



中信环境技术

CITIC ENVIROTECH

CITIC ENVIROTECH LTD. (Company registration number: 200306466G)

Listed companies must provide the information required by Appendix 7.2 of the Listing Manual. Adequate disclosure should be given to explain any material extraordinary item either as a footnote of the material extraordinary item or in the "Review of the performance of the group".

First Quarter Financial Statement & Dividend Announcement for the Period Ended 31 March 2018

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

1(a) 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 31/3/2018 \$'000	Group 3 months ended 31/3/2017 \$'000 (Restated)	% Increase/ (Decrease)
Revenue	247,123	99,602	148.1
Finance income from service concessions #	12,092	11,592	4.3
	259,215	111,194	133.1
Other income	8,308	14,945	(44.4)
Changes in inventories	6,284	7,412	(15.2)
Material purchased, consumables used and subcontractors' fees	(168,223)	(67,667)	148.6
Employee benefits expense	(13,164)	(12,714)	3.5
Depreciation and amortisation expenses	(8,229)	(6,298)	30.7
Other operating expenses	(16,163)	(16,297)	(0.8)
Finance costs	(9,270)	(6,162)	50.4
Share of (loss)/profit of associates	(594)	155	N/M
Profit before income tax	58,164	24,568	136.7
Income tax expense	(16,422)	(7,497)	119.0
Net profit for the period	41,742	17,071	144.5

Finance income represents the interest income on the long-term receivables recognized in respect of the service concession arrangements in accordance with INT FRS 112 Service Concession Arrangements.

	Group 3 months ended 31/3/2018 \$'000	Group 3 months ended 31/3/2017 \$'000 (Restated)	% Increase/ (Decrease)
Profit attributable to:			
Owners of the Company	39,332	16,354	140.5
Non-controlling interests	2,410	717	236.1
Profit for the period	41,742	17,071	144.5
Currency translation gain/(loss)	17,911	(23,151)	N/M
Total other comprehensive income/(expense) for the period	59,653	(6,080)	N/M
Total comprehensive income/(expense) attributable to:			
Owners of the Company	56,417	(3,322)	N/M
Non-controlling interests	3,236	(2,758)	N/M
Total comprehensive income/(expense) for the period	59,653	(6,080)	N/M

1(a)(ii) Breakdown to statement of comprehensive income

	Group 3 months ended 31/3/2018 \$'000	Group 3 months ended 31/3/2017 \$'000 (Restated)	% Increase/ (Decrease)
Employee share option expense	-	408	N/M
Interest expense on bank borrowings and finance leases	6,662	3,554	87.5
Interest expense on MTN bond	2,608	2,608	-
Interest income	(769)	(550)	39.8
Foreign currency exchange (gain)/loss	(5,147)	5,169	N/M
Loss on disposal of subsidiary	-	781	N/M

N/M: Not meaningful

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.

	Group 31/3/2018 \$'000	Group 31/12/2017 \$'000 (Restated)	Group 1/1/2017 \$'000 (Restated)	Company 31/3/2018 \$'000	Company 31/12/2017 \$'000
ASSETS					
Current assets:					
Cash and bank balances	568,038	631,304	493,541	305,956	259,081
Trade receivables	300,343	267,518	240,414	-	-
Service concession receivables	6,905	6,113	6,248	-	-
Other receivables and prepayments	218,979	204,550	141,233	907,712	918,580
Inventories	31,654	25,370	13,777	-	-
Prepaid leases	1,826	2,134	736	-	-
	1,127,745	1,136,989	895,949	1,213,668	1,177,661
Assets classified as held for sale	60,066	55,546	55,645	-	-
Total current assets	1,187,811	1,192,535	951,594	1,213,668	1,177,661
Non-current assets:					
Contract assets	313,830	291,801	9,412	-	-
Service concession receivables	680,820	672,826	597,191	-	-
Other receivables and prepayments	32,658	32,163	15,577	-	-
Prepaid leases	86,996	85,850	39,996	-	-
Subsidiaries	-	-	-	620,953	595,233
Associates	29,126	29,720	17,807	10,588	10,588
Property, plant and equipment	882,686	720,545	374,470	289	309
Goodwill	255,365	255,365	255,365	-	-
Intangible assets	276,918	252,636	271,894	200	200
Available-for-sale financial asset	3,747	2,660	-	-	-
Deferred tax assets	524	470	1,111	-	-
Total non-current assets	2,562,670	2,344,036	1,582,823	632,030	606,330
Total assets	3,750,481	3,536,571	2,534,417	1,845,698	1,783,991
LIABILITIES AND EQUITY					
Current liabilities:					
Bank loans	197,147	197,070	76,499	-	-
Medium term notes	224,849	224,559	-	224,850	224,559
Trade payables	800,507	692,519	301,029	-	-
Other payables	94,037	85,587	77,849	171,130	172,883
Finance leases	113	116	161	39	39
Income tax payable	60,280	55,336	29,273	-	-
	1,376,933	1,255,187	484,811	396,019	397,481
Liabilities directly associated with assets classified as held for sale	8,338	4,779	31,952	-	-
Total current liabilities	1,385,271	1,259,966	516,763	396,019	397,481
Non-current liabilities:					
Bank loans	349,266	387,725	256,868	-	-
Finance leases	210	236	169	129	139
Medium term notes	-	-	223,449	-	-
Deferred tax liabilities	55,287	52,294	45,432	-	-
Total non-current liabilities	404,763	440,255	525,918	129	139

	Group 31/3/2018 \$'000	Group 31/12/2017 \$'000 (Restated)	Group 1/1/2017 \$'000 (Restated)	Company 31/3/2018 \$'000	Company 31/12/2017 \$'000
Capital, reserves and non-controlling interests:					
Share capital	693,475	622,741	608,063	693,475	622,741
Perpetual capital securities	717,600	717,600	481,250	717,600	717,600
General reserve	10,569	10,569	7,414	-	-
Capital reserve	6,073	6,073	2,096	-	-
Share option reserve	21,848	21,848	27,782	21,848	21,848
Currency translation reserve	(2,071)	(19,156)	(11,999)	(3,879)	(13,005)
Retained earnings	355,132	324,419	260,981	20,506	37,187
Equity attributable to owners of the Company	1,802,626	1,684,094	1,375,587	1,449,550	1,386,371
Non-controlling interests	157,821	152,256	116,149		-
Total equity	1,960,447	1,836,350	1,491,736	1,449,550	1,386,371
Total liabilities and equity	3,750,481	3,536,571	2,534,417	1,845,698	1,783,991

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

<u>As at 31/3/2018</u>		<u>As at 31/12/2017 (Restated)</u>	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
197,260	224,849	197,186	224,559

Amount repayable after one year

<u>As at 31/3/2018</u>		<u>As at 31/12/2017 (Restated)</u>	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
349,476	-	387,961	-

Details of any collateral

1. The finance leases of \$323,000 (31 December 2017: \$352,000) is secured over the Group's motor vehicles.
2. The bank loans of \$546,413,000 (31 December 2017: \$584,795,000) are secured over the concession receivables, intangible assets, treatment plants, prepaid lease and leasehold buildings of its subsidiaries.

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

	Group 3 months ended 31/3/2018 \$'000	Group 3 months ended 31/3/2017 \$'000 (Restated)
Operating activities		
Profit before income tax	58,164	24,568
Adjustments for:		
Interest income	(769)	(550)
Interest expense	9,270	6,162
Share of loss/(profit) of associates	594	(155)
Depreciation and amortisation expense	8,229	6,298
Share option expense	-	408
Loss on disposal of subsidiary	-	781
Exchange differences arising on foreign currency translation	(8,732)	(2,203)
Operating profit before working capital changes	66,756	35,309
Contract assets	(32,582)	(14,970)
Trade receivables	(22,028)	(10,023)
Other receivables and prepayments	(14,958)	(19,643)
Inventories	(6,300)	(7,412)
Trade payables	(41,374)	13,198
Other payables	(7,530)	(8,317)
Cash used in from operations	(58,016)	(11,858)
Interest received	769	550
Interest paid	(6,372)	(3,219)
Income tax paid	(6,483)	(5,127)
Net cash used in operating activities	(70,102)	(19,654)
Investing activities		
Acquisition of non-controlling shareholders in a subsidiary	-	(1,316)
Addition to intangible assets	(307)	(3,822)
Addition to prepaid leases	-	(17,584)
Addition to property, plant and equipment	(27,928)	(24,850)
Addition to available-for-sale financial asset	(1,087)	-
Addition to deposits for investment projects	-	(51,042)
Investment in associates	-	(6,967)
Disposal of subsidiary	-	21,718
Net cash used in investing activities	(29,322)	(83,863)

	Group 3 months ended 31/3/2018 \$'000	Group 3 months ended 31/3/2017 \$'000 (Restated)
Financing activities		
Contribution from non-controlling shareholders	2,329	2,262
New bank loans raised	5,053	33,100
Proceeds from issuing shares	70,734	-
Repayment of obligations under finance lease	(29)	(29)
Repayment of bank borrowings	(45,233)	(12,872)
Share buy-back and cancellation of shares	-	(3,213)
Net cash from financing activities	32,854	19,248
Net decrease in cash and cash equivalents	(66,570)	(84,269)
Cash and cash equivalents at beginning of period	631,304	493,541
Net effect of exchange rate changes on the balance and cash held in foreign currencies	3,304	(9,798)
Cash and cash equivalents at end of period	568,038	399,474

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.

	Share capital \$'000	Perpetual capital securities \$'000	General reserve \$'000	Capital reserve \$'000	Share option reserves \$'000	Currency translation reserve \$'000	Retained earnings \$'000	Total equity attributable to owners of the Company \$'000	Non controlling interests \$'000	Total equity \$'000
Group										
At 1 January 2018 (Restated)	622,741	717,600	10,569	6,073	21,848	(19,156)	324,419	1,684,094	152,256	1,836,350
Profit for the year	-	-	-	-	-	-	39,332	39,332	2,410	41,742
Other comprehensive income for the period						17,085	-	17,085	826	17,911
Total comprehensive income for the period	-	-	-	-	-	17,085	39,332	56,417	3,236	59,653
Issuance of new shares	70,734	-	-	-	-	-	-	70,734	-	70,734
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	947	947
Incorporation of subsidiaries	-	-	-	-	-	-	-	-	1,382	1,382
Dividend payable	-	-	-	-	-	-	(8,619)	(8,619)	-	(8,619)
At 31 March 2018 (Restated)	693,475	717,600	10,569	6,073	21,848	(2,071)	355,132	1,802,626	157,821	1,960,447

	Share capital \$'000	Perpetual capital securities \$'000	General reserve \$'000	Capital reserve \$'000	Share option reserves \$'000	Currency translation reserve \$'000	Retained earnings \$'000	Total equity attributable to owners of the Company \$'000	Non controlling interests \$'000	Total equity \$'000
Group										
At 1 January 2017 (Restated)	608,063	481,250	7,414	2,096	27,782	(11,999)	260,981	1,375,587	116,149	1,491,736
Profit for the year	-	-	-	-	-	-	16,354	16,354	717	17,071
Other comprehensive loss for the period	-	-	-	-	-	(19,676)	-	(19,676)	(3,475)	(23,151)
Total comprehensive (loss)/income for the period	-	-	-	-	-	(19,676)	16,354	(3,322)	(2,758)	(6,080)
Recognition of share based payment	-	-	-	-	408	-	-	408	-	408
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	946	946
Share buy-back and cancellation of shares	(3,213)	-	-	-	-	-	-	(3,213)	-	(3,213)
Dividend payable	-	-	-	-	-	-	(6,147)	(6,147)	-	(6,147)
At 31 March 2017 (Restated)	604,850	481,250	7,414	2,096	28,190	(31,675)	271,188	1,363,313	114,337	1,477,650

	Share capital \$'000	Perpetual capital securities \$'000	Share option reserve \$'000	Currency translation reserve \$'000	Retained earnings \$'000	Total \$'000
<u>Company</u>						
At 1 January 2018	622,741	717,600	21,848	(13,005)	37,187	1,386,371
Loss for the year	-	-	-	-	(16,681)	(16,681)
Other comprehensive income for the period	-	-	-	9,126	-	9,126
Total comprehensive income/(loss) for the period	-	-	-	9,126	(16,681)	(7,555)
Issuance of new shares	70,734	-	-	-	-	70,734
Recognition of share-based payment	-	-	-	-	-	-
Issuance of shares on placement	-	-	-	-	-	-
At 31 March 2018	693,475	717,600	21,848	(3,879)	20,506	1,449,550

	Share capital \$'000	Perpetual capital securities \$'000	Share option reserve \$'000	Currency translation reserve \$'000	Retained earnings \$'000	Total \$'000
<u>Company</u>						
At 1 January 2017	608,063	481,250	27,782	7,160	22,921	1,147,176
Loss for the year	-	-	-	-	(8,080)	(8,080)
Other comprehensive loss for the period	-	-	-	(11,539)	-	(11,539)
Total comprehensive loss for the period	-	-	-	(11,539)	(8,080)	(19,619)
Recognition of share-based payment	-	-	408	-	-	408
Share buy-back and cancellation of shares	(3,213)	-	-	-	-	(3,213)
Dividend payable	-	-	-	-	(6,147)	(6,147)
At 31 March 2017	604,850	481,250	28,190	(4,379)	8,694	1,118,605

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.

During the period, the company issued 83,216,080 new ordinary shares in the capital of the Company. Subsequent to the issuance, the issued share capital of the company increased from 2,284,973,276 shares to 2,368,189,356 shares.

The total number of shares that may be issued on conversion of all the outstanding employee shares options were 74,009,200 (31 March 2017: 107,185,000).

The perpetual capital securities comprised USD355 million (31 March 2017: 355 million) issued at 5.45% per annum; and S\$240 million (31 March 2017: Nil) issued at 3.9% per annum.

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.

	31/3/2017	31/12/2017
Total number of issues shares ('000)	2,368,189	2,284,973

The company does not have any treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

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 were no sales, transfers, disposal, cancellation and/or use of treasury shares 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 or reviewed.

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 accounting policies and methods of computation are the same as in the Company's audited consolidated financial statements for the financial year ended 31 December 2017. The new and revised FRSs and Interpretation of FRS ("INT FRS") that are effective from 1 January 2018 have no material effect on the amounts reported for the current or prior year, except for SFRS(I) 15 *Revenue from Contracts with Customers*.

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.**

With the adoption of SFRS(I) 15 *Revenue from Contracts with Customers*, which is effective from 1 January 2018, the effect is as follows.

	<u>First Quarter 2017</u>	
	Reported under SFRS \$'000	Reported under SFRS(I) \$'000
<u>Group Consolidated Statement of Comprehensive Income</u>		
Revenue	113,730	111,194
Profit for the period	<u>17,818</u>	<u>17,071</u>
Attributable to:		
Owners of the Company	17,026	16,354
Non-controlling interests	792	717
	<u>17,818</u>	<u>17,071</u>
Earnings per share (cents)		
- basic	0.76	0.73
- diluted	0.72	0.69
Adjusted earnings per share (cents)		
- basic	0.48	0.45
- diluted	0.46	0.43
	<u>As at 31.12.2017</u>	
	Reported under SFRS \$'000	Reported under SFRS(I) \$'000
<u>Group Consolidated Balance Sheet</u>		
Non-current assets	2,416,235	2,344,036
Current liabilities	1,327,399	1,259,966
Total equity	1,841,116	1,836,350
Net assets value per share (cents)	80.57	80.37

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 31/3/2018	Group 31/3/2017 (Restated)
Net profit attributable to shareholders of the Company (\$'000)	39,332	16,354
Weighted average number of shares in issue (in '000) for computation of Basic EPS	2,288,672	2,252,942
Earnings per share (cents) - Basic	1.72	0.73
Weighted average number of shares in issue (in '000) for computation of Diluted EPS	2,362,681	2,360,127
Earnings per share (cents) – Diluted	1.66	0.69

	Group 31/3/2018	Group 31/3/2017 (Restated)
Adjusted EPS		
Net profit attributable to shareholders of the Company adjusted for dividends attributable to perpetual capital securities (\$'000)	30,713	10,207
Weighted average number of shares in issue (in '000) for computation of Basic EPS	2,288,672	2,252,942
Earnings per share (cents) - Basic	1.34	0.45
Weighted average number of shares in issue (in '000) for computation of Diluted EPS	2,362,681	2,360,127
Earnings per share (cents) – Diluted	1.30	0.43

For the purpose of calculating diluted EPS, assumption was made that all the employee share options will be converted to ordinary shares.

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 31/3/2018	Group 31/12/2017 (Restated)	Company 31/3/2018	Company 31/12/2017
Net asset value (\$'000)	1,960,447	1,836,350	1,449,550	1,386,371
Net asset value per share (cents)	82.78	80.37	61.21	60.67

The net asset value per share is calculated based on the issued share capital 2,368,189,356 of (31 December 2017: 2,284,973,276).

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.

Statement of comprehensive income

The Group's revenue for the current period was \$259.2 million, which was \$148.0 million or 133.1% higher than last corresponding period ended 31 March 2017 of \$111.2 million. The breakdown of the revenue was as follows:

	Group 3 months ended 31/3/2018 \$'million	Group 3 months ended 31/3/2017 \$'million (Restated)	% increase/ (decrease)
Engineering revenue	121.9	53.8	126.6
Membrane system sales	90.9	19.7	361.4
	212.8	73.5	189.5
Treatment revenue *	46.4	37.7	23.1
Total	259.2	111.2	133.1

* Included finance income from service concessions.

The increase was mainly due to the increase in engineering business from \$53.8 million to \$121.9 million, representing an increase of \$68.1 million or 126.6%; and membrane system sales from \$19.7 million to \$90.9 million, representing an increase of \$71.2 million or 361.4%.

Other income was \$8.3 million, which was \$6.6 million or 44.4% lower than last corresponding period ended 31 March 2017 of \$14.9 million. The decrease was mainly due to the government grant of \$12.8 million in the prior period.

Gross profit analysis for engineering and membrane segments

	Group 3 months ended 31/3/2018 \$'million	Group 3 months ended 31/3/2017 \$'million (Restated)
Engineering revenue	121.9	53.8
Membrane system sales	90.9	19.7
Total	212.8	73.5
Changes in inventories	5.9	7.3
Material purchased, consumables used and subcontractors' fees#	(148.0)	(58.0)
Gross profit	70.7	22.8
GP margin (%)	33.2%	31.0%

Material purchased, consumables used and subcontractors' fees related to engineering and membrane division only.

Materials purchased, consumables used and subcontractors' fees increased to \$168.2 million from \$67.7 million, representing an increase of \$100.5 million or 148.6% as compared to the last corresponding period ended 31 March 2017. The increase was consistent with the increase in engineering revenue and membrane system sales from \$73.5 million to \$212.8 million, representing an increase of \$139.3 million or 189.5% as compared to the last corresponding period ended 31 March 2017.

Finance costs increased to \$9.3 million from \$6.2 million, representing an increase of \$3.1 million or 50.4% as compared to the last corresponding period ended 31 March 2017. The increase was mainly due to additional finance costs arising from the new bank borrowings.

Profit after tax increased to \$41.7 million from \$17.1 million, representing an increase of \$24.6 million or 144.5% as compared to the last corresponding period ended 31 March 2017.

Statement of financial position

The Group's non-current assets increased from \$2,344.0 million as at 31 December 2017 to \$2,562.7 million as at 31 March 2018. The Increase was mainly due to additions to property, plant and equipment of \$162.1 million.

The Group's current liabilities increased from \$1,260.0 million as at 31 December 2017 to \$1,385.3 million as at 31 March 2018. The increase was mainly due to increase trade payables from \$692.5 million as at 31 December 2017 to \$800.5 million, an increase of \$108.0 million.

The Group's total equity increased from \$1,836.4 million as at 31 December 2017 to \$1,960.4 million as at 31 March 2018. The increase was mainly due to placement of 83,216,080 of new ordinary shares in the capital of the Company during the period.

Statement of cash flow

The net cash used in operating activities of the group increased to \$70.1 million from \$19.7 million in the last corresponding period ended 31 March 2017. The net cash used in operating activities for the current period was mainly due to cash outflow of \$59.4 million for the construction of the investment projects and \$48.5 million for the Build-Transfer projects during the period.

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

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.

Following the 19th National Congress of the Communist Party of China in Beijing in October 2017, the Chinese government declared that more efforts will be put into improving and building a "clean and beautiful China". The government's latest vision on environmental regulation focuses on promoting green development initiatives, solving prominent environmental problems, intensifying the protection of ecosystems and reforming the environmental regulation system. Environmental management and protection continues to be urgent issues that need to be addressed by China, and this translates to immense growth opportunities for the environmental protection industry.

In March 2018, China reiterated its stand on environmental protection with the formation of the new Ministry of Ecological Environment, which has sweeping powers to curb pollution. It is a major step to protect the environment and will help prevent systemic destruction of China's ecology.

China's stringent policies on pollution protection will continue to generate new opportunities for CEL. CEL with its advance environmental technologies and proven track record is poised to tap on the growing market to meet these demands.

The Group continues its strong momentum in securing more environmental projects and is on track to deliver comprehensive and sustainable solutions to tackle environmental pollution.

On 28 March 2018, CEL completed the share placement of an aggregate of 83,216,080 new ordinary shares in the capital of the Company to New Resources LLC. The new shares in the capital of the Company was at a placement price of S\$0.85 cents per placement share and raised approximately S\$70 million in gross proceeds to fund CEL's expansion plans.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No

Name of Dividend	N/A
Dividend Type	N/A
Dividend Amount per Share (in cents)	N/A
Optional:- Dividend Rate (in %)	N/A
Par value of shares	N/A
Tax Rate	N/A

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

Name of Dividend	N/A
Dividend Type	N/A
Dividend Amount per Share (in cents)	N/A
Optional:- Dividend Rate (in %)	N/A
Par value of shares	N/A
Tax Rate	N/A

(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/recommended.

13. Related parties and interested person transactions

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”).

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer’s most recently audited annual financial statements, with comparative information for the immediately preceding year.

Not Applicable

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not Applicable

16. A breakdown of sales.

Not Applicable

17. A breakdown of the total annual dividend (in dollar value) for the issuer’s latest full year and its previous full year.

Not Applicable

18. Persons occupying managerial positions who are related to the directors, Chief Executive Officer or substantial shareholders

Not applicable

19. Confirmation that the issuer has procured undertakings from all its directors and executive officers

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

Statement by Directors

Pursuant to SGX Listing Rule 705(5)

To the best of our knowledge and belief, nothing has come to the attention of the Directors of the Company which may render the First Quarter Results of the Group for the period ended 31 March 2018 to be false or misleading. The financial statements and other information included in this report, present fairly in all material respects the financial condition, results of operations and cash flows of the Group of, and for the periods presented in this report.

On behalf of the Board

**Hao Weibao
Director**

**Dr Lin Yucheng
Director**

BY ORDER OF THE BOARD

**Lotus Isabella Lim Mei Hua
Company secretary
25 April 2018**