



UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 31 DECEMBER 2015

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

1(a)(i) 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

CONSOLIDATED INCOME STATEMENT

	Group			Group		
	3rd Qtr Ended 31/12/2015 S\$'000	31/12/2014 S\$'000	Incr/ (decr) %	9 months Ended 31/12/2015 S\$'000	31/12/2014 S\$'000	Incr/ (decr) %
Revenue	17,425	28,502	(38.9)	71,964	84,069	(14.4)
Cost of sales	(14,091)	(22,126)	(36.3)	(55,993)	(61,705)	(9.3)
Gross profit	3,334	6,376	(47.7)	15,971	22,364	(28.6)
Other income	460	568	(19.0)	543	1,075	(49.5)
Distribution costs	(1,185)	(1,253)	(5.4)	(3,883)	(3,428)	13.3
Administrative expenses	(4,119)	(3,895)	5.8	(12,630)	(10,692)	18.1
Other operating expenses	(1,589)	(1)	NM	(2,102)	(69)	NM
Interest expense	(804)	(488)	64.8	(2,151)	(1,456)	47.7
(Loss) profit before income tax	(3,903)	1,307	NM	(4,252)	7,794	NM
Income tax benefit (expense)	2	58	(96.6)	(101)	(948)	(89.3)
(Loss) profit for the period	(3,901)	1,365	NM	(4,353)	6,846	NM
Attributable to:						
Shareholders of the Company	(3,905)	910	NM	(4,354)	6,161	NM
Non-controlling interests	4	455	NM	1	685	NM
	(3,901)	1,365	NM	(4,353)	6,846	NM
Gross profit margin	19.1%	22.4%		22.2%	26.6%	
Net (loss) profit margin	-22.4%	4.8%		-6.0%	8.1%	
EBITDA ⁽¹⁾ (S\$'000)	(1,988)	2,562	NM	998	11,176	(91.1)
EBITDA margin	-11.4%	9.0%		1.4%	13.3%	

⁽¹⁾ : Denotes earnings before interest, taxes, depreciation and amortisation

NM: Not meaningful

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group			Group		
	3rd Qtr Ended		Incr/ (decr) %	9 months Ended		Incr/ (decr) %
	31/12/2015	31/12/2014		31/12/2015	31/12/2014	
	S\$'000	S\$'000		S\$'000	S\$'000	
(Loss) profit for the period	(3,901)	1,365	NM	(4,353)	6,846	NM
Other comprehensive income						
Item that may be reclassified to profit or loss:						
Translation differences arising on consolidation	(164)	391	NM	223	381	NM
Other comprehensive (loss) income for the period	(164)	391	NM	223	381	NM
Total comprehensive (loss) income for the period	(4,065)	1,756	NM	(4,130)	7,227	NM
Total comprehensive income (loss) attributable to:						
Shareholders of the Company	(4,069)	1,117	NM	(4,127)	6,353	NM
Non-controlling interests	4	639	NM	(3)	874	NM
	(4,065)	1,756	NM	(4,130)	7,227	NM

1(a)(ii) Profit before income tax is arrived at after charging/(crediting) the following:

	Group			Group		
	3rd Qtr Ended		Incr/ (decr) %	9 months Ended		Incr/ (decr) %
	31/12/2015	31/12/2014		31/12/2015	31/12/2014	
	S\$'000	S\$'000		S\$'000	S\$'000	
Allowance for (write back of) doubtful trade receivables	308	(18)	NM	423	48	781
Trade receivables written off	-	18	NM	216	18	NM
Other receivables written off	-	1	(100)	-	2	(100)
Doubtful trade receivables recovered	(4)	(5)	NM	(31)	(5)	NM
Depreciation	925	752	23	2,541	1,881	35
Amortisation of intangible assets	186	15	NM	558	45	NM
Foreign exchange loss (gain)	974	(574)	NM	1,231	(794)	NM
Loss (gain) on disposal of property, plant and equipment	308	-	NM	232	(164)	NM
Interest income	(3)	(6)	(50)	(14)	(18)	(22)
Interest expense	804	488	65	2,151	1,456	48
Trade payables written back	(428)	-	NM	(428)	-	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

STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	31/12/2015 S\$'000	31/3/2015 S\$'000	31/12/2015 S\$'000	31/3/2015 S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	4,795	6,279	45	1,222
Trade receivables	17,858	31,257	336	2,131
Other receivables and prepayments	4,002	4,441	44,460	49,559
Inventories	152,858	149,372	-	-
Total current assets	179,513	191,349	44,841	52,912
Non-current assets				
Property, plant and equipment	32,564	26,413	720	756
Club memberships	40	40	-	-
Intangible assets	4,508	5,067	-	-
Goodwill	2,165	2,165	-	-
Prepayment	-	2,875	-	-
Deferred tax assets	364	364	219	219
Subsidiaries	-	-	6,101	6,101
Total non-current assets	39,641	36,924	7,040	7,076
Total assets	219,154	228,273	51,881	59,988
LIABILITIES AND EQUITY				
Current liabilities				
Trade payables	8,965	17,850	-	-
Other payables	13,384	14,209	364	6,027
Current portion of bank borrowings	60,241	58,106	-	-
Current portion of finance leases	539	537	5	5
Income tax payable	34	578	-	-
Total current liabilities	83,163	91,280	369	6,032
Non-current liabilities				
Bank borrowings	34,903	29,360	-	-
Finance leases	1,056	1,277	10	14
Deferred tax liabilities	627	631	-	-
Total non-current liabilities	36,586	31,268	10	14
Capital, reserves and non-controlling interests				
Share capital	50,587	50,587	50,587	50,587
Retained earnings	47,567	54,111	915	3,355
Translation reserve	1,166	939	-	-
Equity attributable to shareholders of the Company	99,320	105,637	51,502	53,942
Non-controlling interests	85	88	-	-
Total equity	99,405	105,725	51,502	53,942
Total liabilities and equity	219,154	228,273	51,881	59,988

1(b)(ii) In relation to the aggregate amount of 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

Amount repayable in one year or less, or on demand

	31/12/2015		31/3/2015	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Term loans	14,840	101	9,959	-
Short term loans	9,700	8,284	7,500	12,536
Bank bills payables	7,946	19,370	5,754	22,357
Finance leases	539	-	537	-
	<u>33,025</u>	<u>27,755</u>	<u>23,750</u>	<u>34,893</u>

Amount repayable after one year

	31/12/2015		31/3/2015	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Term loans	34,702	201	29,360	-
Finance leases	1,056	-	1,277	-
	<u>35,758</u>	<u>201</u>	<u>30,637</u>	<u>-</u>

Details of any collaterals

Certain bank borrowings are secured by a legal mortgage over the Group's leasehold land and buildings, certain plant and machinery, a floating charge over certain inventories of the Group and corporate guarantees of the Company and a certain subsidiary.

Finance leases are secured by charges over the leased assets. Certain leases are guaranteed by a corporate guarantee by the Company.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	Group		Group	
	3rd Qtr Ended		9 months Ended	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Profit (loss) before income tax	(3,903)	1,307	(4,252)	7,794
Adjustments for :				
Interest expense	804	488	2,151	1,456
Interest income	(3)	(6)	(14)	(18)
Depreciation	925	752	2,541	1,881
Amortisation of intangible assets	186	15	558	45
Allowance for (write back of) doubtful trade receivables	308	(18)	423	48
Doubtful trade receivables recovered	(4)	(5)	(31)	(5)
Trade receivables written off	-	18	216	18
Other receivables written off	-	1	-	2
Loss (gain) on disposal of property, plant and equipment	308	-	232	(164)
Net foreign exchange (gain) loss - unrealised	(3)	83	(24)	(102)
Trade payables written back	(428)	-	(428)	-
Operating cash flows before movements in working capital	(1,810)	2,635	1,372	10,955
Trade receivables	9,735	5,842	12,865	8,767
Other receivables and prepayments	2,504	(2,690)	425	(2,493)
Inventories	986	(8,573)	(913)	(18,343)
Trade payables	(8,813)	4,913	(8,459)	(4,371)
Other payables	(388)	(831)	(680)	(932)
Bank bill payables	(2,024)	(9,304)	(798)	544
Cash generated from (used in) operations	190	(8,008)	3,812	(5,873)
Interest paid for bank bills	(244)	(244)	(689)	(732)
Interest received	3	6	14	18
Income tax paid	(207)	(775)	(650)	(1,646)
Net cash (used in) from operating activities	(258)	(9,021)	2,487	(8,233)
Investing activities				
Proceeds from disposal of property, plant and equipment	15	1	108	222
Purchases of property, plant and equipment	(5,768)	(2,955)	(8,479)	(4,077)
Acquisition of subsidiaries	-	-	-	(4,087)
Net cash used in investing activities	(5,753)	(2,954)	(8,371)	(7,942)
Financing activities				
Interest paid for other borrowings	(560)	(244)	(1,462)	(724)
Dividend paid	(2,190)	-	(2,190)	(3,942)
Repayment of obligations under finance leases	(137)	(170)	(430)	(715)
New bank loans obtained	10,690	11,558	20,576	16,242
Repayment of bank loans	(5,432)	(1,018)	(12,074)	(3,214)
Contributions from non-controlling interests	-	-	-	20
Net cash from financing activities	2,371	10,126	4,420	7,667
Net decrease in cash and cash equivalents	(3,640)	(1,849)	(1,464)	(8,508)
Exchange difference on cash and cash equivalents	7	46	(20)	40
Cash and cash equivalents at beginning of the period	8,428	12,159	6,279	18,824
Cash and cash equivalents at end of the period	4,795	10,356	4,795	10,356

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

STATEMENT OF CHANGES IN EQUITY

	Share capital	Retained earnings	Translation reserve	Attributable to shareholders of the Company	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group						
At 1 April 2015	50,587	54,111	939	105,637	88	105,725
Total comprehensive loss for the period						
Loss (gain) for the period	-	(4,354)	-	(4,354)	1	(4,353)
Other comprehensive income (loss) for the period	-	-	227	227	(4)	223
Total	-	(4,354)	227	(4,127)	(3)	(4,130)
Dividend paid, representing transactions with owners recognised directly in equity	-	(2,190)	-	(2,190)	-	(2,190)
At 31 December 2015	50,587	47,567	1,166	99,320	85	99,405
At 1 April 2014	47,224	50,723	11	97,958	(62)	97,896
Total comprehensive income for the period						
Profit for the period	-	6,161	-	6,161	685	6,846
Other comprehensive income for the period	-	-	192	192	189	381
Total	-	6,161	192	6,353	874	7,227
Transactions with owners, recognised directly in equity						
Issuance of shares	3,363	-	-	3,363	-	3,363
Contribution from a non-controlling interest	-	-	-	-	20	20
Acquisition of a subsidiary	-	-	-	-	6,330	6,330
Dividend paid	-	(3,942)	-	(3,942)	-	(3,942)
Total	3,363	(3,942)	-	(579)	6,350	5,771
At 31 December 2014	50,587	52,942	203	103,732	7,162	110,894
Company						
At 1 April 2015	50,587	3,355	-	53,942	-	53,942
Loss for the period, representing total comprehensive loss for the period	-	(250)	-	(250)	-	(250)
Dividend paid, representing transactions with owners recognised directly in equity	-	(2,190)	-	(2,190)	-	(2,190)
At 31 December 2015	50,587	915	-	51,502	-	51,502
At 1 April 2014	47,224	4,129	-	51,353	-	51,353
Profit for the period, representing total comprehensive income for the period	-	528	-	528	-	528
Transactions with owners, recognised directly in equity						
Issuance of shares	3,363	-	-	3,363	-	3,363
Dividend paid	-	(3,942)	-	(3,942)	-	(3,942)
Total	3,363	(3,942)	-	(579)	-	(579)
At 31 December 2014	50,587	715	-	51,302	-	51,302

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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

Nil.

There were no outstanding convertibles which may be converted to shares. There were no treasury shares held.

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

The total number of issued shares excluding treasury shares

31/12/2015	31/3/2015
438,000,000	438,000,000

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

Not applicable. There were no treasury shares during and as at the end of the current financial period reported on.

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

The figures have not been audited and/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

The group has adopted the same accounting policies and methods of computation in the announcement for the current financial period as those applied in the Group's most recently audited financial statements for the year ended 31 March 2015 as well as all the applicable Singapore Financial Reporting Standards ("FRSs") which became effective for the financial year beginning on or after 1 April 2015.

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 effect, of the change

Please refer to section 4.

6. Earnings per ordinary share 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

	Group		Group	
	3rd Qtr Ended		9 months Ended	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Net profit (loss) after tax attributable to shareholders of the Company (S\$'000)	(3,905)	910	(4,354)	6,161
Weighted average number of ordinary shares for calculation of ('000):				
- Basic earnings per share	438,000	435,607	438,000	435,607
- Diluted earnings per share	438,000	435,607	438,000	435,607
Earnings per share ("EPS") (cents/share)				
(a) Based on weighted average number of ordinary shares	(0.89)	0.21	(0.99)	1.41
(b) On a fully diluted basis	(0.89)	0.21	(0.99)	1.41

The Company has no dilutive equity instruments as at 31 December 2015.

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

	Group		Company	
	31/12/2015	31/3/2015	31/12/2015	31/3/2015
Net asset value attributable to shareholders of the Company (S\$'000)	99,320	105,637	51,502	53,942
Number of ordinary shares ('000)	438,000	438,000	438,000	438,000
Net asset value per ordinary share (cents)	22.68	24.12	11.76	12.32

8. Review of the Group's performance

Revenue

For the nine months ended 31 December 2015 ("9M FY2016"), the Group's revenue was S\$72.0 million with a decrease of S\$12.1 million or 14.4% compared to S\$84.1 million for the corresponding period ended 31 December 2014 ("9M FY2015"), contributed by a decline of S\$7.0 million in the rigging and lifting segment and S\$5.1 million in ship chandling segment.

Similarly for the third quarter ended 31 December 2015 ("3Q FY2016"), the Group's revenue was S\$17.4 million, 38.9% lower than the S\$28.5 million in the third quarter ended 31 December 2014 ("3Q FY2015") with the decrease coming from rigging and lifting segment of S\$9.1 million and ship chandling segment of S\$2.0 million.

The decrease for both periods 9M FY2016 and 3Q FY2016 was mainly due to the continued weakness in the oil and gas industry resulting in project delays which affects the demand for our products and services.

Gross profit

Gross profit decreased by S\$6.4 million or 28.6% from S\$22.4 million in 9M FY2015 to S\$16.0 million in 9M FY2016. The corresponding gross profit margin decreased from 26.6% to 22.2%. For 3Q FY2016, the gross profit was S\$3.3 million, 47.7% lower than the S\$6.4 million achieved in 3Q FY2015. The corresponding gross profit margin decreased from 22.4% to 19.2%. The decrease was mainly due to the lower revenue, tighter product margins coupled with fixed manufacturing overhead.

Other income

Other income decreased by S\$0.5 million in 9M FY2016 compared to 9M FY2015 mainly due to (i) turnaround of a foreign exchange gain of S\$0.8 million in 9M FY2015 to a foreign exchange loss in 9M FY2016, and (ii) a gain on disposal of property, plant and equipment ("PPE") of S\$0.2 million in 9M FY2015 compared to a loss on disposal of PPE in 9M FY2016, which were partially offset by trade payables written back of S\$0.4 million.

Distribution costs

Distribution costs increased by S\$0.4 million or 13.3% in 9M FY2016 compared to 9M FY2015 mainly due to an increase in freight outwards of S\$0.2 million with more overseas sales coupled with increase in other marketing related costs of S\$0.2 million.

Administrative expenses

Administrative expenses increased by S\$1.9 million or 18.1% in 9M FY2016 compared to 9M FY2015 mainly contributed by expenses of S\$1.5 million from Rigmarine which was acquired in 2Q FY2015 and donations of S\$0.5 million due to 40th anniversary celebrations (which were committed in FY2015). This was partially offset by lower travelling expenses of S\$0.1 million and lower entertainment expenses of S\$0.1 million.

Other operating expenses

Other operating expenses increased by S\$2.0 million in 9M FY2016 compared to 9M FY2015. The increase was mainly due to: (i) a foreign exchange loss of S\$1.2 million mainly resulting from the depreciation of both Azerbaijani manat and Kazakhstani tenge against United States dollar and the appreciation of Euro against Singapore dollar, (ii) allowance for doubtful trade receivables of S\$0.4 million, (iii) trade receivables written off of S\$0.2 million, and (iv) loss on disposal of PPE of S\$0.2 million.

Interest expense

Interest expense increased by S\$0.7 million or 47.7% in 9M FY2016 compared to 9M FY2015 mainly due to higher bank borrowings coupled with higher interest rates.

Loss before income tax

As a result of the above reasons, loss before income tax was S\$4.3 million for 9M FY2016.

Review of statement of financial position and cash flows

Current Assets

The current assets decreased by S\$11.9 million from S\$191.3 million as at 31 March 2015 to S\$179.5 million as at 31 December 2015. The decrease was mainly due to (i) a decline in trade receivables of S\$13.4 million due to lower sales (ii) lower cash and bank balances of S\$1.5 million, and (iii) a decrease in other receivables and prepayments of S\$0.4 million, which were partially offset by an increase in inventories of S\$3.5 million.

Non-Current Assets

The non-current assets increased by S\$2.7 million from S\$36.9 million as at 31 March 2015 to S\$39.6 million as at 31 December 2015. The increase was mainly due to purchase of leasehold lands of S\$6.0 million, which was partially offset by (i) a decrease in prepayment of S\$2.8 million due to capitalisation of leasehold land and (ii) amortisation of intangible assets of S\$0.6 million.

Current liabilities

The current liabilities decreased by S\$8.1 million from S\$91.3 million as at 31 March 2015 to S\$83.2 million as at 31 December 2015. The decrease was mainly due to (i) a decrease in trade payables of S\$8.9 million due to lower purchases, (ii) a decrease in other payables of S\$0.8 million, and (iii) a decrease in income tax payable of S\$0.5 million, which were partially offset by an increase in bank borrowings of S\$2.1 million.

Non-current liabilities

Non-current liabilities increased by S\$5.3 million from S\$31.3 million as at 31 March 2015 to S\$36.6 million as at 31 December 2015 mainly due to an increase in bank borrowings of S\$5.5 million, which was partially offset by repayments of finance lease of S\$0.2 million.

Capital, reserves and non-controlling interests

The decrease in shareholder's equity of S\$6.3 million was mainly attributable to the loss during the period and the distribution of dividend.

Cash Flows

9M FY2016 ended 31 December 2015

Net cash used in operating activities

In 9M FY2016, we generated net cash of S\$1.4 million from operating activities before changes in working capital.

Our net working capital inflow amounted to S\$1.1 million. This was mainly due to: (i) a decrease in trade receivables of S\$12.9 million due to lower sales and (ii) a decrease in other receivables and prepayments of S\$0.4 million, which were partially offset by (i) a decrease in trade payable of S\$8.5 million due to lower purchases, (ii) a decrease in other payables of S\$0.7 million, (iii) a decrease in bank bill payables of S\$0.8 million, and (iv) an increase in inventories of S\$0.9 million.

We paid income tax of S\$0.7 million and interest for bank bills of S\$0.7 million.

Overall our net cash from operating activities amounted to S\$2.5 million.

Net cash used in investing activities

Net cash used in investing activities amounted to S\$8.4 million in 9M FY2016 mainly due to the purchase of PPE.

Net cash from financing activities

Net cash generated from financing activities amounted to S\$4.4 million in 9M FY2016. This was mainly due to an increase in bank borrowings of S\$20.6 million, which was partially offset by (i) the repayment of bank borrowings and related interest of S\$13.5 million; (ii) dividend paid of S\$2.2 million, and (iii) the repayment of obligations under finance leases of S\$0.4 million.

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 to shareholders.

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 demand for Gaylin's products and services is generally driven by the level of activities in the exploration, development and production of oil and gas ("O&G") in the global offshore O&G industry.

Low oil prices and the oversupply situation in the O&G industry continues to weigh on global upstream activities. Despite the challenging operating environment, the Group believes its long term prospects remain intact.

The Group remains focused on optimising its business operations and exercising prudent cost management to protect our margins.

11. Dividend

11(a) Any dividend declared for the current financial period reported on?

Nil

11(b) Any dividend declared for the corresponding period of the immediately preceding financial year?

No

11(c) Date payable

Not applicable

11(d) Books closure date

Not applicable

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

No dividend has been declared or recommended for the current financial period reported on.

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 does not have a general mandate from shareholders for IPTs pursuant to Rule 920 of the Listing Manual of the SGX-ST. During the financial year, there was the following IPT:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under Shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under Shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
United World Shipping Pte Ltd	S\$164,402	Nil

Save for the above, there were no other IPTs, as defined in Chapter 9 of the Listing Manual of the SGX-ST, entered into during the financial period ended 31 December 2015.

- 14 Please disclose the status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use. Where the proceeds have been used for working capital purposes, a breakdown with specific details on how the proceeds have been applied must be disclosed.

In accordance with the "Use of Proceeds and Listing Expenses" section of our IPO prospectus dated 17 October 2012, the net proceeds ("Net Proceeds") have been fully utilised as follows:

Use of Net Proceeds	Allocation of Net Proceeds	Net Proceeds utilised as at 31 December 2015	Balance of Net Proceeds as at 31 December 2015
	S\$'000	S\$'000	S\$'000
Expansion of our operations into Asian and/or other markets	20,000	20,000	-
Expansion of our operations into Malaysia	2,000	2,000	-
General working capital	21,042	21,042	-
	<u>43,042</u>	<u>43,042</u>	<u>-</u>

Breakdown of general working capital

	S\$'000
Inventories	7,778
Trade and other payables	11,497
Income tax	1,767
	<u>21,042</u>

15. Negative confirmation pursuant to Rule 705(5).

The Board of Directors of the Company hereby confirm, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for the 9 months ended 31 December 2015 to be false or misleading in any material aspect.

ON BEHALF OF THE BOARD OF DIRECTORS

DESMOND TEO BEE CHIONG
Executive Director and Chief Executive Officer

TEO BEE HOE
Executive Director

BY ORDER OF THE BOARD

DESMOND TEO BEE CHIONG
Executive Director and Chief Executive Officer
5 February 2016