



KING WAN CORPORATION LIMITED

Incorporated in Singapore (Company Registration No. 200001034R)

Third Quarter & Nine Months Results – 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 ENDED 31 DECEMBER 2016**

	No te	GROUP 9 MONTHS ENDED 31 DECEMBER				GROUP QUARTER ENDED 31 DECEMBER		
		2016 S\$	2015 S\$	Increase/ (Decrease)		2016 S\$	2015 S\$	Increase/ (Decrease)
Revenue	1	61,820,866	78,567,847	-21%		22,398,063	26,250,855	-15%
Cost of sales		(54,744,349)	(65,602,328)	-17%		(21,092,205)	(23,427,190)	-10%
Gross profit	2	7,076,517	12,965,519	-45%		1,305,858	2,823,665	-54%
Other operating income								
Dividend income		9,432	9,407	0%		-	-	n.m
Exchange gain (loss)	3	312,911	-	n.m		252,197	(11,719)	-2252%
Interest income	4	964,242	1,134,172	-15%		262,584	410,504	-36%
Management fees income		81,914	82,240	0%		27,549	27,704	-1%
Rental income	5	529,143	675,497	-22%		152,953	235,270	-35%
Fee income from financial guarantees to associates	6	673,674	581,234	16%		114,441	263,351	-57%
Sundry income		222,283	84,660	163%		145,580	57,259	154%
Administrative expenses	7	2,793,599	2,567,210	9%		955,304	982,369	-3%
Allowance for amount due from associates	8	(5,214,301)	(5,069,919)	3%		(1,302,292)	(1,328,475)	-2%
Share of associates' results	9	(2,065,673)	(8,000,000)	-74%		(1,995,368)	(8,000,000)	-75%
Finance costs	10	538,328	1,400,133	-62%		(1,990,230)	236,095	-943%
		(1,114,322)	(973,412)	14%		(207,767)	(376,824)	-45%
Profit (Loss) before income tax		2,014,148	2,889,531	-30%		(3,234,495)	(5,663,170)	-43%
Income tax expense	11	(729,915)	(1,641,025)	-56%		(131,356)	(197,728)	-34%
Profit (Loss) for the financial period		1,284,233	1,248,506	3%		(3,365,851)	(5,860,898)	-43%
Other comprehensive (loss) income:								
<i>Items that may be reclassified subsequently to profit or loss</i>								
Exchange differences on translation of foreign operations		(12,637)	(14,532)	-13%		(17,093)	(6,562)	160%
Fair value adjustment of available-for-sale investments	12	973,245	(8,434,522)	-112%		2,133,217	(3,375,614)	-163%
Total comprehensive income (loss) for the period		2,244,841	(7,200,548)	-131%		(1,249,727)	(9,243,074)	-86%

Third Quarter (3Q2017) and 9 months ended 31 December 2016 (9M2017)

Note 1 - The decrease in turnover was due to lower volume of Mechanical and Electrical (M&E) contracts in progress during the period.

Note 2 – Profits of certain projects with relatively higher margin were recognized in 9M2016.

Note 3 – Exchange gains arose from the USD denominated loans to associates when the USD strengthened against SGD during the period

Note 4 – Lower interest income from loans to associates due to repayment of loans by associates.

Note 5 – Lower rental income was derived from the rental of worker’s dormitory.

Note 6 – Higher fee income from financial guarantees to associates due to repayment of bank borrowings by certain associates to banks.

Note 7 - Included in administration expenses are the following:

		GROUP			QUARTER		
		9 MONTHS ENDED			3 MONTHS ENDED		
		31.12.2016 S\$	31.12.2015 S\$	Increase/ (Decrease) S\$	31.12.2016 S\$	31.12.2015 S\$	Increase/ (Decrease) S\$
Net (reversal of) allowance for doubtful trade receivables	i	(189,989)	(258,752)	68,763	(161,638)	8,268	(169,906)
Loss (Gain) on disposal of plant and equipment		3,636	34,613	(30,977)	1,984	25,098	(23,114)
Change in fair values of held-for-trading investments		31,947	35,119	(3,172)	(24,615)	(16,015)	(8,600)
JTC rental		201,553	193,776	7,777	67,184	64,592	2,592
Property tax		97,500	97,500	-	32,500	32,500	-
Directors remuneration		907,752	893,304	14,448	116,878	(201,932)	318,810
Directors fees		132,001	132,001	-	44,001	44,001	-
Staff related expenses	ii	1,781,960	1,620,535	161,425	486,257	546,545	(60,288)
Depreciation		861,499	900,743	(39,244)	274,554	289,825	(15,271)

i. Allowances for trade receivables which were deemed no longer required were written back in the previous period.

ii. Higher staff related expenses were mainly due to adjustments made to staff salaries.

Note 8 - Allowance was made in connection with the Group’s real estate development business in Dalian, China. The Group made allowance for doubtful receivables due from its associate, DLSC Singapore amounting to an aggregate of S\$2.0 million for the financial period ended 31 December 2016.

Note 9 – The share of results from associates in the current period were mainly from the recognition of profits by the Group from its investment in the Skywoods residential development project in Singapore, which has been fully completed and sold. This is partly offset by the share of loss in fair value of Tuas South Dormitory which is operated by associate, Nexus Point Investments Pte Ltd.

Note 10 - There was higher utilization of bank facilities to finance the Group’s business activities.

Note 11 – The higher effective tax rate for the current period was due to the non deductibility of certain expenses.

Note 12 – The unrealized fair value adjustment recognized on available-for-sale investments relates to the marking of the Kaset Thai International Sugar Corporation Public Company Limited (“KTIS”) shares (listed on the Stock Exchange of Thailand) held by the Group to market values as at period end. The shares had increased in value since 31 March 2016 due to a stronger Thai Baht.

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	As at
	31.12.2016	31.3.2016
	S\$	S\$
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	6,924,877	5,567,519
Trade receivables	11,251,319	9,031,859
Other receivables and prepayments	12,134,299	48,412,406
Construction work-in-progress	13,453,587	13,202,057
Inventories	809,742	1,119,163
Held-for-trading investments	533,705	584,277
Total current assets	45,107,529	77,917,281
Non-current assets		
Property, plant and equipment	4,026,485	4,294,644
Other receivables	40,252,963	36,185,370
Available-for-sale investments	32,366,048	31,392,803
Investment in associates and a joint venture	3,103,263	2,509,922
Total non-current assets	79,748,759	74,382,739
Total assets	124,856,288	152,300,020
<u>LIABILITIES AND EQUITY</u>		
Current Liabilities		
Bank borrowings	20,484,130	24,480,995
Trade payables	12,553,703	13,055,373
Bills payables	2,267,559	22,455,370
Provision for rectification costs	1,119,172	988,383
Other payables	3,846,265	4,627,470
Construction work-in-progress	4,665,113	3,969,455
Income tax payable	799,048	1,956,952
Current portion of finance leases	326,012	270,636
Total current liabilities	46,061,002	71,804,634
Non-current liabilities		
Finance leases	207,794	239,618
Bank borrowings	1,452,242	3,619,475
Deferred tax liabilities	214,859	214,859
Total non-current liabilities	1,874,895	4,073,952
Capital and reserves		
Share capital	46,813,734	46,813,734
Retained earnings	29,045,144	29,506,795
Foreign currency translation reserve	88,268	100,905
Investment revaluation reserve	973,245	0
Total equity	76,920,391	76,421,434
Total liabilities and equity	124,856,288	152,300,020

KING WAN CORPORATION LIMITED (COMPANY)
STATEMENT OF FINANCIAL POSITION

	As at 31.12.2016	As at 31.3.2016
	S\$	S\$
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	766,886	401,002
Amount due from subsidiaries	6,945,424	7,107,146
Other receivables and prepayments	7,612	11,700
Total current assets	7,719,922	7,519,848
Non-current assets:		
Investment in subsidiaries	26,350,773	26,142,151
Investment in associates and a joint venture	2,024,196	1,990,592
Available-for-sale investments	24,958,362	24,207,866
Property, plant and equipment	684	4,522
Total non-current assets	53,334,015	52,345,131
Total assets	61,053,937	59,864,979
<u>LIABILITIES & EQUITY</u>		
Current liabilities:		
Other payables	1,851,230	3,796,202
Income tax payable	1,613	40
Amount due to a subsidiary	4,904,170	10,409,299
Total current liabilities	6,757,013	14,205,541
Capital and reserves:		
Share capital	46,813,734	46,813,734
Retained earnings	6,732,694	-1,154,296
Investment revaluation reserve	750,496	0
Total equity	54,296,924	45,659,438
Total liabilities and equity	61,053,937	59,864,979

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

Amount repayable in one year or less, or on demand

31.12.2016		31.3.2016	
Secured	Unsecured	Secured	Unsecured
\$326,012	\$22,751,689	\$270,636	\$46,936,365

Amount repayable after 1 year

31.12.2016		31.3.2016	
Secured	Unsecured	Secured	Unsecured
\$207,794	\$1,452,242	\$239,618	\$3,619,475

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**

	GROUP		GROUP	
	9 months ended		Quarter ended	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
	S\$	S\$	S\$	S\$
Operating Activities				
<i>Profit before income tax</i>	2,014,148	2,889,531	(3,234,495)	(5,663,170)
Adjustments for				
Loss on disposal of plant and equipment	3,636	34,613	1,984	25,098
Net (reversal of) allowance for doubtful trade receivables	(189,989)	(258,752)	(161,638)	8,268
Change in fair values of held-for-trading investments	31,947	35,119	(24,615)	(16,015)
Depreciation	861,499	900,743	274,554	289,825
Dividend income from other investments	(434,864)	(824,217)	-	-
Interest expense	1,114,322	973,412	207,767	376,824
Interest income	(964,242)	(1,134,172)	(262,584)	(410,504)
Provision for rectification costs	321,073	105,200	7,940	105,200
Share of associates' results	(538,328)	(1,400,133)	1,990,230	(236,095)
Fee income from financial guarantee to associates	(673,674)	(581,234)	(114,441)	(263,351)
Allowance for amounts due from associates	2,065,673	8,000,000	1,995,368	8,000,000
Operating profit before working capital changes	3,611,201	8,740,110	680,070	2,216,080
Construction work-in-progress	444,128	(3,830,839)	445,903	(969,061)
Inventories	309,421	221,290	35,260	259,189
Other payables	(141,136)	1,096,456	208,162	(28,811)
Other receivables and prepayments	67,689	(40,817)	80,685	(71,164)
Trade payables and bill payables	(20,689,481)	6,922,590	(2,551,414)	(206,147)
Provision for rectification costs utilised	(190,284)	(76,196)	(144,821)	(72,122)
Trade receivables	(2,029,471)	(1,452,877)	(137,972)	1,282,603
Cash (used in) from operations	(18,617,933)	11,579,717	(1,384,127)	2,410,568
Income tax paid	(1,887,819)	(1,379,162)	(883,818)	(456,932)
Interest paid	(1,114,322)	(973,412)	(207,767)	(376,824)
Net cash (used in) from operating activities	(21,620,074)	9,227,143	(2,475,712)	1,576,812
INVESTING ACTIVITIES				
Repayments from (Loans to) associates	30,995,376	(19,279,289)	(1,359,446)	(6,947,010)
Dividends received from available for sales and held-for-trading investments	434,864	824,217	-	-
Interest received	46,019	30,186	13,467	15,206
(Purchase of) Proceeds from disposal of held-for-trading investments	(231,375)	-	13,914	-
Proceeds from sale of held-for-trading investments	250,000	-	250,000	-
Proceeds from the disposal of property, plant and equipment	-	1,490	-	-
Purchase of property, plant and equipment	(336,656)	(133,227)	(19,165)	(17,185)
Net cash used in investing activities	31,158,228	(18,556,623)	(1,101,231)	(6,948,989)
FINANCING ACTIVITIES				
Dividends paid	(1,745,884)	(3,491,568)	(1,745,884)	201
Repayment of obligations under finance leases	(236,768)	(212,102)	(80,580)	(69,863)
Proceeds from (Repayment of) bank borrowings	(6,164,099)	6,983,433	1,891,075	1,491,131
Net cash (used in) from financing activities	(8,146,751)	3,279,763	64,611	1,421,469
Net effect of exchange rate changes in consolidating a foreign subsidiary	(34,045)	-	(27,802)	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,357,358	(6,049,717)	(3,540,133)	(3,950,708)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	5,567,519	11,350,261	10,465,010	9,251,252
CASH AND CASH EQUIVALENTS AT END OF PERIOD	6,924,877	5,300,544	6,924,877	5,300,544

a

Note a

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

		31.12.2016	31.12.2015
		S\$	S\$
Cash and Bank Balances		6,924,877	8,098,201
Bank Overdrafts		-	(2,797,657)
Net		6,924,877	5,300,544

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 REVALUATION RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE	TOTAL
	S\$	S\$	S\$	S\$	S\$
Balance as at 1 April 2015	46,813,734	50,892,450	305,554	156,670	98,168,408
Dividends paid	0	(3,491,568)	0	0	(3,491,568)
Total Comprehensive Income for the Period	0	1,248,506	(8,434,522)	(14,532)	(7,200,548)
Balance as at 31 December 2015	46,813,734	48,649,388	(8,128,968)	142,138	87,476,292
Balance as at 1 April 2016	46,813,734	29,506,795	0	100,905	76,421,434
Dividends paid	0	(1,745,884)	0	0	(1,745,884)
Total Comprehensive Income for the Period	0	1,284,233	973,245	(12,637)	2,244,841
Balance as at 31 December 2016	46,813,734	29,045,144	973,245	88,268	76,920,391

COMPANY	SHARE CAPITAL	RETAINED EARNINGS	INVESTMENT REVALUATION RESERVE	TOTAL
	S\$	S\$	S\$	S\$
Balance as at 1 April 2015	46,813,734	24,246,878	235,621	71,296,233
Dividends paid	0	(3,491,568)	0	(3,491,568)
Total Comprehensive Income for the Period	0	27,103	(6,344,311)	(6,317,208)
Balance as at 31 December 2015	46,813,734	20,782,413	(6,108,690)	61,487,457
Balance as at 1 April 2016	46,813,734	(1,154,296)	0	45,659,438
Dividends paid	0	(1,745,884)	0	(1,745,884)
Total Comprehensive Income for the Period	0	9,632,874	750,496	10,483,370
Balance as at 31 December 2016	46,813,734	6,732,694	750,496	54,396,924

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 2016, the Company does not have any outstanding convertibles or treasury shares (as at 31 December 2015 : Nil).

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 2016 is 349,176,870 (as at 31 March 2016 : 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 2016, the Company does not have any treasury shares.

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 2016, as well as all the applicable Financial Reporting Standards ("FRS") which became effective for the financial year beginning on or after 1 April 2016. The adoption of those new and revised FRSs has no material effect on the 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 2016. 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	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
(i) Basic earnings per share (in cents)	0.37	0.36	-0.96	-1.68
Weighted Average Number of Shares	349,176,870	349,176,870	349,176,870	349,176,870
(ii) Diluted earnings per share (in cents)	0.37	0.36	-0.96	-1.68
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	
	31.12.2016	31.3.2016	31.12.2016	31.3.2016
Net Asset Value Per Ordinary Share (in cents)	22.03	21.89	15.55	13.08
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.

9 months ended 31 December 2016 (9M2017) and Third Quarter ended 31 December 2016 (3Q2017)

The Group's revenue for 9M2017 recorded S\$61.82 million, a decrease of 21% compared to the corresponding period last year (9M2016). At the same time, revenue for 3Q2017 recorded S\$22.40 million, a decrease of 15% compared to the corresponding quarter last year (3Q2016).

There was comparatively lower volume of ongoing Mechanical and Electrical (M&E) contracts during 9M2017 and 3Q2017 available for revenue recognition. Gross profit margin is relatively lower due to higher contract costs incurred.

Net loss for 3Q2017 was S\$3.37 million, compared to a net loss of S\$5.86 million in 3Q2016. The loss was mainly due to lower gross profits achieved, lower contributions from associates and allowance for amount due from associates during the quarter.

The Group's net profit for 9M2017 was S\$1.28 million, compared to a net profit of S\$1.25 million achieved in 9M2016. This was mainly due to lower allowance made for amount due from associates during the quarter.

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

EPS for 9M2017 was 0.37 cents, compared to 0.36 cents in 9M2016. EPS for 3Q2017 was -0.96 cents, compared to -1.68 cents in 3Q2016.

NAV for the Group stood at 22.03 cents per share at 31 December 2016, an increase from 21.89 cents per share at 31 March 2016. This increase was due to profits achieved during the period.

Balance Sheet Review

The Group's equity base stood at S\$76.92 million as at 31 December 2016, an increase from S\$76.42 million as at 31 March 2016.

Total current assets amounted to S\$45.11 million, lower than the S\$77.92 million as at 31 March 2016. The decrease was mainly due to repayment of loans by associates during the period upon completion of their development projects, which also resulted in a higher cash and cash equivalents as at 31 December 2016.

Non-current assets increased to S\$79.75 million from S\$74.38 million. The increase was mainly due to the recognition of results from associates during the period and by loans made to associates during the period. There is also an increase in value of available-for-sales investments due to a stronger Thai Baht which the securities are denominated in.

Current liabilities decreased to S\$46.06 million from S\$71.80 million due to the repayment of bank borrowings and bill payables at period end, made possible by the repayment of loans from associates upon completion of their development projects.

Non-current liabilities decreased to S\$1.87 million from S\$4.07 million due to repayment of term loans during the period.

The debt-equity ratio has decreased to 0.32 as at 31 December 2016 as compared to 0.67 as at 31 March 2016 due to the decrease in bank borrowings.

Cashflows & Liquidity

Third Quarter and 9 months ended 31 December 2016 (3Q2017 and 9M2017)

Net cash used in operating activities amounted to S\$21.62 million in 9M2017 (9M2016 : inflow of S\$9.23 million) and S\$2.48 million in 3Q2017 (3Q2016 : inflow of S\$1.58 million).

The outflow was due mainly to the repayment of trade and bill payables during the period.

Net cash from investing activities amounted to S\$31.16 million in 9M2017 (9M2016 : outflow of S\$18.56 million) and outflow of S\$1.10 million in 3Q2017 (3Q2016 : outflow of S\$6.95 million). The higher cash inflow was due to the repayment of loans by associates to the Group during the period upon completion of their development projects.

Net cash used in financing activities amounted to S\$8.15 million in 9M2017 (9M2016 : inflow of S\$3.28 million) and inflow of S\$0.07 million in 3Q2017 (3Q2016 : inflow of S\$1.42 million). The outflows were mainly due to the repayment of bank borrowings in the current 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 Mechanical and Electrical (M&E) business segment is expected to remain challenging in the next 12 months with continuous pressures on contract values and stiff competition for new projects. Based on order books secured, the M&E business will remain the core business for the Group and is expected to contribute positively to the Group's results for the next 12 months.

As at the date of this Announcement, the Group has approximately S\$152 million worth of M&E engineering contracts on hand, with completion dates ranging from years 2017 to 2022.

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.

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.

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

The Company confirms compliance with Rule 720(1).

15. Confirmation pursuant to Rule 705(5) of the Listing Manual

We confirm on behalf of the Board of Directors, that, 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 for the period ended 31 December 2016 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Chua Kim Hua
Executive Chairman

Chua Eng Eng
Managing Director

10 February 2017

BY ORDER OF THE BOARD

Catherine Lim Siok Ching
Company Secretary

10 February 2017