

Financial Statements and Related Announcement::First Quarter Results

Issuer & Securities

<b>Issuer/ Manager</b>	MUN SIONG ENGINEERING LIMITED
<b>Securities</b>	MUN SIONG ENGINEERING LIMITED - SG2C34962861 - MF6
<b>Stapled Security</b>	No

Announcement Details

<b>Announcement Title</b>	Financial Statements and Related Announcement
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<b>Designation</b>	Company Secretary
<b>Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)</b>	FY2017 FIRST QUARTER FINANCIAL STATEMENTS  Please refer to the attached.

Additional Details

<b>For Financial Period Ended</b>	31/03/2017
<b>Attachments</b>	<a href="#">MSE-20170512-SGXNET-ANN-FY2017_Q1-Results.pdf</a> Total size =239K

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**MUN SIONG ENGINEERING LIMITED**

FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE  
PERIOD ENDED 31 MARCH 2017



**MUN SIONG ENGINEERING LIMITED**

(Incorporated in the Republic of Singapore)

(Company registration number: 196900250M)

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**MUN SIONG ENGINEERING LIMITED**

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**FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 31 MARCH 2017**

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

	<b>Group</b>		
	Qtr ended 31 Mar		Incr / (Decr)
	2017 1Q	2016 1Q	
	\$'000	\$'000	%
Revenue	21,402	19,416	10.2
Cost of sales	(20,088)	(18,190)	10.4
Gross profit	1,314	1,226	7.2
Other income	227	594	(61.8)
Administrative expenses	(1,469)	(1,491)	(1.5)
Other operating income/(expenses)	(9)	12	NM
<b>Results from operating activities</b>	<b>63</b>	<b>341</b>	<b>(81.5)</b>
Finance income	28	49	42.9
Finance expenses	(4)	(13)	(69.2)
<b>Profit before income tax</b>	<b>87</b>	<b>377</b>	<b>(76.9)</b>
Income tax credit/(expense)	44	(36)	NM
<b>Profit after income tax</b>	<b>131</b>	<b>341</b>	<b>(61.6)</b>
<b>Other comprehensive income:</b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Foreign currency translation difference from foreign operation	2	(6)	NM
<b>Total comprehensive income</b>	<b>133</b>	<b>335</b>	<b>(60.3)</b>
<b>Profit attributable to:</b>			
Owners of the Company	<b>131</b>	<b>341</b>	<b>(61.6)</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	<b>133</b>	<b>335</b>	<b>(60.3)</b>

NM: Not meaningful

**MUN SIONG ENGINEERING LIMITED**

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**1(a)(ii) The statement of comprehensive income is arrived after charging/(crediting) the following:**

	<b>Group</b>	
	Qtr ended 31 Mar	
	FY2017	FY2016
	Q1	Q1
	\$'000	\$'000
Depreciation of property, plant and equipment	948	889
Amortisation of intangible asset	37	37
Net (gain)/loss on disposal of property, plant and equipment	(20)	1
Net foreign exchange (gain)/loss	9	(13)
Under/(over) provision for prior year	-	(7)
Finance income and Finance expenses:		
Interest income	(28)	(49)
Interest on borrowings	-	10
Unwinding of discount on site restoration provision	4	4


**MUN SIONG ENGINEERING LIMITED**

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**1(b)(i) A statement of financial position (for the Company and Group), together with a comparative statement as at the end of the immediately preceding financial year.**

	Group			Company		
	31 Mar'17 \$'000	31 Dec'16 \$'000	Change %	31 Mar'17 \$'000	31 Dec'16 \$'000	Change %
<b>Non-current assets</b>						
Property, plant and equipment	16,489	17,102	(3.6)	16,499	17,088	(3.4)
Intangible asset	855	891	(4.0)	855	891	(4.0)
Investment properties	1,310	1,310	-	1,310	1,310	-
Goodwill on consolidation	1,001	1,001	-	-	-	NM
Subsidiaries	-	-	NM	4,741	4,741	-
<b>Total non-current assets</b>	<b>19,655</b>	<b>20,304</b>	<b>(3.2)</b>	<b>23,405</b>	<b>24,030</b>	<b>(2.6)</b>
<b>Current assets</b>						
Inventories	259	259	-	259	259	-
Contract work-in-progress	14,604	12,407	17.7	14,254	11,603	22.8
Trade and other receivables	15,574	22,369	(30.4)	13,488	20,731	(34.9)
Cash and cash equivalents	23,845	18,211	30.9	9,522	5,725	66.3
<b>Total current assets</b>	<b>54,282</b>	<b>53,246</b>	<b>1.9</b>	<b>37,523</b>	<b>38,318</b>	<b>(2.1)</b>
<b>Total assets</b>	<b>73,937</b>	<b>73,550</b>	<b>0.5</b>	<b>60,928</b>	<b>62,348</b>	<b>(2.3)</b>
<b>Equity attributable to equity holders of the Company</b>						
Share capital	26,141	26,130	NM	26,141	26,130	NM
Capital reserve	6	6	-	6	6	-
Translation reserve	11	9	22.2	-	-	NM
Retained earnings	32,336	32,205	0.4	18,661	18,701	(0.2)
<b>Total equity attributable to owners of the Company</b>	<b>58,494</b>	<b>58,350</b>	<b>0.2</b>	<b>44,808</b>	<b>44,837</b>	<b>(0.1)</b>
<b>Non-current liabilities</b>						
Provision for restoration costs	324	320	1.3	324	320	1.3
Deferred tax liabilities	1,226	1,286	(4.7)	1,225	1,281	(4.4)
<b>Total non-current liabilities</b>	<b>1,550</b>	<b>1,606</b>	<b>(3.5)</b>	<b>1,549</b>	<b>1,601</b>	<b>(3.2)</b>
<b>Current liabilities</b>						
Trade and other payables	13,634	13,289	2.6	14,325	15,644	(8.4)
Excess of progress billings over contract work-in-progress	246	266	(7.5)	246	266	(7.5)
Current tax payable	13	39	(66.7)	-	-	NM
<b>Total current liabilities</b>	<b>13,893</b>	<b>13,594</b>	<b>2.2</b>	<b>14,571</b>	<b>15,910</b>	<b>(8.4)</b>
<b>Total liabilities</b>	<b>15,443</b>	<b>15,200</b>	<b>1.6</b>	<b>16,120</b>	<b>17,511</b>	<b>(7.9)</b>
<b>Total equity and liabilities</b>	<b>73,937</b>	<b>73,550</b>	<b>0.5</b>	<b>60,928</b>	<b>62,348</b>	<b>(2.3)</b>

NM: Not meaningful



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**1(b)(ii) Aggregate amount of Group's borrowings and debt securities**

***Amount repayable in one year or less, or on demand***

<b>31 March 2017</b>		<b>31 December 2016</b>	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	-	-	-

***Amount repayable after one year***

<b>31 March 2017</b>		<b>31 December 2016</b>	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	-	-	-

Details of any collateral

The borrowings in the previous year were secured against certain operating assets of the Group under hire purchase facilities and have been fully paid at the end of the previous financial year.



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

	<b>2017</b>	<b>2016</b>
	<b>1Q</b>	<b>1Q</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>		
Profit before income tax	87	377
Adjustments for:		
Depreciation of property, plant and equipment	948	889
Interest expense	-	10
Amortisation of intangible asset	37	37
Interest income	(28)	(49)
Net gain on disposal of property, plant and equipment	(20)	1
Operating cash flow before working capital changes	1,024	1,265
Changes in inventories	(1)	(35)
Changes in contract work-in-progress and excess of progress billings over contract work-in-progress	(2,217)	2,060
Changes in trade and other receivables	6,795	2,335
Changes in trade and other payables	345	(2,099)
Changes in provision for restoration costs	4	4
Cash generated from/(used in) operating activities	5,950	3,530
Tax credit received	-	7
Income tax paid	(42)	(62)
<b>Net cash generated from/(used in) operating activities</b>	<b>5,908</b>	<b>3,475</b>
<b>Cash flows from investing activities</b>		
Interest received	28	49
Proceeds from disposal of property, plant and equipment	20	-
Acquisition of property, plant and equipment	(335)	(441)
<b>Net cash used in investing activities</b>	<b>(287)</b>	<b>(392)</b>
<b>Cash flows from financing activities</b>		
Proceeds from exercise of warrants	11	3
Repayment of loans and borrowings	-	(198)
Interest paid	-	(10)
<b>Net cash (used in)/generated from financing activities</b>	<b>11</b>	<b>(205)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>5,632</b>	<b>2,878</b>
Cash and cash equivalents at beginning of period/year	18,211	24,804
Effect of exchange rate fluctuations on cash held	2	(6)
<b>Cash and cash equivalents at end of period/year</b>	<b>23,845</b>	<b>27,676</b>



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**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 immediately preceding financial year.**

Amount in \$'000	Share capital	Capital reserve	Translation reserve	Retained earnings	Total
<b>The Group</b>					
At 1 January 2017	26,130	6	9	32,205	58,350
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	-	131	131
Other comprehensive income for the period:-					
Foreign currency translation difference from foreign operation	-	-	2	-	2
Total comprehensive income for the period	-	-	2	131	133
<b>Transactions with owners, recorded directly in equity</b>					
<b>Contributions by and distributions to owners</b>					
Shares issued for exercise of warrants	11	-	-	-	11
Total transactions with owners	11	-	-	-	11
<b>At 31 March 2017</b>	<b>26,141</b>	<b>6</b>	<b>11</b>	<b>32,336</b>	<b>58,494</b>
At 1 January 2016	26,066	9	6	31,565	57,646
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	-	341	341
Other comprehensive income for the period:-					
Foreign currency translation difference from foreign operation	-	-	(6)	-	(6)
Total comprehensive income for the period	-	-	(6)	341	335
<b>Transactions with owners, recorded directly in equity</b>					
<b>Contributions by and distributions to owners</b>					
Shares issued for exercise of warrants	3	-	-	-	3
Total transactions with owners	3	-	-	-	3
<b>At 31 March 2016</b>	<b>26,069</b>	<b>9</b>	<b>-</b>	<b>31,906</b>	<b>57,984</b>
<b>The Company</b>					
At 1 January 2017	26,130	6	18,701	44,837	
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	(40)	(40)	
Total comprehensive income for the period	-	-	(40)	(40)	
<b>Transactions with owners, recorded directly in equity</b>					
<b>Contributions by and distributions to owners</b>					
Shares issued for exercise of warrants	11	-	-	11	
Total transactions with owners	11	-	-	11	
<b>At 31 March 2017</b>	<b>26,141</b>	<b>6</b>	<b>18,661</b>	<b>44,808</b>	
At 1 January 2016	26,066	9	17,895	43,970	
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	380	380	
Total comprehensive income for the period	-	-	380	380	
<b>Transactions with owners, recorded directly in equity</b>					
<b>Contributions by and distributions to owners</b>					
Shares issued for exercise of warrants	3	-	-	3	
Total transactions with owners	3	-	-	3	
<b>At 31 March 2016</b>	<b>26,069</b>	<b>9</b>	<b>18,275</b>	<b>44,353</b>	

**MUN SIONG ENGINEERING LIMITED**

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**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as 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.**

On 11 September 2014, the Company issued 166,683,200 warrants upon completion of the Proposed Renounceable Non-underwritten Rights Issue of up to 166,683,200 warrants ("Warrants") at an issue price of S\$0.0015 for each Warrant, as announced on 6 May 2014 (the "Warrant Issue"). The Warrants were listed and quoted on the Main Board of the SGX-ST on 15 September 2014. Each Warrant carries the right to subscribe for one (1) new ordinary share in the capital of the Company at an exercise price of S\$0.01 for each new share.

For the period from 1 January 2017 to 31 March 2017, 1,026,000 Warrants were exercised and converted into 1,026,000 ordinary shares at the exercise price of \$0.01 per share. Except as mentioned above, there have been no changes in the issued share capital of the Company since the end of the last period reported on.

	<b>2017 1Q</b>	<b>2016 1Q</b>
<b>Issued and paid-up shares</b>		
As at beginning of the period	569,793,100	563,672,100
Shares issued pursuant to exercise of warrants	1,026,000	336,000
As at end of the period	<u>570,819,100</u>	<u>564,008,100</u>
<b>Treasury shares</b>	NIL	NIL
<b>Total number of issued shares excluding treasury shares as at end of the period</b>	<u>570,819,100</u>	<u>564,008,100</u>
<b>Total outstanding warrants as at end of the period</b>	<u>13,598,100</u>	<u>19,719,100</u>

**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.**

	<b>As at 31 Mar 2017</b>	<b>As at 31 Dec 2016</b>
Total number of shares	570,819,100	569,793,100
Less: Treasury shares	<u>NIL</u>	<u>NIL</u>
Total number of issued shares excluding treasury shares	<u>570,819,100</u>	<u>569,793,100</u>

**1(d)(iv) A statement showing all sales, transfers, disposals, cancellations and/or use of treasure shares at the end of the current financial period reported on.**

Not applicable. There were no treasury shares.



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**2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The financial statements have not been audited or reviewed by the Company's auditors.

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

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as compared to the most recent audited financial statements for the year ended 31 December 2016 save for those disclosed in Para 5 below.

**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.**

On 1 January 2017, the Group adopted new and amended FRS and interpretations to FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required in accordance with the transitional provisions in the respective FRS ad INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior periods.

**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.**

	<b>Group</b>	
	<b>1Q 2017</b>	<b>1Q 2016</b>
EPS (based on consolidated net profit attributable to equity holders)		
- on weighted average number of ordinary shares in issue (cents)	0.02	0.06
- on fully diluted basis (cents)	0.02	0.06
Weighted average number of shares in issue during the period used in computing basic EPS	570,386,237	563,797,589
Weighted average number of shares in issue during the period used in computing diluted EPS	581,109,499	580,003,132

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**7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-**

- (a) current financial period reported on; and**  
**(b) immediately preceding financial year**

	Group		Company	
	31 Mar 2017	31 Dec 2016	31 Mar 2017	31 Dec 2016
Net asset value per ordinary share based on existing issued share capital as at the respective dates (cents)	10.25	10.24	7.85	7.87
Number of shares (issued and issuable) used in computing net asset value per ordinary share	570,819,100	569,793,100	570,819,100	569,793,100

**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.**

**Notes to the statement of comprehensive income****(i) Revenue and profitability**

Revenue for the current quarter ("1Q2017") of S\$21.4 million was 10.2% higher than that in the corresponding prior quarter ("1Q2016") with higher volume of project work completed during the current period under review.

Cost of sales for 1Q2017 increased in tandem with the higher revenue.

Gross profit margin of 6.1% for the quarter was about par with the 6.3% in the corresponding prior period.

Profit before taxation decreased for 1Q2017 to S\$0.1 million as compared to S\$0.4 million recorded in the corresponding prior quarter. The higher profit in 1Q2016 was mainly due to higher other income from the receipt of a Capability Development Grant of S\$240K from Spring Singapore.

Included in other income were one-off receipts from IRAS wage credit scheme and MOM special employment credit of S\$0.1 million (1Q2016: S\$0.3 million).

**(ii) Other income**

The decrease in other income was mainly due to lower receipts of Special Employment Credits from the Ministry of Manpower and Wage Credit Scheme payout from IRAS for 2016 and the absence of a Capability Development Grant of S\$240K from Spring Singapore.



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(iii) Administrative expenses

Administrative expenses for 1Q2017 were comparable with those in the previous corresponding quarter.

(iv) Other expenses

Other expenses recorded a loss S\$9,000 for 1Q2017 arising from foreign exchange transactions.

(v) Finance income and expenses

The Group recorded a lower finance income for 1Q2017 due to lower interest income from deposits.

Finance expenses are lower for 1Q2017 with the absence of interest expense as the hire purchase instalments were fully paid in November 2016.

(vi) Income tax (expense) / credit

The Group recorded a net credit of S\$44K for the current quarter as compared to an expense of S\$36K for the prior corresponding quarter.

The net tax credit of S\$44K arose from a writeback S\$60K on deferred tax liability for the current quarter following an increase in the balance of unutilised capital allowance for the current quarter.

***Notes to statements of financial position***

***Group and Company***

(i) Property, plant and equipment

The decrease was mainly due to depreciation expense of S\$0.9 million offset by the acquisition of operating assets of S\$0.3 million to upgrade and enhance the Group's capabilities.

(ii) Intangible Asset

The decrease was due to the amortisation of the exclusive licencing rights for the provision of specialised coating services and methodology in Singapore and Malaysia.

(iii) Inventories and contract work-in-progress

The increase in contract work-in-progress was mainly due to higher volume of contract work-in-progress.

(iv) Trade and other receivables

Trade and other receivables decreased due to the realisation of receivables during the quarter.

(v) Trade and other payables

The slight increase was in line with the higher volume of operating expenses incurred and not yet due for payment at the end of the quarter.



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(vi) Deferred tax liabilities and tax payable

The deferred tax liabilities was mainly due to the recognition of the temporary timing differences arising from the general provisions and claim on capital allowances on qualifying assets. The decrease in deferred tax liabilities arose after accounting for unutilised capital allowance for the quarter.

The tax payable decreased mainly due to settlement of the tax assessment in respect of the prior year.

(vii) Equity

Total equity of the Group increased from S\$58.4 million as at 31 December 2016 to S\$58.5 million as at 31 March 2017.

The increase is attributed to the profits increasing the revenue reserve by S\$0.1 million and an increase in paid-up share capital through the exercise of warrants in the current quarter.

During the current quarter, a total of 1,026,000 warrants have been exercised and the share capital is increased accordingly.

**Notes to cash flow statement**

The Group continues to register positive cash flows generated from its operation. Working capital (current assets less current liabilities) was S\$40.4 million (as at 31 March 2017) as compared with S\$39.7 million (as at 31 December 2016).

For the quarter, the net operating cash inflow of S\$5.9 million arose mainly from the profit from operations and realisation of receivables, offset by an increase of S\$2.2 million in contract work-in-progress.

The Group's cash balance as at 31 March 2017 was S\$23.8 million, an increase of S\$5.6 million from S\$18.2 million as at 31 December 2016.

**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.**

The outlook for the process industry in Singapore continues to be challenging.

The cautionary statements in previous financial results announcements with respect to the operating environment and the Group's financial performance will continue to prevail for the year.

In order for the Group to maintain its profitability, the Group will continue to make strong efforts to remain relevant to its business partners through providing quality services. In addition, the Group will continue its efforts to explore markets in the region and to expand its products and customer bases.



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**11. Dividend**

***(a) Current Financial Period Reported On***

Any dividend declared for the current financial period reported on?

No interim dividend for the three months ended 31 March 2017 is recommended.

***(b) Corresponding Period of the Immediately Preceding Financial Year***

Not applicable.

***(c) Date payable***

Not applicable.

***(d) Books closure date***

Not applicable.

**12. If no dividend has been declared/recommendeded, a statement to that effect.**

No interim dividend for the three months ended 31 March 2017 is recommended.

**13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group has not sought any shareholders' mandate for interested person transactions pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited. There was no IPT of S\$100,000 and above for the period under review.



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**14. Use of IPO Proceeds and Warrant Issue**

## a) Warrant Issue

In September 2014, the Company raised gross proceeds of S\$250K from the subscription of 166,683,200 warrants at the issue price of S\$0.0015 per warrant ("Warrants Issue"). After deducting the professional fees as well as related expenses for the Warrants Issue, the finalised net proceeds is S\$77K.

As at the date of this announcement, the net proceeds of S\$77K from the subscription of the Warrants Issue had been fully utilised to purchase materials for operations. The utilisation is in accordance with its intended purpose as working capital as disclosed in the Offer Information Statement dated 18 August 2014.

As at the date of this announcement, 155,905,700 warrants had been exercised since the issue of the warrants and a total proceed of about S\$1.56 million was raised and the status of the proceeds is as follow:

	<b>Amount (S\$'000)</b>
Proceeds from warrants conversion	1,559
Purchase of vehicles	(407)
Purchase of equipment	(618)
Purchase of materials and services for operations	(443)
<b>Balance</b>	<b>91</b>

## b) IPO Proceeds

The proceeds raised from the Company's IPO, after deducting listing expenses of approximately S\$2.5 million was approximately S\$18.9 million. As at the end of the current year, the Company has utilised the aforesaid proceeds as follows:

Purpose (Amount in S\$'000)	Amount raised	Change of Use	Utilisation		Total Utilised	Balance
			up to 2016	1st Qtr 2017		
To establish a regional presence	4,000	-	(1,809)	(4)	(1,813)	2,187
To establish an engineering design centre and upgrade of existing database management system	1,000	-	(674)		(674)	326
Widening the range of services available to our customers	12,500	(7,709)	(4,791)	-	(4,791)	-
Working Capital	1,400	7,709	(9,109)	-	(9,109)	-
<b>Total</b>	<b>18,900</b>	<b>-</b>	<b>(16,383)</b>	<b>(4)</b>	<b>(16,387)</b>	<b>2,513</b>

The use of proceeds is in accordance with its stated use.



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**15. Confirmation pursuant to Rule 705(5).**

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

**16. Confirmation of undertakings from Directors and Executive Officers pursuant to Rule 720(1).**

The Company confirms that it has procured the undertakings from all its Directors and Executive Officers in the format as set out in Appendix 7.7 pursuant to Rule 720(1) of the Listing Manual.

**BY ORDER OF THE BOARD**

**CHENG WOEI FEN  
EXECUTIVE CHAIRLADY**

**12 May 2017**