

# **Swee Hong Limited**

**Third Quarter and Nine Months**

**Unaudited Financial Statement**

**for the period ended**

**31 March 2018**

(Company Registration No.: 198001852R)  
(Incorporated in the Republic of Singapore)

## PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

### 1(a)(i) Group income statement, together with comparative statement for the corresponding period of the immediately preceding financial year

	Group					
	Current third quarter ended 31 Mar 2018	Previous third quarter ended 31 Mar 2017	Increase / (Decrease)  %	Current nine months ended 31 Mar 2018	Previous nine months ended 31 Mar 2017	Increase / (Decrease)  %
	S\$'000	S\$'000		S\$'000	S\$'000	
<b>Revenue</b>	11,665	16,149	(28%)	43,266	42,570	2%
Cost of works	(11,091)	(16,047)	(31%)	(40,679)	(36,561)	11%
<b>Gross profit</b>	574	102	463%	2,587	6,009	(57%)
Other gains – net	938	2,787	(66%)	1,072	25,726	(96%)
<b>Expenses</b>						
-Distribution and marketing	(6)	(2)	200%	(14)	(6)	133%
-Administrative	(948)	(173)	n.m.	(2,028)	(1,611)	26%
-Finance	(263)	-	n.m.	(673)	(16)	n.m.
<b>Profit before income tax</b>	295	2,714	(89%)	944	30,102	(97%)
Income tax	-	-	n.m.	-	-	n.m.
<b>Net profit from continuing operations</b>	295	2,714	(89%)	944	30,102	(97%)
<b>Other comprehensive income:</b>						
Items that may be reclassified subsequently to profit or loss:						
Available-for-sale financial assets						
- Fair value gains/(losses)	-	-	n.m.	-	1	n.m.
Currency translation differences arising from consolidation						
- Gains/(losses)	-	(4)	n.m.	19	(4)	n.m.
<b>Other comprehensive income, net of tax</b>	-	(4)	n.m.	19	(3)	n.m.
<b>Total comprehensive income</b>	295	2,710	(89%)	963	30,099	(97%)
<b>Profit attributable to:</b>						
Equity holders of the Company	295	2,714	(89%)	944	30,102	(97%)
<b>Total comprehensive income attributable to:</b>						
Equity holders of the Company	295	2,710	(89%)	963	30,099	(97%)

### 1(a)(ii) The net profit attributable to shareholders of the Company includes the following charges/(credits):

	Group					
	Current third quarter ended 31 Mar 2018	Previous third quarter ended 31 Mar 2017	Increase / (Decrease)  %	Current nine months ended 31 Mar 2018	Previous nine months ended 31 Mar 2017	Increase / (Decrease)  %
	S\$'000	S\$'000		S\$'000	S\$'000	
Currency translation (gains)/ loss - net	-	4	(100%)	(19)	4	n.m.
Dividend income	-	-	n.m.	-	5	(100%)
Gain on disposal of property, plant and equipment	(571)	(2,795)	(80%)	(571)	(2,817)	(80%)
Bank interest income	*	*	n.m.	*	*	n.m.
Government grant	(32)	(31)	3%	(40)	(87)	(54%)
Write-off of pursuant to Creditors Scheme of Arrangement	-	-	-	-	(22,832)	(100%)
Income from sales of scrap materials	(311)	-	n.m.	(436)	(1)	n.m.
Miscellaneous income	(17)	(21)	(20%)	(17)	(40)	(58%)
Interest expenses	263	16	n.m.	673	16	n.m.
Depreciation of property, plant and equipment	458	512	(11%)	1,376	1,435	(4%)
Foreign exchange (gain)/loss, net	(2)	-	n.m.	*	-	n.m.

\* Amount below S\$1,000.  
n.m. denotes not meaningful.

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**1(b)(i) Statement of Financial Position, together with a comparative statement as at the end of the immediately preceding financial year**

	Group		Company	
	Unaudited As at 31 March 2018 S\$'000	Audited As at 30 June 2017 S\$'000	Unaudited As at 31 March 2018 S\$'000	Audited As at 30 June 2017 S\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	3,932	852	3,899	818
Trade and other receivables	39,608	27,480	39,632	27,504
Construction contract work-in-progress	1,220	477	1,220	477
	44,760	28,809	44,751	28,799
<b>Assets classified as held for sale</b>	35	44	35	44
	44,795	28,853	44,786	28,843
<b>Non-current assets</b>				
Available-for-sale financial assets	12	12	12	12
Investment in subsidiary corporations	-	-	2	2
Property, plant and equipment	5,812	6,620	5,812	6,620
	5,824	6,632	5,826	6,634
<b>Total assets</b>	50,619	35,485	50,612	35,477
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	19,226	20,119	19,964	20,863
Finance lease payables	1,182	-	1,182	-
Borrowings	13,325	6,425	13,325	6,425
	33,733	26,544	34,471	27,288
<b>Non-current liabilities</b>				
Borrowings	6,978	-	6,978	-
	6,978	-	6,978	-
<b>Total liabilities</b>	40,711	26,544	41,449	27,288
<b>NET ASSETS</b>	9,908	8,941	9,163	8,189
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	52,778	52,778	52,778	52,778
Other reserves	24	(17)	24	2
Accumulated losses	(42,894)	(43,820)	(43,639)	(44,591)
<b>TOTAL EQUITY</b>	9,908	8,941	9,163	8,189

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**Notes to Statement of Financial Position**

**(i) Trade and other receivables**

	Group		Company	
	31 March 2018 S\$'000	30 June 2017 S\$'000	31 March 2018 S\$'000	30 June 2017 S\$'000
Trade receivables – net	295	608	295	608
Construction contracts:				
- Due from customers	38,855	24,822	38,855	24,822
Non-trade receivables				
- Subsidiary	-	-	24	24
- -Non-related parties	187	289	187	289
Advances to suppliers		1,384		1,384
Deposits	237	349	237	349
Prepayments	34	28	34	28
	<b>39,608</b>	<b>27,480</b>	<b>39,632</b>	<b>27,504</b>

The non-trade amount due from subsidiary is unsecured, interest-free and is receivable on demand.

**1(b)(ii) Aggregate amount of the Group's borrowings and debts securities**

	Group			
	Unaudited		Audited	
	As at 31 March 2018	As at 30 June 2017	As at 31 March 2018	As at 30 June 2017
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
<b>(a) Amount repayable in one year or less, or on demand</b>				
Borrowings	-	13,325	-	6,425
Finance lease payables	1,182	-	-	-
<b>(b) Amounts repayable after one year</b>				
Convertible Bonds	6,978	-	-	-

On 19 February 2018, the Company issued convertible bonds denominated in Singapore Dollars with a nominal value of S\$7.0 million. The Bonds are secured by a guarantee provided by the immediate holding company and by a director. The Bonds are due for repayment three years from the date of issue at their nominal value of S\$7.0 million, or at the Bonds holder's option be converted into shares of the Company at the rate of \$0.015 per share. Please refer to the Company's announcements dated 31 August 2017, 7 September 2017, 7 February 2018 and 18 February 2018 as well as the Company's circular dated 23 January 2018 for more information on the Bonds.

The S\$1.2 million finance lease payables is secured by a guarantee provided by the immediate holding company.

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**Notes to Statement of Financial Position**

**1(c) Group cash flow statement, together with a comparative statement for the corresponding period of the immediately preceding financial year**

	Group			
	Unaudited Current third quarter ended 31 Mar 2018 S\$'000	Unaudited Previous third quarter ended 31 Mar 2017 S\$'000	Unaudited Current nine months ended 31 March 2018 S\$'000	Unaudited Previous nine month ended 31 Mar 2017 S\$'000
<b>Cash flows from operating activities</b>				
Profit before income tax	295	2,714	944	30,102
Adjustments for:				
Depreciation of property, plant and equipment	458	512	1,376	1,435
Impairment of property, plant and equipment	-	(119)	-	(89)
Gain on disposal of property, plant and equipment	(571)	(2,795)	(571)	(2,817)
Interest income	(6)	-	(6)	*
Interest expense	263	-	673	16
Dividend income	-	-	-	(5)
Unrealised currency translation gain - net	-	(4)	19	(4)
Scheme creditors write-off	-	-	-	(22,832)
<b>Operating cash flows before working capital changes</b>	439	308	2,435	5,806
<b>Changes in working capital:</b>				
Construction contract work-in-progress	(603)	676	(743)	(1,114)
Trade and other receivables	2,535	(3,247)	(12,128)	(8,121)
Trade and other payables	(6,235)	2,911	(912)	(1,983)
Cash flows (used in)/generated from operations	(3,864)	648	(11,348)	(5,412)
Interest received	6	*	6	*
<b>Net cash (used in)/provided by operating activities</b>	(3,858)	648	(11,342)	(5,412)
<b>Cash flows from investing activities</b>				
Additions to property, plant and equipment	(244)	(291)	(253)	(347)
Proceeds from disposal of property, plant and equipment	1,425	73	1,447	96
Dividends received	-	-	-	5
Proceeds from disposal of assets classified as held-for-sale	-	3,100	-	3,100
<b>Net cash provided by investing activities</b>	1,181	2,882	1,194	2,854
<b>Cash flows from financing activities</b>				
Bank balances restricted for use	-	(3,400)	-	532
Repayment of finance lease liabilities	-	-	-	(161)
Proceeds from borrowings	1,027	725	11,026	3,375
Proceeds from issuance of convertible bonds	7,000	-	7,000	-
Repayment of borrowings	(1,673)	(2,500)	(4,125)	(5,871)
Interest paid	(263)	*	(673)	(16)
Increase in fixed deposits pledged	(2,066)	-	(2,066)	-
Issuance of subscription shares	-	-	-	4,000
<b>Net cash provided by/ (used by) financing activities</b>	4,025	(5,175)	11,162	1,859
<b>Net increase/ (decrease) in cash and cash equivalents</b>	1,348	(1,645)	1,014	(699)
<b>Cash and cash equivalents</b>				
Beginning of financial period	518	1,823	852	877
<b>End of financial period</b>	1,866	178	1,866	178

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For the purpose of presenting the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

	31 Mar 2018 S\$'000	31 Mar 2017 S\$'000
<b>Cash and cash equivalents</b>		
Fixed deposits with bank	2,066	-
Cash and bank	1,866	3,700
Less: Bank overdraft	-	(26)
Less: Cash restricted to use	-	(3,496)
Less: Fixed deposits pledged	(2,066)	-
Cash and cash equivalents on statements of financial position	<u>1,866</u>	<u>178</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 change in equity**

	Share capital S\$'000	Accumulated losses S\$'000	Other reserves S\$'000	Total equity S\$'000
<b>Group</b>				
<b>As at 1 July 2017</b>	52,778	(43,820)	(17)	8,941
Profit for the financial period	-	926	-	926
Other comprehensive income for the financial period	-	-	41	41
<b>As at 31 March 2018</b>	<u>52,778</u>	<u>(42,894)</u>	<u>24</u>	<u>9,908</u>
<b>As at 1 July 2016</b>	28,580	(73,607)	(15)	(45,042)
Issue of shares during the financial period	22,870	-	-	22,870
Profit for the financial period	-	30,102	-	30,102
Other comprehensive income for the financial period	-	-	(2)	(2)
<b>As at 31 March 2017</b>	<u>51,450</u>	<u>(43,505)</u>	<u>(17)</u>	<u>7,928</u>
	Share capital S\$'000	Accumulated losses S\$'000	Other reserves S\$'000	Total equity S\$'000
<b>Company</b>				
<b>As at 1 July 2017</b>	52,778	(44,591)	2	8,189
Profit for the financial period	-	952	-	952
Other comprehensive income for the financial period	-	-	22	22
<b>As at 31 March 2018</b>	<u>52,778</u>	<u>(43,639)</u>	<u>24</u>	<u>9,163</u>
<b>As at 1 July 2016</b>	28,580	(74,390)	1	(45,809)
Issue of shares during the financial period	22,870	-	-	22,870
Profit for the financial period	-	30,112	-	30,112
Other comprehensive income for the financial period	-	-	-	-
<b>As at 31 March 2017</b>	<u>51,450</u>	<u>(44,278)</u>	<u>1</u>	<u>7,173</u>

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Other reserves	Group		Company	
	31 March 2018 S\$'000	30 June 2017 S\$'000	31 March 2018 S\$'000	30 June 2017 S\$'000
<b>(a) Composition:</b>				
Fair value reserve	2	2	2	2
Currency translation reserve	-	(19)	-	-
Equity component of convertible bonds	22	-	22	-
	<u>24</u>	<u>(17)</u>	<u>24</u>	<u>2</u>
<b>(b) Movements:</b>				
<b>(i) Fair value reserve</b>				
Beginning of financial period	2	1	2	1
Fair value (loss)/ gain	-	1	-	1
End of financial period	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
<b>(ii) Currency translation reserve</b>				
Beginning of financial period	(19)	(15)	-	-
Net currency translation differences of financial statements of foreign subsidiaries corporation	19	(4)	-	-
End of financial period	<u>-</u>	<u>(19)</u>	<u>-</u>	<u>-</u>
<b>(iii) Equity component of convertible bonds</b>				
Convertible bond – equity component	22	-	22	-
End of financial period	<u>22</u>	<u>-</u>	<u>22</u>	<u>-</u>

**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**

#### Share Capital

During the quarter ended 31 March 2018, there has been no increase in the issued and paid-up share capital of the Company.

#### Warrants

As at 31 March 2018 and 2017, the 500,000,000 warrants remained outstanding.

#### Treasury shares

As at 31 March 2018 and 2017, there were no treasury shares held.

**1(d)(iii) 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**

	Number of shares	Share capital (S\$)
As at 1 July 2017	2,832,159,507	52,778,324
As at 31 March 2018	2,832,159,507	52,778,324

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

Not applicable.

**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.

**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**

Except as disclosed in note 5 below, the Group has applied the same accounting policies and computation methods used in the preparation of the financial statements for the current reporting period as compared with the audited annual financial statements for the financial year ended 31 March 2018.

**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 new and revised Financial Reporting Standard ("FRS") and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 July 2017, where applicable.

The adoption of these new/revised FRS and INT FRS did not result in any substantial change to the Group's accounting policies and has no material/significant impact on the financial statements of the Group for the current reporting period or prior years reporting period.

**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 preference dividends**

	Current third quarter ended 31 Mar 2018 Unaudited	Previous third quarter ended 31 Mar 2017 Unaudited	Current nine months ended 31 March 2018 Unaudited	Previous nine months ended 31 Mar 2017 Unaudited
Profit attributable to equity holders of the Company (S\$ '000)	295	2,714	944	30,102
Basic earnings per share (cents)	0.01	0.11	0.03	1.25
Weighted average number of ordinary shares (S\$ '000)	2,832,160	2,413,195	2,832,160	2,413,195
Diluted earnings per share (cents)	0.01	0.09	0.03	1.03
Weighted average number of ordinary shares (S\$ '000)	3,401,989	2,913,195	3,401,989	2,913,195



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The calculation for the diluted EPS is based on the weighted average number of ordinary shares of the Company after adjusting for share warrants and convertible bonds assuming the warrants and convertible bonds are fully exercised into ordinary shares of the Company.

**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 period reported on and  
(b) immediately preceding financial year

	Group		Company	
	31 March 2018 Unaudited	30 June 2017 Audited	31 March 2018 Unaudited	30 June 2017 Audited
Net assets (S\$'000)	9,908	8,941	9,163	8,189
Number of shares ('000)	2,832,160	2,832,160	2,832,160	2,832,160
Net assets value per ordinary shares (cents)	0.35	0.32	0.32	0.29

**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 the Group's performance**

**(Third quarter of FY2018 ("3Q2018") vs. Third quarter of FY2017 ("3Q2017"))**

**Revenue**

	Current third quarter ended 31 March 2018		Group Previous third quarter ended 31 March 2017		Increase/ (decrease) S\$'000	Increase/ (decrease) %
	S\$'000	%	S\$'000	%		
Civil Engineering segment	10,459	89%	13,623	84%	(3,164)	(23%)
Tunnelling segment	1,206	11%	2,526	16%	(1,320)	(52%)
	<u>11,665</u>	100%	<u>16,149</u>	100%	<u>(4,484)</u>	

Revenue from Civil Engineering segment decreased by S\$3.2 million from S\$13.6 million in 3Q2017 to S\$10.4 million in 3Q2018 due to lower revenue recognised for ER382 project.

Revenue from Tunnelling segment decreased by S\$1.3 million from S\$2.5 million in 3Q2017 to S\$1.2 million in 3Q2018 due to completion of the Nee Soon project.

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### Gross profit

	Current third quarter ended 31 March 2018		Group Previous third quarter ended 31 March 2017		Increase/ (decrease) S\$'000	Increase/ (decrease) %
	S\$'000	%	S\$'000	%		
Civil Engineering segment	324	56%	(442)	(434%)	766	173%
Tunnelling segment	250	44%	544	534%	(294)	(54%)
	<u>574</u>	<u>100%</u>	<u>102</u>	<u>100%</u>	<u>472</u>	

Gross profit increased by S\$472,000 from S\$102,000 in 3Q2017 to S\$574,000 in 3Q2018 mainly due to increased activities and operational efficiency in ER382 project.

### Other gains

Other gains decreased by S\$1.8 million from S\$2.8 million in 3Q2017 to S\$938,000 in 3Q2018 mainly due to gain on disposal of property, plant and equipment in 3Q2017.

### Distribution and marketing expenses

The Group did not incur significant distribution and marketing expenses during 3Q2018 and 3Q2017.

### Administrative expenses

Administrative expenses increased by S\$775,000 from S\$173,000 in 3Q2017 to S\$948,000 in 3Q2018 mainly due to increased salaries and related expense.

### Finance cost

Finance expense relates to interest expenses on borrowing costs for working capital purposes.

### Profit for the financial period

As a result of the above factors, the Group recorded a decrease in net profit by S\$2.4 million from S\$2.7 million in 3Q2017 to S\$295,000 in 3Q2018.

## Review of the Group's Financial position

### (31 March 2018 vs. 30 June 2017)

#### Current assets

Current assets increased by approximately S\$ 15.9 million from S\$28.9 million as at 30 June 2017 to S\$ 44.8 million as at 31 March 2018. The increase was mainly due to an increase in construction contracts due from customers of approximately S\$14.0 million and fixed deposit pledged for the period of approximately S\$2.1 million.

#### Non-current assets

Non-current assets decreased by approximately S\$808,000 from S\$6.6 million as at 30 June 17 to S\$5.8 million as at 31 March 2018. The decrease in non-current assets was mainly due to depreciation charges.

#### Current liabilities

Current liabilities increased by approximately S\$7.2 million from S\$26.5 million as at 30 June 2017 to S\$33.7 million as at 31 March 2018. The increase in current liabilities was mainly due to an increase in loans of approximately S\$6.9 million for general working capital purposes.

#### Non-current liabilities

Non-current liabilities increased by approximately S\$7.0 million as at 31 March 2018. The increase in non-current liabilities was due to proceeds from the issuance of Bonds of approximately S\$7.0 million for general working capital purposes.

**Review of Group's cashflows**

**(Third quarter of FY2018 ("3Q2018") vs. Third quarter of FY2017("3Q2017"))**

**Net cash (used in)/provided by operating activities**

In 3Q2018, net cash used in operating activities of approximately S\$11.3 million consisted of operating cash flow before working capital change of S\$2.4 million, net of working capital outflow of S\$13.8 million. The net working capital outflow arose mainly due to:

- (a) an increase in trade receivables and construction contracts due from customers of approximately S\$12.1 million arising from increased progress in the civil engineering segment.

**Net cash provided by investing activities**

Net cash provided by investing activities amounted to approximately S\$1.2 million in 3Q2018 mainly due to:

- (a) proceed from disposal of plant and equipment of approximately S\$1.4 million; and
- (b) partially offset by addition of plant and equipment of approximately S\$253,000.

**Net cash provided by financing activities**

Net cash from financing activities amounted to approximately S\$ 11.2 million in 3Q2018 mainly due to:

- (a) proceeds from borrowings of approximately S\$11.0 million primarily in relation to loans to finance the working capital of the Group's ongoing projects;
- (b) proceeds from issuance of convertible bonds of approximately S\$7.0 million primarily in relation to convertible bond to finance the working capital of the Group's ongoing projects;
- (c) partially offset by repayment of borrowings of approximately S\$4.1 million; and
- (d) partially offset by fixed deposit pledged of approximately S\$2.0 million.

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

No forecast or prospect statement was previously disclosed to shareholders.

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**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**

**Business Outlook**

The Building and Construction Authority (BCA) projects an increase in public sector construction demand, which is expected to grow from \$15.5 billion in 2017 to about \$19 billion this year, contributing to about 60% of 2018's total construction demand (source: BCA website).

The Group has been tendering for new projects and is waiting for the results of the tenders as at the date of this announcement. The current order book of the Company is approximately \$17.5 million as at 31 March 2018.

**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/recommendeded, a statement to that effect**

No dividend had been declared for the period ended 31 March 2018.

**13 Interested person transactions disclosure**

The Group has obtained a general mandate from shareholders of the Company for Interested Person Transactions ("IPTs") under Rule 920 of the Listing Manual of the SGX-ST from shareholders in the Extraordinary General Meeting held on 31 October 2017. There were no IPTs during the period under review.

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**14 Use of proceeds**

Pursuant to the issue of the Bonds and completion of Completion Tranche 2 as announced in the Company's announcement dated 7 February 2018, the Group had obtained proceeds of \$2,000,000 (the "Tranche 2 Proceeds"). The Group has fully utilised the Tranche 2 Proceeds in the following manner:

<u>Purpose</u>	<b>Amount S\$</b>	<b>Percentage Allocation (%)</b>
Repayment of working capital loans	2,000,000	100.0

**15 Confirmation by the Company pursuant to Rule 720(1) of the SGX-ST Listing Manual**

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

**16 Confirmation pursuant to Rule 705(5) of the Listing Manual**

The Board of Directors of the Company ("the "board") confirms to the best of their knowledge, that nothing has come to their attention of the board which may render the unaudited financial statements of the Group for the period ended 31 March 2018 to be false or misleading in any material aspect.

**FOR AND ON BEHALF OF THE BOARD  
BY ORDER OF THE BOARD**

**Peter Moe**

Non-Executive Chairman and Independent Director

15 May 2018

**Moorthy Varadhan**

Executive Director

15 May 2018