



KING WAN CORPORATION LIMITED

Incorporated in Singapore (Company Registration No. 200001034R)

Third Quarter & Nine Months – 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
FINANCIAL PERIOD ENDING 31 DECEMBER 2014**

	Not e	GROUP 9 MONTHS ENDED 31 DECEMBER				GROUP QUARTER ENDED 31 DECEMBER		
		2014	2013	Incr/ (Decre)		2014	2013	Incre/ (Decre)
		S\$	S\$			S\$	S\$	
Revenue	1	61,480,089	74,644,251	-18%		21,591,559	25,037,950	-14%
Cost of Sales		(52,220,311)	(64,856,343)	-19%		(19,842,765)	(23,079,381)	-14%
Gross Profit		9,259,778	9,787,908	-5%		1,748,795	1,958,569	-11%
Other Operating Income								
Dividend income		16,186	12,602	28%		6,580	-	n.m
Exchange gain		271,122	-	n.m		217,619	-	n.m
Gain on disposal of associate	2	24,134,088	-	n.m		-	-	n.m
Gain on disposal of available for sale assets	3	270,465	-	n.m		143,715	-	n.m
Interest income		1,317,381	1,461,060	-10%		437,663	589,701	-26%
Management fees income		79,129	78,936	0%		26,599	26,255	1%
Rental income	4	734,475	860,862	-15%		255,921	292,744	-13%
Fee Income from financial guarantees to associates		657,656	602,535	9%		373,621	249,092	50%
Sundry income		29,829	31,350	-5%		7,772	7,486	4%
Administrative Expenses	5	27,510,331	3,047,345	803%		1,469,490	1,165,278	26%
Share of Associates' Results	6	(7,707,375)	(5,722,757)	35%		(1,903,962)	(1,979,019)	-4%
Finance Costs	7	(829,829)	(501,571)	65%		(861,229)	(614,676)	40%
		(569,862)	(339,500)	68%		(210,608)	(148,909)	41%
Profit Before Income Tax		27,663,043	6,271,425	341%		242,486	381,243	-36%
Income Tax Expense	8	(923,023)	(1,588,682)	-42%		(157,107)	(311,724)	-50%
Profit For The Financial Period		26,740,020	4,682,743	471%		85,379	69,519	23%
Other comprehensive (expense) income:								
<i>Items that may be reclassified subsequently to profit or loss</i>								
Exchange differences on translation of foreign operations		428,690	331,343	29%		267,017	149,930	78%
Reclassification adjustment of cumulative exchange differences to profit or loss upon disposal of associates		1,974,740	-	n.m		-	-	n.m
Fair value adjustment of available for sale investments	9	10,119,772	-	n.m		829,137	-	n.m
Total Comprehensive Income attributable to equity holders of the Company		39,263,223	5,014,086	683%		1,181,533	219,449	438%

Third Quarter (3Q2015) and 9 Months (9M2015) ended 31 December 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 the period

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			QUARTER		
		9 MONTHS ENDED			3 MONTHS ENDED		
		31.12.2014	31.12.2013	Increase/ (Decrease)	31.12.2014	31.12.2013	Increase/ (Decrease)
		S\$	S\$	S\$	S\$	S\$	S\$
(Writeback) Allowance For Doubtful Trade Receivables		39,230	(11,190)	50,420	17,293	(513)	17,806
Bad Debts written off		12,161	-	12,161	12,161	-	12,161
Loss (Gain) On Disposal Of Plant And Equipment		10,288	10,250	38	(11,022)	24,787	(35,809)
Change In Fair Values and Gain on Sale Of Investments Held For Trading		48,135	10,471	37,664	38,098	(27,675)	65,773
JTC Rental		187,728	179,158	8,570	84,239	59,719	24,520
Property Tax		97,500	98,356	(856)	32,500	32,785	(285)
Exchange Loss / (gain)	i	-	173,872	(173,872)	-	82,069	(82,069)
Directors Remuneration	ii	2,479,600	1,515,503	964,097	(482,280)	442,533	(924,814)
Directors Fees		132,003	132,003	-	44,001	44,001	-
Staff related Expenses	iii	1,396,967	1,208,242	188,725	488,060	442,824	45,236
Withholding Tax	iv	136,127	9,836	126,291	288	3,275	(2,987)
Depreciation	v	881,473	790,428	91,045	308,457	279,315	29,142

- The exchange gain was due mainly to the strengthening of the US Dollars and Thai Baht during the period.
- 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 period.
- Adjustments were made to staff salaries during the period.
- Withholding tax has been imposed on the dividends declared and paid by KTIS in Thailand.
- The higher depreciation expense was due to depreciation on the new motor vehicles purchased by the Group during the period.

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 31.12.2014	As at 31.3.2014
	S\$	S\$
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	9,461,965	11,219,322
Trade receivables	14,361,686	9,335,580
Other receivables and prepayments	128,128	158,909
Construction work-in-progress	12,851,098	15,694,127
Inventories	1,183,575	1,013,781
Available-for-sale investments	54,255,292	-
Held for trading investments	645,069	480,519
	92,886,813	37,902,238
Non-current assets classified as held for sale	-	21,642,772
Total current assets	92,886,813	59,545,010
Non-current assets		
Property, plant and equipment	5,581,647	5,626,840
Other receivables	78,299,792	67,622,180
Investment in associates and a joint venture	2,895,648	2,166,295
Total non-current assets	86,777,087	75,415,315
Total assets	179,663,900	134,960,325
<u>LIABILITIES AND EQUITY</u>		
Current Liabilities		
Bank borrowings	21,223,963	12,673,931
Trade payables	12,610,916	13,661,153
Bills payables	14,796,572	12,648,830
Provision for rectification costs	1,289,036	986,864
Other payables	6,358,221	5,308,059
Construction work-in-progress	3,079,166	505,560
Income tax payable	1,225,953	1,686,260
Current portion of finance leases	282,701	244,290
Total current liabilities	60,866,528	47,714,947
Non-current liabilities		
Finance leases	572,391	601,707
Deferred tax liabilities	214,859	214,859
Total non-current liabilities	787,250	816,566
Capital and reserves		
Share capital	46,813,734	46,813,734
Retained earnings	60,551,700	41,493,592
Foreign currency translation reserve	524,916	-1,878,514
Revaluation reserve	10,119,772	-
Total equity	118,010,122	86,428,812
Total liabilities and equity	179,663,900	134,960,325

KING WAN CORPORATION LIMITED (COMPANY)
STATEMENT OF FINANCIAL POSITION

	As at	As at
	31.12.2014	31.3.2014
	S\$	S\$
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	482,356	4,029,204
Amount due from subsidiaries	16,760,991	16,956,012
Held-for-trading investments	-	37,315
Available-for-sale investments	42,237,228	-
Other receivables and prepayments	2,751	9,701
	59,483,326	21,032,232
Non-current assets classified as held for sale	0	9,840,000
Total current assets	59,483,326	30,872,232
Non-current assets:		
Investment in subsidiaries	35,493,266	35,268,954
Investment in associates and a joint venture	2,921,675	1,981,181
Property, plant and equipment	10,917	14,755
Total non-current assets	38,425,858	37,264,890
Total assets	97,909,184	68,137,122
<u>LIABILITIES & EQUITY</u>		
Current liabilities:		
Other payables	3,952,439	3,472,641
Income tax payable	12,365	75,000
Amount due to a subsidiary	5,715,599	992,454
Total current liabilities	9,680,403	4,540,095
Capital and reserves:		
Share capital	46,813,734	46,813,734
Retained earnings	33,211,950	16,783,293
Revaluation reserve	8,203,098	-
Total equity	88,228,782	63,597,027
Total liabilities and equity	97,909,184	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

31.12.2014		31.3.2014	
Secured	Unsecured	Secured	Unsecured
\$282,701	\$36,020,535	\$244,290	\$25,322,761

Amount repayable after 1 year

31.12.2014		31.3.2014	
Secured	Unsecured	Secured	Unsecured
\$572,391	\$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
FOR THE 9 MONTHS ENDED**

	GROUP 9 MONTHS ENDED		GROUP QUARTER ENDED	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Note	S\$	S\$	S\$	S\$
Operating Activities				
Profit (Loss) before income tax	27,663,043	6,271,425	242,485	381,243
Adjustments for				
(Gain) on disposal of plant and equipment	10,288	10,250	(11,022)	24,787
(Gain) On disposal of available for sale assets (Writeback) Allowance For Doubtful Trade Receivables	(270,465)	-	(143,715)	-
Change in fair values and gain on sale of investments held-for-trading	39,230	(11,190)	17,293	(513)
Depreciation	48,135	10,471	38,098	(27,675)
Dividend income from other investments	881,473	790,428	308,457	279,315
Gain on disposal of associates	(1,343,152)	(12,602)	(6,581)	-
Profit on disposal of quoted investments	(24,134,088)	-	-	-
Interest expense	(4,243)	-	-	-
Interest income	569,862	339,500	210,608	148,909
Provision for rectification costs	(1,317,381)	(1,461,060)	(437,663)	(589,701)
Share of associates' results	302,172	-	120,072	-
Fee income from financial guarantee to associates	829,829	501,571	861,229	614,676
Trade receivables written off	(657,656)	(602,535)	(373,621)	(249,092)
	12,161	-	12,161	-
Operating profit before working capital changes	2,629,208	5,836,258	837,801	581,949
Construction work-in-progress	5,416,635	(10,661,841)	3,178,062	157,817
Inventories	(169,794)	61,580	(54,311)	75,935
Other payables	3,154,901	811,287	554,967	(140,056)
Other receivables & prepayments	74,781	176,088	(25,119)	44,293
Trade payables and bill payables	1,097,506	9,514,997	(476,408)	(2,730,797)
Provision for rectification costs utilised	-	(820,324)	-	(344,693)
Trade receivables	(5,077,496)	(1,349,251)	(1,621,859)	(200,460)
Cash from/ (used in) operations	7,125,741	3,568,794	2,393,133	(2,556,012)
Income tax paid	(1,383,329)	(1,610,700)	(601,043)	(710,357)
Interest paid	(569,862)	(339,500)	(210,608)	(148,909)
Net cash from (used in) operating activities	5,172,550	1,618,594	1,581,482	(3,415,278)
INVESTING ACTIVITIES				
Investment in associates	(190,000)	(450,500)	-	(500)
Loans to associates	(9,440,157)	(4,973,880)	(1,524,991)	(1,709,293)
Dividends received	1,343,152	12,602	6,581	-
Interest received	35,926	78,349	7,976	26,711
Purchase of held-for-trading investments	(250,000)	-	-	-
Proceeds from sale of held-for-trading investments	41,558	-	-	-

Proceeds from the disposal of available for sale assets		1,498,965	-	787,215	-
Proceeds from the disposal of plant and equipment		48,889	18,650	48,889	8,150
Purchase of plant and equipment	b	(677,849)	(1,061,187)	(522,444)	(321,546)
Net cash used in investing activities		(7,589,516)	(6,375,966)	(1,196,774)	(1,996,478)
FINANCING ACTIVITIES					
Dividends paid		(7,681,911)	(5,237,653)	(2,444,238)	(1,745,884)
Repayments of finance leases		(208,512)	(46,704)	(74,406)	(18,875)
Proceeds from/ (Repayment of) bank Borrowings		9,200,000	2,875,255	3,700,000	(43,105)
Net cash from (used in)/ from financing activities		1,309,577	(2,409,102)	1,181,356	(1,807,864)
NET CHANGE IN CASH AND CASH EQUIVALENTS		(1,107,389)	(7,166,474)	1,566,064	(7,219,620)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		9,045,391	16,712,439	6,371,938	16,765,585
CASH AND CASH EQUIVALENTS AT END OF PERIOD	a	<u>7,938,002</u>	<u>9,545,965</u>	<u>7,938,002</u>	<u>9,545,965</u>

Note a

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

		31.12.2014	31.12.2013
		S\$	S\$
Cash and Bank Balances		9,231,910	4,720,172
Fixed Deposits		230,055	4,825,793
Bank Overdrafts		(1,523,963)	-
Net		<u>7,938,002</u>	<u>9,545,965</u>

Note b		31.12.2014	31.12.2013
		S\$	S\$
Purchase of property, plant and equipment		895,457	1,387,988
Less : Assets purchased under finance leases		(217,608)	(250,561)
Less : Deposit paid in the last financial year		-	(76,240)
Net		<u>677,849</u>	<u>1,061,187</u>

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

GROUP	SHARE CAPITAL	RETAINED EARNINGS	INVESTMENT REVALUATI ON RESERVE	FOREIGN CURRENCY TRANSLATION 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
Total Comprehensive Income for the Period	-	69,518	-	149,930	219,448
Dividends Paid	-	-1,745,884	-	-	-1,745,884
Balance as at 31 December 2013	46,813,734	39,441,077	-	-1,608,220	84,646,591
Balance as at 1 April 2014	46,813,734	41,493,592	-	-1,878,514	86,428,812
Foreign Currency Translation Reserve on associates disposed during the Period	-	-	-	1,974,740	1,974,740
Total Comprehensive Income for the Period	-	25,903,996	-3,152,218	-2,654	22,749,124
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
Total Comprehensive Income for the Period	-	85,379	829,137	267,017	1,181,533
Dividends Paid	-	-2,444,239	-	-	-2,444,239
Balance as at 31 December 2014	46,813,734	60,551,700	10,119,772	524,916	118,010,122

COMPANY	SHARE CAPITAL	RETAINED EARNINGS	INVESTMENT REVALUATI ON 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
Total Comprehensive Income for the Period	-	-358,975	-	-358,975
Dividends Paid	-	-1,745,884	-	-1,745,884
Balance as at 31 December 2013	46,813,734	5,538,712	-	52,352,446
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
Total Comprehensive Income for the Period	-	-176,007	1,055,931	879,924
Dividends Paid	-	-2,444,239	-	-2,444,239
Balance as at 31 December 2014	46,813,734	33,211,950	8,203,098	88,228,782

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 31 December 2014, the Company does not have any outstanding convertibles or treasury shares (as at 31 December 2013 : Nil). The total number of issued shares as at 31 December 2014 is 349,176,870 (as at 31 December 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 31 December 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 31 December 2014, the Company does not have any treasury shares (as at 31 December 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	
	9 months ended		Quarter ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
(i) Basic earnings per share (in cents)	7.66	1.34	0.03	0.02
Weighted Average Number of Shares	349,176,870	349,176,870	349,176,870	349,176,870
(ii) Diluted earnings per share (in cents)	7.66	1.34	0.03	0.02
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	
	31.12.2014	31.3.2014	31.12.2014	31.3.2014
Net asset value per ordinary share (in cents)	33.80	24.75	25.27	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.

Third Quarter ended 31 December 2014 (3Q2015)

The Group's revenue for 3Q2015 recorded S\$21.59 million, a decrease of 14% compared to the corresponding quarter last year (3Q2014). 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 3Q2015 was S\$0.085 million, comparable with that of 3Q2014.

9 Months ended 31 December 2014 (9M2015)

The Group's revenue for 9M2015 recorded S\$61.48 million, a decrease of 18% compared to 9M2014. The decrease was due to lower recognition of revenue from Mechanical and Electrical (M&E) contracts. However, the Group's gross profit margin for 9M2015 was 15.1%, higher than the 13.1% achieved in 9M2014

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 for 9M2015 would amount to S\$2.6 million (9M2014 : S\$4.68 million).

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

EPS for 9M2015 increased to 7.66 cent from 1.34 cent in 9M2014. 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 33.80 cents per share at 31 December 2014, an increase from 24.75 cents per share at 31 March 2014.

Balance Sheet Review

The Group's equity base stood at S\$118.01 million as at 31 December 2014, an increase from S\$86.43 million as at 31 March 2014.

Total current assets increased significantly by S\$33.34 million from S\$59.55 million to S\$92.89 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 during the period and their subsequent increase in market value as at 31 December 2014.

Non-current assets increased by S\$11.36 million from S\$75.42 million to S\$86.78 million. The increase in non-current receivables was due to loans made to its associates during the period.

Current liabilities increased to S\$60.87 million from S\$47.71 million due mainly to higher bank borrowings.

The debt equity ratio has increased to 0.31 as at 31 December 2014 as compared to 0.30 as at 31 March 2014.

Cashflows & Liquidity

Third Quarter ended 31 December 2014 (3Q2015)

Net cash from operating activities for 3Q2015 amounted to S\$1.58 million compared to a net cash outflow of S\$3.42 million in 3Q2014. The net cash inflow was attributable to higher construction work-in-progress during the quarter.

Net cash used in investing activities for 3Q2015 amounted to S\$1.2 million, lower than the S\$2.0 million used in 3Q2014. This was due to receipts from the disposal of available for sale assets and lower loans made to associates in the current quarter.

Net cash from financing activities amounted to S\$1.18 million in 3Q2015 compared to a net outflow of S\$1.8 million in 3Q2014 as a result of higher net borrowings from banks.

9 Months ended 31 December 2014 (9M2015)

Net cash from operating activities for 9M2015 amounted to S\$5.17 million compared to S\$1.62 million in 9M2014. The higher net cash inflow was attributable to a higher increase in construction work-in-progress relative to the movement from trade receivables as well as increases in trade and bills payables.

Net cash used in investing activities for 9M2015 amounted to S\$7.59 million, higher than the S\$6.38 million used in 9M2014. This was a result of loans to the associate investing in the workers' dormitory business during the period. This was partially offset by dividend income received from KTIS during the period, lower loans made to associates, lower purchases of property, plant and equipment and proceeds from the disposal of available for sale assets.

Net cash from financing activities amounted to S\$1.31 million in 9M2015 compared to a net outflow of S\$2.41 million in 9M2014 due to higher net proceeds from term loans in the current period. This was partly offset by dividends paid to shareholders during the period

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\$189 million worth of M&E engineering contracts on hand, with completion dates ranging from years 2015 to 2018. S\$43.3 million of these orders were secured in the last four 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?

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/recommendeded, a statement to that effect

No dividend has been declared or recommended.

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 31 December 2014 to be false or misleading.

On behalf of the Board of Directors

Chua Kim Hua
Executive Chairman

Chua Eng Eng
Managing Director

13 February 2015

BY ORDER OF THE BOARD

Lim Bee Lian Eliza
Company Secretary