

STAMFORD LAND CORPORATION LTD

(Company Registration No. 197701615H)

UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

PART I – INFORMATION REQUIRED FOR QUARTERLY ANNOUNCEMENTS

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

	Note	The Group					
		Q3 FY2017 S\$'000	Q3 FY2016 S\$'000	Change %	YTD FY2017 S\$'000	YTD FY2016 S\$'000	Change %
Revenue		55,379	52,518	5.4	148,655	166,009	(10.5)
Interest income		391	469	(16.6)	1,301	1,742	(25.3)
Dividend income		9	73	(87.7)	89	145	(38.6)
Other gains/(losses) (net)	(ii)	398	620	(35.8)	5,250	(1,942)	N.M
Expenses							
Properties sold		-	-	-	(1,498)	(11,258)	(86.7)
Consumables used		(4,919)	(4,756)	3.4	(12,613)	(12,907)	(2.3)
Staff costs		(17,500)	(16,678)	4.9	(49,504)	(48,803)	1.4
Depreciation expense		(3,124)	(3,319)	(5.9)	(9,253)	(9,897)	(6.5)
Other operating expenses		(16,055)	(13,983)	14.8	(46,377)	(40,550)	14.4
Finance costs		(2,315)	(2,874)	(19.5)	(7,171)	(9,010)	(20.4)
Profit before tax	(iii)	12,264	12,070	1.6	28,879	33,529	(13.9)
Income tax expense	(iv)	(875)	(971)	(9.9)	(3,257)	(6,103)	(46.6)
Net profit attributable to owners of the Company		11,389	11,099	2.6	25,622	27,426	(6.6)

Q3: Third quarter ended 31 December

YTD: Year to date ended 31 December

FY2017: Financial year ending 31 March 2017

FY2016: Financial year ended 31 March 2016

N.M: Not meaningful

Notes

- (i) For the income statement, the Australian dollars ("A\$") and New Zealand dollars ("NZ\$") are translated at average exchange rates as prescribed below:

	The Group					
	Q3 FY2017	Q3 FY2016	Change	YTD FY2017	YTD FY2016	Change
A\$	1.0566	1.0150	4.1%	1.0304	1.0187	1.1%
NZ\$	1.0068	0.9470	6.3%	0.9753	0.9381	4.0%

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

(ii) Other gains/(losses) (net) comprises:

	Q3		The Group		YTD		Change
	FY2017	FY2016	Change	YTD	YTD	Change	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Foreign exchange gain/(loss) (net) ^(a)	546	628	(13.1)	5,487	(1,734)	N.M	
Inventories written off	-	(23)	N.M	(1)	(24)	N.M	
Fair value loss/(gain) on investments held-for-trading	(148)	56	N.M	(219)	(179)	22.3	
Others	-	(41)	N.M	(17)	(5)	N.M	
	398	620	(35.8)	5,250	(1,942)	N.M	

(a) Foreign exchange gain in Q3 FY2017 and YTD FY2017 relates to realised gain on forward exchange contracts fulfilled and unrealised gain on translation of NZ\$ and A\$ deposits (refer to note 3(a) on exchange rates).

(iii) Profit before tax in YTD FY2017 is lower due to less apartments sold at The Stamford Residences & The Reynell Terraces ("TSRRT") and The Stamford Residences Auckland ("TSRA") as follows

	Q3 FY2017	Q3 FY2016	YTD FY2017	YTD FY2016
	Number of apartments			
TSRRT	-	-	-	2
TSRA	-	-	1	3

(iv) Income tax expense in YTD FY2016 included tax provision on apartments sold. Income tax expense in YTD FY2017 is lower mainly due to fewer apartments sold.

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2. A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	The Group					
	Q3	Q3	Change	YTD	YTD	Change
	FY2017	FY2016		FY2017	FY2016	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Net profit for the period	11,389	11,099	2.6	25,622	27,426	(6.6)
Other comprehensive (loss)/income:						
<i>Items that are or may be reclassified subsequently to profit or loss</i>						
Fair value (loss)/gain on available-for-sale investments	(13)	33	N.M	(40)	(21)	90.5
Exchange differences on consolidation of foreign subsidiaries	2,516	16,179	(84.4)	5,647	(1,298)	N.M
Exchange differences on foreign currency loans forming part of net investment in foreign operations	127	(234)	N.M	2,097	(11,098)	N.M
	2,630	15,978	(83.5)	7,704	(12,417)	N.M
Total comprehensive income, net of tax, attributable to owners of the Company	14,019	27,077	(48.2)	33,326	15,009	N.M

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3(a). A balance sheet (for the issuer and group) together with a comparative statement as at the end of the immediately preceding financial year

	The Group		The Company	
	31.12.2016 S\$'000	31.03.2016 S\$'000	31.12.2016 S\$'000	31.03.2016 S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	103,078	137,507	2,807	33,010
Investments held-for-trading	3,417	3,636	-	-
Trade and other receivables	12,771	13,238	65,731	30,314
Tax recoverable	8,343	1,406	-	-
Inventories	1,261	1,240	-	-
Completed properties for sale	23,569	23,652	-	-
Development properties for sale	273,032	157,161	-	-
	425,471	337,840	68,538	63,324
Non-current assets				
Available-for-sale investments	358	398	358	398
Investment properties	160,047	158,265	-	-
Investments in subsidiaries	-	-	292,025	299,725
Property, plant and equipment	366,159	357,838	-	-
Deferred tax assets	7,377	6,975	-	-
	533,941	523,476	292,383	300,123
Total assets	959,412	861,316	360,921	363,447
LIABILITIES				
Current liabilities				
Trade and other payables	32,620	48,571	389	774
Current income tax liabilities	178	7,840	7,743	7,743
Derivative financial liabilities	-	1,986	-	337
Borrowings	-	279,455	-	-
	32,798	337,852	8,132	8,854
Non-current liabilities				
Amounts due to subsidiaries	-	-	206,451	199,699
Borrowings	434,860	60,897	-	-
Deferred tax liabilities	12,236	12,071	-	-
	447,096	72,968	206,451	199,699
Total liabilities	479,894	410,820	214,583	208,553
NET ASSETS	479,518	450,496	146,338	154,894
EQUITY				
Capital and reserves attributable to owners of the Company				
Share capital	144,632	144,616	144,632	144,616
Retained profits	348,521	327,219	1,403	9,935
Other reserves	(13,635)	(21,339)	303	343
TOTAL EQUITY	479,518	450,496	146,338	154,894

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3(a). A balance sheet (for the issuer and group) together with a comparative statement as at the end of the immediately preceding financial year (continued)

In the balance sheets, the following closing exchange rates were used to translate the A\$ and NZ\$:

	31.12.2016	31.03.2016	Change
A\$	1.0446	1.0311	1.3%
NZ\$	1.0051	0.9306	8.0%

3(b). Aggregate amount of the group's borrowings and debt securities

	As at 31.12.2016		As at 31.03.2016	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand	-	-	279,455	-
Amount repayable after one year	434,860	-	60,897	-

Details of any collaterals:

The following properties are charged by way of mortgages and fixed and floating equitable charges for the above borrowings:

Stamford Plaza Melbourne
Stamford Grand Adelaide
Stamford Plaza Adelaide
Sir Stamford at Circular Quay
Stamford Plaza Sydney Airport
Dynon's Plaza in Perth
Macquarie Park Village in Sydney

The carrying amount of the properties charged as security for the bank borrowings is approximately S\$631.3 million as at 31 December 2016 (31 March 2016: S\$608.4 million).

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

Note	The Group			
	Q3 FY2017 S\$'000	Q3 FY2016 S\$'000	YTD FY2017 S\$'000	YTD FY2016 S\$'000
Cash flows from operating activities				
Net profit	11,389	11,099	25,622	27,426
Adjustments for:				
Income tax expense	875	971	3,257	6,103
Share-based compensation	-	-	16	60
Depreciation expense	3,124	3,319	9,253	9,897
Dividend income	(9)	(73)	(89)	(145)
Interest expense	2,315	2,874	7,171	9,010
Interest income	(391)	(469)	(1,301)	(1,742)
Unrealised foreign exchange gain (net)	(1,644)	(2,781)	(2,837)	(7,344)
Fair value loss/(gain) on investments held-for-trading	148	(56)	219	179
Loss on disposal of property, plant and equipment	-	41	17	5
Operating cash flows before changes in working capital	15,807	14,925	41,328	43,449
Trade and other receivables	(90)	121	414	4,073
Inventories	(137)	(90)	(21)	(343)
Completed properties for sale	-	(1,547)	1,423	13,294
Development properties for sale	(40,788)	(22,779)	(112,269)	(52,533)
Trade and other payables	1,053	3,941	(14,896)	4,568
Derivative financial (assets)/liabilities	(6)	112	(1,986)	134
Cash (used in)/generated from operations	(24,161)	(5,317)	(86,007)	12,642
Income taxes refunded/(paid)	21	510	(17,657)	(8,640)
Net cash (used in)/from operating activities	(24,140)	(4,807)	(103,664)	4,002
Cash flows from investing activities				
Purchase of property, plant and equipment	(2,138)	(4,253)	(9,040)	(10,703)
Interest received	464	422	1,354	1,751
Dividends received	9	73	89	145
Deposits pledged	292	641	756	(8)
Net cash used in investing activities	(1,373)	(3,117)	(6,841)	(8,815)
Cash flows from financing activities				
Repayment of borrowings	(24,743)	-	(48,446)	(1,791)
Proceeds from borrowings	39,819	18,640	137,642	24,487
Interest paid	(2,783)	(2,798)	(8,161)	(9,055)
Dividends paid	-	-	(4,320)	(25,919)
Net cash from/(used in) financing activities	12,293	15,842	76,715	(12,278)
Net change in cash and cash equivalents	(13,220)	7,918	(33,790)	(17,091)
Cash and cash equivalents at beginning of the period	111,444	111,362	133,711	141,771
Effect of currency translation on cash and cash equivalents	719	3,979	(978)	(1,421)
Cash and cash equivalents at end of the period	(i) 98,943	123,259	98,943	123,259

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4. A statement of cash flows (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year (continued)

Note

	The Group	
	31.12.2016	31.12.2015
	S\$'000	S\$'000
(i) Cash and cash equivalents in the balance sheet	103,078	126,389
Less: Deposits pledged	(4,135)	(3,130)
Cash and cash equivalents in the statement of cash flows	98,943	123,259

5(a). 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

	Attributable to owners of the Company						
	Share capital S\$'000	Share option reserve S\$'000	Asset revaluation reserve S\$'000	Fair value reserve S\$'000	Foreign currency translation reserve S\$'000	Retained profits S\$'000	Total equity S\$'000
<u>YTD FY2017</u>							
Balance at 1 April 2016	144,616	-	3,300	343	(24,982)	327,219	450,496
Net profit for the period	-	-	-	-	-	25,622	25,622
Other comprehensive (loss)/income for the period	-	-	-	(40)	7,744	-	7,704
Total comprehensive (loss)/income for the period	-	-	-	(40)	7,744	25,622	33,326
Employee performance share scheme							
- value of employee services	-	16	-	-	-	-	16
Issue of new shares	16	(16)	-	-	-	-	-
Dividends	-	-	-	-	-	(4,320)	(4,320)
Total transactions with owners, recognised directly in equity	16	-	-	-	-	(4,320)	(4,304)
Balance at 31 December 2016	144,632	-	3,300	303	(17,238)	348,521	479,518

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- 5(a). 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 (continued)

THE GROUP

	Attributable to owners of the Company					Total equity S\$'000
	Share capital S\$'000	Share option reserve S\$'000	Fair value reserve S\$'000	Foreign currency translation reserve S\$'000	Retained profits S\$'000	
<u>YTD FY2016</u>						
Balance at 1 April 2015	144,556	-	351	(16,407)	330,709	459,209
Net profit for the period	-	-	-	-	27,426	27,426
Other comprehensive loss for the period	-	-	(21)	(12,396)	-	(12,417)
Total comprehensive (loss)/income for the period	-	-	(21)	(12,396)	27,426	15,009
Employee performance share scheme						
- value of employee services	-	60	-	-	-	60
Issue of new shares	60	(60)	-	-	-	-
Dividends	-	-	-	-	(25,919)	(25,919)
Total transactions with owners, recognised directly in equity	60	-	-	-	(25,919)	(25,859)
Balance at 31 December 2015	144,616	-	330	(28,803)	332,216	448,359

THE COMPANY

	Share capital S\$'000	Share option reserve S\$'000	Fair value reserve S\$'000	Retained profits S\$'000	Total equity S\$'000
<u>YTD FY2017</u>					
Balance at 1 April 2016	144,616	-	343	9,935	154,894
Net loss for the period	-	-	-	(4,212)	(4,212)
Other comprehensive loss for the period	-	-	(40)	-	(40)
Total comprehensive loss for the period	-	-	(40)	(4,212)	(4,252)
Employee performance share scheme					
- value of employee services	-	16	-	-	16
Issue of new shares	16	(16)	-	-	-
Dividends	-	-	-	(4,320)	(4,320)
Total transactions with owners, recognised directly in equity	16	-	-	(4,320)	(4,304)
Balance at 31 December 2016	144,632	-	303	1,403	146,338

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- 5(a). 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 (continued)

THE COMPANY

	Share capital S\$'000	Share option reserve S\$'000	Fair value reserve S\$'000	Retained profits S\$'000	Total equity S\$'000
<u>YTD FY2016</u>					
Balance at 1 April 2015	144,556	-	351	38,651	183,558
Net loss for the period	-	-	-	(7,282)	(7,282)
Other comprehensive loss for the period	-	-	(21)	-	(21)
Total comprehensive loss for the period	-	-	(21)	(7,282)	(7,303)
Employee performance share scheme					
- value of employee services	-	60	-	-	60
Issue of new shares	60	(60)	-	-	-
Dividends	-	-	-	(25,919)	(25,919)
Total transactions with owners, recognised directly in equity	60	-	-	(25,919)	(25,859)
Balance at 31 December 2015	144,616	-	330	5,450	150,396

- 5(b). 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 shares

At 30 September 2016 and 31 December 2016

Number of ordinary shares
863,970,982

There are no outstanding share options as at 31 December 2016 and 31 December 2015.

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- 5(c). **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**

	As at 31.12.2016	As at 31.03.2016
Total number of issued shares (excluding treasury shares)	863,970,982	863,938,482

There were no shares held as treasury shares as at 31 December 2016 and 31 March 2016.

- 5(d). **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**

Not applicable.

6. **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 of the Company.

7. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)**

Not applicable.

8. **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 period ended 31 December 2016 as compared to the most recently audited financial statements for the financial year ended 31 March 2016.

9. **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.

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10. 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

Earnings per ordinary share is calculated by dividing net profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period.

	The Group			
	Q3 FY2017	Q3 FY2016	YTD FY2017	YTD FY2016
Net profit attributable to owners of the Company (S\$'000)	11,389	11,099	25,622	27,426
Weighted average number of ordinary shares in issue for calculation of basic earnings per share ('000)	863,957	863,921	863,970	863,892
Weighted average number of ordinary shares in issue for calculation of diluted earnings per share ('000)	863,957	863,921	863,970	863,892
Earnings per share				
(i) Basic (cents)	1.32	1.28	2.97	3.17
(ii) Diluted (cents)	1.32	1.28	2.97	3.17

11. 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 financial period reported on; and
(b) immediately preceding financial year.

	The Group		The Company	
	31.12.2016	31.03.2016	31.12.2016	31.03.2016
	S\$	S\$	S\$	S\$
Net asset value per ordinary share based on the total number of issued shares as at the end of the financial period/year	0.56	0.52	0.17	0.17

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12. 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

Consolidated income statement

	The Group							
	Q3	Q3	Change		YTD	YTD	Change	
	FY2017	FY2016	S\$'000	%	FY2017	FY2016	S\$'000	%
	S\$'000	S\$'000	S\$'000	%	S\$'000	S\$'000	S\$'000	%
<u>REVENUE</u>								
Hotel owning & management	50,195	48,443	1,752	3.6	131,846	129,105	2,741	2.1
Property development	288	384	(96)	(25.0)	2,257	25,102	(22,845)	(91.0)
Property investment	4,372	3,019	1,353	44.8	13,089	9,600	3,489	36.3
Trading	500	648	(148)	(22.8)	1,391	2,130	(739)	(34.7)
	55,355	52,494	2,861	5.5	148,583	165,937	(17,354)	(10.5)
Others	24	24	-	-	72	72	-	-
	55,379	52,518	2,861	5.4	148,655	166,009	(17,354)	(10.5)
<u>OPERATING PROFIT</u>								
Hotel owning & management	11,643	11,964	(321)	(2.7)	23,845	23,824	21	0.1
Property development	156	(70)	226	N.M	(45)	12,584	(12,629)	N.M
Property investment	3,461	3,334	127	3.8	10,511	9,975	536	5.4
Trading	4	87	(83)	(95.4)	139	148	(9)	(6.1)
	15,264	15,315	(51)	(0.3)	34,450	46,531	(12,081)	(26.0)
Others	(1,483)	(1,533)	50	3.3	(5,041)	(3,937)	(1,104)	(28.0)
	13,781	13,782	(1)	N.M	29,409	42,594	(13,185)	(31.0)

Hotel owning & management

- Revenue growth of 3.6% in Q3 FY2017 was due mainly to a strong A\$, which increased by 4.1%.
- Operating profit for Q3 FY2017 decreased mainly due to higher operating costs.

Property development

- Revenue was lower as there was only one apartment sold in YTD FY2017 (YTD FY2016: 1 TSRRT penthouse, 1 TSRRT apartment and 3 TSRA apartments).
- Operating profit for YTD FY2017 was lower due to less apartments sold.

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12. **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 (continued)**

Property investment

- Revenue and operating profit were higher due to higher rent for FY2017.

Trading

- Revenue and operating profit decreased due to challenging business environment in both travel agency and interior decoration business.

Consolidated balance sheet

- Decrease in cash and cash equivalents was mainly due to payment of FY2016 dividends and repayment of borrowings.
- Increase in tax recoverable was mainly due to payment of withholding tax which will be refunded in subsequent months.
- Increase in development properties for sale was due to capitalisation of construction costs of an ongoing development project.
- Decrease in trade and other payables was mainly due to payment of construction costs of an ongoing development project.
- Increase in borrowings was mainly due to net proceeds from additional bank borrowings drawn for an ongoing development project.

Consolidated statement of cash flows

- The Group registered a net decrease in cash and cash equivalents of S\$13.2 million and S\$33.8 million for Q3 FY2017 and YTD FY2017 respectively, details as follows:
 - Cash outflow from operating activities was mainly due to construction costs of an ongoing development project.
 - Cash outflow from investing activities was mainly due to ongoing refurbishment projects.
 - Cash inflow from financing activities was mainly due to additional borrowings drawn down for an ongoing development project, partially offset by repayment of borrowings and payment of dividends.

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13. 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.

14. 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

- For YTD FY2017, property development segment registered sale of 1 apartment as compared to 5 apartments in YTD FY2016, resulting in a decline in net profit.
- Performance of the hotel segment was consistent and is expected to remain stable.
- Contributions from property development segment will be substantial (on completion of first three towers of Macquarie Park Village) in Q4 FY2017 or later. The remaining four towers will be completed in FY2018 and beyond.
- Property investment segment continues to deliver stable results underpinned by fixed lease income.
- Barring any unforeseen circumstances, the Group expects to remain profitable for FY2017.

15. Dividend

(a) Current financial period reported on

No.

(b) Corresponding period of the immediately preceding financial year

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

16. If no dividend has been declared/recommended, a statement to that effect

No interim dividend has been declared/recommended in the current reporting period.

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17. Interested Person Transactions ("IPTs")

The Company has not obtained a general mandate from shareholders for any IPTs.

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

19. Negative confirmation pursuant to Rule 705(5) of the Listing Manual

We confirm that, 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 financial results for the financial period ended 31 December 2016 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Ow Chio Kiat
Executive Chairman

Ow Yew Heng
Chief Executive Officer

BY ORDER OF THE BOARD

Lee Li Huang
Company Secretary

14 February 2017