

NEW SILKROUTES GROUP LIMITED
3rd Quarter Financial Statement and Dividend Announcement For The Period Ended 31 March 2018

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

	GROUP 3 MONTHS ENDED			GROUP 9 MONTHS ENDED		
	31/03/18 US\$'000	31/03/17 US\$'000	Change %	31/03/18 US\$'000	31/03/17 US\$'000	Change %
Revenue	164,396	125,375	31%	499,120	318,455	57%
Other income	85	7	1114%	509	717	-29%
Purchases of finished goods	(160,292)	(124,869)	28%	(496,025)	(315,312)	57%
Changes in inventories of finished goods	(2,462)	(385)	539%	3,539	(14)	NM
Personnel expenses	(1,613)	(819)	97%	(4,449)	(2,112)	111%
Amortisation of intangible assets	(46)	(51)	-10%	(128)	(51)	151%
Depreciation of plant and equipment	(64)	(40)	60%	(128)	(54)	137%
Net fair value gain on derivative financial instruments	1,524	1,565	-3%	1,816	55	3202%
Other operating expenses	(852)	(572)	49%	(3,312)	(1,494)	122%
Finance costs	(539)	(436)	24%	(1,147)	(754)	52%
Share of results of associates, net of tax	-	(134)	NM	(61)	(285)	-79%
Profit/(Loss) before taxation	137	(359)	-138%	(266)	(849)	-69%
Taxation	3	11	-73%	16	11	45%
Profit/(Loss) for the period	140	(348)	-140%	(250)	(838)	-70%
Other comprehensive income:						
Foreign currency translation	56	(14)	-500%	108	27	300%
Total comprehensive profit/(loss) for the period	196	(362)	-154%	(142)	(811)	-82%
Profit/(Loss) attributable to:						
Owners of the company	80	(294)	-127%	(384)	(755)	-49%
Non-controlling interests	60	(54)	-211%	134	(83)	-261%
	140	(348)		(250)	(838)	
Total comprehensive income/(loss) attributable to:						
Owners of the company	111	(304)	-137%	(328)	(724)	-55%
Non-controlling interests	85	(58)	-247%	186	(87)	-314%
	196	(362)		(142)	(811)	
Notes (The expenses below are included in "Other operating expenses" above):						
Foreign exchange (loss)/gain	(3)	6	-150%	1	(39)	-103%
Reversal of allowance for impairment of trade and non-trade receivables	28	-	NM	-	-	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	
	31/03/2018	30/06/2017	31/03/2018	30/06/2017
	US\$'000	US\$'000	US\$'000	US\$'000
ASSETS				
Non-current assets				
Plant and equipment	985	421	8	10
Intangible assets and goodwill	6,513	4,791	-	-
Subsidiaries	-	-	31,993	29,904
Associates	50	402	-	-
Available-for-sale investment	14,090	14,090	-	-
Deferred tax assets	37	-	-	-
Total non-current assets	21,675	19,704	32,001	29,914
Current assets				
Inventories	8,806	5,267	-	-
Trade and other receivables	50,253	26,517	9,355	11,200
Prepayments	5,132	5,475	120	27
Derivative financial instruments	-	136	-	-
Cash and cash equivalents	56,265	30,870	2,855	251
Total current assets	120,456	68,265	12,330	11,478
Total assets	142,131	87,969	44,331	41,392
EQUITY AND LIABILITIES				
Equity				
Share capital	78,076	71,179	78,076	71,179
Treasury shares	(616)	(510)	(616)	(510)
Capital reserve	45	68	45	68
Other reserves	1,195	1,139	666	666
Accumulated losses	(33,112)	(32,728)	(34,440)	(31,979)
	45,588	39,148	43,731	39,424
Non-controlling interests	769	384	-	-
Total equity	46,357	39,532	43,731	39,424
Non-current liabilities				
Deferred tax liabilities	393	413	-	-
Borrowings	218	201	-	2
Total non-current liabilities	611	614	-	2
Current liabilities				
Trade and other payables	80,167	38,330	598	1,356
Borrowings	14,635	9,452	2	610
Income tax payable	59	41	-	-
Derivative financial instruments	302	-	-	-
Total current liabilities	95,163	47,823	600	1,966
Total liabilities	95,774	48,437	600	1,968
Total equity and liabilities	142,131	87,969	44,331	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 March 2018		As at 30 June 2017	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
7,653	6,982	8,418	1,034

Amount repayable after one year

As at 31 March 2018		As at 30 June 2017	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
3	215	4	197

Details of any collateral

The Group's secured borrowings of US\$7.656m comprises:

- i. US\$0.006m: Finance lease secured by plant and equipment financed.
- ii. US\$6.553m: A floating charge on inventory and corporate guarantee on trade transactions financed.
- iii. US\$0.343m: 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 from director.
- iv. US\$0.754m: 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	
	9 MONTHS ENDED	
	31/03/2018	31/03/2017
	US\$'000	US\$'000
OPERATING ACTIVITIES		
Loss before taxation	(266)	(849)
Adjustments for:-		
Amortisation of intangible assets	128	51
Depreciation of plant and equipment	128	54
Gain on disposal of associate	(301)	-
Finance costs	1,147	754
Finance income	(4)	-
Net fair value gain on derivative financial instruments	(1,816)	(1,095)
Unrealised foreign exchange differences	(47)	32
Share of results of associates	61	285
Operating loss before working capital changes	(970)	(768)
Increase / decrease in:		
Inventories	(3,539)	14
Trade and other receivables	(21,276)	(56,431)
Prepayments	343	(10)
Trade and other payables	41,791	64,756
Cash from operations	16,349	7,561
Income tax paid	(38)	-
Net cash flows from operating activities	16,311	7,561
INVESTING ACTIVITIES		
Acquisition of subsidiary, net of cash acquired (Note A & B)	178	(823)
Acquisition of plant and equipment	(247)	(3)
Incorporation of an associate	-	(752)
Interest received	4	-
Proceeds from disposal of available-for-sale investment	-	36
Proceeds from disposal of associate	593	-
Net cash flows from/(used in) investing activities	528	(1,542)
FINANCING ACTIVITIES		
Cash restricted in use	(14,281)	-
Interest paid	(1,068)	(743)
Pledged fixed deposits	-	(2)
Proceeds from issuance of shares pursuant to exercise of warrants	2	1,658
Proceeds from issuance of shares	4,813	2,042
Proceeds from short-term loans	51,611	14,390
Proceeds from disposal of treasury shares	318	-
Purchase of treasury shares	(447)	(568)
Repayment of finance lease payables	(1)	(1)
Repayment of short-term loans	(46,654)	(6,180)
Net cash flows (used in)/from financing activities	(5,707)	10,596
Net increase in cash and cash equivalents	11,132	16,615
Cash and cash equivalents at beginning of the period	6,581	3,563
Effect of exchange rate differences in cash and cash equivalents	13	(2)
Cash and cash equivalents at end of financial period	17,726	20,176
Cash and cash equivalents comprise the following:		
Cash and cash equivalents	56,265	20,599
Less: Bank overdrafts	(343)	(308)
Less: Fixed deposits pledged	(122)	(115)
Less: Restricted cash	(38,074)	-
Cash and cash equivalents at end of financial period	17,726	20,176

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	-	-	-	-	-	(384)	(384)	134	(250)
Other comprehensive income									
- foreign currency translation	-	-	-	56	-	-	56	52	108
Total comprehensive income/(loss) for the period	-	-	-	56	-	(384)	(328)	186	(142)
Contributions by and distributions to owners									
- Issue of shares	4,813	-	-	-	-	-	4,813	-	4,813
- Exercise of warrants	2	-	-	-	-	-	2	-	2
- Purchase of treasury shares	-	(447)	-	-	-	-	(447)	-	(447)
- 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	6,897	(106)	-	-	(23)	-	6,768	199	6,967
Balance as at 31 March 2018	78,076	(616)	666	529	45	(33,112)	45,588	769	46,357
Balance as at 1 July 2016	63,958	(322)	1,088	460	-	(30,934)	34,250	(43)	34,207
Loss for the period	-	-	-	-	-	(755)	(755)	(83)	(838)
Other comprehensive income									
- foreign currency translation	-	-	-	31	-	-	31	(4)	27
Total comprehensive income/(loss) for the period	-	-	-	31	-	(755)	(724)	(87)	(811)
Contributions by and distributions to owners									
- Issue of shares	2,042	-	-	-	-	-	2,042	-	2,042
- Exercise of warrants	1,993	-	(335)	-	-	-	1,658	-	1,658
- Purchase of treasury shares	-	(568)	-	-	-	-	(568)	-	(568)
Changes in ownership interests in subsidiaries									
- Acquisition of a subsidiary	-	-	-	-	-	-	-	451	451
Transactions with owners in their capacity as owners	4,035	(568)	(335)	-	-	-	3,132	451	3,583
Balance as at 31 March 2017	67,993	(890)	753	491	-	(31,689)	36,658	321	36,979
	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	4,813	-	-	-	-	4,813			
Exercise of warrants	2	-	-	-	-	2			
Purchase of treasury shares	-	(447)	-	-	-	(447)			
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	-	-	-	-	(2,461)	(2,461)			
Balance as at 31 March 2018	78,076	(616)	666	45	(34,440)	43,731			
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	1,993	-	(335)	-	-	1,658			
Purchase of treasury shares	-	(568)	-	-	-	(568)			
Loss for the period, representing total comprehensive loss for the period	-	-	-	-	(2,032)	(2,032)			
Balance as at 31 March 2017	67,993	(890)	753	-	(31,170)	36,686			

- 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, treasury shares reserve and warrant reserve is as follows:

	No of issued shares	Amount US\$'000
Balance as at 1 January 2018	155,780,359	74,752
Issuance of new ordinary shares	11,363,636	3,819
Purchase of treasury shares	(1,911,700)	(445)
Balance as at 31 March 2018	<u>165,232,295</u>	<u>78,126</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 March 2017: 17,309,068).

As at 31 March 2018, the Company held 2,410,400 (31 March 2017: 2,596,700) 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 165,232,295 (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 January 2018	498,700	171
Purchase of treasury shares	1,911,700	445
Balance as at 31 March 2018	<u>2,410,400</u>	<u>616</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	9 MONTHS ENDED	
	31/03/2018	31/03/2017
	US\$	US\$
(i) Basic	(0.252) cents	(0.590) cents
(ii) Diluted	(0.252) cents	(0.590) cents

The basic and diluted earnings per ordinary share for the financial period ended 31 March 2018 was calculated based on the weighted average number of issued shares 152,117,009. For comparison, earnings per share for the corresponding period was computed based on the weighted average number of shares of 128,054,294.

At the end of the reporting period, the 15,301,568 (31 March 2017: 17,309,068) 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	
	31/03/2018	30/06/2017	31/03/2018	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	27.590 cents	27.081 cents	26.466 cents	27.272 cents

Net asset value per ordinary share as at 31 March 2018 and 30 June 2017 was calculated based on the number of shares in issue excluding treasury shares of 165,232,295 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

The Group registered a total revenue of US\$164.40m in third quarter ended 31 March 2018 ("3Q18") which was 31.1% higher than US\$125.38m in third quarter ended 31 March 2017 ("3Q17"). This is mainly due to the increase in the oil trades (US\$37.5m), and contribution from the newly acquired healthcare subsidiaries (US\$1.5m).

Personnel expenses increased to US\$1.61m in 3Q18 as compared to US\$0.82m in 3Q17 mainly due to the personnel expenses of the newly acquired healthcare subsidiaries, Healthsciences International Pte. Ltd ("HSI"; acquisition completed on 7 December 2016) and the dental companies (acquisition of 9 companies completed on 30 June 2017 and acquisition of 3 companies completed on 30 October 2017).

Depreciation of plant and equipment increased to US\$0.06m in 3Q18 as compared to US\$0.04m in 3Q17 due to depreciation of equipment of the newly acquired dental companies.

Other operating expenses increased to US\$0.85m in 3Q18 as compared to US\$0.57m in 3Q17.

The increase is primarily due to:

- Oil trading related costs such as bank and trade finance charges.
- Professional fees due to the Group's various corporate actions.
- Other operating expenses incurred by the newly acquired healthcare subsidiaries.

Finance costs increased to US\$0.54m in 3Q18 as compared to US\$0.44m in 3Q17, largely due to increased in oil trading activities - interest incurred from discounting of letters of credit and short-term loans.

The share of results of associates amounting to US\$0.13m in 3Q17 was related to the Group's share of the loss in New Silkroutes Asset Management Pte Ltd ("NSAM"). It was nil in 3Q18 as NSAM was disposed on 22 September 2017.

Financial Position Review

Plant and equipment increased to US\$0.99m as at 31 March 2018 as compared to US\$0.42m as at 30 June 2017. The increase was mainly due to the equipment of the 3 newly acquired dental companies on 30 October 2017.

Intangible assets and goodwill increased to US\$6.51m as at 31 March 2018 as compared to US\$4.79m as at 30 June 2017. The increase was mainly due to the goodwill arising from the acquisition of the 3 dental companies on 30 October 2017.

Investments in associates decreased to US\$0.05m as at 31 March 2018 as compared to US\$0.40m as at 30 June 2017 due to the divestment of NSAM on 22 September 2017.

The deferred tax assets of US\$0.04m was due to unutilised tax losses in HSI.

As at 31 March 2018, the increase/decrease of the following items is primarily due to the increase in oil trading activities:

- i. Inventories increased to US\$8.81m as compared to US\$5.27m.
- ii. Trade and other receivables increased to US\$50.25m as compared to US\$26.52m.
- iii. Derivative financial instruments (for oil price hedging purposes) recorded a net liability of US\$0.30m as compared to a net asset of US\$0.14m.
- iv. Trade and other payables increased to US\$80.17m as compared to US\$38.33m.
- v. Total borrowings increased to US\$14.85m as compared to US\$9.65m mainly due to short-term loans used to finance the oil trades.
- vi. Cash and cash equivalents increased to US\$56.27m as compared to US\$30.87m.

Cash Flow Statement Review

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

The net cash of US\$5.71m used in financing activities in the current period was resulted from:

- i. US\$14.28m held in designated bank accounts and earmarking for letters of credit issued.
- ii. Proceeds of US\$4.81m from the issuance of shares.
- iii. Increased in net borrowings of US\$5m.

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.

The company notes an increasing trend of consolidation in the outpatient healthcare sector, where general practitioners and specialists are coming together to extract economies of scale and sharing of costs, as the industry prepares itself for changes in the new Healthcare Services Act. There is an opportunity for the Company to leverage on its existing platform to amalgamate these practices along with its longer term strategy of owning and managing hospitals, thereby establishing a vertically integrated healthcare organisation in Asia.

As part of this strategy, the Company had previously announced its intent to acquire manufacturing facilities for healthcare consumables in Shanghai, China. That process is ongoing and the due diligence is near completion.

In the energy sector, the strengthening of the US Dollar may result in foreign currency exchange gains for the Company, as its oil trades are in the greenback, whereas its operating costs are largely in Singapore Dollars. However, these gains are likely to be tempered by increases in interest rates, which will result in higher financing costs. A key activity for the Company will, therefore, be to lower its financing costs by seeking partnerships with more competitive trade financiers and to raise its own cash by tapping the capital markets.

In line with the Company's focus on its healthcare and energy sectors, the Company did not proceed with the acquisition of Culross Global Holdings Limited, which had lapsed on the previously announced long stop date of 19 April 2018.

Utilisation of placement proceeds

Total placement proceeds of US\$3.819m on 8 March 2018 were utilised for the following purposes

	As at 31 March 2018 USD'000
Placement Proceeds	3,819
Less Placement Costs	(113)
Net Proceeds	3,706
Less utilised:	
Working capital (staff salaries, professional fees and related expenses)	(390)
	<u>3,316</u>

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/recommendedd, a statement to that effect.

No dividend has been declared or recommended for the period ended 31 March 2018.

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 third 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 March 2018 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

Ong Beng Hong
Company Secretary
10 May 2018