



**KLW HOLDINGS LIMITED**

Company Registration No.199504141D

**UNAUDITED SECOND QUARTER AND/OR HALF YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017**

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, R & T Corporate Services Pte. Ltd. ("Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this announcement including the accuracy or completeness of any of the figures used, statements, opinions or other information made or disclosed.*

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**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR FINANCIAL RESULTS**

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

**Results for the three (3) months ended 30 September 2017 (hereinafter referred as "Q2FY2018") and comparative figures for the three (3) months ended 30 September 2016 (hereinafter referred as "Q2FY2017"). Whereas results for six (6) months ended 30 September 2017 (hereinafter referred as "HY2018") and comparative figures for the six (6) months ended 30 September 2016 (hereinafter referred as "HY2017")**

	Second Quarter			Half Year		
	Q2FY2018	Q2FY2017	Increase / (Decrease)	HY2018	HY2017	Increase / (Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	9,753	14,292	(32)	18,476	26,983	(32)
Cost of sales	(7,736)	(8,800)	(12)	(14,977)	(17,369)	(14)
<b>Gross profit</b>	<b>2,017</b>	5,492	(63)	<b>3,499</b>	9,614	(64)
Other operating income	250	235	6	458	449	2
Selling and distribution expenses	(295)	(299)	(1)	(542)	(550)	(1)
Administrative expenses	(1,975)	(1,682)	17	(4,159)	(3,989)	4
<b>(Loss)/Profit from operations</b>	<b>(3)</b>	3,746	N/M	<b>(744)</b>	5,524	N/M
Finance costs	(155)	(317)	(51)	(359)	(633)	(43)
<b>(Loss)/Profit before tax</b>	<b>(158)</b>	3,429	N/M	<b>(1,103)</b>	4,891	N/M
Tax expense	(42)	(467)	(91)	(50)	(601)	(92)
<b>(Loss)/Profit for the period</b>	<b>(200)</b>	2,962	N/M	<b>(1,153)</b>	4,290	N/M
<b>(Loss)/Profit attributable to:</b>						
Equity holders of the Company	(200)	2,962	N/M	(1,153)	4,290	N/M

N/M : Not Meaningful

	<b>Q2FY2018</b>	<b>Q2FY2017</b>	Increase / (Decrease)	<b>HY2018</b>	<b>HY2017</b>	Increase / (Decrease)
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
(Loss)/Profit for the period	<b>(200)</b>	2,962	N/M	<b>(1,153)</b>	4,290	N/M
Other comprehensive (loss)/income:						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Currency translation differences arising from consolidation and representing other comprehensive income for the period, net of tax	<b>(78)</b>	(357)	(78)	<b>(390)</b>	(89)	N/M
<b>Total comprehensive (loss)/income for the period</b>	<b>(278)</b>	(2,605)	(89)	<b>(1,543)</b>	4,201	N/M
Total comprehensive (loss)/income attributable to:						
Equity holders of the Company	<b>(278)</b>	(2,605)	(89)	<b>(1,543)</b>	4,201	N/M

**(ii) The following items have been included in arriving at profit from operations:-**

	<b>Q2FY2018</b>	<b>Q2FY2017</b>	Increase / (Decrease)	<b>HY2018</b>	<b>HY2017</b>	Increase / (Decrease)
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
Depreciation	<b>244</b>	194	26	<b>490</b>	393	25
Interest expense	<b>155</b>	317	(51)	<b>359</b>	633	(43)
Interest income	<b>(110)</b>	(124)	(11)	<b>(248)</b>	(253)	(2)
(Loss)/Gain on disposal of property, plant and equipment	<b>(5)</b>	9	N/M	<b>(26)</b>	22	N/M
Foreign currency exchange loss/(gain), net	<b>(111)</b>	(658)	(83)	<b>190</b>	(845)	N/M

**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**

	<u>The Group</u>		<u>The Company</u>	
	<b>30-Sep-2017</b>	31-Mar-2017	<b>30-Sep-2017</b>	31-Mar-2017
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	<b>20,824</b>	21,169	<b>2,560</b>	2,565
Investments in subsidiaries	-	-	<b>28,820</b>	28,820
Available-for-sale financial assets	*	*	-	-
Prepayments, trade and other receivables	<b>428</b>	428	-	-
<b>Total non-current assets</b>	<b>21,252</b>	21,597	<b>31,380</b>	31,385
<b>Current assets</b>				
Development property	<b>14,155</b>	14,208	-	-
Prepayments, trade and other receivables	<b>17,866</b>	16,052	<b>30,722</b>	29,833
Inventories	<b>8,893</b>	7,155	-	-
Cash and cash equivalents	<b>44,582</b>	28,080	<b>16,039</b>	17,525
	<b>85,496</b>	65,495	<b>46,761</b>	47,358
Property held-for-sale	-	36,594	-	-
<b>Total Assets</b>	<b>106,748</b>	123,686	<b>78,141</b>	78,743
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Borrowings	<b>3,271</b>	3,327	-	-
Deferred tax liabilities	<b>3,918</b>	4,003	-	-
	<b>7,189</b>	7,330	-	-
<b>Current liabilities</b>				
Trade and other payables	<b>5,307</b>	5,624	<b>223</b>	480
Shares with preference rights**	<b>4,830</b>	4,740	<b>4,830</b>	4,740
Borrowings	<b>1,242</b>	15,962	-	-
Income tax payable	<b>393</b>	700	-	-
<b>Total current liabilities</b>	<b>11,772</b>	27,026	<b>5,053</b>	5,220
<b>Total liabilities</b>	<b>18,961</b>	34,356	<b>5,053</b>	5,220
<b>Net assets</b>	<b>87,787</b>	89,330	<b>73,088</b>	73,523
<b>EQUITY</b>				
Share capital	<b>103,171</b>	103,171	<b>103,171</b>	103,171
Revaluation and other reserves	<b>1,245</b>	4,922	-	3,287
Accumulated losses	<b>(16,629)</b>	(18,763)	<b>(30,083)</b>	(32,935)
<b>Total equity</b>	<b>87,787</b>	89,330	<b>73,088</b>	73,523

\* Amounts less than \$1,000

\*\* For the financial period ended 30 September 2017, the amount of \$4.83 million relates to the RM15 million received to-date for the sale of the Group's 30% equity interest in KLW Resources Sdn Bhd to Koperasi Permodalan Felda Malaysia Berhad which the company has recorded as "Current Liabilities - Shares with preference rights". The balance RM2 million of the total RM17 million sale consideration, equivalent to \$644,000 (FY2017: \$632,000), will be paid to the Company upon fulfilling the terms and conditions as stipulated in the Shares Sale Agreement. The consideration is classified as financial liability as the 30% equity interest sold is deemed as preference shares issued by the Group and that the Group has retained a certain degree of continuing involvement. The difference in amount is due to currency translation for the two comparative periods.

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

**Amount repayable in one year or less, or on demand:**

As at 30 September 2017		As at 31 March 2017	
Secured (\$'000)	Unsecured (\$'000)	Secured (\$'000)	Unsecured (\$'000)
1,242	-	15,962	-

**Amount repayable after one year**

As at 30 September 2017		As at 31 March 2017	
Secured (\$'000)	Unsecured (\$'000)	Secured (\$'000)	Unsecured (\$'000)
3,271	-	3,327	-

**Details of any collateral**

The obligations under finance leases are secured by a charge over the leased motor vehicles of the Group to the lessor.

The trust receipts of the Group are secured by the following:-

- (a) a corporate guarantee from the Company;
- (b) a negative pledge over certain assets of the Group; and
- (c) legal charges over certain properties of the Group.

The term loan of the Group is secured by the following:-

- (a) legal charges over the Group's leasehold land and building in Singapore; and
- (b) a corporate guarantee from 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**

	<b>Q2FY2018</b>	<b>Q2FY2017</b>	<b>HY2018</b>	<b>HY2017</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>				
(Loss)/Profit before income tax	(158)	3,429	(1,103)	4,891
Adjustments for:				
Depreciation of property, plant and equipment	244	194	490	393
Loss / Gain on disposal of property, plant and equipment	5	(9)	26	(22)
Interest expense	155	317	359	633
Interest income	(110)	(124)	(248)	(253)
Operating cash flow before working capital changes	136	3,807	(476)	5,642
Inventories	(513)	72	(1,652)	(81)
Trade and other receivables	(1,727)	(16)	(1,822)	(1,289)
Trade and other payables	292	(547)	(449)	(1,139)
Currency translation adjustments	169	(597)	60	(110)
<b>Cash (used in) / generated from operations</b>	<b>(1,643)</b>	<b>2,719</b>	<b>(4,339)</b>	<b>3,023</b>
Interest paid	-	(317)	-	(633)
Interest income received	110	124	248	253
Income tax paid	(277)	(80)	(354)	(230)
<b>Net cash (used in)/ generated from operating activities</b>	<b>(1,810)</b>	<b>2,446</b>	<b>(4,445)</b>	<b>2,413</b>
<b>Cash flows from investing activities</b>				
Sale of property held-for-sale	-	-	35,841	-
Purchase of property, plant and equipment	(71)	(497)	(172)	(2,660)
Proceeds from disposal of property, plant and equipment	4	94	17	122
<b>Net cash (used in)/generated from investing activities</b>	<b>(67)</b>	<b>(403)</b>	<b>35,686</b>	<b>(2,538)</b>
<b>Cash flows from financing activities</b>				
Interest paid	(155)	-	(359)	-
Repayments of borrowings	(164)	(1,019)	(14,439)	(1,079)
Proceeds from borrowings	-	1,125	-	1,019
<b>Net cash (used in)/generated from financing activities</b>	<b>(319)</b>	<b>106</b>	<b>(14,798)</b>	<b>(60)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(2,196)</b>	<b>2,149</b>	<b>16,443</b>	<b>(185)</b>
Cash and cash equivalents at beginning of the period	46,997	33,487	28,080	35,946
Effect of exchange rate changes on cash and cash equivalents	(219)	51	59	(74)
<b>Cash and cash equivalents at end of the period</b>	<b>44,582</b>	<b>35,687</b>	<b>44,582</b>	<b>35,687</b>

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

	<u>The Group</u>	
	<b>30 September 2017</b>	30 September 2016
	<b>\$'000</b>	\$'000
Cash and bank balances	<b>29,749</b>	13,935
Fixed deposits	<b>14,833</b>	21,752
Cash and bank balances as per balance sheets	<b>44,582</b>	35,687
Cash and cash equivalents as per consolidated statement of cash flows	<b>44,582</b>	35,687

**1 (d) 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.**

Attributable to equity holders of the Company

<u>The Group</u>	Share Capital \$'000	Revaluation and Other reserves \$'000	Warrant reserve \$'000	Accumulated profit/(losses) \$'000	Total Equity \$'000
Balance at 1-Apr-2017	103,171	1,635	3,287	(18,763)	89,330
Loss for the period	-	-	-	(1,153)	(1,153)
Other comprehensive loss for the period	-	(390)	-	-	(390)
Total comprehensive income / (loss) for the period	-	(390)	-	(1,153)	(1,543)
Expiry of warrant	-	-	(3,287)	3,287	-
<b>Balance at 30-Sep-2017</b>	<b>103,171</b>	<b>1,245</b>	<b>-</b>	<b>(16,629)</b>	<b>87,787</b>
Balance at 1-Apr-2016	103,171	1,228	3,287	(28,698)	78,988
Profit for the period	-	-	-	4,290	4,290
Other comprehensive loss for the period	-	(89)	-	-	(89)
Total comprehensive income/(loss) for the period	-	(89)	-	4,290	4,201
<b>Balance at 30-Sep-2016</b>	<b>103,171</b>	<b>1,139</b>	<b>3,287</b>	<b>(24,408)</b>	<b>83,189</b>

<u>The Company</u>	<u>Share capital</u>	<u>Warrant reserve</u>	<u>Accumulated Profit / (Losses)</u>	<u>Total</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Balance at 1-Apr-2017	103,171	3,287	(32,935)	73,523
Expiry of warrant	-	(3,287)	3,287	-
Net loss and total comprehensive loss for the period	-	-	(435)	(435)
Balance at 30-Sep-2017	<u>103,171</u>	<u>-</u>	<u>(30,083)</u>	<u>73,088</u>
Balance at 1-Apr-2016	103,171	3,287	(32,081)	74,377
Net loss and total comprehensive loss for the period	-	-	(136)	(136)
Balance at 30-Sep-2016	<u>103,171</u>	<u>3,287</u>	<u>(32,217)</u>	<u>74,241</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**

**Issued and fully paid ordinary share capital**

	<u>Number of Shares</u>	<u>\$'000</u>
Balance as at 30 September 2017	<b>5,380,556</b>	<b>103,171</b>

There was no new ordinary share being issued in the capital of the Company. The Company does not have any treasury shares as at 30 September 2017. (30 September 2016: nil).

The Company did not have any other outstanding convertible securities as at 30 September 2017.

**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 in the capital of the Company as at the end of the current financial period ended 30 September 2017 was 5,380,556,316 (30 September 2016: 5,380,556,316). The Company does not have any treasury shares as at 30 September 2017. (30 September 2016: nil).

**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 year reported on.**

The Company did not have any sales, transfers, disposal, cancellation and/or use of treasury shares during the current financial period reported on.

There were no treasury shares held by the Company as at 30 September 2017 (30 September 2016: nil).

**2 Whether the figures have been audited, or reviewed and in accordance with which standard or practice (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

The financial statements have not been audited or reviewed by the Company's auditors.

**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 the financial statements for the current reporting period compared with the audited financial statements for the financial year ended 31 March 2017.

**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**

None

**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, (a) based on the weighted average number of ordinary shares on issue and (b) on a fully diluted basis (detailing any adjustments made to the earnings).**

	Second Quarter ended		Half Year ended	
	30-Sep-17	30-Sep-16	30-Sep-2017	30-Sep-2016
(Loss)/Earnings per share	<b>Cents</b>	Cents	<b>Cents</b>	Cents
- basic	<b>(0.003)</b>	0.055	<b>(0.021)</b>	0.080
- diluted	<b>(0.003)</b>	0.055	<b>(0.021)</b>	0.080

The weighted average number of ordinary shares for the purposes of basic and diluted earnings or loss per share is 5,380,556,316 shares for the financial period ended 30 September 2017 (30 September 2016: 5,380,556,316 shares).

Basic earnings or loss per share is calculated by dividing the profit or loss after tax attributable to shareholders by the weighted average number of fully paid ordinary shares in issue during the financial year.

For the purposes of calculating diluted earnings or loss per share, the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. As at 30 September 2017, the Company does not have any outstanding share options.

As at 30 September 2017, 2,440,278,158 warrants were expired on 30 June 2017. As at 30 September 2016, the Company has 2,440,278,158 outstanding warrants. As the outstanding warrants are anti-dilutive, the basic EPS for the financial period ended 30 September 2016 were the same as the diluted EPS.



**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**

	30-Sep-2017	31-Mar-2017
Net asset value backing per ordinary share based on existing issued share capital as at end of period/year	Cents	Cents
- Group	1.63	1.66
- Company	1.36	1.37

Net asset value per share is calculated based on 5,380,556,316 shares as at 30 September 2017 (31 March 2017: 5,380,556,316).

**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**

**Income Statement Review**

Revenue by business activities	Q2FY2018	Q2FY2017	Increase/ (Decrease)	Increase/ (Decrease)	HY2018	HY2017	Increase / (Decrease)	Increase / (Decrease)
	\$'000	\$'000	\$'000	%	\$'000	\$'000	\$'000	%
Door business	<b>9,753</b>	13,957	(4,204)	(30)	<b>18,383</b>	26,314	(7,931)	(30)
Property business	-	335	(335)	(100)	<b>93</b>	669	(576)	(86)
Total	<b>9,753</b>	14,292	(4,539)	(32)	<b>18,476</b>	26,983	(8,507)	(32)

**Q2FY2018**

The Group registered revenue of \$9.75 million for Q2FY2018, representing a decrease of 32% as compared with \$14.29 million for Q2FY2017. The decline was primarily due to the lower revenue recognised from existing local projects. There is no revenue from Property business for Q2FY2018 due to the disposal of the property at 301 Flinders Lane, Melbourne, Australia on 21 April 2017 which was the sole contributor of rental income.

Cost of sales

Cost of sales decreased by 12% to \$7.73 million in Q2FY2018 as compared to \$8.80 million in Q2FY2017 in line with a decrease in the revenue.

Gross Profit

The Group's gross profit decreased from \$5.49 million in Q2FY2017 to \$2.02 million in Q2FY2018 and the Group's gross profit margin in Q2FY2018 decreased to 21% from 38% in Q2FY2017. This decrease in gross profit margin was attributed mainly from lower revenue recognised for projects relating to the supply and installation of doors from the Door business.

Administrative expenses

Administrative expenses increased by 17% from \$1.68 million in Q2FY2017 to \$1.98 million in Q2FY2018. The increase in Q2FY2018 was mainly due to higher depreciation and lower foreign currency exchange gain.

Finance costs

Finance costs for the Group decreased by 51% from \$0.32 million in Q2FY2017 to \$0.16 million in Q2FY2018. The decrease was mainly due to settlement of the term loan upon disposal of the property at 301 Flinders Lane, Melbourne,

Australia on 21 April 2017.

#### Tax expenses

Tax expenses for the Group decreased by 91% from \$0.46 million in Q2FY2017 to \$0.04 million in Q2FY2018. The decrease was mainly due to higher provision of tax in Q2FY2017.

#### Loss for the period Q2FY2018

Accounting for Q2FY2018 performance, the Group posted a loss for the period of \$0.20 million as compared to a profit of \$2.96 million for Q2FY2017.

### **HY2018**

#### Revenue

As a result of lower revenue in the first two quarters of FY2018, the Group posted \$18.47 million of revenue for HY2018, a decrease of 32% as compared with \$26.98 million in HY2017.

#### Cost of sales

Cost of sales decreased by 14% to \$14.98 million in HY2018 as compared to \$17.37 million in HY2017 in line with a decrease in the revenue.

#### Gross Profit

The Group's gross profit margin in HY2018 decreased to 19% from 36% in HY2017. This decrease in gross profit margin was attributed mainly from lower revenue recognised for projects relating to the supply and installation of doors from the Door business.

#### Administrative expenses

Administrative expenses increased by 4% from \$3.98 million in HY2017 to \$4.15 million in HY2018. The increase was mainly due to lower foreign currency exchange.

#### Finance cost

Finance costs for the Group decreased by 43% from \$0.63 million in HY2017 to \$0.36 million in HY2018. The decrease was mainly due to settlement of the term loan upon disposal of the property at 301 Flinders Lane, Melbourne, Australia on 21 April 2017.

#### Tax expenses

Tax expenses for the Group decreased by 92% from \$0.60 million in HY2017 to \$0.05 million in HY2018. The decrease was mainly due to higher provision of tax in HY2017.

#### Loss for the period HY2018

Accounting for HY2018 performance, the Group posted a loss for the period of \$1.15 million as compared to a profit of \$4.29 million for HY2017.

### **Review of the Financial Position of the Group**

#### Current assets

Prepayments, trade and other receivables increased by 11% from \$16.05 million to \$17.87 million as at 30 September 2017 mainly due to deposit paid for new machinery purchase in Malaysia.

Inventories increased by 24% from \$7.16 million to \$8.89 million as at 30 September 2017. This is mainly due to increase in raw materials in anticipation of increase in sales from the new production line in Malaysia.

Cash and cash equivalents increased by 59% from \$28.08 million to \$44.58 million as at 30 September 2017 mainly due to the net sales consideration from the disposal of the property at 301 Flinders Lane, Melbourne, Australia on 21 April 2017. Property held-for-sale decreased by 100% from 31 March 2017 to 30 September 2017. This is due to the completion of the disposal of the property at 301 Flinders Lane, Melbourne, Australia on 21 April 2017.

#### Current liabilities

Borrowings decreased by 92% from \$15.96 million as at 31 March 2017 to \$1.24 million as at 30 September 2017. This is mainly due to settlement of the term loan upon disposal of the property at 301 Flinders Lane, Melbourne, Australia on 21 April 2017.

#### Equity

Total equity decreased by 2% from \$89.33 million as at 31 March 2017 to \$87.79 million as at 30 September 2017 mainly due to HY2018 loss.

### **Cash Flow Statement Review**

The Group's net cash used in operating activities for Q2FY2018 was \$1.81 million. This was mainly due to the loss recorded for past three months and changes in working capital for inventories, receivables and payables.

Net Cash used in investing activities was \$0.07 million for Q2FY2018. This was mainly due to the purchase of property, plant and equipment.

Net Cash used in financing activities was \$0.32 million for Q2FY2018. This arose mainly from installment payments for property mortgage loans in respect of the industrial terrace unit located at 39 Kaki Bukit Industrial Terrace and interest charges.

As a result of the above, the Group's net cash and cash equivalents stood at \$44.58 million as at 30 September 2017.

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

Not applicable.

**10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The global macroeconomic environment continues to be challenging. Export sales for doors remain the Group's core focus. The Group continues to bid for projects relating to the Door Business. To this end, we are in the process of upgrading our production lines and introducing new machines to further enhance production capacity.

For the Property business, the Group's strategy is to focus on developing this business segment in our diversification effort to augment our business through generating income through property development.

The Group remains cautious with regards to market conditions and will continue to be vigilant in managing costs and improving operational efficiencies going forward.

**11 If a decision regarding dividend has been made:**

**(a) Whether an interim (final) ordinary dividend has been declared (recommended); and**

None.

**(b) (i) Amount per share**

Not applicable.

**(ii) Previous corresponding period**

Not applicable.

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable.

**(d) The date the dividend is payable.**

Not applicable.

**(e) The date on which Registrable Transfers received by the company (up to 5:00pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

**12 If no dividend has been declared (recommended), a statement to that effect**

No dividend has been declared or recommended for the financial period.

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

The Group has not obtained a general mandate for interested person transactions.

<b>Name of Interested Person</b>	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Not applicable	-	-

#### 14. Use of proceeds pursuant to Rule 704(30)

The utilisation of proceeds from the Company's 2014 Rights cum Warrants Issue as at the date of this Announcement is as follows:

Use of proceeds	Revised allocation	Balance brought forward 31 March 2017	Utilisation in Q2FY2018	Balance
Funding acquisition opportunities	S\$32.84 million	S\$1.62 million	-	S\$1.62 million
Working Capital	S\$9.66 million	-	-	-
Funding for the purchase or construction of premises or factory for operational and manufacturing use.	S\$5.8 million	-	-	-
Total	S\$48.30 million	S\$1.62 million	-	S\$1.62 million

The Company will make further announcements via SGXNET as and when the remaining net proceeds from the 2014 Rights cum Warrants Issue are materially disbursed.

#### 15. Statement by Directors pursuant to Rule 705(5) of the Listing Manual

The Directors of the Company hereby confirm on behalf of the Board of Directors of the Company, 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 second quarter and half year financial results of the Company and the Group for the period ended 30 September 2017 to be false or misleading in any material aspect.

#### 16. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company confirms that it has procured undertakings from all its Directors and executive officers in the format set out in Appendix 7H under Rule 720(1) of the Listing Manual of SGX-ST.

#### On behalf of the Board

Terence Lam  
Executive Director  
13 November 2017