



KING WAN CORPORATION LIMITED

Incorporated in Singapore (Company Registration No. 200001034R)

Fourth Quarter & Full 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**

	Note	GROUP 12 MONTHS ENDED 31 MARCH				GROUP QUARTER ENDED 31 MARCH		
		2017 S\$	2016 S\$	Increase/ (Decrease)		2017 S\$	2016 S\$	Increase/ (Decrease)
Revenue	1	91,884,123	100,757,821	-9%		30,063,257	22,189,974	35%
Cost of sales		(78,054,108)	(84,405,922)	-8%		(23,309,759)	(18,803,594)	24%
Gross profit		13,830,015	16,351,899	-15%		6,753,498	3,386,380	99%
Other operating income								
Dividend income		9,432	9,407	0%		-	-	n.m
Exchange gain / (loss)	2	183,641	-	100%		(129,270)	-	100%
Interest income	3	1,015,631	1,558,854	-35%		51,389	424,682	-88%
Management fees income		109,730	119,587	-8%		27,816	37,348	-26%
Rental income	4	696,358	882,827	-21%		167,215	207,330	-19%
Fee income from financial guarantees to associates	5	738,983	502,649	47%		65,309	(78,585)	183%
Sundry income		132,198	278,231	-52%		(90,085)	193,571	-147%
		2,885,973	3,351,555	-14%		92,374	784,346	-88%
Administrative expenses	6	(7,138,529)	(7,560,192)	-6%		(1,924,228)	(2,490,275)	-23%
Allowance for amount due from associates	7	(7,441,715)	(11,841,516)	-37%		(5,376,042)	(3,841,516)	40%
Share of associates' results	8	3,653,047	(2,128,099)	272%		3,114,719	(3,528,232)	188%
Other operating expenses	9	(2,139,389)	(12,742,717)	-83%		(2,139,389)	(12,742,717)	-83%
Finance costs	10	(1,282,740)	(1,371,946)	-7%		(168,418)	(398,534)	-58%
Profit/ (Loss) before income tax		2,366,662	(15,941,016)	115%		352,514	(18,830,548)	102%
Income tax expense	11	(1,363,415)	(1,953,070)	-30%		(633,500)	(312,045)	103%
Profit / (Loss) for the financial period		1,003,247	(17,894,086)	106%		(280,986)	(19,142,593)	-99%
Other comprehensive income (expense):								
<i>Items that may be reclassified subsequently to profit or loss</i>								
Exchange differences on translation of foreign operations	12	(1,176,666)	(55,765)	2010%		(1,164,029)	(41,233)	2723%
Fair value adjustment of available-for-sale investments	13	587,739	(13,048,271)	105%		(385,506)	(4,613,749)	-92%
Reclassification to profit or loss from equity on impairment of available-for-sale investments	9	-	12,742,717	-100%		-	12,742,717	-100%
Total comprehensive income (loss) for the period		414,320	(18,255,405)	102%		(1,830,521)	(11,054,858)	-83%

Fourth Quarter (4Q2017) and Financial Year ended 31 March 2017 (FY2017)

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

Note 2 – Exchange gains arose from the USD denominated loans to associates when the USD strengthened against SGD during the year.

Note 3 – Lower interest income from loans to associates due to repayment of loans by associates.

Note 4 – Lower rental income was derived from the rental of worker’s dormitory.

Note 5 – Higher fee income from financial guarantees to associates due to repayment of bank borrowings by certain associates to banks.

Note 6 - Included in administration expenses are the following:

		GROUP 12 MONTHS ENDED			QUARTER 3 MONTHS ENDED		
		31.3.2017 S\$	31.3.2016 S\$	Increase/ (Decrease) S\$	31.3.2017 S\$	31.3.2016 S\$	Increase/ (Decrease) S\$
Net allowance for doubtful trade receivables	i	35,160	214,852	(179,692)	225,149	473,604	(248,455)
Bad debts written off	i	114,268	-	114,268	114,268	-	114,268
Loss on disposal of plant and equipment		19,355	77,402	(58,047)	15,719	42,789	(27,070)
Change in fair values of held-for-trading investments		7,598	28,581	(20,982)	(24,349)	(6,539)	(17,810)
JTC rental		269,199	258,814	10,385	67,646	65,038	2,608
Property tax		130,000	130,000	-	32,500	32,500	-
Directors remuneration		1,192,221	1,239,074	(46,853)	284,469	345,770	(61,301)
Directors fees		175,450	176,000	(550)	43,449	43,999	(550)
Staff related expenses	ii	2,322,373	2,263,966	58,407	540,413	643,431	(103,018)
Depreciation		1,141,574	1,185,146	(43,572)	280,075	284,403	(4,328)

- i. General improvements in the collection of trade receivables which resulted in lower allowances for doubtful trade receivables although specific bad debts being written off was higher.
- ii. Higher staff related expenses were mainly due to adjustments made to staff salaries. The lower staff related expenses incurred in the current quarter as compared to the last corresponding period was due to higher salaries adjustment in the last corresponding quarter.

Note 7 - Allowance was made in connection with the Group’s investment in workers’ dormitory business and the real estate development business in Dalian, China.

Note 8 – The share of results from associates in the current year was 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. There was also contributions from the upward revaluation of investment properties in China. 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 9 – In FY2016, other operating expenses relate to the impairment recognized on available-for-sale investments as a result of 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 financial year end. The shares had decreased in value due to a lower closing price and weakening of the Thai Baht against the Singapore Dollar. In the current year, the fair value of the shares had improved due mainly to the strengthening of the Thai Baht against the Singapore Dollar. Other operating expenses in the current year relate to the write down of excess cost of investment in its property development associate in Singapore upon completion of its development projects.

Note 10 - There was a decrease in finance costs due to repayment of bank borrowings using funds received from associates during the year.

Note 11 – The higher effective tax rate was due to the non-deductibility of certain expenses in the current year.

Note 12 – The exchange differences on translation of foreign operations had arisen due to investments in associates operating in China.

Note 13 – Please refer to explanation in Note 10 above on the KTIS shareholdings.

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
	31.3.2017	31.3.2016
	S\$	S\$
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	13,130,401	5,567,519
Trade receivables	10,649,491	9,031,859
Other receivables and prepayments	12,051,199	48,412,406
Construction work-in-progress	13,432,489	13,202,057
Inventories	706,622	1,119,163
Held-for-trading investments	326,679	584,277
Total current assets	50,296,881	77,917,281
Non-current assets		
Property, plant and equipment	3,990,780	4,294,644
Other receivables	35,996,653	36,185,370
Available-for-sale investments	32,225,051	31,392,803
Investment in associates and a joint venture	2,861,671	2,509,922
Total non-current assets	75,074,155	74,382,739
Total assets	125,371,036	152,300,020
<u>LIABILITIES AND EQUITY</u>		
Current Liabilities		
Bank borrowings	19,402,370	24,480,995
Trade payables	11,270,833	13,055,373
Bills payables	9,772,282	22,455,370
Provision for rectification costs	912,533	988,383
Other payables	2,163,453	4,627,470
Construction work-in-progress	3,380,954	3,969,455
Income tax payable	1,603,483	1,956,952
Current portion of finance leases	272,396	270,636
Total current liabilities	48,778,304	71,804,634
Non-current liabilities		
Finance leases	179,359	239,618
Bank borrowings	1,299,144	3,619,475
Deferred tax liabilities	24,359	214,859
Total non-current liabilities	1,502,862	4,073,952
Capital and reserves		
Share capital	46,813,734	46,813,734
Retained earnings	28,764,158	29,506,795
Foreign currency translation reserve	(1,075,761)	100,905
Investment revaluation reserve	587,739	-
Total equity	75,089,870	76,421,434
Total liabilities and equity	125,371,036	152,300,020

KING WAN CORPORATION LIMITED (COMPANY)
STATEMENT OF FINANCIAL POSITION

	As at	As at
	31.3.2017	31.3.2016
	S\$	S\$
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	789,250	401,002
Amount due from subsidiaries	6,923,284	7,107,146
Other receivables and prepayments	12,324	11,700
Total current assets	7,724,858	7,519,848
Non-current assets:		
Investment in subsidiaries	26,399,413	26,142,151
Investment in associates and a joint venture	941,960	1,990,592
Available-for-sale investments	24,687,834	24,207,866
Property, plant and equipment	-	4,522
Total non-current assets	52,029,207	52,345,131
Total assets	59,754,065	59,864,979
<u>LIABILITIES & EQUITY</u>		
Current liabilities:		
Other payables	1,418,458	3,796,203
Income tax payable	51,917	40
Amount due to a subsidiary	5,742,443	10,409,298
Total current liabilities	7,212,818	14,205,541
Capital and reserves:		
Share capital	46,813,734	46,813,734
Retained earnings	5,247,544	(1,154,296)
Investment revaluation reserve	479,969	-
Total equity	52,541,247	45,659,438
Total liabilities and equity	59,754,065	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

31.3.2017		31.3.2016	
Secured	Unsecured	Secured	Unsecured
\$272,396	\$29,174,652	\$270,636	\$46,936,365

Amount repayable after 1 year

31.3.2017		31.3.2016	
Secured	Unsecured	Secured	Unsecured
\$179,359	\$1,299,144	\$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
FOR THE 12 MONTHS ENDED**

	Note	GROUP 12 MONTHS ENDED		GROUP QUARTER ENDED	
		31.3.2017 S\$	31.3.2016 S\$	31.3.2017 S\$	31.3.2016 S\$
Operating Activities					
Profit (Loss) before income tax		2,366,662	(15,941,016)	352,514	(18,830,548)
Adjustments for					
Loss on disposal of plant and equipment		19,355	77,402	15,719	42,789
Loss on disposal of available-for-sale investments		172	-	172	-
Net allowance for doubtful trade receivables		35,160	214,852	225,149	473,604
Net reversal of allowance for inventories obsolescence		(16,543)	(4,828)	(16,543)	(4,828)
Impairment of available-for-sale investments		-	12,742,717	-	12,742,717
Change in fair values on investments held-for-trading		7,598	28,581	(24,349)	(6,539)
Depreciation		1,141,574	1,180,263	280,075	279,520
Dividend income from other investments		(434,864)	(824,217)	-	-
Interest expense		1,282,740	1,371,946	168,418	398,534
Interest income		(1,015,631)	(1,558,855)	(51,389)	(424,682)
Inventories written off		4,451	-	4,451	-
Provision for (Reversal of) rectification costs		192,818	(280,816)	(128,255)	(386,016)
Share of associates' results		(3,653,047)	2,128,099	(3,114,719)	3,528,232
Fee income from financial guarantee to associates		(738,983)	(502,649)	(65,309)	78,585
Allowance for amounts due from associates		7,441,715	11,841,516	5,376,042	3,841,516
Write down of investment in an associate		2,139,389	-	2,139,389	-
Bad debts written off		114,268	-	114,268	-
Operating profit before working capital changes		8,886,834	10,472,995	5,275,633	1,732,884
Construction work-in-progress		(818,932)	(2,191,592)	(1,263,060)	1,639,247
Inventories		424,634	145,110	115,213	(76,180)
Other payables		(1,722,695)	76,051	(1,581,560)	(1,020,405)
Other receivables and prepayments		150,790	(141,449)	83,100	(100,632)
Trade payables and bill payables		(14,467,628)	2,250,372	6,221,853	(4,672,218)
Provision for rectification costs		(268,669)	(139,028)	(78,385)	(62,832)
Trade receivables		(1,767,061)	3,810,378	262,410	5,263,255
Cash (used in)/ from operations		(9,582,727)	14,282,837	9,035,204	2,703,119
Income tax paid		(1,907,384)	(1,449,469)	(19,564)	(70,306)
Interest paid		(1,282,740)	(1,371,946)	(168,418)	(398,534)
Net cash (used in) from operating activities		(12,772,851)	11,461,421	8,847,222	2,234,279
INVESTING ACTIVITIES					
Net repayments from / (Advances to) associates		29,748,624	(22,888,000)	(1,246,752)	(3,608,711)
Dividends received from available-for-sales and held-for-trading investments		434,864	824,217	-	-
Interest received		224,428	37,466	178,409	7,280
Purchase of available-for-sale investments		(244,681)	-	(13,306)	-
Proceeds from sale of held-for-trading investments		250,000	-	-	-
Proceeds from the disposal of property, plant and equipment		144,249	8,627	144,249	7,137
Purchase of property, plant and equipment		(866,820)	(222,434)	(530,164)	(89,207)
Net cash from / (used in) investing activities		29,690,664	(22,240,124)	(1,467,564)	(3,683,501)
FINANCING ACTIVITIES					
Dividends paid		(1,745,884)	(3,491,769)	-	(201)
Dividends returned		-	200	-	201
Repayment of obligations under finance leases		(192,994)	(278,702)	43,774	(66,600)
Net (repayment of) / proceeds from bank borrowings		(7,398,957)	8,771,264	(1,234,858)	1,787,831
Net cash (used in)/ from financing activities		(9,337,835)	5,000,993	(1,191,084)	1,721,231

Net effect of exchange rate changes in consolidating a subsidiary	(17,096)	(5,032)	16,950	(5,032)	
NET CHANGE IN CASH AND CASH EQUIVALENTS	7,562,882	(5,777,4710)	6,205,524	266,974	
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	5,567,519	11,350,261	6,924,877	5,300,545	
CASH AND CASH EQUIVALENTS AT END OF PERIOD	a	13,130,401	5,567,519	13,130,401	5,567,519

Note a

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

	31.3.2017	31.3.2016
	S\$	S\$
Cash and Bank Balances	13,130,401	5,567,519
Fixed Deposits	-	-
Bank Overdrafts	-	-
Net	13,130,401	5,567,519

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	-	(3,491,569)	-	-	(3,491,569)
Total comprehensive income for the period	-	(17,894,086)	(13,048,271)	(55,765)	(30,998,122)
Reclassification to profit and loss from equity on impairment of available-for-sale investments	-	-	12,742,717	-	12,742,717
Balance as at 31 March 2016	46,813,734	29,506,795	-	100,905	76,421,434
Balance as at 1 April 2016	46,813,734	29,506,795	-	100,905	76,421,434
Dividends paid	-	(1,745,884)	-	-	(1,745,884)
Total comprehensive income for the period	-	1,003,247	587,739	(1,176,666)	414,320
Balance as at 31 March 2017	46,813,734	28,764,158	587,739	(1,075,761)	75,089,870

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	-	(3,491,569)	-	(3,491,569)
Total comprehensive income for the period	-	(21,909,605)	(10,061,885)	(31,971,490)
Reclassification to profit and loss from equity on impairment of available-for-sale investments	-	-	9,826,264	9,826,264
Balance as at 31 March 2016	46,813,734	(1,154,296)	-	45,659,438
Balance as at 1 April 2016	46,813,734	(1,154,296)	-	45,659,438
Dividends paid	-	(1,745,884)	-	(1,745,884)
Total comprehensive income for the period	-	8,147,724	479,969	8,627,693
Balance as at 31 March 2017	46,813,734	5,247,544	479,969	52,541,247

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 March 2017, the Company does not have any outstanding convertibles or treasury shares (as at 31 March 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 31 March 2017 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 March 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 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	
	12 months ended		Quarter ended	
	31.3.2017	31.3.2016	31.3.2017	31.3.2016
(i) Basic earnings per share (in cents)	0.29	(5.12)	(0.08)	(5.48)
Weighted average number of shares	349,176,870	349,176,870	349,176,870	349,176,870
(ii) Diluted earnings per share (in cents)	0.29	(5.12)	(0.08)	(5.48)
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	
	31.3.2017	31.3.2016	31.3.2017	31.3.2016
Net asset value per ordinary share (in cents)	21.50	21.89	15.05	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.

12 months ended 31 March 2017 (FY2017) and Fourth Quarter ended 31 March 2017 (4Q2017)

The Group’s revenue for FY2017 recorded S\$91.88 million, a decrease of 9% compared to FY2016. At the same time, revenue for 4Q2017 recorded S\$30.06 million, an increase of 35% compared to the corresponding quarter last year (4Q2016).

There was comparatively lower volume of ongoing Mechanical and Electrical (M&E) contracts during FY2017 available for revenue recognition. Gross profit margin has remained relatively consistent.

Net loss for 4Q2017 was S\$0.28 million, compared to a net loss of S\$19.14 million in 4Q2016. The improvement was attributed to higher gross profits, higher contributions from associates and no impairment made on available-for-sale investments during the quarter.

The Group’s net profit for FY2017 was S\$1.00 million, compared to a net loss of S\$17.89 million achieved in FY2016. The improvement was attributed to higher contributions from associates, lower allowances made for amounts due from associates and no impairment was made on available-for-sale investments during the year.

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

EPS for FY2017 was 0.29 cents, compared to -5.12 cents in FY2016. EPS for 4Q2017 was -0.08 cents, compared to -5.48 cents in 4Q2016.

NAV for the Group stood at 21.50 cents per share at 31 March 2017, a decrease from 21.89 cents per share at 31 March 2016. This decrease was due to profits achieved less dividends paid out during the year.

Balance Sheet Review

The Group's equity base stood at S\$75.09 million as at 31 March 2017, a decrease from S\$76.42 million as at 31 March 2016.

Total current assets amounted to S\$50.30 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 year upon completion of their development projects, which also resulted in a higher cash and cash equivalents as at 31 March 2017.

Non-current assets increased to S\$75.07 million from S\$74.38 million. The increase was mainly due to the recognition of results from associates during the year. There is also an increase in value of available-for-sales investments due to a stronger Thai Baht which the quoted securities are denominated in and the purchase of a keyman insurance policy during the year. These increases were partly offset by normal depreciation charged on property, plant and equipment during the year.

Current liabilities decreased to S\$48.78 million from S\$71.80 million due to the repayment of bank borrowings and bill payables at period end, made possible by the collection of loans due from associates upon completion of their development projects.

Non-current liabilities decreased to S\$1.50 million from S\$4.07 million due to repayment of term loans during the period.

The debt-equity ratio has decreased to 0.41 as at 31 March 2017 as compared to 0.67 as at 31 March 2016 due to the decrease in bank borrowings.

Cashflows & Liquidity

Fourth Quarter and 12 months ended 31 March 2017 (4Q2017 and FY2017)

Net cash used in operating activities amounted to S\$12.77 million in FY2017 (FY2016 : inflow of S\$11.46 million) and S\$8.85 million in 4Q2017 (4Q2016 : inflow of S\$2.23 million).

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

Net cash from investing activities amounted to S\$29.69 million in FY2017 (FY2016 : outflow of S\$22.24 million) and outflow of S\$1.47 million in 4Q2017 (4Q2016 : outflow of S\$3.68 million). The higher cash inflow was due to the repayment of loans by associates to the Group during the year upon completion of their development projects.

Net cash used in financing activities amounted to S\$9.34 million in FY2017 (FY2016 : inflow of S\$5.00 million) and outflow of S\$1.19 million in 4Q2017 (4Q2016 : inflow of S\$1.72 million). The outflows were mainly due to the repayment of bank borrowings in the current year.

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\$167 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/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).

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

Primary reporting format - Business Segment - 2017

	Plumbing & Sanitary S\$	Electrical S\$	Toilet Rental S\$	Investment Holdings S\$	Others S\$	Elimination S\$	Consolidate d Total S\$
Revenue							
External sales	66,091,146	22,865,914	2,495,857	435,274	-	(4,068)	91,884,123
Segment results	4,511,580	4,694,392	(717,638)	1,948,931	-	88,571	10,525,836
Unallocated expenses							(9,698,211)
Net other operating income							2,821,777
Finance costs							(1,282,740)
Profit before income tax							2,366,662
Income tax expense							(1,363,415)
Profit for the financial year							1,003,247
Other Information							
Capital expenditures additions	66,658	66,658	161,370	-	572,134	-	866,820
Depreciation	19,536	19,536	285,726	-	816,776	-	1,141,574
Amortisation of financial guarantee liability	-	-	-	-	1,052,208	(313,225)	738,983
Net allowance / (Reversal of allowance) for doubtful receivables	236,312	(141,988)	(59,164)	-	-	-	35,160
Allowance on loans to associates	-	-	-	-	7,441,715	-	7,441,715
Assets							
Segment assets	18,743,742	5,709,950	2,225,813	82,980,125	-	(1,076)	109,658,554
Unallocated corporate assets							15,712,482
Consolidated total assets							125,371,036
Liabilities							
Segment liabilities	18,251,555	6,543,009	4,033,684	-	-	(3,424,282)	25,403,966
Unallocated corporate liabilities							24,877,199
Consolidated total liabilities							50,281,165

Primary reporting format-Business Segments – 2016

2016

	Plumbing & Sanitary S\$	Electrical S\$	Toilet Rental S\$	Investment Holdings S\$	Others S\$	Elimination S\$	Consolidated Total S\$
Revenue							
External sales	56,885,087	39,556,648	3,508,278	814,810	-	(7,002)	100,757,821
Segment results	8,705,888	1,858,260	93,073	(26,851,055)	-	119,730	(16,074,104)
Unallocated expenses							(1,739,074)
Net other operating income							3,244,108
Finance costs							(1,371,946)
Profit before income tax							(15,941,016)
Income tax expense							(1,953,070)
Loss for the financial year							(17,894,086)
Other Information							
Capital expenditures additions	9,112	9,112	27,012	-	177,198	-	222,434
Depreciation	16,075	16,075	273,090	-	879,907	-	1,185,147
Amortisation of financial guarantee liability	-	-	-	-	1,002,083	(499,434)	502,649
Loss on impairment on available-for-sale investments	-	-	-	12,742,717	-	-	12,742,717
Allowance for loans to associates	-	-	-	11,841,516	-	-	11,841,516
Net allowance for doubtful receivables	148,469	20,409	45,974	-	-	-	214,852
Assets							
Segment assets	17,746,831	4,846,050	2,799,870	118,195,264	-	(1,076)	143,586,939
Unallocated corporate assets							8,713,081
Consolidated total assets							152,300,020
Liabilities							
Segment liabilities	23,115,302	16,735,536	3,999,781	-	-	(3,111,986)	40,738,633
Unallocated corporate liabilities							35,139,953
Consolidated total liabilities							75,878,586

SEGMENTAL REPORTING

Secondary reporting format – Geographical Segments

	Revenue		Non-Current Asset	
	Latest 12 months to	Latest 12 months to	Latest 12 months to	Latest 12 months to
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
	S\$	S\$	S\$	S\$
Singapore	91,884,123	100,757,821	42,413,482	42,583,164
Thailand	-	-	32,660,673	31,799,575
TOTAL	91,884,123	100,757,821	75,074,155	74,382,739

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Please refer to Item 8.

17. A breakdown of sales

	Group		
	2017	2016	% increase / (decrease)
	S\$	S\$	
Sales reported for the first half year	39,422,803	52,316,992	-25%
Net profit after tax for the first half year	4,650,085	7,109,404	-35%
Sales reported for the second half year	52,461,320	48,440,829	8%
Net profit after tax for the second half year	(3,646,838)	(25,003,492)	-85%

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Total Annual Dividend (*Refer to Para 16 of Appendix 7.2 for the required details*)

	Latest Full Year 2017	Latest Full Year 2016
Ordinary	1,745,884	3,491,569
Preference	-	-
Total:	1,745,884	3,491,569

19. Disclosure of person occupying a managerial position in the Issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the Issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held if any, during the year
Chua Kim Hua	77	a) Brother of Chua Hai Kuey b) Father of Chua Eng Eng	Executive Chairman - February 2000	No change
Chua Hai Kuey	66	a) Brother of Chua Kim Hua b) Uncle of Chua Eng Eng	Executive Director - February 2000	No change
Chua Eng Eng	47	a) Daughter of Chua Kim Hua b) Niece of Chua Hai Kuey	Executive Director - November 2000 Managing Director - August 2002	No change No change
Chua Yan Peng	63	a) Niece of Chua Kim Hua, Chua Hai Kuey b) Cousin of Chua Eng Eng	Director - February 2000	No change
Chua Ling Kang	54	a) Nephew of Chua Kim Hua, Chua Hai Kuey, b) Cousin of Chua Eng Eng	Senior Project Manager - 1995	No change
Chua Yean Cheng	46	a) Daughter of Chua Kim Hua b) Niece of Chua Hai Kuey c) Sister of Chua Eng Eng	Human Resource and Admin Manager - July 2011	No change

BY ORDER OF THE BOARD

Catherine Lim Siok Ching
Company Secretary

30 May 2017