

SGXNET Announcement



**AEM Holdings Ltd
(Registration No. 200006417D)
Quarterly Financial Statements and Dividend Announcement
For Period Ended 31 March 2018**

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1. Financial Statements

1(a)(i). Consolidated Income Statement

	Note	Quarterly Results		
		1Q2018 S\$'000	1Q2017 S\$'000	Change* %
Revenue		65,650	42,119	55.9%
Other income		129	108	19.4%
Changes in inventories of finished goods and work-in-progress	A.2	3,871	5,940	-34.8%
Raw materials and other consumables	A.2	(47,081)	(36,199)	-30.1%
Staff costs		(8,305)	(4,667)	-78.0%
Depreciation of property, plant and equipment		(262)	(155)	-69.0%
Amortisation of intangible assets		(83)	(16)	-418.8%
Other expenses	A.3	(3,722)	(2,157)	-72.6%
Finance expenses		(5)	(4)	-25.0%
Share of loss of equity-accounted investee		(181)	(67)	-170.1%
Profit before taxation		10,011	4,902	104.2%
Income tax expenses		(1,793)	(765)	-134.4%
Profit for the period		8,218	4,137	98.6%
<u>Other comprehensive income</u>				
Translation loss relating to financial statements of foreign subsidiaries, net of tax		(855)	(683)	-25.2%
Effect of liquidation and disposal of subsidiaries		-	695	NM
Other comprehensive (loss)/ income for the period, net of tax		(855)	12	NM
Total comprehensive income for the period		7,363	4,149	77.5%

* Increase/(Decrease) in Earnings
NM: Not Meaningful

1(a)(ii). Consolidated Comprehensive Income Statement

Total comprehensive income attributable to:

Owners of the Company		7,363	4,149	77.5%
Total comprehensive income for the period		7,363	4,149	77.5%

* Increase/(Decrease) in Earnings

1(a)(iii). Explanatory Notes to Consolidated Income Statement

A.1 Profit for continuing operation is arrived at after crediting/(charging) the following items:

	Note	Quarterly Results		
		1Q2018 S\$'000	1Q2017 S\$'000	Change* %
Government grant income		59	27	118.5%
Interest income		61	1	NM
Exchange loss, net	A.1(a)	(589)	(127)	-363.4%
Allowance for inventory obsolescence reversed	A.1(b), A.2	375	537	-30.2%
Loss on liquidation of dormant subsidiaries	A.1(c)	-	(695)	NM

* Increase/(Decrease) in Earnings
NM: Not Meaningful

- A.1 (a)** The foreign exchange loss in 1Q2018 arose mainly due to depreciation of the United States dollar against the Singapore dollar and Malaysian Ringgit.
- A.1 (b)** There was a reversal of allowance for inventory obsolescence in 1Q2018 due to utilisation of slow moving inventories.
- A.1 (c)** The Group liquidated two of its wholly owned subsidiaries which had been dormant for some time, resulting in a disposal loss of S\$695,000 in 1Q2017.

A.2 Raw Material and Other Consumables

	Quarterly Results		
	1Q2018 S\$'000	1Q2017 S\$'000	Change* %
Changes in inventories of finished goods and work-in-progress excluding reversal of allowance for inventory obsolescence	3,496	5,403	-35.3%
Raw materials and consumables cost	(47,081)	(36,199)	-30.1%
Material cost before reversal of allowance for inventory obsolescence	(43,585)	(30,796)	-41.5%
Allowance for inventory obsolescence reversed	375	537	-30.2%
Total	(43,210)	(30,259)	-42.8%

* Increase/(Decrease) Earnings

Raw materials and consumables cost, taking into consideration changes in inventories excluding reversal for inventory obsolescence, increased from S\$30.8 million in 1Q2017 to S\$43.6 million in 1Q2018, representing an increase of 41.5%. The raw materials and other consumables cost increase in 1Q2018 was lower than revenue increase mainly due to cost reduction initiatives.

A.3 Other expenses (excluding staff costs, depreciation and amortisation)

	Note	Quarterly Results		
		1Q2018 S\$'000	1Q2017 S\$'000	Change* %
Rental, utilities and upkeep	A.3(a)	1,043	717	-45.5%
Sales, marketing & general expenses	A.3(b)	2,090	618	-238.2%
Loss on liquidation of dormant subsidiaries	A.1(c)	-	695	NM
Foreign exchange loss	A.1(a)	589	127	-363.8%
Total		3,722	2,157	-72.6%

* Increase/(Decrease) in Earnings
NM: Not Meaningful

- A.3 (a)** The increase in rental, utilities and upkeep in 1Q2018 compared to 1Q2017 were mainly due to the increased production space to fulfill the increased sales orders.
- A.3 (b)** In 1Q2018, sales, marketing and general expenses increased 238.2% from S\$618,000 to S\$2.1 million mainly due to higher warranty cost of S\$293,000, withholding tax of S\$136,000 and travelling expenses of S\$252,000 and professional and acquisition expenses of S\$546,000.

1(b)(i). Statement of Financial Position

	Note	Group		Company	
		31-Mar-18 S\$'000	31-Dec-17 S\$'000	31-Mar-18 S\$'000	31-Dec-17 S\$'000
Non-current assets					
Property, plant and equipment	B.1	4,381	3,623	35	34
Intangible assets and goodwill	B.2	15,799	3,449	-	-
Subsidiaries		-	-	27,497	12,914
Associate		3,879	4,133	4,667	4,667
		24,059	11,205	32,199	17,615
Current assets					
Inventories	B.3	39,922	35,803	-	-
Trade and other receivables	B.4	33,560	23,557	1,934	4,841
Cash and cash equivalents	B.5	42,986	46,095	823	2,384
		116,468	105,455	2,757	7,225
Total assets		140,527	116,660	34,956	24,840
Equity Attributable to Owners of the Company					
Share capital	1(d)(i)	45,740	39,737	45,740	39,737
Reserves	1(d)(i)	(806)	(10,787)	1,873	2,043
Accumulated gains/ (losses)	1(d)(i)	26,074	28,860	(20,926)	(21,844)
Total equity		71,008	57,810	26,687	19,936
Non-current liabilities					
Financial liabilities	1(b)(ii)	171	-	-	-
Provisions		259	277	-	18
Deferred tax liabilities		292	309	-	-
		722	586	-	18
Current liabilities					
Trade and other payables	B.6	60,778	52,214	7,734	4,755
Financial liabilities	1(b)(ii)	243	7	-	-
Current tax payable	B.7	7,318	5,648	535	131
Provisions		458	395	-	-
		68,797	58,264	8,269	4,886
Total liabilities		69,519	58,850	8,269	4,904
Total equity and liabilities		140,527	116,660	34,956	24,840

- B.1** The increase of property, plant and equipment is mainly due to the acquisition of subsidiaries and the purchase of new equipment and tools.
- B.2** The increase in intangible assets and goodwill was mainly due to the acquisition of subsidiaries that resulted in the recognition of intangible assets.
- B.3** The increase in inventories was mainly due to increase in sales, business volume and inventory builds for fulfillment of sales orders.
- B.4** Trade and other receivables increased mainly due to the increased sales in 1Q2018.
- B.5** The cash and cash equivalent of the Group decreased by S\$3.1 million in 1Q2018 was mainly due to cash used for acquisition of subsidiaries of S\$8.7 million, purchase of property of plant and equipment of S\$517,000 and purchase of treasury shares of S\$170,000 offset by increased cash flows from operating activities of S\$6.9 million being generated in 1Q2018.
- B.6** The increase in trade and other payables was mainly due to increased material purchases as a result of the increase in sales orders to be fulfilled.
- B.7** The increase in current tax payable was mainly due to increased profits in 1Q2018.

1(b)(ii). Group Borrowings and Debt Securities

	31-Mar-18 S\$'000	31-Dec-17 S\$'000
Amount repayable in one year or less, or on demand		
- Secured short term borrowing	243	-
- Secured finance lease liabilities	-	7
	243	7
Amount repayable after one year		
- Secured long term borrowing	171	-
	171	-
Total	414	7

The short term and long term borrowings were secured by a floating charge on business assets of Afore Oy that are being financed.

1(c). Consolidated Cash Flow Statement

	Note	1Q2018 S\$'000	1Q2017 S\$'000
Operating activities			
Profit for the period		8,218	4,137
Adjustments for:			
Depreciation and amortisation		345	171
Gain on disposal of property, plant and equipment		-	(3)
Loss on liquidation of dormant subsidiaries		-	695
Allowance for inventory obsolescence reversed		(375)	(537)
Interest income		(61)	(1)
Interest expense		5	4
Provision made/ (reversed) for warranties		225	(123)
Equity settled share based payment transactions		484	211
Tax expense		1,793	765
Share of loss from equity accounted investee, net of tax		181	67
Operating profit before working capital changes		10,815	5,386
Changes in:			
Inventories		(2,912)	(4,792)
Trade and other receivables		(9,331)	(21,625)
Trade and other payables		8,376	23,939
Cash from operations		6,948	2,908
Income tax (paid)/ recovered		(65)	24
Cash flows from operating activities		6,883	2,932

1(c). Consolidated Cash Flow Statement (Cont'd)

	Note	1Q2018 S\$'000	1Q2017 S\$'000
Investing activities			
Interest income		61	1
Purchase of property, plant and equipment		(517)	(51)
Proceeds from sale of property, plant and equipment		-	3
Acquisition of intangible assets		(17)	-
Acquisition of subsidiaries, net of cash acquired		(8,665)	-
Net cash used in investing activities		(9,138)	(47)
Financing activities			
Interest paid		(5)	(1)
Repayment of finance lease liabilities		(7)	(19)
Purchase of treasury shares		(170)	(25)
Net cash used in financing activities		(182)	(45)
Net (decrease)/ increase in cash and cash equivalents		(2,437)	2,840
Cash and cash equivalents at beginning of period		46,095	6,310
Effect of exchange rate changes on balances held in foreign currencies		(672)	(15)
Cash and cash equivalents at end of period		42,986	9,135

1(d)(i). Statements of Changes in Equity

	Share capital S\$'000	Reserve for own shares S\$'000	Other reserves S\$'000	Share compensation reserve S\$'000	Currency translation reserve S\$'000	Retained earnings S\$'000	Total Equity S\$'000
Group							
As at 1 Jan 2017	39,737	(1,264)	161	759	(11,004)	1,839	30,228
Changes in equity for the period							
Profit for the period	-	-	-	-	-	4,137	4,137
Foreign currency translation differences	-	-	-	-	(683)*	-	(683)
Liquidation of dormant subsidiaries	-	-	-	-	695	-	695
Total comprehensive income for the period	-	-	-	-	12	4,137	4,149
Own shares acquired	-	(25)	-	-	-	-	(25)
Treasury shares reissued pursuant to share plans	-	324	-	(113)	-	-	211
Total transactions with owners for the period	-	299	-	(113)	-	-	186
As at 31 Mar 2017	39,737	(965)	161	646	(10,992)	5,976	34,563

* The net exchange difference arose mainly from translation of subsidiaries' and associates' net assets and liabilities whose functional currency other than SGD.

1(d)(i). Statements of Changes in Equity (Cont'd)

	Share capital S\$'000	Reserve for own shares S\$'000	Other reserves S\$'000	Share compensation reserve S\$'000	Currency translation reserve S\$'000	Retained earnings S\$'000	Total Equity S\$'000
Group							
As at 1 Jan 2018	39,737	(2,173)	1,146	3,232	(12,992)	28,860	57,810
Changes in equity for the period							
Profit for the period	-	-	-	-	-	8,218	8,218
Foreign currency translation differences	-	-	-	-	(855)*	-	(855)
Reclassification of currency translation reserve under SFRS(I) transition exemption	-	-	-	-	11,004	(11,004)	-
Total comprehensive income for the period	-	-	-	-	10,149	(2,786)	7,363
Own shares acquired	-	(170)	-	-	-	-	(170)
Issue of shares related to business combination	5,518	-	-	-	-	-	5,518
Treasury shares reissued pursuant to share plans	-	934	1,362	(2,296)	-	-	-
Share-based payment transactions	486	-	-	-	-	-	486
Total transactions with owners for the period	6,004	764	1,362	(2,296)	-	-	5,834
As at 31 Mar 2018	45,740	(1,409)	2,508	936	(2,843)	26,074	71,008

* The net exchange difference arose mainly from translation of subsidiaries' and associates' net assets and liabilities whose functional currency other than SGD.

	Share capital S\$'000	Reserve for own shares S\$'000	Other reserves S\$'000	Share compensation reserve S\$'000	Retained earnings S\$'000	Total Equity S\$'000
Company						
As at 1 Jan 2017	39,737	(1,264)	-	759	(20,829)	18,403
Changes in equity for the period						
Own shares acquired	-	(25)	-	-	-	(25)
Share-based payment transactions	-	324	-	(113)	-	211
Total comprehensive income	-	-	-	-	957	957
As at 31 Mar 2017	39,737	(965)	-	645	(19,872)	19,546

	Share capital S\$'000	Reserve for own shares S\$'000	Other reserves S\$'000	Share compensation reserve S\$'000	Retained earnings S\$'000	Total Equity S\$'000
Company						
As at 1 Jan 2018	39,737	(2,173)	985	3,232	(21,844)	19,936
Changes in equity for the period						
Own shares acquired	-	(170)	-	-	-	(170)
Issue of shares related to business combination	5,518	-	-	-	-	5,518
Treasury shares reissued pursuant to share plans	-	934	1,362	(2,296)	-	-
Share-based payment transactions	486	-	-	-	-	486
Total comprehensive income	-	-	-	-	918	918
As at 31 Mar 2018	45,740	(1,409)	2,347	936	(20,926)	26,687

1(d)(ii). Changes in Share Capital

	As at 31-Mar-18		As at 31-Dec-17		As at 31-Mar-17	
	No. of shares	S\$'000	No. of shares	S\$'000	No. of shares	S\$'000
Issued and fully paid						
At 1 January	66,783,731	39,737	45,112,629	39,737	45,112,629	39,737
Bonus shares issue*	-	-	21,671,102	-	-	-
Issue of shares pursuant to share plans	618,294	486	-	-	-	-
Issue of shares related to business combination	867,555	5,518	-	-	-	-
Total issued shares	68,269,580	45,740	66,783,731	39,737	45,112,629	39,737
Less treasury shares balance	(791,771)	(1,409)	(1,266,771)	(2,173)	(1,770,371)	(965)
Total issued shares less treasury shares reserve at end of period	67,477,809	44,332	65,516,960	37,564	43,342,258	38,772

*The Group issued 21,671,102 bonus shares on 18 April 2017.

	As at 31-Mar-18		As at 31-Dec-17		As at 31-Mar-17	
	No. of shares	S\$'000	No. of shares	S\$'000	No. of shares	S\$'000
Treasury shares						
At 1 January	(1,266,771)	(2,173)	(2,347,500)	(1,264)	(2,347,500)	(1,264)
Add: purchase of own shares	(50,000)	(170)	(638,400)	(1,960)	(20,000)	(25)
Treasury shares reissued pursuant to share plans	525,000	934	667,129	366	597,129	324
Share options exercised	-	-	452,000	310	-	-
Issue of shares related to business combination	-	-	600,000	376	-	-
Treasury shares balance at end of period	(791,771)	(1,409)	(1,266,771)	(2,173)	(1,770,371)	(965)

1(d)(iii). Share Options

Date of grant of options	Exercise price	Options outstanding at 1/1/2018	Options exercised	Options outstanding at period end	Exercise Period
12-05-16	\$0.324*	931	(931)	-	13 May 2017 - 13 May 2027
27-02-17	\$0.787*	809,738	(617,363)	192,375	28 Feb 2018 - 28 Feb 2028
23-08-17	\$2.510	134,000	-	134,000	18 Aug 2018 - 18 Aug 2028
Total		944,669	(618,294)	326,375	

*Exercise price was adjusted due to the Group issuing 21,671,102 bonus shares on 18 April 2017.

As at 31 March 2018, the number of share options of the company outstanding was 326,375 (31 March 2017: 866,779). There were 618,294 options being exercised in 1Q2018.

1(d)(iv). Treasury Shares

As at 31 March 2018, the treasury shares balance was 791,771 (31 March 2017: 1,770,371). The total number of issued ordinary shares excluding treasury shares at the end of the period was 67,477,809 (31 March 2017: 43,342,258).

2. Statement on Audit

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.

3. Auditors' Report

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

Not applicable.

4. Accounting Policies

Whether the same accounting policies and methods of computations as in the issuer's most

Other than the adoption of Singapore Financial Reporting Standards (International), SFRS(I) as mentioned in paragraph 5 below, there were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited annual financial statements as at 31 December 2017.

5. Changes in Accounting Policies

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 adopted Singapore Financial Reporting Standards (International) ("SFRS(I)"), that is equivalent to the International Financial Reporting Standards ("IFRS") with effect from 1 January 2018. Accordingly, the financial statements have been prepared based on the new reporting framework.

Upon the adoption of SFRS(I) 1, the Group elected the optional exemption in SFRS(I) 1 to reset its cumulative foreign currency translation differences for all foreign operations to nil at the date of transition, and reclassify the cumulative foreign currency translation differences of \$11,004,000 as at 1 January 2017 determined in accordance with Financial Reporting Standards at that date to retained earnings. After the date of transition, any gain or loss on disposal of any foreign operations will exclude translation differences that arose before the date of transition.

Other than the above change, the adoption of SFRS(I) did not have a material impact on the Group and Company.

6. Earnings Per Share

Earnings per ordinary share for the period for continuing operations based on net profit attributable to shareholders after deducting any provision for preference dividends

	Group	
	1Q2018	1Q2017
(i) a) EPS based on weighted average number of ordinary shares in issue	12.23 cents	9.54 cents
Weighted average number of shares in issue	67,216,420	43,342,258
(i) b) EPS based on weighted average number of ordinary shares in issue [adjusted for bonus issue*]	12.23 cents	6.37 cents
Weighted average number of shares in issue [adjusted for bonus issue*]	67,216,420	64,955,610
(ii) a) EPS based on a fully diluted basis	12.18 cents	9.47 cents
Weighted average number of shares adjusted for the effect of dilutive potential ordinary shares arising from the exercise of share options	67,489,562	43,678,917
(ii) b) EPS based on a fully diluted basis [adjusted for bonus issue*]	12.18 cents	6.32 cents
Weighted average number of shares adjusted for the effect of dilutive potential ordinary shares arising from the exercise of share options [adjusted for bonus issue*]	67,489,562	65,427,414

*The Group issued 21,671,102 bonus shares on 18 April 2017.

7. Net Asset Value Per Share

	Group		Company	
	31-Mar-18	31-Dec-17	31-Mar-18	31-Dec-17
Net asset value per share	105.2 cents	88.2 cents	39.5 cents	30.4 cents

Net asset value per share is calculated based on the existing issued share capital less treasury shares of 67,477,809 ordinary shares as at 31 March 2018 (31 December 2017: 65,516,960 shares).

8. Group Performance Review

Analysis of Consolidated Income Statement

	Quarterly Results		
	1Q2018 S\$'000	1Q2017 S\$'000	Change %
Equipment Systems (ESS)	63,769	40,231	58.5%
Precision Components (PCS)	1,881	1,888	-0.4%
Overall	65,650	42,119	55.9%

In line with our announcements regarding the growth of our sales orders for delivery in FY2018, the Group reported significantly higher revenue from its Equipment Systems ("ESS") business mainly due to higher equipment, pans and kits sales. Sales from ESS were 58.5% higher in 1Q2018, increasing from S\$40.2 million in 1Q2017 to S\$63.8 million in 1Q2018.

Revenue from the Precision Components ("PCS") business remained stable at S\$1.9 million in 1Q2018.

As a result of the above, the Group recorded a 55.9% increase in its total revenue for 1Q2018, which rose from S\$42.1 million in 1Q2017 to S\$65.7 million in 1Q2018.

Raw materials and consumables cost, taking into consideration changes in inventories excluding reversal for inventory obsolescence, increased from S\$30.8 million in 1Q2017 to S\$43.6 million in 1Q2018, representing an increase of 41.5%. The raw materials and other consumables cost increase in 1Q2018 was lower than revenue increase mainly due to cost reduction initiatives.

Depreciation increased by 69.0% from S\$155,000 in 1Q2017 to S\$262,000 in 1Q2018 mainly due to higher carrying value of property, plant and equipment in 1Q2018.

Amortisation of intangible assets was higher by 418.8%, increasing from S\$16,000 in 1Q2017 to S\$83,000 in 1Q2018 mainly due to higher carrying value of intangible assets in 1Q2018.

Staff costs increased by 78.0% from S\$4.7 million in 1Q2017 to S\$8.3 million in 1Q2018 mainly due to higher salary cost of S\$2.5 million in 1Q2018 for additional headcount to handle the increased sales orders from customers, enhancement, sustaining and development projects, business development and higher incentives provision of S\$1.1 million in 1Q2018.

As a result of the above, profit before tax in 1Q2018 was S\$10.0 million compared to a profit before tax of S\$4.9 million in 1Q2017. After taking into consideration tax expense of S\$1.8 million in 1Q2018, profit after tax was S\$8.2 million compared to S\$4.1 million in 1Q2017.

Net profit margin improved from 9.8% in 1Q2017 to 12.5% in 1Q2018 mainly due to higher sales, product margin and improvement in cost efficiency.

Analysis of Statement of Financial Position

The increase in intangible assets and goodwill was mainly due to the acquisition of subsidiaries that resulted in the recognition of intangible assets.

The increase in inventories was mainly due to increase in sales, business volume and inventory builds for fulfillment of sales orders.

9. Prospect vs Actual Results

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

In our 4Q2017 results announcement and latest profit guidance announcement on 5 April 2018, we stated that we expect to achieve revenue and operating profit before tax for FY2018 of at least S\$255 million and S\$42 million respectively.

The Group achieved sales of S\$65.7 million and profit before tax of S\$10.0 million in 1Q2018.

10. Business Outlook

Commentary of significant trends and competitive conditions of the industry and any known factors or events that may affect the Group

Business outlook remains positive as AEM continues progressing through the multi-year commercial rollout of its next-generation handler platforms. In addition, the global semiconductor market outlook continues to be positive for 2018. According to the World Semiconductor Trade Statistics (WSTS) forecasts, the worldwide semiconductor industry is expected to grow by 9.5% to US\$451 billion in 2018. (source: <https://www.wsts.org/76/103/WSTS-has-published-the-Q4-2017-semiconductor-market-figures>).

In March 2018, we announced the completion of the acquisitions of Afore Oy, a global leader in MEMS testing and handling solutions and IRIS Solution Pte Ltd, an innovative machine vision solutions provider. The Company expects both companies to deepen our capabilities and enhance the product range and services that AEM can offer to the semiconductor and industrial sectors.

Our profit guidance for FY2018 remains unchanged from the guidance provided on 22 January and 5 April 2018 of at least S\$255 million in sales and S\$42 million in operating profit before tax. As our test handler platform reaches wider implementation at our customer's sites, we expect seasonality in our sales with peak quarters in Q2 and Q3. We currently have limited visibility for 4Q2018 as a result of shorter order lead times provided by our customers.

11. Dividends

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? No.

Name of Dividend	NA
Dividend Type	NA
Dividend Rate	NA
Tax Rate	NA

(b) Corresponding Period of the Immediately Preceding Financial Year

Name of Dividend	NA
Dividend Type	NA
Dividend Rate	NA
Tax Rate	NA

(c) Date Payable

Not applicable

(d) Books Closure Date

Not applicable

(e) Dividend Policy

Our dividend policy is based on a payout of annual dividends, including interim dividends of not less than 25% of the Group consolidated profit after tax, excluding non-recurring, one off and exceptional items, in respect of any financial year to its shareholders. This is subject to the Group's retained earnings, financial position, capital expenditure requirements, future expansion, investment plans and other relevant factors.

12. Statement on Dividends

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

No dividend has been declared.

13. Interested Person Transactions

If no IPT mandate has been obtained, a statement to that effect

No IPT mandate has been obtained.

14. Confirmation by the Board Pursuant to Rule 705(4) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and the Company for the period ended 31 March 2018, to be false or misleading in any material respect.

15. Confirmation by the Directors and Officers Pursuant to Rule 720(1) of the Listing Manual

The Group confirms that it has procured undertakings from all its Directors and Executive Officers.

16. Person Occupying a Managerial Position

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(11). If there are no such persons, the issuer must make an appropriate negative statement.

There is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer.

BY ORDER OF THE BOARD

Loke Wai San
Executive Chairman
24 April 2018