



Unaudited Financial Statements And Dividend Announcement for the First Quarter ended 31 March 2017

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS ANNOUNCEMENTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year

1(a)(i) Statement of comprehensive income for the first quarter ended 31 March 2017

		Group		
	Note	1st quarter ended 31 March 2017	1st quarter ended 31 March 2016	Increase/ (decrease)
		S\$'000	S\$'000	%
Revenue	(a)	233,098	16,184	1,340
Cost of sales	(b)	(208,631)	(11,020)	1,793
Gross profit		24,467	5,164	374
Other losses, net		(2,288)	(2,546)	(10)
Distribution expenses		(4,556)	(365)	1,148
Selling and administrative expenses		(11,113)	(1,332)	734
Finance expenses		(2,631)	(1)	263,000
Profit before income tax		3,879	920	322
Income tax expense		(44)	(5)	780
Net profit	(c)	3,835	915	319
Other comprehensive income/(loss)				
Items that may be reclassified subsequently to profit or loss:				
Available-for-sale financial assets				
- Fair value gains		258	-	nm
Currency translation differences arising from consolidation				
- (Losses)/Gains		(1,294)	1,343	nm
Other comprehensive (loss)/income, net of tax		(1,036)	1,343	nm
Total comprehensive income		2,799	2,258	24
Profit attributable to:				
Equity holders of the Company		2,771	788	252
Non-controlling interests		1,064	127	738
		3,835	915	319
Total comprehensive income attributable to:				
Equity holders of the Company		1,299	1,891	(31)
Non-controlling interests		1,500	367	309
		2,799	2,258	24

Footnotes:

(a) Revenue comprises the following:

	Group		
	1st quarter ended 31 March 2017	1st quarter ended 31 March 2016	Increase/ (decrease)
	S\$'000	S\$'000	%
Sales of goods			
- Paper products	13,039	12,993	-
- Building products	216,383	-	nm
Finance income	1,527	1,651	(8)
Operating and maintenance income	2,149	1,540	40
	233,098	16,184	1,340

(b) The cost of sales includes the following:

	Group		
	1st quarter ended 31 March 2017	1st quarter ended 31 March 2016	Increase/ (decrease)
	S\$'000	S\$'000	%
Cost of goods sold			
- Paper products	10,689	9,965	7
- Building products	196,532	-	nm
Operating and maintenance fees	1,183	838	41
Others	227	217	5
	208,631	11,020	1,793

(c) Profit for the period includes the following:

	Group		
	1st quarter ended 31 March 2017	1st quarter ended 31 March 2016	Increase/ (decrease)
	S\$'000	S\$'000	%
Depreciation of property, plant and equipment	(1,447)	(644)	125
Amortisation of deferred gain	68	-	nm
Net gain arising from purchase of additional shares in a subsidiary corporation	35	-	nm
(Loss)/Gain on disposal of property, plant and equipment	(148)	4	nm
Gain on disposal of asset held-for-sale	1,161	-	nm
Bad debt recovered	74	-	nm
Inventories written down	(251)	-	nm
Foreign exchange loss, net	(3,933)	(2,688)	46
Interest income	28	126	(78)
Interest expense	(2,631)	(1)	263,000
Net fair value loss on derivatives	(30)	-	nm

nm - not meaningful

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

	Group		Company	
	31/03/2017	31/12/2016	31/03/2017	31/12/2016
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current Assets				
Property, plant and equipment	87,896	47,195	54	77
Investments in subsidiaries	-	-	20,533	15,694
Available-for-sale financial assets	3,717	3,458	-	-
Service concession receivables*	35,439	38,109	-	-
Other receivables	658	-	17,462	22,609
Goodwill on consolidation	44,008	-	-	-
Deferred income tax assets	1,199	-	-	-
Total Non-current Assets	172,917	88,762	38,049	38,380
Current Assets				
Inventories	151,960	5,282	-	-
Service concession receivables*	16,624	17,219	-	-
Trade receivables	157,269	12,211	284	113
Other receivables	1,592	787	98,363	53,511
Prepaid operating expenses	2,259	165	35	22
Cash and bank balances	20,358	57,184	12,263	51,473
	350,062	92,848	110,945	105,119
Assets held-for-sale	7,742	8,494	-	-
Total Current Assets	357,804	101,342	110,945	105,119
Current Liabilities				
Trade payables and accruals	(82,288)	(5,389)	(459)	(833)
Other payables	(406)	(288)	(364)	(78)
Derivatives	(73)	-	-	-
Revolving credit facility	(106,231)	-	-	-
Borrowings	(30,000)	-	-	-
Current portion of finance lease obligations	(2,214)	-	-	-
Current portion of long term debts	(272)	-	-	-
Income tax payables	(4,543)	-	-	-
Total Current Liabilities	(226,027)	(5,677)	(823)	(911)
Net Current Assets	131,777	95,665	110,122	104,208
Non-current Liabilities				
Finance lease obligations	(24,527)	-	-	-
Long term debts	(1,064)	-	-	-
Deferred gains	(3,551)	-	-	-
Provisions	(1,318)	-	-	-
Subordinated notes	(99,821)	-	-	-
Deferred income tax liabilities	(685)	(685)	-	-
Total Non-current Liabilities	(130,966)	(685)	-	-
Net Assets	173,728	183,742	148,171	142,588
Capital and reserves attributable to equity holders of the Company				
Share capital	150,519	140,578	150,519	140,578
Retained profits/(Accumulated losses)	57,939	55,168	(2,422)	1,936
Other reserves	(18,421)	(16,949)	74	74
	190,037	178,797	148,171	142,588
Non-controlling interests	(16,309)	4,945	-	-
Total Equity	173,728	183,742	148,171	142,588

* The Group recognised service concession receivables as it has a contractual right under the concession agreement to receive a fixed and determinable amount of payments during the concession period irrespective of the usage of the plant. The service concession receivables are measured on initial recognition at its fair value. Subsequent to initial recognition, the service concession receivables are measured at amortised cost using the effective interest rate method.

1(b)(ii) Aggregate amount of the group's borrowings and debt securities**(a) Amount repayable in one year or less, or on demand**

As at 31/03/2017		As at 31/12/2016	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
108,717	30,000	-	-

(b) Amount repayable after one year

As at 31/03/2017		As at 31/12/2016	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
25,591	99,821	-	-

(c) Details of any collaterals

The Group's secured borrowings comprise revolving credit facility, long-term debt and finance leases.

The revolving credit facility is secured by a first perfected security interest in all personal property of the Taiga Building Products Ltd. ("Taiga") and certain of its subsidiary corporations. All the Taiga's inventories and trade receivables are pledged as security for its revolving credit facility.

The long-term debt is secured by the real estate property of one of the Group's subsidiary corporations in United States.

Finance lease liabilities of the Group are effectively secured over the leased property, plant and equipment as the legal title is retained by the lessor and will be transferred to the Group upon full settlement of the finance lease liabilities.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	1st quarter ended 31 March 2017	1st quarter ended 31 March 2016
	S\$'000	S\$'000
Cash flows from operating activities		
Profit before income tax	3,879	920
Adjustments for:		
Depreciation of property, plant and equipment	1,447	644
Amortisation of deferred gain	(68)	-
Loss/(gain) on disposal of property, plant and equipment	148	(4)
Gain on disposal of asset held-for-sale	(1,161)	-
Net gain arising from purchase of additional shares in subsidiary corporation	(35)	-
Provisions	(236)	-
Finance income	(1,527)	(1,651)
Net fair value loss on derivatives	30	-
Interest income	(28)	(126)
Interest expenses	2,631	1
Unrealised currency translation losses	3,979	3,115
Operating cash flows before working capital changes	9,059	2,899
Changes in working capital		
Inventories	(12,994)	(25)
Service concession receivables	4,587	4,941
Trade receivables	(44,805)	(786)
Other receivables	897	152
Prepaid operating expenses	299	(202)
Trade payables and accruals	12,459	134
Other payables	118	51
Cash (used in)/generated from operations	(30,380)	7,164
Interest received	28	78
Interest paid	(1,503)	(1)
Income taxes paid	(266)	(5)
Net cash (used in)/generated from operating activities	(32,121)	7,236
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,209)	(456)
Proceeds from disposal of property, plant and equipment	18	4
Proceeds from disposal of asset held-for-sale	1,896	-
Net cash outflow on acquisition of a subsidiary corporation (Note A)	(87,184)	-
Acquisition of subordinated notes	(57,302)	-
Net cash used in investing activities	(143,781)	(452)
Cash flows from financing activities		
Acquisition of non-controlling interests	(4,862)	-
Net proceeds from shares placement	9,941	-
Repayment of obligations under finance leases	(551)	-
Repayment of long term debts	(67)	-
Proceeds from bank borrowings	30,000	-
Subordinated debts interest paid	(1,487)	-
Net cash generated from financing activities	32,974	-
Net (decrease)/increase in cash and cash equivalents	(142,928)	6,784
Cash and cash equivalents at beginning of period	57,184	54,893
Effects of currency translation on cash and cash equivalents	(129)	(1,553)
Cash and cash equivalents at end of period	(85,873)	60,124

1(c) **A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)**

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following balance sheet amounts:

	1st quarter ended 31 March 2017	1st quarter ended 31 March 2016
	S\$'000	S\$'000
Cash and bank balances	20,358	60,124
Revolving credit facility (Note B)	(106,231)	-
	(85,873)	60,124

Note A

Acquisition of Taiga Building Products Ltd. ("Taiga")

On 31 January 2017, the Company through its wholly-owned subsidiary corporation, UPP Investments Canada Limited ("UPP Canada") acquired 58.34% interest in Taiga, a public company incorporated in Canada and listed on the Toronto Stock Exchange for a cash consideration of C\$18,908,208. Taiga is a wholesale distributor of building materials.

The purchase price allocation ("PPA") exercise in respect of the acquisition of Taiga has not been carried out as of 31 March 2017. The Group has 12 months from the date of acquisition to finalise the fair value measurement and accounting as allowed under FRS 103 Business Combinations. For 1Q2017, the Group has recognised goodwill of S\$44,008,000 based on provisional fair value of assets and liabilities of Taiga at the date of acquisition.

<u>Provisional fair value of assets acquired and recognised at the date of acquisition*</u>	<u>S\$'000</u>
Current assets	245,707
Non-current assets	46,435
Current liabilities	(142,824)
Non-current liabilities	(192,177)
Total identifiable net liabilities at fair value	(42,859)
Non-controlling interest measures at fair value	17,857
	(25,002)
Goodwill	45,479
Consideration transferred for the business	20,477
<u>Net cash outflow arising from the acquisition</u>	<u>S\$'000</u>
Cash consideration paid	(20,477)
Add: Revolving credit facility which form part of cash and cash equivalents	(66,707)
Net cash outflow on acquisition	(87,184)

*The fair value of assets acquired and liabilities recognised on the acquisition of Taiga presented may be subjected to changes upon the completion and finalisation of the PPA exercise.

Note B

Revolving credit facility

The revolving credit facility consists of Taiga's cash on hand less cheques issued and the Taiga's outstanding revolving credit facility balance. Taiga's cash flow statement reflects the net change in its revolving credit facility. The revolving credit facility forms an integral part of Taiga's cash management and fluctuates directly as a result of its cash flows from operating, investing and financing activities.

On November 25, 2013, Taiga renewed its senior credit facility with a syndicate of lenders led by JPMorgan Chase Bank (the "Facility"). The Facility was increased from C\$200 million to C\$225 million, with an option to increase the limit by up to C\$50 million. The Facility continues to bear interest at variable rates plus variable margins, is secured by a first perfected security interest in all personal property of the Taiga Group of entities and will mature on November 25, 2018. Taiga's ability to borrow under the Facility is based upon a defined percentage of accounts receivables and inventories.

- 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

THE GROUP

Consolidated statement of changes in equity for the period ended 31 March 2017

	Share capital	Retained profits	Capital reserve	Foreign currency translation reserve	Fair value reserve	Total reserves	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2017	140,578	55,168	712	(18,298)	637	(16,949)	4,945	183,742
Profit for the period	-	2,771	-	-	-	-	1,064	3,835
Other comprehensive (loss)/income for the period	-	-	-	(1,730)	258	(1,472)	436	(1,036)
Total comprehensive income/(loss) for the period	-	2,771	-	(1,730)	258	(1,472)	1,500	2,799
Shares placement	10,000	-	-	-	-	-	-	10,000
Shares placement expenses	(59)	-	-	-	-	-	-	(59)
Acquisition of a subsidiary corporation	-	-	-	-	-	-	(17,857)	(17,857)
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	(4,897)	(4,897)
Total transactions with owners in their capacity as owners	9,941	-	-	-	-	-	(22,754)	(12,813)
Balance at 31 March 2017	150,519	57,939	712	(20,028)	895	(18,421)	(16,309)	173,728

Consolidated statement of changes in equity for the period ended 31 March 2016

	Share capital	Retained profits	Capital reserve	Foreign Currency translation Reserve	Fair value reserve	Total reserves	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2016	140,578	55,155	712	(18,288)	-	(17,576)	5,277	183,434
Profit for the period	-	788	-	-	-	-	127	915
Other comprehensive income for the period	-	-	-	1,103	-	1,103	240	1,343
Total comprehensive income for the period	-	788	-	1,103	-	1,103	367	2,258
Balance at 31 March 2016	140,578	55,943	712	(17,185)	-	(16,473)	5,644	185,692

- 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 (Cont'd)

THE COMPANY

Statement of changes in equity for the period ended 31 March 2017

	Share capital	Retained profits/ (Accumulated losses)	Capital reserve	Total reserves	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2017	140,578	1,936	74	74	142,588
Total comprehensive loss for the period	-	(4,358)	-	-	(4,358)
Shares placement	10,000	-	-	-	10,000
Shares placement expenses	(59)	-	-	-	(59)
Balance at 31 March 2017	150,519	(2,422)	74	74	148,171

Statement of changes in equity for the period ended 31 March 2016

	Share capital	Retained profits	Capital reserve	Total reserves	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2016	140,578	5,759	74	74	146,411
Total comprehensive loss for the period	-	(3,623)	-	-	(3,623)
Balance at 31 March 2016	140,578	2,136	74	74	142,788

- 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.**

Changes in the Company's share capital:

	Number of shares
Balance at 1 January 2017	836,667,121
Issuance of shares arising from share placement	40,000,000
Balance at 31 March 2017	<u>876,667,121</u>

Bonus warrants (the "Warrant") were issued by the Company on 16 February 2017 and the number of shares that may be issued on their conversion were 836,667,121 (31 March 2016: Nil).

The Warrants are only exercisable during the period commencing on and including the date six (6) months from the listing of the Warrants on the SGX-ST and expiring at 5.00 p.m. on the date immediately preceding the third (3rd) anniversary of the date of issue of the Warrants, subject to adjustments under certain circumstances as provided for under the terms and conditions of the Warrants set out in the deed poll constituting the Warrants.

The Company did not hold any treasury shares and no subsidiary holdings as at 31 March 2017 and 31 March 2016.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of current financial period and as at the end of the immediately preceding year**

	Company	
	<u>31.03.2017</u>	<u>31.12.2016</u>
Number of issued shares	876,667,121	836,667,121

The Company did not hold any treasury shares as at 31 March 2017 and 31 December 2016.

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

Not applicable.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings 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 by the 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**

Except as disclosed in Section 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current period as compared with those used in the audited financial statements for the year ended 31 December 2016.

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 Singapore 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 January 2017.

The adoption of the new and revised FRSs and INT FRSs does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior period.

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	
		1st quarter ended 31 March 2017	1st quarter ended 31 March 2016
Earnings per ordinary share for the period based on profit attributable to equity holders of the Company			
(i)	Based on weighted average number of ordinary shares on issue	S\$ cents	
		0.33	0.09
(ii)	On a fully diluted basis	S\$ cents	
		0.33	0.09

The above earnings per share is calculated based on the weighted average number of ordinary shares in issue during the period of 838,889,343 (2016: 836,667,121) shares after accounting for new shares issued during the period.

7. Net asset value (for the issuer and the 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

Net asset value per ordinary share based on existing issued share capital as at the end of the period reported on

		31 March 2017	31 December 2016
The Group	S\$ cents	21.68	21.37
The Company	S\$ cents	16.90	17.04

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

(a) Review of Statement of comprehensive income

On 31 January 2017, the Group completed its proposed acquisition of 58.34% interest in Taiga Building Products Ltd. ("Taiga"), a public company incorporated in Canada and listed on the Toronto Stock Exchange. Upon the acquisition, Taiga became a subsidiary corporation of the Group.

Taiga is the largest independent wholesale distributor of building products in Canada. Taiga distributes building products in Canada, the United States and overseas. As a wholesale distributor, Taiga maintains substantial inventories of building products at fifteen strategically located distribution centres throughout Canada and two distribution centres in California. In addition, Taiga regularly distributes through the use of third party reload centres. Taiga also owns and operates three wood preservation plants that produce pressure-treated wood products.

For 1Q2017, 2 months of Taiga's financial results were consolidated into the Group's results.

The Group reported revenue of S\$233.1 million for 1Q2017 as compared to S\$16.2 million for 1Q2016. The significant increase in the revenue was primarily due to contribution from Taiga, following the completion of the acquisition on 31 January 2017.

The Group's results included a foreign exchange loss of S\$3.9 million (1Q2016: S\$2.7 million) classified under "Other losses, net" that arose from the translation of intercompany receivables and bank balances denominated in Canadian Dollar ("CAD") and United States Dollar ("USD"). The losses were partially offset by gain on disposal of assets held-for-sale amounted to S\$1.2 million recognised during the current period.

Distribution, selling and administrative expenses and finance expenses increased were largely attributed to consolidation of Taiga's accounts.

The Group's profit attributable to owners of the Company increased from S\$0.8 million in 1Q2016 to S\$2.8 million in 1Q2017, representing an increase of 252%. The increase was due to contribution from Taiga as well as from the existing paper mill and power plant businesses.

(b) (i) Review of Statement of Financial Position

The aggregate consideration for the acquisition of 58.34% interest in Taiga and C\$46.0 million principal amount of 14% subordinated notes issued by Taiga were funded through the Group's internal resources of S\$50.3 million and external bank borrowing of S\$27.5 million.

The Group's total assets increased from S\$190.1 million as at 31 December 2016 to S\$530.7 million as at 31 March 2017. The increase of S\$340.6 million was primarily arising from consolidation of the total assets of Taiga and from the provisional goodwill of S\$44.0 million. Purchase price allocation (PPA) exercise has not been carried out as at 31 March 2017 and the goodwill of S\$44.0 million was recognised based on provisional fair values of assets and liabilities of Taiga as at the date of acquisition.

Total liabilities of the Group amounted to S\$357.0 million as at 31 March 2017, representing an increase of S\$350.6 million from the financial year ended 31 December 2016. The increase was mainly arose from borrowings of S\$30.0 million and consolidation of Taiga's bank borrowings, accounts payable and accrued liabilities, finance lease obligations, deferred gain, provision, income taxes payable and subordinated notes totaling S\$320.8 million.

The Group's working capital as at 31 March 2017 increased to S\$131.7 million from S\$95.6 million as at 31 December 2016.

The Group's total equity as at 31 March 2017 amounted to S\$173.7 million (31 December 2016: S\$183.7 million). During the period under review, approximately of S\$9.9 million net proceeds were raised through issuance of 40,000,000 new subscription shares.

(b) (ii) Review of Statement of Cash Flows

Net cash used in operations for the current quarter was S\$30.4 million. This was mainly due to higher working capital requirements in particularly resulted of increased account receivables and inventories attributable to Taiga. The increase in account receivables were due to increase in sales whereas the increase in inventories were due to higher commodity price.

Net cash used in investing activities for the quarter was S\$143.8 million. This was mainly due to the completion of the acquisition of the 58.34% interest in Taiga shares and acquisition of 35.71% or C\$46.0 million principal amount of Taiga subordinated notes.

Net cash generated from financing activities of S\$33.0 million was due mainly to the proceeds from bank borrowings of S\$30.0 million and net proceed from the shares placement of S\$9.9 million. The increase was partially offset by net cash outflow for purchase of non-controlling interests in UPP Pulp & Paper (M) Sdn. Bhd. amounted to S\$4.9 million and payment of Taiga's subordinated notes interest expenses of S\$1.5 million.

Overall, the net decrease in cash and cash equivalents for 1Q2017 amounted to S\$142.9 million.

As at 31 March 2017, the Group's outstanding revolving credit facility ("RCF") net of cash and bank balances was S\$85.9 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 was previously provided.

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**

Outlook

The Group had, on 31 January 2017 successfully completed its acquisition of 58.34% of the issued and paid capital of Taiga Building Products Ltd. ("Taiga") and C\$46.0 million principal amount of the 14% unsecured subordinated notes. As a result, Taiga has become an indirect subsidiary of the Company.

Taiga's sales and earnings are subject to seasonal variances that fluctuate in accordance with the normal home building season in Canada and the United States.

Taiga generally experiences reduced sales in the late fall and winter season, during the October-December and January-March quarters, when home building activity is low due to the cold weather. It achieves higher sales in the other two quarters of each year, when home building activities are active.

Taiga's financial performance is primarily dependent on the residential construction, renovation and repairs markets in Canada and the United States. These markets are affected by the strength or weakness in the general economy and as such are influenced by interest rates and other general market indicators.

For the paper mill business in Malaysia and the power plant in Myanmar, the Group shall remain focused on optimising operational efficiency and cost effectiveness. The Group will continue to seek investment opportunities to enhance shareholder value, when such opportunities arise.

11. **Dividend**

(a) Period ended 31 March 2017

Any dividend declared for the current financial period reported on?

None.

(b) Period ended 31 March 2016

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/recommended, a statement to that effect**

No dividend has been declared or recommended for the first quarter ended 31 March 2017.

13. **If the Group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), 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 has not obtained a general mandate from shareholders for Interested Person Transactions.

	Aggregate value of all IPT 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 IPT conducted under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual during the financial period under review (excluding transactions less than \$100,000)
Name of Interested Person	None	-
Total Interested Person Transactions	-	-

14. Status on the use of net proceeds raised from Shares Placement (completion of allotment on 27 March 2017)

As announced on 7 March 2017, the Company had on the same day entered into subscription agreements (collectively, the “**Subscription Agreements**” and each, a “**Subscription Agreement**”) with Mohamed Nazir Bin Abdul Razak, John Vlasto, Hsieh Fu Hua and Chan Chia Lin (the “**Subscribers**”) pursuant to which the Subscribers have agreed to subscribe for an aggregate of 40,000,000 new ordinary shares in the capital of the Company (the “**Subscription Shares**”) at an issue price of S\$0.25 per Subscription Share (the “**Subscription Price**”) (such subscriptions collectively, the “**Subscription**”).

The purpose of the Subscription is to enable the Company to raise additional funds in an expeditious manner.

As announced on 27 March 2017, the completion of the Subscription took place on 27 March 2017, pursuant to which the 40,000,000 Subscription Shares were allotted and issued to the Subscribers. Following the completion of the Subscription, the total number of issued Shares of the Company has increased from 836,667,121 Shares to 876,667,121 Shares.

The Subscription Shares were issued free from all claims, pledges, mortgages, charges, liens and encumbrances and shall rank pari passu in all respects with the existing issued Shares save that the Subscription Shares will not rank for any dividends, rights, allotments or other distributions the record date for which falls before 27 March 2017.

The net proceeds from the Subscription after deducting expenses incurred in connection with the Subscription was approximately S\$9.9 million. The Company intends to utilise 100% of the net proceeds to reduce its bank borrowings.

As announced on 17 April 2017, the entire net proceeds from the Subscription of approximately S\$9.9 million has been used to partially repay outstanding bank borrowings. The use of proceeds was accordance with the intended use as stated in the Company’s announcement on 7 March 2017.

15. Negative assurance confirmation by the Board pursuant to Rule 705 (5) of the Listing Manual

The Board of Directors of the Company hereby confirm that to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the first quarter ended 31 March 2017 to be false or misleading in any material respect.

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

The Company confirms that it has procured undertakings from all its directors and executive offices in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Tong Kooi Ong
Executive Chairman

Koh Wan Kai
Executive Director

11 May 2017