

INTERNATIONAL HEALTHWAY CORPORATION LIMITED

Registration No.: 201304341E

(Incorporated in the Republic of Singapore)

(In receivership over charged shares in certain subsidiaries)



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

This announcement has been prepared by International Healthway Corporation Limited (the "Company") and its contents have been reviewed by PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship. (Mailing address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049418 and Email: sponsorship@ppcf.com.sg).

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

PART1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

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

	Group		
	3 months ended 31 March		
	2017	2016	Inc/(Dec)
	S\$'000	S\$'000	%
Revenue	10,478	13,350	(21.5)
Cost of sales	(5,854)	(6,798)	(13.9)
Gross profit	4,624	6,552	(29.4)
Other operating (loss)/income, net	(3,186)	2,265	N/M
Administrative expenses	(2,823)	(2,528)	11.7
Finance expenses	(6,474)	(6,143)	5.4
(Loss)/Profit before tax	(7,859)	146	N/M
Tax expense	(3,309)	(30)	N/M
(Loss)/Profit after tax	(11,168)	116	N/M
Other comprehensive income:			
Foreign currency translation differences relating to foreign operations	(367)	(3,534)	(89.6)
Total comprehensive income for the period	(11,535)	(3,418)	N/M
(Loss)/Profit attributable to :-			
Owners of the Company	(11,168)	115	N/M
Non-controlling interests	-	1	N/M
	(11,168)	116	N/M
Total comprehensive income attributable to :-			
Owners of the Company	(11,535)	(3,424)	N/M
Non-controlling interests	-	6	N/M
	(11,535)	(3,418)	N/M

N/M - not meaningful

PART1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS (Continued)

1(b) 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.

Statements of Financial Position	Group		Company	
	31.3.2017	31.12.2016	31.3.2017	31.12.2016
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	16,644	15,186	4	24
Trade and other receivables	57,117	58,333	161,821	167,116
Inventories	871	776	-	-
	<u>74,632</u>	<u>74,295</u>	<u>161,825</u>	<u>167,140</u>
Non-current assets				
Intangible assets	638	715	-	-
Lease prepayments	5,724	5,932	-	-
Investment properties	298,410	296,588	-	-
Investment properties under development	120,153	123,012	-	-
Property, plant and equipment	7,296	7,631	11	13
Subsidiaries	-	-	124,842	123,708
	<u>432,221</u>	<u>433,878</u>	<u>124,853</u>	<u>123,721</u>
Total assets	<u>506,853</u>	<u>508,173</u>	<u>286,678</u>	<u>290,861</u>
LIABILITIES				
Current liabilities				
Trade and other payables	27,684	27,214	36,176	36,394
Loans and borrowings	150,971	170,336	117,137	111,446
Current tax liabilities	1,010	1,080	-	-
	<u>179,665</u>	<u>198,630</u>	<u>153,313</u>	<u>147,840</u>
Non-current liabilities				
Trade and other payables	7,710	7,663	1,116	1,116
Loans and borrowings	166,547	140,618	-	-
Deferred tax liabilities	32,698	29,494	-	-
	<u>206,955</u>	<u>177,775</u>	<u>1,116</u>	<u>1,116</u>
Total liabilities	<u>386,620</u>	<u>376,405</u>	<u>154,429</u>	<u>148,956</u>
NET ASSETS	<u>120,233</u>	<u>131,768</u>	<u>132,249</u>	<u>141,905</u>
EQUITY				
Share capital	192,707	192,707	192,707	192,707
Foreign currency translation reserve	(3,154)	(2,787)	-	-
Merger reserve	(65,742)	(65,742)	-	-
Asset revaluation reserve	3,630	3,630	-	-
Statutory surplus reserve	327	327	-	-
Accumulated (losses)/profits	(6,891)	4,277	(60,458)	(50,802)
	<u>120,877</u>	<u>132,412</u>	<u>132,249</u>	<u>141,905</u>
Non-controlling interests	<u>(644)</u>	<u>(644)</u>	<u>-</u>	<u>-</u>
Total equity	<u>120,233</u>	<u>131,768</u>	<u>132,249</u>	<u>141,905</u>

Notes to the Financial Statements

1(a)(i) (Loss)/Profit before tax of the Group is arrived at after charging/(crediting):

	Group		
	3 months ended 31 March		
	2017	2016	Inc/(Dec)
	S\$'000	S\$'000	%
Interest income	(105)	(4)	N/M
Interest expense	6,474	6,143	5.4
Amortisation of lease prepayments	70	76	(7.9)
Amortisation of intangible asset	59	61	(3.3)
Depreciation of property, plant and equipment	276	292	(5.5)
Impairment losses on trade and other receivables	1,925	622	N/M
Currency translation loss/(gain) - net	1,361	(1,735)	N/M
Guarantee fee income	-	(887)	N/M
Profit guarantee income	-	(67)	N/M

1(a)(ii) Tax expense

	Group		
	3 months ended 31 March		
	2017	2016	Inc/(Dec)
	S\$'000	S\$'000	%
Current income tax - Foreign	2	(30)	N/M
Deferred income tax	(3,311)	-	N/M
Charge for the period	(3,309)	(30)	N/M

1(b)(i) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

	Group			Group		
	As at 31.3.2017			As at 31.12.2016		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable within one year	31,511	119,460	150,971	65,112	105,224	170,336
Amount repayable after one year	166,547	-	166,547	140,618	-	140,618

The secured borrowings of the Group as at 31 March 2017 comprised of term loans and bonds secured by the following:-

- (a) corporate guarantees from the Company and subsidiaries;
- (b) joint and several guarantees by certain shareholders;
- (c) a fixed charge over the total assets of a subsidiary of the Group which mainly comprised of investment properties and cash and cash equivalents;
- (d) a charge created over an investment property under development of the Group;
- (e) debentures over the assets and rights of certain subsidiaries of the Company;
- (f) a deed of assignment of a subsidiary's full and entire rights and entitlements pertaining to a development project of the Group;
- (g) charges created over the entire issued share capital of certain subsidiaries of the Company;
- (h) charges over bank deposits of certain subsidiaries of the company;
- (i) debentures over the assets and rights of certain subsidiaries of the Company and the Company;
- (j) deeds of assignment in respect of payments made by certain subsidiaries to other subsidiaries of the Company or the Company; and
- (k) a mortgage over property owned by a subsidiary.

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

	Group	
	3 months ended 31 March	
	2017	2016
	S\$'000	S\$'000
Cash flows from operating activities :		
(Loss)/Profit after tax	(11,168)	116
Adjustments for		
Tax expense	3,309	30
Depreciation of property, plant and equipment	276	292
Amortisation of lease prepayments	70	76
Amortisation of intangible assets	59	61
Property, plant and equipment written off	8	-
Impairment losses on trade and other receivables	1,925	622
Interest income	(105)	(4)
Interest expense	6,474	6,143
Operating profit before working capital changes	848	7,336
Changes in working capital:		
Inventories	(164)	335
Trade and other receivables	(733)	(1,252)
Trade and other payables	1,648	(4,655)
Cash generated from operations	1,599	1,764
Interest paid	(4,621)	(4,603)
Net cash used in operating activities	(3,022)	(2,839)
Cash flows from investing activities :		
Additions to investment properties	(3)	-
Additions to investment properties under development	-	(579)
Purchase of property, plant and equipment	(154)	(1,613)
Interest received	105	4
Net cash used in investing activities	(52)	(2,188)
Cash flows from financing activities :		
Advance from related parties	-	5,773
Repayment to related parties	-	(5,288)
Proceeds from borrowings	16,702	1,045
Repayment of borrowings	(12,226)	(1,861)
Net cash generated from/(used in) financing activities	4,476	(331)
Net increase/(decrease) in cash and cash equivalents	1,402	(5,358)
Cash and cash equivalents at beginning of financial period	15,186	25,751
Effects of exchange rate fluctuations on cash and cash equivalents	56	113
Cash and cash equivalents at end of financial period	16,644	20,506

- 1(d) 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.

	Attributable to owners of the Company							Non-controlling interests	Total equity
	Share capital	Foreign currency translation reserve	Merger reserve	Asset revaluation reserve	Statutory surplus reserve	Accumulated profits	Total		
GROUP									
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2017	192,707	(2,787)	(65,742)	3,630	327	4,277	132,412	(644)	131,768
Total comprehensive income for the									
Loss for the period	-	-	-	-	-	(11,168)	(11,168)	-	(11,168)
Other comprehensive income									
Foreign currency translation differences relating to foreign operations	-	(367)	-	-	-	-	(367)	-	(367)
At 31 March 2017	192,707	(3,154)	(65,742)	3,630	327	(6,891)	120,877	(644)	120,233
At 1 January 2016	192,707	(3,794)	(65,742)	3,630	327	81,124	208,252	(629)	207,623
Total comprehensive income for the									
Profit for the period	-	-	-	-	-	115	115	1	116
Other comprehensive loss									
Foreign currency translation differences relating to foreign operations	-	(3,539)	-	-	-	-	(3,539)	5	(3,534)
At 31 March 2016	192,707	(7,333)	(65,742)	3,630	327	81,239	204,828	(623)	204,205

- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (Continued)

COMPANY	Share capital	Accumulated losses	Total equity
	S\$'000	S\$'000	S\$'000
At 1 January 2017	192,707	(50,802)	141,905
Total comprehensive income for the period			
Loss for the period	-	(9,656)	(9,656)
At 31 March 2017	192,707	(60,458)	132,249
At 1 January 2016	192,707	(23,240)	169,467
Total comprehensive income for the period			
Loss for the period	-	(2,441)	(2,441)
At 31 March 2016	192,707	(25,681)	167,026

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

<u>Ordinary shares issued and fully paid-up</u>	Number of shares	Paid-up share capital
		S\$
Balance as at 31 December 2016 and 31 March 2017	1,659,064,603	192,706,969

There was no change in the Company's share capital between 31 December 2016 and 31 March 2017.

As at 31 March 2017 and 31 March 2016 respectively, the Company did not have any convertible securities, treasury shares or subsidiary holdings.

- 1(d)(iii) 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 March 2017 and 31 December 2016, the Company had 1,659,064,603 issued and fully paid ordinary shares.

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

Not applicable.

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

Not applicable.

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

The figures have not been audited or reviewed by the 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.**

Except as disclosed in paragraph 5 below, the accounting policies and methods of computation adopted in the financial statements for the current reporting period are consistent with those disclosed in the audited consolidated financial statements for the financial year ended 31 December 2016.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group adopted a number of new standards, amendments to standards and interpretations that are effective for annual periods beginning on 1 January 2017. The adoption of these new standards, amendments to standards and interpretations did not result in any significant impact on the financial statements of the Group.

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

	Group	
	3 months ended 31 March	
	2017	2016
Net (loss)/profit attributable to owners of the Company (S\$'000)	(11,168)	115
Weighted average number of ordinary shares in issue	1,659,064,603	1,659,064,603
Basic earnings per share (Singapore cents)	(0.673)	0.007

Basic and diluted earnings per share were the same as there were no potentially dilutive ordinary shares in issue as at 31 March 2017 and 31 March 2016 respectively.

7. **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.

	Group		Company	
	As at 31.3.2017	As at 31.12.2016	As at 31.3.2017	As at 31.12.2016
Net asset value attributable to owners of the Company (S\$'000)	120,877	132,412	132,249	141,905
Number of ordinary shares in issue	1,659,064,603	1,659,064,603	1,659,064,603	1,659,064,603
Net asset value per ordinary share (Singapore cents)	7.29	7.98	7.97	8.55

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.

Review of financial performance for first quarter ended 31 March 2017

1Q2017 Versus 1Q2016

(a) Revenue

Revenue decreased by S\$2.9 million to S\$10.5 million for the financial period ended 31 March 2017 ("**1Q2017**") as compared to a revenue of S\$13.4 million for the same period a year ago ("**1Q2016**"). The decrease was due mainly to a S\$2.4 million decrease in revenue derived from the investment properties located in Australia at St. Kilda and Geelong (collectively known as "**Australia Properties**"). Revenue from the Australia Properties was not included as part of the Group's results from September 2016 following the Deconsolidation Event as described below.

Rental income from the Group's nursing facilities in Japan (the "**Nursing Facilities**") and revenue derived from the operation of the Wuxi New District Phoenix Hospital in Wuxi, Jiangsu, China ("**Wuxi Hospital**") remained relatively stable when compared with 1Q2016.

Deconsolidation Event

The Company was deemed to have lost control of IHC Management Pte. Ltd., IHC Management (Australia) Pty Ltd, IHC Medical RE Pte. Ltd., IHC Healthcare REIT, IHC Australia First Trust and IHC Australia Second Trust (collectively known as "**Deconsolidated Subsidiaries**") as a result of the events described in the Company's announcement dated 15 August 2016.

Therefore, the Company was required to deconsolidate the assets and liabilities of the Deconsolidated Subsidiaries in accordance with Singapore Financial Reporting Standards 110 (FRS 110) as the Group has lost control of the Deconsolidated Subsidiaries.

(b) Other operating loss/income

The Group recorded other operating losses of S\$3.2 million for 1Q2017 as compared with other operating income of S\$2.3 million in 1Q2016.

For 1Q2017, the other operating losses incurred were due mainly to:

- (i) impairment made for trade and other receivables of S\$1.9 million, and
- (ii) a net foreign exchange loss of S\$1.4 million arising from the fluctuation of the Malaysia Ringgit ("**RM**"), Chinese Yuan ("**RMB**") and Hong Kong Dollar ("**HKD**") against the Singapore Dollar ("**SGD**").

For 1Q2016, the other operating income recognised was mainly in relation to:

- (i) a net foreign exchange gain of S\$1.7 million; and
- (ii) a guarantee fee income of S\$0.9 million from a related party. The guarantee arrangement expired in April 2016..

The other operating income for 1Q2016 was partly reduced by the impairment made for receivables totaling S\$0.7 million.

(c) Administrative expenses

Administrative expenses increased by S\$0.3 million to S\$2.8 million. The increase was due mainly to higher legal and professional costs incurred in relation to various corporate activities in 1Q2017.

(d) Finance expenses

Finance expenses increased by S\$0.3 million to S\$6.5 million. The increase was due mainly to:

- (i) higher amortisation cost of S\$1.1 million arising from the accelerated amortisation of the transaction costs associated with the Japan TMK bonds as the bonds were refinanced before its original maturity date. The refinancing was undertaken to reduce overall interest costs on the bonds. Please refer to the announcement dated 14 July 2017 for further details; and
- (ii) higher interest costs incurred arising from a net increase in overall borrowings.

The increase was partially offset by a S\$1.4 million reduction in interest expenses related to the borrowings of the Deconsolidated Subsidiaries due to the Deconsolidation Event as described above.

(e) Income tax expense

Income tax expense increased by S\$3.3 million. The increase was due mainly to adjustment relating to deferred tax provision.

(f) Loss after tax

The Group recorded a loss after tax of S\$11.2 million for 1Q2017 as compared with a profit after tax of S\$0.1 million for 1Q2016.

Review of Statement of Financial Position as at 31 March 2017

- (a) Current assets increased by S\$0.3 million from S\$74.3 million as at 31 December 2016 to S\$74.6 million as at 31 March 2017. The increase was due mainly to:

- (i) a S\$1.5 million increase in cash and cash equivalents arising from the strengthening of the Japanese Yen ("JPY") against the SGD; and
- (ii) a S\$0.6 million increase in the trade receivables of the Wuxi Hospital.

The increase was partially reduced by the impairment made for trade and other receivables of S\$1.9 million.

- (b) Non-current assets decreased by S\$1.7 million from S\$433.9 million as at 31 December 2016 to S\$432.2 million as at 31 March 2017. The decrease was due mainly to:

- (i) investment properties under development and lease prepayment decreased by S\$2.9 million and S\$0.2 million respectively as a result of foreign exchange translation loss arising from a weaker RMB as compared with the SGD; and
- (ii) depreciation of property, plant and equipment of S\$0.3 million.

The decrease was partially offset by a S\$1.8 million increase in the carrying value of the properties in Japan as a result of the strengthening of the JPY against the SGD.

- (c) Current liabilities decreased by S\$18.9 million from S\$198.6 million as at 31 December 2016 to S\$179.7 million as at 31 March 2017. The decrease was due mainly to:

- (i) the reclassification of S\$23.4 million loan in Malaysia ("**Malaysia Loan**") from current borrowings to non-current borrowings as the breach in the Malaysia Loan covenants as at 31 December 2016 was rectified in February 2017; and
- (ii) repayment of current borrowings of S\$11.5 million during 1Q2017.

The decrease was partially offset by S\$16.7 million in shareholder's loans obtained by the Company from Treasure International Holdings Pte. Ltd.

- (d) Non-current liabilities increased by S\$29.2 million from S\$177.8 million as at 31 December 2016 to S\$207.0 million as at 31 March 2017. The increase was due mainly to:
 - (i) the reclassification of S\$23.4 million Malaysia Loan from current borrowings to non-current borrowings; and
 - (ii) adjustment for deferred tax provision.
- (e) Shareholders' equity decreased by S\$11.7 million from S\$132.4 million at 31 December 2016 to S\$120.9 million at 31 March 2017.

Review of Cashflow and Working Capital

- (a) Operating activities generated net cash of S\$1.6 million before interest payments. Net of interest payments, operating activities utilised net cash of S\$3.0 million.
- (b) Investing activities utilised net cash of S\$0.01 million. Additions to property, plant and equipment utilised S\$0.2 million, which was partly offset by interest of S\$0.1 million received.
- (c) Financing activities provided net cash of S\$4.5 million. Proceeds from new borrowings were mainly from shareholder's loans granted by Treasure International Holdings Pte. Ltd. to the Company during 1Q2017.
- (c) As at 31 March 2017, the Group's net current liabilities amounted to S\$105.0 million. The net current liabilities position was due mainly to current borrowings amounting to S\$151.0 million, of which the amounts owing under the Group's MTN program were S\$100 million. A total of S\$94.25 million under the MTN program was repaid in April 2017 through shareholder's loans from Treasure International Holdings Pte. Ltd.. After this repayment, the outstanding amount under the MTN program is S\$5.75 million, which is due in February 2018.

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

Not applicable. No forecast or prospect statement has been previously disclosed.

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.

Please refer to the announcement dated 31 July 2017 relating to the unaudited results for the second quarter and six months ended 30 June 2017.

11. If a decision regarding dividend has been made:-

- (a) **Whether an interim/final ordinary dividend has been declared/recommended; and**

None.

- (b)(i) **Amount per share (cents)**

Not applicable.

- (b)(ii) **Previous corresponding period (cents)**

None.

(d) **Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated).**

Not applicable.

(e) **The date the dividend is payable**

Not applicable.

(f) **Books closure date**

Not applicable.

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

Not applicable.

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 obtained a general mandate from shareholders for any Interested Person Transactions.

14. Confirmation Pursuant to Rule 720(1)

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

15. Negative Confirmation by the Board pursuant to Rule 705(5) of Catalist Rules

We, Mr Eric Sho Kian Hin and Dr Wong Weng Hong being two directors of International Healthway Corporation Limited, do hereby confirm on behalf of the Board of Directors of the Company (the "**Board**") that, to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited financial statements for the financial period ended 31 March 2017 to be false or misleading in any material aspect.

On behalf of the Board,

**Mr. Eric Sho Kian Hin
Independent Director**

BY ORDER OF THE BOARD OF DIRECTORS

**Dr. Wong Weng Hong
Executive Director**

31 July 2017