



MARCO POLO MARINE LTD
Company Registration No. 200610073Z

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FIRST FINANCIAL QUARTER (“Q1FY2017”) IN RESPECT OF THE FINANCIAL YEAR ENDING 30 SEPTEMBER 2017 (“FY2017”)

PART1 INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (Q1, Q2 & Q3), FULL YEAR RESULTS

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

	Group		
	3 months ended 31 December		
	Q1FY2017	Q1FY2016	% Change
	S\$'000	S\$'000	
Revenue	11,411	17,014	(33)
Cost of sales	(7,586)	(11,968)	37
Gross Profit	3,825	5,047	(24)
Other operating income	3,918	54	NM
Administrative expenses	(1,627)	(1,687)	(4)
Other operating expenses	(746)	(1,408)	(47)
Profit from operations	5,370	2,006	NM
Finance cost	(1,968)	(1,128)	74
Share of profit/(losses) in joint ventures	693	(1,194)	NM
Profit/(loss) before income tax	4,095	(316)	NM
Income tax	(710)	335	NM
Profit for the financial period	3,385	19	NM
Profit for the financial period attributable to:			
Equity holders of the Company	3,385	19	NM
Non-controlling interests	-	-	-
	3,385	19	NM

“Q1FY2017” denotes the first financial quarter of the financial year ended 30 September 2017 (“FY2017”).

“Q1FY2016” denotes the first financial quarter of the financial year ended 30 September 2016 (“FY2016”).

“% Change” denotes increase/(decrease) in the relevant profit or loss item as compared with the comparative figure.

“NM” denotes not meaningful.

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

Profit for the period

Other comprehensive income:

Exchange differences on translating foreign operations

Total comprehensive income for the period

Total comprehensive income attributable to:

Equity holders of the Company

Non-controlling interest

Group		
3 months ended 31 December		
Q1FY2017	Q1FY2016	% Change
S\$'000	S\$'000	
3,385	19	NM
6,058	(611)	NM
9,443	(592)	NM
9,443	(592)	NM
-	-	-
9,443	(592)	NM

1.(a)(iii) Net profit for the period was stated after (crediting)/charging:

(Loss)/profit before income tax has been arrived at after charging/(crediting):

Depreciation and amortization

Net foreign currency exchange (gain)/loss

Interest income

Interest expenses

Share-based payment expense

(Gain)/loss on fair value adjustment of derivative contract

Group		
3 months ended 31 December		
Q1FY2017	Q1FY2016	% Change
S\$'000	S\$'000	
3,743	2,920	28
(3,815)	644	NM
(3)	(6)	50
1,968	1,128	74
35	14	NM
(47)	35	NM

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.

	<u>Group</u>		<u>Company</u>	
	As at 31 December 2016 S\$'000	As at 30 September 2016 S\$'000	As at 31 December 2016 S\$'000	As at 30 September 2016 S\$'000
Non-current assets				
Property, plant and equipment	242,715	238,178	-	-
Investments in subsidiary companies	-	-	4,320	4,320
Investments in jointly controlled entities	84,241	80,692	8,637	8,265
Amounts owing by subsidiary companies	-	-	62,879	-
	<u>326,956</u>	<u>318,870</u>	<u>75,836</u>	<u>12,585</u>
Current assets				
Inventories	12,780	12,119	-	-
Trade receivables	16,834	15,951	18	-
Gross amount due from customers for contract work	48,094	47,405	-	-
Other receivables, deposits & prepayment	44,606	42,553	1,170	168
Amounts owing by subsidiary companies	-	-	35,553	96,132
Cash and bank balances	8,003	11,824	200	213
	<u>130,317</u>	<u>129,852</u>	<u>36,941</u>	<u>96,513</u>
Total assets	<u>457,273</u>	<u>448,722</u>	<u>112,777</u>	<u>109,098</u>
Current liabilities				
Bank overdraft	2,489	1,983	-	-
Gross amount due to customers for contract work	1,920	-	-	-
Trade payables	9,421	10,557	-	-
Other payables and accruals	18,419	23,871	1,121	1,514
Borrowings - interest bearing	112,815	116,788	-	-
Derivative finance instruments	208	249	-	-
Income tax payable	3,151	2,381	108	-
	<u>148,423</u>	<u>155,829</u>	<u>1,229</u>	<u>1,514</u>
Non-current liabilities				
Borrowings - interest bearing	139,500	133,034	50,000	50,000
Deferred tax liabilities	1,049	1,035	-	-
	<u>140,549</u>	<u>134,069</u>	<u>50,000</u>	<u>50,000</u>
Total liabilities	<u>288,972</u>	<u>289,898</u>	<u>51,229</u>	<u>51,514</u>
Net assets	<u>168,301</u>	<u>158,824</u>	<u>61,548</u>	<u>57,584</u>
Equity attributable to equity of the Company				
Share capital	59,239	59,239	59,239	59,239
Treasury shares	(1,203)	(1,203)	(1,203)	(1,203)
Capital reserve	634	634	-	-
Employee share option reserve	275	241	-	-
Foreign currency translation reserve	6,590	532	3,260	-
Retained earnings	102,766	99,381	252	(452)
	<u>168,301</u>	<u>158,824</u>	<u>61,548</u>	<u>57,584</u>
Total equity	<u>168,301</u>	<u>158,824</u>	<u>61,548</u>	<u>57,584</u>

1.(b)(ii) Aggregate amount of borrowings and debts securities for the Group.

	As at 31 December 2016 S\$'000	As at 30 September 2016 S\$'000
Amount repayable in one year or less or on demand (secured)*	112,815	116,788
Amount repayable after one year (secured)*	139,500	133,034

Details of any collateral

* These are secured by:

- Mortgages over certain property, plant and equipment of subsidiaries.
- Assignment of certain charter income and insurance policies of vessels of a subsidiary.
- Corporate guarantees by the Company.
- Certain property, plant and equipment are under finance lease arrangements.

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

	Group	
	3 months ended 31 December	
	Q1FY2017	Q1FY2016
	S\$'000	S\$'000
Cash flow from operating activities :		
Profit/(loss) before taxation	4,094	(316)
Adjustments for :		
Depreciation and amortization	3,743	2,920
Interest income	(3)	(6)
Interest expense	1,968	1,128
(Gain)/loss on fair value adjustment of derivative contracts	(41)	35
Share-based payment expense	35	14
Share of (profit)/loss in joint ventures	(693)	1,194
Foreign exchange difference	(1,630)	(1,302)
Operating profit before working capital changes	7,473	3,667
Movements in working capital		
Inventories	30	1,315
Trade and other receivables	(2,834)	(3,595)
Amount due from customers for construction contracts	1,231	10,356
Trade and other payables	(6,588)	2,016
Cash used in operations	(688)	(3,422)
Interest paid	(20)	(14)
Income tax paid	(140)	(688)
Net cash (used in)/generated from operating activities	(848)	13,057
Cash flow from investing activities :		
Interest received	3	6
Purchase of property, plant and equipment	(45)	(28,627)
Receipt of minimum lease payment	-	-
Net cash outflow on deemed disposal of a subsidiary	-	-
Net cash used in investing activities	(42)	(28,621)
Cash flow from financing activities :		
Withdraw pledged bank balances	276	-
Proceeds from bank borrowings	-	19,969
Repayment of bank borrowings	(2,032)	(2,850)
Repayment of lease obligations	(7)	(20)
Interest paid on term loan	(1,517)	(1,077)
Interest paid on medium term note	(428)	(37)
Net cash (used in)/generated from financing activities	(3,708)	15,985
Net (decrease)/increase in cash and cash equivalents	(4,598)	421
Cash and cash equivalents at beginning of the period	8,210	9,935
Effects of exchange rate changes on cash and cash equivalents	548	(187)
Cash and cash equivalents at end of the financial period	4,160	10,169

Note 1:

Cash and cash equivalents consist of:

Cash and bank balances

Fixed deposits

Bank overdraft

Total cash, bank balances and fixed deposit

Less: fixed deposits and cash pledged

Cash and cash equivalents

Group	
3 months ended 31 December	
Q1FY2017	Q1FY2016
S\$'000	S\$'000
8,003	11,295
-	-
(2,489)	-
5,514	11,295
(1,354)	(1,126)
4,160	10,169

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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediate preceding financial year.

Group	Attributable to equity holders of the Company								Total equity
	Share capital	Treasury shares	Capital reserve	Employee share option reserve	Foreign currency translation reserve	Retained earning	Total	Non-controlling interest	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
Balance as at 1 October 2016	59,239	(1,203)	634	241	532	99,381	158,824	-	158,824
Profit for the financial period	-	-	-	-	-	3,385	3,385	-	3,385
Other comprehensive income, net of tax	-	-	-	-	6,058	-	6,058	-	6,058
Total comprehensive income for the financial period	-	-	-	-	6,058	3,385	9,443	-	9,443
Employee share option	-	-	-	34	-	-	34	-	34
Balance as at 31 Dec 2016	59,239	(1,203)	634	275	6,590	106,308	168,301	-	168,301
Balance as at 1 October 2015	59,239	(1,203)	634	142	2,243	116,319	177,374	-	177,374
Profit for the financial period	-	-	-	-	-	19	19	-	19
Other comprehensive income, net of tax	-	-	-	-	(611)	-	(611)	-	(611)
Total comprehensive income for the financial period	-	-	-	-	(611)	19	(592)	-	(592)
Purchase of treasury share	-	-	-	-	-	-	-	-	-
Employee share option	-	-	-	14	-	-	14	-	14
Balance as at 31 Dec 2015	59,239	(1,203)	634	156	1,632	116,338	176,796	-	176,796

Company	Share capital	Treasury share	Foreign currency translation reserve	Retained earning	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 October 2016	59,239	(1,203)	-	(452)	57,584
Total comprehensive income for the financial period	-	-	3,260	704	3,964
Balance at 31 December 2016	59,239	(1,203)	3,260	251	61,548
Balance at 1 October 2015	59,239	(1,203)	-	1,752	59,788
Total comprehensive income for the financial period	-	-	-	173	173
Balance at 31 December 2015	59,239	(1,203)	-	1,925	59,961

1.(d)(ii) Details of any changes in 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 previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediate preceding financial year.

On 9 July 2012, the shareholders of the Company approved the adoption of: (a) a restricted share scheme; (b) a performance share scheme; and (c) an employee share option scheme ("ESOS").

As at 31 December 2016, 3,490,000 share options was outstanding (31 December 2015: 4,910,000), which are capable of being exercised into the same equivalent number of shares of the Company, pursuant to share option granted on 24 April 2013 under the ESOS Scheme (2013 Option).

As at 31 December 2016, 4,590,000 share options was outstanding (31 December 2015: 4,980,000), which are capable of being exercised into the same equivalent number of shares of the Company, pursuant to share option granted on 28 April 2015 under the ESOS Scheme (2015 Option).

Save as disclosed, the Company has no outstanding convertibles as at 31 December 2016 and 31 December 2015.

1.(d)(iii) 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.

	<u>As at 31 December 2016</u>	<u>As at 30 September 2016</u>
Total number of issued ordinary shares (excluding treasury shares)	336,548,600	336,548,600

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.

There was no movement on the treasury shares held by the Company during the reporting financial period. The number of treasury shares owned by Company as at 31 December 2016 was 4,201,400.

2. Whether the figures have been audited, or reviewed in accordance with which standard (eg. The Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard.

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.

Save as disclosed in paragraph 5 below, the Group and the Company have applied the same accounting policies and methods of computation in the preparing the financial statements for the current financial year as with those used in preparing the audited financial statements as at 30 September 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 and the Company adopted all the new and revised Singapore Financial Reporting Standards (FRSs) and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 October 2016, where applicable. The adoption of these standards does not have a material impact on the financial statements of the Group and of the Company as at 1 October 2016.

6. Earnings per ordinary shares of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	The Group	
	Q1FY2017 S\$'000	Q1FY2016 S\$'000
Net profit attributable to shareholders	3,385	19
Earnings per share		
Basic (Singapore cents)	0.99 cents*	0.01 cents**
Diluted (Singapore cents)	0.99 cents*	0.01 cents**

* Basic and diluted earnings per share for Q1FY2017 is computed based on net profit for the period attributable to ordinary shareholders amounting to about S\$6.9 million and the weighted average number of shares of 340,988,600.

** Basic and diluted earnings per share for Q1FY2016 is computed based on net profit for the period attributable to ordinary shareholders amounting to about S\$19,000 and the weighted average number of shares of 336,548,600.

There were no potential dilutive shares as at 31 December 2016.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued share capital excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.

	The Group		The Company	
	As at 31 December 2016 S\$'000	As at 30 September 2016 S\$'000	As at 31 December 2016 S\$'000	As at 30 September 2016 S\$'000
Net asset value	168,301	158,824	57,584	57,584
Net asset value per ordinary share based on issued share capital (Singapore cents)	50.0 cents	47.2 cents	17.1 cents	17.1 cents

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 earning 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 report on.

Overview

The Group, comprising Marco Polo Marine Ltd (the "Company") and its subsidiaries, is a reputable regional integrated marine logistic company which principally engages in shipping and shipyard businesses.

The shipping business of the Group relates to the chartering of Offshore Supply Vessels ("OSVs"), which comprise mainly Anchor Handling Tug Supply ("AHTS") vessels for deployment in the regional waters, including the Gulf of Thailand, Malaysia, Indonesia and Australia, as well as the chartering of tugboats and barges to customers, especially those which engaged in the mining, commodities, construction, infrastructure and land reclamation industries.

The shipyard business of the Group relates to ship building as well as the provision of ship maintenance, repair, outfitting and conversion services which are being carried out through its shipyard located in Batam, Indonesia. Occupying a total land area of approximately 34 hectares with a seafront of approximately 650 meters, the modern shipyard also houses three dry docks which boosted the Group's technical capabilities and service offerings to undertake projects involving mid-sized and sophisticated vessels.

(a) Review of financial performance of the Group for Q1FY2017 compared to Q1FY2016

Our Group's revenues for Q1FY2017 and Q1FY2016 were as follow:

	Q1FY2017		Q1FY2016		Change	
	S\$ million	%	S\$ million	%	S\$ million	%
Ship Chartering Operations	4.4	39	6.4	38	(2.0)	(31)
Ship Building & Repair Operations	7.0	61	10.6	62	(3.6)	(34)
	11.4	100	17.0	100	(5.6)	(33)

The Group recorded a revenue of S\$11.4 million in Q1FY2017, a decrease of 33% from that of S\$17.0 million in Q1FY2016.

Relative to Q1FY2016, the Ship Chartering Operations' revenue of the Group decreased by 31% to S\$4.4 million in Q1FY2017. The decrease was mainly due to the lower utilization and charter rate for the Group's offshore fleet.

The Ship Building & Repair Operations of the Group also recorded a decrease in revenue of 34% in Q1FY2017 relative to Q1FY2016. The decrease was due mainly to reduced ship building projects.

The Group recorded a gross profit margin of 34% in Q1FY2017 relative to that of 30% in Q1FY2016, chiefly due to reduced project costs.

The Group's other operating income increased by S\$3.86 million to S\$3.9 million in Q1FY2017 from S\$54,000 in Q1FY2016. The increase was mainly due to an unrealised foreign exchange gain recorded in Q1FY2017 compared to an unrealised foreign exchange loss sustained in Q1FY2016 recorded under "Other operating expenses".

In line with reduced business activities and as a result of cost containment measures, the Group's administrative expenses decreased by S\$0.1 million or 4% to S\$1.6 million in Q1FY2017 from S\$1.7 million in Q1FY2016.

The Group's other operating expenses decreased by S\$0.7 million to S\$0.7 million in Q1FY2017 and from S\$1.4 million in Q1FY2016, attributed largely to the unrealised foreign exchange loss recorded in Q1FY2016.

Due to increased borrowings and higher bond interest rate, the finance costs of the Group increased by S\$0.9 million or 74% to S\$2.0 million in Q1FY2017 from S\$1.1 million in Q1FY2016.

The share of results from jointly controlled companies reversed from a loss of S\$1.2 million in Q1FY2016 to a profit of S\$0.7 million in Q1FY2017. The reversal in results was mainly attributed to the positive contribution from the jointly controlled entity that principally engages in the chartering of Maintenance Work Vessel, offsetting the share of losses of BBR.

(b) Review of financial position of the Group as at 31 December 2016 compared to that as at 30 September 2016

The non-current assets of the Group increased by S\$8.1 million or 2% from S\$318.9 million as at 30 September 2016 to S\$327.0 million as at 31 December 2016. The increase was attributed mainly to the strengthening of US\$ against the presentation currency of the Group in S\$ and its effects on vessels of the relevant subsidiaries of the Group which have US\$ being their functional currency as well as share of improved results from investment in joint ventures.

The amounts due from customers for construction contracts increased by S\$0.7 million or 1% to S\$46.2 million as at 31 December 2016 from S\$47.4 million as at 30 September 2016.

The increase in other receivable, deposits and prepayment from S\$42.6 million or 5% to S\$44.6 million as at 31 December 2016 was attributed mainly to deposits paid for equipment required for the building of vessels.

The trade payables of the Group decreased by S\$1.1 million or 11% to S\$9.4 million as at 31 December 2016 from S\$10.5 million as at 30 September 2016. The decrease was in line with reduced business activities.

The decrease in other payables and accruals was mainly due to reduced accrued project costs for the building of vessels.

The Group's total interest-bearing borrowings increased by S\$2.5 million or 1% to S\$252.3 million as at 31 December 2016 from S\$249.8 million as at 30 September 2016, primarily attributed to its US\$ denominated loans as a result of the strengthening US\$ vis-a-vis S\$.

The Group reported a net cash used in operating activities of S\$0.8 million for 1QFY2017 compared to net cash generated in operating activities of S\$13.1 million in 1QFY2016, principally as a result of reduced project costs and payments made for and hence a decrease in trade and other payables. The cash and cash equivalent of the Group was S\$8.0 million as at 31 December 2016 and S\$11.8 million as at 30 September 2016.

Following from the above:

- (i) the negative working capital of the Group reduced from S\$26 million as at 30 September 2016 to S\$18.1 million as at 31 December 2016;
- (ii) the net gearing of the Group (defined as the ratio of the aggregate of interest bearing loans net of cash and cash equivalents to total equity) decreased to 146.6% as at 31 December 2016 from 151.1% as at 30 September 2016; and
- (iii) the net asset value per share of the Group increased to 50.0 cents as at 31 December 2016 from 47.2 cents as at 30 September 2016.

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

Not applicable.

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 current oil price levels have been hovering around and at times stayed much afloat above US\$50 per barrel. Notwithstanding which, the general take is that the outlook of the oil and gas industry and hence the marine industry remain challenging.

In the midst of such a testing environment, the Group continues to diligently manage its business operations while stepping up its continuous cost containment efforts.

On 14 October 2016, the noteholders of the Company approved a restructuring of the Company's S\$50 million 5.57% fixed rate notes due 2016 (the "Notes"), such that the Company has been granted by the noteholders an additional three years to redeem and pay for the Notes in consideration of the Company, while maintaining the capital debt value of the Notes at S\$50 million, committed to paying an additional 1.5% interest per annum on the Notes and providing security in the form of a second ranking mortgage over the Group's shipyard land in Batam, Indonesia.

In respect of all the other secured loans of the Group, the Company is currently working very closely with the relevant banks in coming to terms on the pre-conditions to extend the tenure of such secured loans, which, if carried out, will defer a significant portion of the current borrowings of the Group to non-current liabilities (the "Loans Restructuring").

As the completion of the Loans Restructuring is still subject to negotiations, there can be no assurance of the completion of the Loans Restructuring or, if it were to be eventually completed, as to the length of time required to do so. Hence, Shareholders are advised to exercise caution when dealing in the securities of the Company. Shareholders are further advised to refrain from taking any action in relation to their securities, which may be prejudicial to their interests, and to seek appropriate advice from their brokers, bankers, lawyers and other professional advisers.

Some of the statements in this release constitute "forward-looking statements" that do not directly or exclusively relate to historical facts. These forward-looking statements reflect our current intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside our control. Important factors that could cause actual results to differ materially from the expectations expressed or implied in the forward-looking statements include known and unknown risks and factors such as general economic and business conditions, including the uncertainties of the pace of recovery of the United States of America economy, continued concerns of the scale of the possible adverse fallouts and their implications on the global scene triggered by the current Euro zone debt crisis, inflationary pressures and currency appreciation which will affect the continued strong growth in Asia, especially East Asia; timing or delay in signing, commencement, implementation and performance of programs, or the delivery of products or services under them; relationships with customers; competition; and ability to attract personnel. Because actual results could differ materially from our intentions, plans, expectations, assumptions and beliefs about the future and any negative impacts arising from these issues will affect the performance of the Group's businesses, undue reliance must not be placed on these statements.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Nil.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Nil.

(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/recommendeded for Q1FY2017.

13. Interested Person Transactions

Pursuant to Rule 907 of the SGX-ST Listing Manual and the new IPT General Mandate procured from the shareholders of the Company on 20 January 2017, the following interested person transactions had been entered into during Q1FY2017:

Name of Interested Persons	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under Shareholders' Mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under the Shareholders' Mandate (excluding transactions less than S\$100,000) pursuant to Rule 920
PT. Pelayaran Nasional Bina Buana	S\$'000 117	S\$'000 117

14. Negative Assurance on Interim Financial Statement.

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 statements of the Group and the Company for Q1FY2017 to be false or misleading in any material aspect.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sean Lee Yun Feng
Chief Executive Officer

Liely Lee
Executive Director

10 February 2017