from disposal of other investments	-	-	63	-
Dividend income from associates	808	-	4,712	2,486
Capital refund from other investments	-	164	156	490
Net cash flows used in investing activities	(10,144)	(8,633)	(20,886)	(30,283)
Cash flows from financing activities				
Proceeds from bank borrowings	10,693	100,873	72,184	162,574
Repayment of bank borrowings	(71,628)	(98,651)	(142,249)	(146,463)
Net proceeds from rights issue	59,747	-	59,747	-
Proceeds from reissuance of treasury shares	-	-	573	-
Dividends paid to shareholders	(3,505)	(5,598)	(18,919)	(20,992)
Dividend paid to non-controlling interests	(807)	-	(938)	(1,322)
Net cash flows used in financing activities	(5,500)	(3,376)	(29,602)	(6,203)
Net (decrease)/increase in cash and cash equivalents	(8,428)	6,315	(31,791)	2,069
Cash and cash equivalents as at beginning of period	48,766	38,648	72,662	43,686
Effects of exchange rate changes on opening cash	(11)	143	(544)	(649)
Cash and cash equivalents as at end of period	40,327	45,106	40,327	45,106

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.

STATEMENT OF CHANGES IN EQUITY	Attributable to equity holders of the Company							Non-controlling interests	Total Equity
	Share capital	Treasury shares	Capital reserve	Foreign currency translation reserve	Retained earnings	Other reserves	Total reserves		
GROUP	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2017	92,052	(1,759)	3,000	(6,766)	254,045	(66,885)	183,394	36,959	310,646
Total comprehensive income for the period	-	-	-	(4,145)	8,476	(4,402)	(71)	702	631
Cost of share-based payment (share options)	-	-	-	-	-	71	71	-	71
Reissuance of treasury shares	-	802	-	-	-	(229)	(229)	-	573
Dividends on ordinary shares	-	-	-	-	(15,414)	-	(15,414)	-	(15,414)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(406)	(406)
Balance at 30 June 2017	92,052	(957)	3,000	(10,911)	247,107	(71,445)	167,751	37,255	296,101
Total comprehensive income for the period	-	-	-	(22)	5,656	286	5,920	1,118	7,038
Cost of share-based payment (share options)	-	-	-	-	-	24	24	-	24
Shares issued pursuant to Rights Issue	59,747	-	-	-	-	-	-	-	59,747
Dividends on ordinary shares	-	-	-	-	(3,505)	-	(3,505)	-	(3,505)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(665)	(665)
Balance at 30 September 2017	151,799	(957)	3,000	(10,933)	249,258	(71,135)	170,190	37,708	358,740
Balance at 1 January 2016	92,052	(1,759)	3,000	(2,328)	259,150	(69,121)	190,701	34,657	315,651
Effect of adjustment on reclassification of available-for sales investment to associate	-	-	-	-	2,088	-	2,088	-	2,088
Total comprehensive income for the period	-	-	-	(8,590)	7,299	(2,315)	(3,606)	554	(3,052)
Cost of share-based payment (share options)	-	-	-	-	-	119	119	-	119
Dividends on ordinary shares	-	-	-	-	(15,394)	-	(15,394)	-	(15,394)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(1,322)	(1,322)
Balance at 30 June 2016	92,052	(1,759)	3,000	(10,918)	253,143	(71,317)	173,908	33,889	298,090
Total comprehensive income for the period	-	-	-	(1,825)	7,250	1,197	6,622	1,571	8,193
Cost of share-based payment (share options)	-	-	-	-	-	60	60	-	60
Dividends on ordinary shares	-	-	-	-	(5,598)	-	(5,598)	-	(5,598)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-
Balance at 30 September 2016	92,052	(1,759)	3,000	(12,743)	254,795	(70,060)	174,992	35,460	300,745

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. (continued)

COMPANY	Share capital	Treasury shares	Retained earnings	Other reserves	Total reserves	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2017	92,052	(1,759)	54,289	4,003	58,292	148,585
Total comprehensive income for the period	-	-	(988)	(4,402)	(5,390)	(5,390)
Cost of share-based payment (share options)	-	-	-	71	71	71
Reissuance of treasury shares	-	802	-	(229)	(229)	573
Dividends on ordinary shares	-	-	(15,414)	-	(15,414)	(15,414)
Balance at 30 June 2017	92,052	(957)	37,887	(557)	37,330	128,425
Total comprehensive income for the period	-	-	19,410	286	19,696	19,696
Cost of share-based payment (share options)	-	-	-	24	24	24
Shares issued pursuant to Rights issue	59,747	-	-	-	-	59,747
Dividends on ordinary shares	-	-	(3,505)	-	(3,505)	(3,505)
Balance at 30 September 2017	151,799	(957)	53,792	(247)	53,545	204,387
Balance at 1 January 2016	92,052	(1,759)	62,463	1,767	64,230	154,523
Total comprehensive income for the period	-	-	(1,624)	(2,315)	(3,939)	(3,939)
Cost of share-based payment (share options)	-	-	-	119	119	119
Dividends on ordinary shares	-	-	(15,394)	-	(15,394)	(15,394)
Balance at 30 June 2016	92,052	(1,759)	45,445	(429)	45,016	135,309
Total comprehensive income for the period	-	-	8,137	1,197	9,334	9,334
Cost of share-based payment (share options)	-	-	-	60	60	60
Dividends on ordinary shares	-	-	(5,598)	-	(5,598)	(5,598)
Balance at 30 September 2016	92,052	(1,759)	47,984	828	48,812	139,105

1(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, shares buy-backs, exercise of shares 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 corresponding period of the immediately preceding financial year.

	3Q 2017 ended 30-Sep-17	3Q 2016 ended 30-Sep-16
Issued share capital		
Issued and fully paid ordinary shares:		
As at beginning of period	561,818,660	561,818,660
Shares issued pursuant to Rights Issue	140,177,165	-
As at end of period	701,995,825	561,818,660
Treasury shares		
As at beginning and end of period	1,110,000	2,041,000
Total number of issued shares excluding treasury shares	700,885,825	559,777,660

The Company undertook a renounceable non-underwritten rights issue at an issue price of \$0.43 for each rights share, on the basis of one (1) rights share for every four (4) existing shares held by shareholders as at 22 June 2017, fractional entitlements are disregarded. Pursuant to the Rights Issue, 140,177,165 new shares were issued and allotted by the Company on 19 July 2017. There were no share buyback during the quarter ended 30 September 2017.

	As at 30-Sep-17	As at 30-Sep-16
The number of shares that may be issued on exercise of share options outstanding at the end of the period	10,647,800	8,335,500

There were no share options granted during the quarter ended 30 September 2017. The higher number of options outstanding is related to the adjustments made under the Pan-United Share Option Scheme in accordance with the rules of the Scheme, in conjunction with the Rights Issue. An SGX announcement was made on 14 August 2017 on the adjustments to the outstanding share options.

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

	As at 30-Sep-17	As at 31-Dec-16
Total number of issued shares	701,995,825	561,818,660
Treasury shares	1,110,000	2,041,000
Total number of issued shares excluding treasury shares	700,885,825	559,777,660

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at end of the current financial period reported on.

There were no sales, transfers, disposals, cancellations and /or use of treasury shares for the quarter ended 30 September 2017.

1(d)(v) Subsidiary holdings.

There were no subsidiary holdings as at the end of the current financial period reported on.

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

The figures have not been audited or reviewed by our auditors, Messrs Ernst & Young LLP.

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

Not applicable.

4 Where the same accounting policies and methods of computation as in the issuers' 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 those of the audited financial statements as at 31 December 2016, except as disclosed in note 5 below.

5 If there are any changes in 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 applicable new/revised Financial Reporting Standards (FRS) that become effective for accounting periods beginning 1 January 2017. The adoption of these new/revised FRS does not have any material impact to the Group's financial statements.

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 the preference dividends.

Earnings per ordinary share for the period based on equity holders of the company	Quarter			Year to date		
	ended 30 September 2017	ended 30 September 2016	Change	ended 30 September 2017	ended 30 September 2016	Change
Based on weighted average number of ordinary shares in issue (in cents)	0.8	1.3	-38%	2.0	2.6	-23%
On a fully diluted basis (in cents)	0.8	1.3	-38%	2.0	2.6	-23%

- 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 financial period reported on (b) immediately preceding financial year.**

	<u>Group</u>	<u>Company</u>
Net asset value per ordinary share based on Issued share capital at 30 September 2017 (In cents)	45.8	26.3
Net asset value per ordinary share based on Issued share capital at 31 December 2016 (In cents)	48.9	26.5

- 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.**

Review of Year to date 2017 Performance

During the quarter under review, the Group posted a stable revenue of \$171.0 million, compared to \$173.2 million during 3Q 2016.

The demand and selling prices of ready mixed concrete (RMC) remained steady during the 3Q 2017. However, for the nine months comparatives, the industry demand and selling prices of RMC had declined by about 10% and 6% respectively. The Building and Construction Authority (BCA) also reported that the demand and selling prices for cement slid 11% and 10% respectively in the year to date.

Our overseas RMC operations continued to grow in capacity and generated higher sales volume.

With respect to the Ports division, cargo volumes from the two ports remained stable.

The increase in Share of results of associates and lower interest expenses helped to partially mitigate the higher Other expenses, including the costs of \$2.4 million incurred to date for the proposed De-merger exercise of the ports business.

The Group recorded a profit after tax of \$16.8 million in 9M 2017, 8% lower than the \$18.2 million in 9M 2016, which included results from the tug and barge business disposed in 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.

Concrete and Cement Business

As a global leader in sustainable concrete technologies, the Group is prudently optimistic about the strong green building movement and the growing demand for quality construction materials in Singapore. The record number of Green Mark awards presented by the BCA this year demonstrates the industry shift into sustainability building, a move that will raise developers' appetite and demand for PanU Concrete's specialised eco-products for urban applications.

The government's planned adjustments to the price-quality method in evaluating construction tenders will place greater emphasis on productivity and safety records. PanU Concrete is set to benefit from this push for workplace efficiency, as we build on our existing line of concrete technologies that delivers lower manpower costs and boosts productivity.

The Group continues to see nascent prospects in Singapore, with the surge of redevelopment opportunities expected to come on stream as a result of collective land sales. Meanwhile, the regional outlook continues to be positive as One Belt One Road investments are expected to ramp up infrastructure development in Asia. Our nimble success in Ho Chi Minh City so far has established the momentum for our expansion thrust into the thriving Southeast Asia region.

A winner of the prestigious SEC-SETSCO Singapore Environmental Achievement Award (Manufacturing) 2017, PanU Concrete continually seeks to 'green' the business, by using technology to streamline the entire value chain for more cost-effective operations.

Ports Business

At the Extraordinary General Meeting held on 13 October 2017, the shareholders of the Company approved the De-merger exercise of the ports business, under Xinghua Port Holdings Pte. Ltd. (Xinghua), as a separate entity. The De-merger of Xinghua is conditional upon, and subject to the approval being granted by The Stock Exchange of Hong Kong Limited (SEHK) and the approval of the High Court of the Republic of Singapore (Court) for the Proposed Capital Reduction and Proposed Distribution and the lodgement of the order of the Court with the Registrar of Companies following the receipt of written notification of the SEHK Approval.

Xinghua's strategic location in the Changjiang River Delta will allow it to leverage on the rapid growth of global trade opportunities, stimulated by the One Belt One Road initiative.

11 If a decision regarding dividend has been made:

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No.

(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 for the quarter ended 30 September 2017.

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

The Group does not have a general mandate from shareholders for interested person transactions.

- 14 Negative confirmation pursuant to Rule 705(5).**

CONFIRMATION PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited consolidated financial results for the quarter ended 30 September 2017 to be false or misleading.

- 15 Confirmation that the issuer has procured undertakings from all its directors and executive officers pursuant to Rule 720(1) of the SGX Listing Manual.**

CONFIRMATION PURSUANT TO RULE 720(1) OF THE LISTING MANUAL

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720 (1) of the SGX Listing Manual.

BY ORDER OF THE BOARD

Cho Form Po
Company Secretary
09 November 2017