



KING WAN CORPORATION LIMITED

Incorporated in Singapore (Company Registration No. 200001034R)

Second Quarter & Half-Year 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 30 SEPTEMBER 2017**

	Note	GROUP 6 MONTHS ENDED 30 SEPTEMBER				GROUP 2 nd QUARTER ENDED 30 SEPTEMBER		
		2017	2016	Increase/ (Decrease)		2017	2016	Increase/ (Decrease)
		S\$	S\$			S\$	S\$	
Revenue	1	33,532,465	39,422,803	-15%		18,691,032	17,053,065	10%
Cost of sales		(28,124,313)	(33,652,144)	-16%		(15,386,680)	(15,555,141)	-1%
Gross profit	2	5,408,152	5,770,659	-6%		3,304,352	1,497,924	121%
Other operating income								
Dividend income		9,511	9,432	1%		4	-	n.m
Exchange gain		-	60,714	-100%		-	60,714	-100%
Gain on disposal of plant and equipment	3	176,606	-	n.m		51,082	-	n.m
Interest income	4	460,980	701,658	-34%		231,509	278,474	-17%
Management fee income		59,601	54,365	10%		29,675	24,761	20%
Rental income		395,220	376,190	5%		203,039	177,013	15%
Fee income from financial guarantees to associates	5	156,936	559,233	-72%		78,467	114,442	-31%
Sundry income		75,508	76,704	-2%		56,457	53,615	5%
Administrative expenses	6	1,334,362	1,838,296	-27%		650,233	709,019	-8%
Allowance for amount due from associates		(3,362,077)	(3,912,009)	-14%		(1,796,641)	(1,740,549)	3%
		-	(70,305)	-100%		-	-	n.m
Share of (loss) profit of associates	7	(43,516)	2,528,558	-102%		(44,730)	(22,094)	102%
Finance costs	8	(443,062)	(906,555)	-51%		(172,127)	(405,093)	-58%
Profit before income tax		2,893,859	5,248,644	-45%		1,941,087	39,207	4851%
Income tax expense	9	(698,851)	(598,559)	17%		(461,490)	(149,133)	209%
Profit (loss) for the period		2,195,008	4,650,085	-53%		1,479,597	(109,926)	-1446%
Other comprehensive income (loss):								
<i>Items that may be reclassified subsequently to profit or loss</i>								
Exchange differences on translation of foreign operations		14,854	4,456	233%		7,236	4,456	62%
Fair value adjustment of available-for-sale investments	10	(1,849,373)	(1,159,972)	59%		(1,848,095)	130,143	-1520%
Other comprehensive loss for the period		(1,834,519)	(1,155,516)	59%		(1,840,859)	134,599	-1468%
Total comprehensive profit (loss) for the period		360,489	3,494,569	-90%		(361,262)	24,673	-1564%

Second Quarter (2Q2018) and Half-year ended 30 September 2017 (1H2018)

Note 1 – The decrease in turnover was due to lower volume of Mechanical and Electrical (M&E) contracts in progress during 1H2018.

Note 2 – Profits of certain projects with relatively higher margin were recognized in 1H2018.

Note 3 – Gain was derived from disposal of certain existing older fleet of motor vehicles.

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

Note 5 – Lower fee income from financial guarantees was due to certain associates utilising lesser bank borrowings.

Note 6 – Included in administration expenses are the following:

		GROUP 6 MONTHS ENDED			2 nd QUARTER 3 MONTHS ENDED		
		30.9.2017 S\$	30.9.2016 S\$	Increase/ (Decrease) S\$	30.9.2017 S\$	30.9.2016 S\$	Increase/ (Decrease) S\$
Net (reversal of) allowance for doubtful trade receivables		(749)	(28,351)	27,602	1,844	(66,495)	68,339
Loss on disposal of property, plant and equipment		-	1,652	(1,652)	-	392	(392)
Change in fair value on held-for-trading investments		10,974	56,562	(45,588)	1,426	7,620	(6,194)
JTC rental		139,741	134,369	5,372	69,871	67,185	2,686
Property tax		65,000	65,000	-	32,500	32,500	-
Net foreign exchange loss	i	108,949	-	108,949	53,382	(6,452)	59,834
Directors' remuneration	ii	542,639	918,550	(375,911)	245,483	405,194	(159,711)
Directors fees		85,167	88,000	(2,833)	41,167	44,000	(2,833)
Staff related expenses	iii	1,158,510	1,072,976	85,534	566,580	508,476	58,104
Depreciation	iv	375,729	586,945	(211,216)	243,346	293,847	(50,501)

i. Higher net foreign exchange loss was due to weakening of USD against SGD in 1H2018.

ii. Lower directors' remuneration was mainly due to absence of accrual of profit sharing in 1H2018 as a result of lower net profit.

iii. Higher staff related expenses was mainly due to adjustments made to staff salaries.

iv. Lower depreciation was mainly due to extension of JTC lease at 8 Sungei Kadut Loop till Year 2025.

Note 7 – The share of profits of associates in the prior period was mainly derived from the recognition of profits by the Group from its investment in the Skywoods, a residential development project in Singapore, which has since been fully completed and sold.

Note 8 – There was lower utilisation of bank facilities to finance the Group's business activities in the current period.

Note 9 – The higher effective tax rate was due to absence of share of associates' profit that is not subject to tax and increase in expenses that are not allowed for deduction in the current period.

Note 10 – Fair value loss on available-for-sale investments was due to lower closing market price of quoted equity securities at the end of the current period.

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 30.9.2017	As at 31.3.2017
	S\$	S\$
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	6,745,140	13,130,401
Trade receivables	13,156,414	10,649,491
Other receivables and prepayments	12,128,883	12,051,199
Construction work-in-progress	17,495,805	13,346,528
Inventories	965,378	706,622
Held-for-trading investments	315,705	326,679
Total current assets	50,807,325	50,210,920
Non-current assets		
Property, plant and equipment	4,902,329	3,990,780
Other receivables	39,435,033	35,996,653
Available-for-sale investments	30,142,286	32,225,051
Investment in associates and a joint venture	2,818,155	2,861,671
Total non-current assets	77,297,803	75,074,155
Total assets	128,105,128	125,285,075
<u>LIABILITIES AND EQUITY</u>		
Current Liabilities		
Bank borrowings	19,273,518	19,402,370
Trade payables	11,822,270	11,270,833
Bills payables	8,955,332	9,772,282
Provision for rectification costs	889,932	912,533
Other payables	2,999,950	2,163,453
Construction work-in-progress	4,649,223	3,294,993
Income tax payable	1,437,382	1,603,483
Current portion of finance leases	274,456	272,396
Total current liabilities	50,302,063	48,692,343
Non-current liabilities		
Finance leases	589,592	179,359
Bank borrowings	1,736,750	1,299,144
Deferred tax liabilities	24,359	24,359
Total non-current liabilities	2,350,701	1,502,862
Capital and reserves		
Share capital	46,813,734	46,813,734
Retained earnings	30,961,171	28,764,158
Foreign currency translation reserve	(1,060,907)	(1,075,761)
Investment revaluation reserve	(1,261,634)	587,739
Total equity	75,452,364	75,089,870
Total liabilities and equity	128,105,128	125,285,075

KING WAN CORPORATION LIMITED (COMPANY)
STATEMENT OF FINANCIAL POSITION

	As at 30.9.2017	As at 31.3.2017
	S\$	S\$
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	810,821	789,250
Amount due from subsidiaries	6,970,962	6,923,284
Other receivables and prepayments	22,125	12,324
Total current assets	7,803,908	7,724,858
Non-current assets:		
Investment in subsidiaries	30,199,413	26,399,413
Investment in associates and a joint venture	941,960	941,960
Available-for-sale investments	23,256,656	24,687,834
Property, plant and equipment	-	-
Total non-current assets	54,398,029	52,029,207
Total assets	62,201,937	59,754,065
<u>LIABILITIES & EQUITY</u>		
Current liabilities:		
Other payables	1,413,810	1,418,463
Income tax payable	2,039	51,916
Amount due to a subsidiary	10,168,752	5,742,440
Total current liabilities	11,584,601	7,212,819
Capital and reserves:		
Share capital	46,813,734	46,813,734
Retained earnings	4,754,812	5,247,543
Investment revaluation reserve	(951,210)	479,969
Total equity	50,617,336	52,541,246
Total liabilities and equity	62,201,937	59,754,065

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

Amount repayable in one year or less, or on demand

30.9.2017		31.3.2017	
Secured	Unsecured	Secured	Unsecured
\$274,456	\$28,228,850	\$272,396	\$29,174,652

Amount repayable after 1 year

30.9.2017		31.3.2017	
Secured	Unsecured	Secured	Unsecured
\$589,592	\$1,736,750	\$179,359	\$1,299,144

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**

	Note	GROUP 6 MONTHS ENDED		GROUP 2 nd QUARTER ENDED	
		30.9.2017 S\$	30.9.2016 S\$	30.9.2017 S\$	30.9.2016 S\$
Operating Activities					
<i>Profit before income tax</i>		2,893,859	5,248,644	1,941,087	39,207
Adjustments for					
(Gain) Loss on disposal of property, plant and equipment		(176,606)	1,652	(51,082)	392
Gain on disposal of available-for-sale investments		(7,238)	-	(7,238)	-
Net (reversal of) allowance for doubtful trade receivables		(749)	(28,351)	1,844	(66,495)
Change in fair value on held-for-trading investments		10,974	56,562	1,426	7,620
Depreciation of property, plant and equipment		375,729	586,945	243,346	293,847
Dividend income from available-for-sale investments		(458,549)	(425,433)	-	-
Dividend income from held-for-trading investments		(9,511)	(9,432)	(4)	-
Interest expense		443,062	906,555	172,128	405,093
Interest income		(460,980)	(701,658)	(231,509)	(278,474)
Provision for rectification costs		48,750	313,133	-	225,630
Share of loss (profit) of associates		43,516	(2,528,558)	44,730	22,094
Fee income from financial guarantee to associates		(156,936)	(559,233)	(78,467)	(114,442)
Allowance for amounts due from associates		-	70,305	-	-
<i>Operating profit before working capital changes</i>		2,545,321	2,931,131	2,036,261	534,472
Construction work-in-progress		(2,795,047)	(1,774)	(2,338,758)	(720,734)
Inventories		(258,756)	274,162	(87,991)	161,860
Other payables		1,063,574	(349,299)	352,476	(724,387)
Other receivables and prepayments		(75,847)	(12,996)	(72,597)	(95,471)
Trade payables and bill payables		(265,513)	(18,138,066)	4,616,117	(22,273,943)
Provision for rectification costs		(71,351)	(45,464)	(18,940)	(36,671)
Trade receivables		(2,506,174)	(1,891,500)	(3,786,631)	1,543,485
<i>Cash (used in) from operations</i>		(2,363,793)	(17,233,806)	699,937	(21,611,389)
Income tax paid		(864,952)	(1,004,001)	(739,231)	(976,107)
Interest paid		(443,062)	(906,555)	(172,128)	(405,093)
<i>Net cash used in operating activities</i>		(3,671,807)	(19,144,362)	(211,422)	(22,992,589)
INVESTING ACTIVITIES					
Net (advances to) repayments from associates		(3,070,000)	32,354,822	(1,185,000)	35,289,472
Dividends received from available-for-sale investments		458,549	425,433	-	-
Dividends received from held-for-trading investments		9,511	9,432	-	-
Interest received		7,873	32,552	2,866	22,297
Purchase of held-for-trading investments		-	(245,289)	-	(245,289)
Proceeds from disposal of available-for-sale investments		240,630	-	240,630	-
Proceeds from disposal of property, plant and equipment		180,593	-	52,193	-
Purchase of property, plant and equipment	a	(667,265)	(317,491)	(167,900)	(156,049)
<i>Net cash (used in) from investing activities</i>		(2,840,109)	32,259,459	(1,057,211)	34,910,431
FINANCING ACTIVITIES					
Dividends refunded		2,005	-	-	-
Repayment of obligations under finance leases		(211,707)	(156,188)	(108,092)	(81,700)
Proceeds from bank borrowings		2,750,000	-	1,479,041	-
Repayment of bank borrowings		(2,441,246)	(8,055,174)	(741,246)	(7,102,178)
<i>Net cash from (used in) financing activities</i>		99,052	(8,211,362)	629,703	(7,183,878)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(6,412,864)	4,903,735	(638,926)	4,733,964
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		13,130,401	5,567,519	7,369,989	5,737,290
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON BALANCES HELD IN FOREIGN CURRENCIES		27,603	(6,244)	14,077	(6,244)
CASH AND CASH EQUIVALENTS AT END OF PERIOD		6,745,140	10,465,010	6,745,140	10,465,010

Note a

	30.9.2017	30.9.2016
	S\$	S\$
Purchase of property, plant and equipment	1,291,265	578,886
Less : Assets purchased under finance leases arrangement	(624,000)	(261,395)
Net	667,265	317,491

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	Foreign currency translation reserve	Investment revaluation reserve	Total
	S\$	S\$	S\$	S\$	S\$
Balance as at 1 April 2016	46,813,734	29,506,795	-	100,905	76,421,434
Total comprehensive income for the period	-	4,650,085	(1,290,115)	-	3,359,970
Balance as at 30 September 2016	46,813,734	34,156,880	(1,290,115)	100,905	79,781,404
Balance as at 1 April 2017	46,813,734	28,764,158	(1,075,761)	587,739	75,089,870
Dividends refunded	-	2,005	-	-	2,005
Total comprehensive income for the period	-	2,195,008	14,854	(1,849,373)	360,489
Balance as at 30 September 2017	46,813,734	30,961,171	(1,060,907)	(1,261,634)	75,452,364

COMPANY	Share capital	Retained earnings	Investment revaluation reserve	Total
	S\$	S\$	S\$	S\$
Balance as at 1 April 2016	46,813,734	(1,154,296)	-	45,659,438
Total comprehensive income for the period	-	125,206	(994,844)	(869,638)
Balance as at 30 September 2016	46,813,734	(1,029,090)	(994,844)	44,789,800
Balance as at 1 April 2017	46,813,734	5,247,543	479,969	52,541,246
Dividends refunded	-	2,005	-	2,005
Total comprehensive income for the period	-	(494,736)	(1,431,179)	(1,925,915)
Balance as at 30 September 2017	46,813,734	4,754,812	(951,210)	50,617,336

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 30 September 2017, the Company does not have any outstanding convertibles or treasury shares (as at 30 September 2016 : 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 30 September 2017 is 349,176,870 (as at 31 March 2017 : 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 30 September 2017, 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 the preparation of the financial statements for the current financial reporting period as those applied in the preparation of 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

Not applicable.

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	
	6 months ended		2nd Quarter ended	
	30.9.2017	30.9.2016	30.9.2017	30.9.2016
(i) Basic earnings per share (in cents)	0.63	1.33	0.42	(0.03)
Weighted Average Number of Shares	349,176,870	349,176,870	349,176,870	349,176,870
(ii) Diluted earnings per share (in cents)	0.63	1.33	0.42	(0.03)
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	
	30.9.2017	31.03.2017	30.9.2017	31.03.2017
Net Asset Value Per Ordinary Share (in cents)	21.61	21.50	14.50	15.05
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.

Half-year ended 30 September 2017 (1H2018)

The Group's revenue for 1H2018 recorded S\$33.53 million, a decrease of 15% compared to the corresponding period last year (1H2017). There was comparatively lower volume of ongoing Mechanical and Electrical (M&E) contracts during 1H2018 available for revenue recognition. Gross profit margin for 1H2018 was 16.12%, which was slightly higher than the 14.64% achieved in 1H2017.

The Group's net profit after income tax for 1H2018 was S\$2.20 million, lower compared to S\$4.65 million in 1H2017. Net profit after income tax was lower due to absence of share of profit from its investment in the Skywoods, a residential development project in Singapore, which had been fully completed and sold in the prior period.

Second Quarter ended 30 September 2017 (2Q2018)

The Group's revenue for 2Q2018 recorded S\$18.69 million, an increase of 10% compared to the corresponding quarter last year (2Q2017). The increase was due to higher revenue recognition as a result of more M&E engineering activities being carried out in 2Q2018 as compared to 2Q2017.

The Group's net profit after income tax for 2Q2018 was S\$1.48 million, higher compared to a net loss of S\$0.11 million in 2Q2017. The net profit after income tax was mainly due to higher gross profits achieved in the current period.

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

EPS for 1H2018 was 0.63 cents, compared to 1.33 cents in 1H2017. EPS for 2Q2018 was 0.43 cents, compared to -0.03 cents in 2Q2017.

NAV for the Group stood at 21.61 cents per share at 30 September 2017, an increase from 21.50 cents per share at 31 March 2017. This decrease was due to recognition of unrealised fair value loss on available-for-sale investments as a result of lower closing market price of the quoted equity securities at 30 September 2017 as compared to 31 March 2017.

Balance Sheet Review

The Group's equity base stood at S\$75.45 million as at 30 September 2017, an increase from S\$75.09 million as at 31 March 2017.

Total current assets amounted to S\$50.81 million as at 30 September 2017, higher than the S\$50.21 million as at 31 March 2017. The increase was mainly due to higher construction work-in-progress and trade receivables as a result of an increase in M&E engineering activities in 2Q2018.

Non-current assets increased to S\$77.30 million from S\$75.07 million. The increase was mainly due to loans made to associates, accrual of interests on loans and purchase of motor vehicle during the current period. This is partly offset with the reduction in fair value of available-for-sale investments as a result of lower closing market price of the quoted equity securities at the end of current period.

Current liabilities increased to S\$50.30 million from S\$48.69 million due to higher construction work-in-progress as a result of an increase in M&E engineering activities in 2Q2018, and accrual of staff benefits.

Non-current liabilities increased to S\$2.35 million from S\$1.50 million due to drawdown of term loans to finance the Group's M&E engineering activities and an increase in finance leases subsequent to the purchase of motor vehicles during the current period.

The debt-equity ratio maintained the same at 0.41 as at 30 September 2017 as compared to 31 March 2017.

Cashflows & Liquidity

Second Quarter and Half-year ended ended 30 September 2017 (2Q2018 and 1H2017)

Net cash used in operating activities amounted to S\$3.67 million in 1H2018 (1H2017: S\$19.14 million) and S\$0.21 million in 2Q2018 (2Q2017: S\$22.99 million). The lower outflow was mainly due to lesser repayment of trade and bill payables during the current period.

Net cash used in investing activities amounted to S\$2.84 million in 1H2018 (1H2017: inflow of S\$32.26 million) and S\$1.06 million in 2Q2018 (2Q2017: inflow of S\$34.91 million). The outflow in 1H2018 was mainly due to loans extended to associates of the Group during the current period, compared to the inflow in 1H2017 as a result of repayment of loans by associates to the Group upon completion of sale of their development projects during the prior period.

Net cash from financing activities amounted to S\$0.10 million in 1H2018 (1H2017: outflow of S\$8.21 million) and S\$0.63 million in 2Q2018 (2Q2017: outflow of S\$7.18 million). The inflow was due to an increase in bank borrowings during 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\$169 million worth of M&E engineering contracts on hand, with completion dates ranging from years 2017 to 2024.

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/recommended, 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 30 September 2017 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

8 November 2017

BY ORDER OF THE BOARD

Catherine Lim Siok Ching
Company Secretary

8 November 2017