

**Financial Statements and Related Announcement::Third Quarter Results****Issuer & Securities**

<b>Issuer/ Manager</b>	UPP HOLDINGS LIMITED
<b>Securities</b>	UPP HOLDINGS LIMITED - SG1K55001665 - U09
<b>Stapled Security</b>	No

**Announcement Details**

<b>Announcement Title</b>	Financial Statements and Related Announcement
<b>Date &amp; Time of Broadcast</b>	10-Nov-2017 17:06:35
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<b>Announcement Sub Title</b>	Third Quarter Results
<b>Announcement Reference</b>	SG171110OTHRRAA8
<b>Submitted By (Co./ Ind. Name)</b>	Koh Wan Kai
<b>Designation</b>	Executive Director
<b>Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)</b>	Please see the attachment.

**Additional Details**

<b>For Financial Period Ended</b>	30/09/2017
<b>Attachments</b>	<a href="#">U\UPP3QFY2017ResultsAnnouncement.pdf</a> Total size =396K



**Unaudited Financial Statement And Dividend Announcement for the Third Quarter and Nine Months Ended 30 September 2017**

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

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

1(a)(i) Statement of comprehensive income for the third quarter and nine months ended 30 September 2017

		Group					
Note		3 <sup>rd</sup> quarter ended 30 September 2017	3 <sup>rd</sup> quarter ended 30 September 2016	Increase / (decrease)	9 months ended 30 September 2017	9 months ended 30 September 2016	Increase / (decrease)
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Revenue</b>	(a)	447,322	14,836	2,915	1,089,904	47,048	2,217
Cost of sales	(b)	(402,387)	(10,484)	3,738	(981,604)	(32,686)	2,903
<b>Gross profit</b>		44,935	4,352	933	108,300	14,362	654
Other gains/(losses), net		2,429	837	190	(39)	(1,554)	(97)
Distribution expenses		(6,616)	(310)	2,034	(17,164)	(1,017)	1,588
Selling and administrative expenses		(20,019)	(1,375)	1,356	(47,652)	(4,268)	1,016
Finance expenses		(5,001)	(1)	500,000	(12,408)	(3)	413,500
<b>Profit before income tax</b>		15,728	3,503	349	31,037	7,520	313
Income tax expense		(3,576)	(3)	119,100	(6,965)	(12)	57,942
<b>Net profit</b>	(c)	12,152	3,500	247	24,072	7,508	221
<b>Other comprehensive income/(loss):</b>							
<b>Items that may be reclassified subsequently to profit or loss:</b>							
Available-for-sale financial assets							
- Fair value changes		11	838	(99)	58	791	(93)
Currency translation differences arising from consolidation							
- Losses		(2,023)	(822)	146	(3,888)	(1,374)	183
<b>Other comprehensive income/(loss), net of tax</b>		(2,012)	16	nm	(3,830)	(583)	557
<b>Total comprehensive income</b>		10,140	3,516	188	20,242	6,925	192
<b>Profit attributable to:</b>							
Equity holders of the Company		9,448	3,374	180	18,607	7,099	162
Non-controlling interests		2,704	126	2,046	5,465	409	1,236
		12,152	3,500	247	24,072	7,508	221
<b>Total comprehensive income attributable to:</b>							
Equity holders of the Company		8,030	3,485	130	15,296	6,507	135
Non-controlling interests		2,110	31	6,706	4,946	418	1,083
		10,140	3,516	188	20,242	6,925	192

**Footnotes:**

(a) Revenue comprises the following:

	Group					
	3 <sup>rd</sup> quarter ended 30 September 2017	3 <sup>rd</sup> quarter ended 30 September 2016	Increase / (decrease)	9 months ended 30 September 2017	9 months ended 30 September 2016	Increase / (decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Sales of goods						
- Paper products	14,038	11,286	24	39,867	36,922	8
- Building products	430,620	-	nm	1,040,816	-	nm
Finance income	1,477	1,538	(4)	4,567	4,777	(4)
Operating and maintenance income	1,187	2,012	(41)	4,654	5,349	(13)
	447,322	14,836	2,915	1,089,904	47,048	2,217

(b) The cost of sales includes the following:

	Group					
	3 <sup>rd</sup> quarter ended 30 September 2017	3 <sup>rd</sup> quarter ended 30 September 2016	Increase / (decrease)	9 months ended 30 September 2017	9 months ended 30 September 2016	Increase / (decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Costs of goods sold						
- Paper products	11,826	9,080	30	33,076	29,034	14
- Building products	389,558	-	nm	945,089	-	nm
Operating and maintenance fees	810	1,189	(32)	2,813	3,004	(6)
Others	193	215	(10)	626	648	(3)
	402,387	10,484	3,738	981,604	32,686	2,903

(c) Profit for the period included the following:

	Group					
	3 <sup>rd</sup> quarter ended 30 September 2017	3 <sup>rd</sup> quarter ended 30 September 2016	Increase / (decrease)	9 months ended 30 September 2017	9 months ended 30 September 2016	Increase / (decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Depreciation of property, plant and equipment	(1,808)	(641)	182	(4,995)	(1,932)	159
Amortisation of deferred gain	116	-	nm	274	-	nm
Gain/(loss) on disposal of property, plant and equipment	49	-	nm	(81)	4	nm
Gain on disposal of asset held-for-sale	-	-	-	1,161	-	nm
Inventories written-down	(287)	-	nm	(799)	-	nm
Reversal of impairment of trade receivables	64	33	94	64	67	(4)
Bad debts written off	(163)	-	nm	(141)	-	nm
Currency exchange gain/(loss), net	2,574	703	266	(1,777)	(1,996)	(11)
Dividend income from available-for-sale financial assets	-	-	-	96	-	nm
Interest income	11	96	(89)	47	347	(86)
Interest expense	(5,001)	(1)	500,000	(12,408)	(3)	413,500
Net fair value loss on derivatives	(333)	-	nm	(203)	-	nm
Over/(under) provision of tax in respect of prior years	17	-	nm	(238)	-	nm

nm - 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		Company	
	30/09/2017	31/12/2016	30/09/2017	31/12/2016
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current Assets</b>				
Property, plant and equipment	89,174	47,195	10	77
Investments in subsidiary corporations	-	-	20,533	15,694
Available-for-sale financial assets	3,516	3,458	-	-
Service concession receivables*	30,634	38,109	-	-
Other receivables	-	-	16,975	22,609
Goodwill on consolidation	45,898	-	-	-
Deferred income tax assets	1,977	-	-	-
<b>Total Non-current Assets</b>	<b>171,199</b>	<b>88,762</b>	<b>37,518</b>	<b>38,380</b>
<b>Current Assets</b>				
Inventories	135,180	5,282	-	-
Service concession receivables*	16,160	17,219	-	-
Trade receivables	173,764	12,211	333	113
Other receivables	681	787	104,015	53,511
Prepaid operating expenses	2,060	165	50	22
Cash and bank balances	16,584	57,184	3,068	51,473
	344,429	92,848	107,466	105,119
Assets held-for-sale	7,742	8,494	-	-
<b>Total Current Assets</b>	<b>352,171</b>	<b>101,342</b>	<b>107,466</b>	<b>105,119</b>
<b>Current Liabilities</b>				
Trade payables and accruals	(104,156)	(5,389)	(853)	(833)
Other payables	(77)	(288)	(56)	(78)
Derivatives	(246)	-	-	-
Revolving credit facility	(68,327)	-	-	-
Bank borrowings	(13,000)	-	-	-
Current portion of finance lease obligations	(2,467)	-	-	-
Current portion of long term debts	(266)	-	-	-
Income tax payables	(5,751)	-	-	-
<b>Total Current Liabilities</b>	<b>(194,290)</b>	<b>(5,677)</b>	<b>(909)</b>	<b>(911)</b>
<b>Net Current Assets</b>	<b>157,881</b>	<b>95,665</b>	<b>106,557</b>	<b>104,208</b>
<b>Non-current Liabilities</b>				
Bank borrowings	(11,250)	-	-	-
Finance lease obligations	(24,962)	-	-	-
Long term debts	(909)	-	-	-
Deferred gains	(3,495)	-	-	-
Provisions	(1,267)	-	-	-
Subordinated notes	(104,107)	-	-	-
Deferred income tax liabilities	(685)	(685)	-	-
<b>Total Non-current Liabilities</b>	<b>(146,675)</b>	<b>(685)</b>	<b>-</b>	<b>-</b>
<b>Net Assets</b>	<b>182,405</b>	<b>183,742</b>	<b>144,075</b>	<b>142,588</b>
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	150,519	140,578	150,519	140,578
Retained profits/(accumulated losses)	65,009	55,168	(6,518)	1,936
Other reserves	(20,260)	(16,949)	74	74
	195,268	178,797	144,075	142,588
<b>Non-controlling interests</b>	<b>(12,863)</b>	<b>4,945</b>	<b>-</b>	<b>-</b>
<b>Total Equity</b>	<b>182,405</b>	<b>183,742</b>	<b>144,075</b>	<b>142,588</b>

\* The Group recognised service concession receivables as it has a contractual right under the concession agreement to receive a fixed and determinable amount of payments during the concession period irrespective of the usage of the plant. The service concession receivables are measured on initial recognition at its fair value. Subsequent to initial recognition, the service concession receivables are measured at amortised cost using the effective interest rate method.

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

**(a) Amount repayable in one year or less, or on demand**

As at 30/09/2017		As at 31/12/2016	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
71,060	13,000	-	-

**(b) Amount repayable after one year**

As at 30/09/2017		As at 31/12/2016	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
25,871	115,357	-	-

**(c) Details of any collaterals**

The Group's secured borrowings comprise revolving credit facility, long-term debt and finance leases.

The revolving credit facility is secured by a first perfected security interest in all personal property of the Taiga Building Products Ltd. ("Taiga") and certain of its subsidiary corporations.

The long-term debt is secured by the real estate property of one of the Group's subsidiary corporations in United States.

Finance lease liabilities of the Group are effectively secured over the leased property, plant and equipment as the legal title is retained by the lessor and will be transferred to the Group upon full settlement of the finance lease liabilities.

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**

	3 <sup>rd</sup> quarter ended 30 September 2017	3 <sup>rd</sup> quarter ended 30 September 2016	9 months ended 30 September 2017	9 months ended 30 September 2016
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from operating activities</b>				
Profit before income tax	15,728	3,503	31,037	7,520
Adjustments for:				
Depreciation of property, plant and equipment	1,808	641	4,995	1,932
Amortisation of deferred gain	(116)	-	(274)	-
(Gain)/loss on disposal of property, plant and equipment	(49)	-	81	(4)
Gain on disposal of asset held-for-sale	-	-	(1,161)	-
Provisions	(54)	-	(341)	-
Reversal of impairment of trade receivables	(64)	(33)	(64)	(67)
Net fair value loss on derivatives	333	-	203	-
Finance income	(1,477)	(1,538)	(4,567)	(4,777)
Interest income	(11)	(96)	(47)	(347)
Interest expenses	5,001	1	12,408	3
Unrealised currency translation losses/(gains)	2,397	(988)	7,593	1,682
Operating cash flows before working capital changes	23,496	1,490	49,863	5,942
Changes in working capital				
Inventories	14,477	(1,299)	3,786	(782)
Service concession receivables	8,115	1,077	11,384	8,139
Trade receivables	15,000	1,307	(61,236)	617
Other receivables	502	(177)	1,808	(29)
Prepaid operating expenses	354	49	498	(31)
Trade payables and accruals	10,953	(10)	33,946	321
Other payables	(57)	(6)	(211)	11
Cash generated from operations	72,840	2,431	39,838	14,188
Interest received	11	64	47	219
Interest paid	(1,990)	(1)	(5,263)	(3)
Income tax paid	(4,322)	(3)	(6,480)	(12)
<b>Net cash provided by operating activities</b>	<b>66,539</b>	<b>2,491</b>	<b>28,142</b>	<b>14,392</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(1,529)	(333)	(3,219)	(976)
Proceeds from disposal of property, plant and equipment	52	-	755	4
Proceeds from disposal of asset held-for-sale	-	-	1,896	-
Net cash outflow on acquisition of a subsidiary corporation (Note A)	-	-	(87,184)	-
Purchase of available-for-sale financial assets	-	-	-	(2,821)
Acquisition of subordinated notes	-	-	(57,302)	-
<b>Net cash used in investing activities</b>	<b>(1,477)</b>	<b>(333)</b>	<b>(145,054)</b>	<b>(3,793)</b>
<b>Cash flows from financing activities</b>				
Acquisition of non-controlling interests	-	-	(4,862)	-
Net proceeds from shares placement	-	-	9,941	-
Repayment of obligations under finance leases	(533)	-	(1,639)	-
Repayment of long term debts	(67)	-	(204)	-
Proceeds from bank borrowings	1,000	-	35,000	-
Repayment of bank borrowings	(750)	-	(10,750)	-
Subordinated notes interest paid	(3,147)	-	(7,640)	-
Dividend paid to equity holders of the Company	(4,383)	(4,183)	(8,766)	(12,550)
Dividend paid by a subsidiary corporation to non-controlling interest	-	-	-	(398)
<b>Net cash (used in)/provided by financing activities</b>	<b>(7,880)</b>	<b>(4,183)</b>	<b>11,080</b>	<b>(12,948)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>57,182</b>	<b>(2,025)</b>	<b>(105,832)</b>	<b>(2,349)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>(107,031)</b>	<b>52,929</b>	<b>57,184</b>	<b>54,893</b>
<b>Effects of currency translation on cash and cash   equivalents</b>	<b>(1,894)</b>	<b>432</b>	<b>(3,095)</b>	<b>(1,208)</b>
<b>Cash and cash equivalents at end of period</b>	<b>(51,743)</b>	<b>51,336</b>	<b>(51,743)</b>	<b>51,336</b>

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 (cont'd)**

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following balance sheet amounts:

	<b>3<sup>rd</sup> quarter ended 30 September 2017</b>	<b>3<sup>rd</sup> quarter ended 30 September 2016</b>	<b>9 months ended 30 September 2017</b>	<b>9 months ended 30 September 2016</b>
	S\$'000	S\$'000	S\$'000	S\$'000
Cash and bank balances	16,584	51,336	16,584	51,336
Revolving credit facility ( <b>Note B</b> )	(68,327)	-	(68,327)	-
	<u>(51,743)</u>	<u>51,336</u>	<u>(51,743)</u>	<u>51,336</u>

**Note A**

**Acquisition of Taiga Building Products Ltd. ("Taiga")**

On 31 January 2017, the Company through its wholly-owned subsidiary corporation, UPP Investments Canada Limited ("UPP Canada") acquired 58.34% interest in Taiga, a public company incorporated in Canada and listed on the Toronto Stock Exchange for a cash consideration of C\$18,908,208. Taiga is a wholesale distributor of building materials.

The purchase price allocation ("PPA") exercise in respect of the acquisition of Taiga has not been carried out as of 30 September 2017. The Group has 12 months from the date of acquisition to finalise the fair value measurement and accounting as allowed under FRS 103 Business Combinations. At the date of acquisition, the Group recognised a provisional goodwill of S\$45,479,000 (C\$41,992,000) based on provisional fair value of assets and liabilities of Taiga. For 3Q2017, the goodwill was translated at the prevailing exchange rate which amounted to S\$45,898,000.

<u>Provisional fair value of assets acquired and recognised at the date of acquisition*</u>	<u>S\$'000</u>
Current assets	245,707
Non-current assets	46,435
Current liabilities	(142,824)
Non-current liabilities	(192,177)
Total identifiable net liabilities at fair value	<u>(42,859)</u>
Non-controlling interest measures at fair value	17,857
	<u>(25,002)</u>
Goodwill	45,479
Consideration transferred for the business	<u>20,477</u>
<u>Net cash outflow arising from the acquisition</u>	<u>S\$'000</u>
Cash consideration paid	(20,477)
Add: Revolving credit facility which form part of cash and cash equivalents	(66,707)
Net cash outflow on acquisition	<u>(87,184)</u>

\*The fair value of assets acquired and liabilities recognised on the acquisition of Taiga presented may be subjected to changes upon the completion and finalisation of the PPA exercise.

**Note B**

**Revolving credit facility**

The revolving credit facility consists of Taiga's cash on hand less cheques issued and the Taiga's outstanding revolving credit facility balance. Taiga's cash flow statement reflects the net change in its revolving credit facility. The revolving credit facility forms an integral part of Taiga's cash management and fluctuates directly as a result of its cash flows from operating, investing and financing activities.

On November 25, 2013, Taiga renewed its senior credit facility with a syndicate of lenders led by JPMorgan Chase Bank (the "Facility"). The Facility was increased from C\$200 million to C\$225 million, with an option to increase the limit by up to C\$50 million. The Facility continues to bear interest at variable rates plus variable margins, is secured by a first perfected security interest in all personal property of the Taiga Group of entities and will mature on November 25, 2018. Taiga's ability to borrow under the Facility is based upon a defined percentage of accounts receivables and inventories.

- 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

## THE GROUP

### Consolidated statement of changes in equity for the period ended 30 September 2017

	Share capital	Retained profits	Capital reserve	Foreign currency translation reserve	Fair value reserve	Total reserves	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>1H 2017</b>								
<b>Balance at 1 January 2017</b>	<b>140,578</b>	<b>55,168</b>	<b>712</b>	<b>(18,298)</b>	<b>637</b>	<b>(16,949)</b>	<b>4,945</b>	<b>183,742</b>
Profit for the period	-	9,159	-	-	-	-	2,761	11,920
Other comprehensive (loss)/income for the period	-	-	-	(1,940)	47	(1,893)	75	(1,818)
Total comprehensive income for the period	-	9,159	-	(1,940)	47	(1,893)	2,836	10,102
Share placement	10,000	-	-	-	-	-	-	10,000
Share placement expenses	(59)	-	-	-	-	-	-	(59)
Acquisition of a subsidiary corporation	-	-	-	-	-	-	(17,857)	(17,857)
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	(4,897)	(4,897)
Total transactions with owners in their capacity as owners	9,941	-	-	-	-	-	(22,754)	(12,813)
Dividend relating to 2016 paid	-	(4,383)	-	-	-	-	-	(4,383)
<b>Balance at 30 June 2017</b>	<b>150,519</b>	<b>59,944</b>	<b>712</b>	<b>(20,238)</b>	<b>684</b>	<b>(18,842)</b>	<b>(14,973)</b>	<b>176,648</b>
<b>3Q 2017</b>								
Profit for the period	-	9,448	-	-	-	-	2,704	12,152
Other comprehensive (loss)/income for the period	-	-	-	(1,429)	11	(1,418)	(594)	(2,012)
Total comprehensive income/(loss) for the period	-	9,448	-	(1,429)	11	(1,418)	2,110	10,140
Dividend relating to 2017 paid	-	(4,383)	-	-	-	-	-	(4,383)
<b>Balance at 30 September 2017</b>	<b>150,519</b>	<b>65,009</b>	<b>712</b>	<b>(21,667)</b>	<b>695</b>	<b>(20,260)</b>	<b>(12,863)</b>	<b>182,405</b>

### Consolidated statement of changes in equity for the period ended 30 September 2016

	Share capital	Retained profits	Capital reserve	Foreign currency translation reserve	Fair value reserve	Total reserves	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>1H 2016</b>								
<b>Balance at 1 January 2016</b>	<b>140,578</b>	<b>55,155</b>	<b>712</b>	<b>(18,288)</b>	<b>-</b>	<b>(17,576)</b>	<b>5,277</b>	<b>183,434</b>
Profit for the period	-	3,725	-	-	-	-	283	4,008
Other comprehensive (loss)/income for the period	-	-	-	(656)	(47)	(703)	104	(599)
Total comprehensive income/(loss) for the period	-	3,725	-	(656)	(47)	(703)	387	3,409
Dividend relating to 2015 paid	-	(8,367)	-	-	-	-	-	(8,367)
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	(398)	(398)
<b>Balance at 30 June 2016</b>	<b>140,578</b>	<b>50,513</b>	<b>712</b>	<b>(18,944)</b>	<b>(47)</b>	<b>(18,279)</b>	<b>5,266</b>	<b>178,078</b>
<b>3Q 2016</b>								
Profit for the period	-	3,374	-	-	-	-	126	3,500
Other comprehensive (loss)/income for the period	-	-	-	(727)	838	111	(95)	16
Total comprehensive income/(loss) for the period	-	3,374	-	(727)	838	111	31	3,516
Dividend relating to 2016 paid	-	(4,183)	-	-	-	-	-	(4,183)
<b>Balance at 30 September 2016</b>	<b>140,578</b>	<b>49,704</b>	<b>712</b>	<b>(19,671)</b>	<b>791</b>	<b>(18,168)</b>	<b>5,297</b>	<b>177,411</b>



## THE COMPANY

### Statement of changes in equity for the period ended 30 September 2017

	Share capital	Retained profits/ (Accumulated losses)	Capital reserve	Total reserves	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>1H 2017</b>					
<b>Balance at 1 January 2017</b>	<b>140,578</b>	<b>1,936</b>	<b>74</b>	<b>74</b>	<b>142,588</b>
Total comprehensive loss for the period	-	(2,900)	-	-	(2,900)
Shares placement	10,000	-	-	-	10,000
Share placement expenses	(59)	-	-	-	(59)
Dividend relating to 2016 paid	-	(4,383)	-	-	(4,383)
<b>Balance at 30 June 2017</b>	<b>150,519</b>	<b>(5,347)</b>	<b>74</b>	<b>74</b>	<b>145,246</b>
<b>3Q 2017</b>					
Total comprehensive income for the period	-	3,212	-	-	3,212
Dividend relating to 2017 paid	-	(4,383)	-	-	(4,383)
<b>Balance at 30 September 2017</b>	<b>150,519</b>	<b>(6,518)</b>	<b>74</b>	<b>74</b>	<b>144,075</b>

### Statement of changes in equity for the period ended 30 September 2016

	Share capital	Retained profits/ (Accumulated losses)	Capital reserve	Total reserves	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>1H 2016</b>					
<b>Balance at 1 January 2016</b>	<b>140,578</b>	<b>5,759</b>	<b>74</b>	<b>74</b>	<b>146,411</b>
Total comprehensive loss for the period	-	(4,020)	-	-	(4,020)
Dividend relating to 2015 paid	-	(8,367)	-	-	(8,367)
<b>Balance at 30 June 2016</b>	<b>140,578</b>	<b>(6,628)</b>	<b>74</b>	<b>74</b>	<b>134,024</b>
<b>3Q 2016</b>					
Total comprehensive income for the period	-	709	-	-	709
Dividend relating to 2016 paid	-	(4,183)	-	-	(4,183)
<b>Balance at 30 September 2016</b>	<b>140,578</b>	<b>(10,102)</b>	<b>74</b>	<b>74</b>	<b>130,550</b>

- 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.**

There were no changes in the Company's share capital for the third quarter ended 30 September 2017.

Bonus warrants (the "Warrant") were issued by the Company on 16 February 2017 and the number of shares that may be issued on their conversion were 836,667,121 (30 September 2016: Nil).

The Warrants are only exercisable during the period commencing on and including the date six (6) months from the listing of the Warrants on the SGX-ST and expiring at 5.00 p.m. on the date immediately preceding the third (3rd) anniversary of the date of issue of the Warrants, subject to adjustments under certain circumstances as provided for under the terms and conditions of the Warrants set out in the deed poll constituting the Warrants.

The Company did not hold any treasury shares and no subsidiary holdings as at 30 September 2017 and 30 September 2016.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of current financial period and as at the end of the immediately preceding year**

	<b>Company</b>	
	<u>30.09.2017</u>	<u>31.12.2016</u>
Number of issued shares	876,667,121	836,667,121

The Company did not hold any treasury shares as at 30 September 2017 and 31 December 2016.

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

Not applicable.

- 1(d)(v) 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 nor reviewed by the Company's 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.**

Except as disclosed in Section 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current period as compared with those used in the audited financial statements for the 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 has adopted all the new and revised Singapore Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2017.

The adoption of the new and revised FRSs and INT FRSs does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior period.

**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>				
		3 <sup>rd</sup> quarter ended 30 September 2017	3 <sup>rd</sup> quarter ended 30 September 2016	9 months ended 30 September 2017	9 months ended 30 September 2016	
Earnings per ordinary share for the period based on profit attributable to equity holders of the Company						
(i)	Based on weighted average number of ordinary shares on issue	S\$ cents	1.09	0.40	2.16	0.84
(ii)	On a fully diluted basis	S\$ cents	1.09	0.40	2.16	0.84

The above earnings per share is calculated based on the weighted average number of ordinary shares in issue during the period of 864,212,909 (2016: 836,667,121) shares after accounting for new shares issued during the periods.

**7. Net asset value (for the issuer and the 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.**

Net asset value per ordinary share based on existing issued share capital as at the end of the period reported on

		30 September 2017	31 December 2016
The Group	S\$ cents	22.27	21.37
The Company	S\$ cents	16.43	17.04

**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.**

**(a) Review of Statement of comprehensive income**

3<sup>rd</sup> quarter ended 30 September 2017 ("3Q2017") Vs 3<sup>rd</sup> quarter ended 30 September 2016 ("3Q2016")

The Group reported revenue of S\$447.3 million for 3Q2017 as compared to S\$14.8 million for 3Q2016. The significant increase in the revenue was primarily due to contribution from Taiga Building Products Ltd. and its subsidiary corporations ("Taiga"), following the completion of the acquisition on 31 January 2017.

Revenue from the paper mill business in the current quarter was higher by 24% to S\$14.0 million as compared with 3Q2016. The increase in revenue is mainly attributable to higher selling price resulted from price being adjusted upwards to recover the higher raw material costs. Consequently, gross profit margin ("GPM") decreased from 19.5% to 15.8% on a year-on-year basis.

The decrease in operating and maintenance income was mainly due to a decline in variation income caused by lower electricity generated and sold to Electric Power Generation Enterprise ("EPGE") in the quarter under review. There is no material variance for GPM of power plant business in 3Q2017 as compared to 3Q2016.

The Group's results included a currency exchange gain of S\$2.6 million (3Q2016: S\$0.7 million) classified under "Other gains/(losses), net" that arose mainly from the translation of intercompany receivables and bank balances denominated in Canadian Dollar ("CAD") and United States Dollar ("USD").

Total distribution, selling and administrative and finance expenses was S\$31.6 million for 3Q2017, an increase of S\$29.9 million from S\$1.7 million for 3Q2016. The increase was largely attributed to consolidation of Taiga's accounts.

Profit attributable to owners of the Company increased from S\$3.4 million for 3Q2016 to S\$9.4 million for 3Q2017, representing an increase of 180%. The increase was mainly due to Taiga's net profit of S\$8.2 million which was consolidated into the Group's net profit of S\$12.2 million in the current quarter.

9 months ended 30 September 2017 ("9M2017") Vs 9 months ended 30 September 2016 ("9M2016")

The Group reported revenue of S\$1.1 billion for 9M2017 as compared to S\$47.0 million for 9M2016. The significant increase in the revenue was primarily due to contribution from Taiga, following the completion of the acquisition on 31 January 2017.

Revenue from the paper mill business for 9M2017 was fairly consistent with the previous corresponding period whereas the gross profit margin ("GPM") decreased from 21.4% to 17.0% on a year-on-year basis. The decrease in GPM was mainly due to higher raw material cost despite a higher selling price.

The decrease in operating and maintenance income was mainly due to a decline in variation income due to lower electricity generated and sold to Electric Power Generation Enterprise ("EPGE"). There is no material variance for GPM of power plant business for 9M2017 as compared to 9M2016.

The Group's results included a currency exchange loss of S\$1.8 million (9M2016: S\$2.0 million) classified under "Other gains/(losses), net" that arose mainly from the translation of intercompany receivables and bank balances denominated in CAD and USD. The losses were partially offset by gain on disposal of assets held-for-sale which amounted to S\$1.2 million and was recognised during the current period.

Total distribution, selling and administrative and finance expenses was S\$77.2 million for 9M2017, an increase of S\$71.9 million from S\$5.3 million for 9M2016. The increase was largely attributed to consolidation of Taiga's accounts.

Profit attributable to owners of the Company increased from S\$7.1 million for 9M2016 to S\$18.6 million for 9M2017, representing an increase of 162%. The increase was mainly due to Taiga's net profit of S\$18.0 million which was consolidated into the Group's net profit of S\$24.1 million in the current period.

**(b) (i) Review of Statement of Financial Position**

The aggregate consideration for the acquisition of 58.34% interest in Taiga and C\$46.0 million principal amount of 14% subordinated notes issued by Taiga were funded through the Group's internal resources of S\$50.3 million and external bank borrowing of S\$27.5 million.

The Group's total assets increased from S\$190.1 million as at 31 December 2016 to S\$523.4 million as at 30 September 2017. The increase of S\$333.3 million was primarily due to consolidation of the total assets of Taiga and from the provisional goodwill of S\$45.9 million. Purchase price allocation (PPA) exercise has not been carried out as at 30 September 2017 and the goodwill of S\$45.9 million was recognised based on provisional fair values of assets and liabilities of Taiga as at the date of acquisition.

Total liabilities of the Group amounted to S\$340.9 million as at 30 September 2017, representing an increase of S\$334.6 million from the financial year ended 31 December 2016. The increase mainly arose from bank borrowings of S\$24.2 million and consolidation of Taiga's bank borrowings, accounts payable and accrued liabilities, finance lease obligations, deferred gain, provision, income taxes payable and subordinated notes totaling S\$309.4 million.

The Group's working capital as at 30 September 2017 increased to S\$157.9 million from S\$95.6 million as at 31 December 2016.

The Group's total equity as at 30 September 2017 amounted to S\$182.4 million (31 December 2016: S\$183.7 million). During the period under review, approximately of S\$9.9 million net proceeds were raised through issuance of 40,000,000 new subscription shares.

**(b) (ii) Review of Statement of Cash Flows**

For the 3<sup>rd</sup> quarter ended 30 September 2017, the net increase in cash and cash equivalents was S\$57.2 million. The increase was mainly due to net cash provided by operating activities of S\$66.5 million partially offset by net cash used in financing activities for dividend payment amounted to S\$4.4 million and payment of Taiga's subordinated notes interest expenses of S\$3.1 million.

As at 30 September 2017, the Group's outstanding revolving credit facility ("RCF") which form part of cash and cash equivalents, net of cash and bank balances was S\$51.7 million.

**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.**

**Outlook**

With the acquisition of Taiga, the Group now has a portfolio of diversified businesses in Canada, the United States, Malaysia and Myanmar. Going forward, Taiga will be a key contributor of the Group's revenue and earnings.

Taiga's sales and earnings are subject to seasonal variances that fluctuate in accordance with the home building season in Canada and the United States. Taiga generally experiences reduced sales in the late fall and winter season, in the quarters ended December and March, when home building activity is low due to the cold weather. It achieves higher sales in the other half of the year, when home building activities are active.

On 2 October 2017, Taiga proposed a restructuring of its 14% subordinated unsecured notes (Existing Notes) by offering Existing Note holders the following options: (i) an equivalent principal amount of new 7% five-year senior notes (Note Option); (ii) common shares of Taiga at a rate of 833.33 common shares for each C\$1,000 principal amount of Existing Notes (Share Option); (iii) or any combination of the Note Option and Share Option.

At the close of the offer on 8 November 2017, the Group has opted to exchange its C\$46,008,796.98 principal amount of Existing Taiga Notes for up to 38,340,664 new Taiga Shares pursuant to the Share Option. The Taiga Notes Refinancing exercise will strengthen Taiga's balance sheet and will position it well to further grow its business. The lower financing costs will also immediately contribute positively to Taiga's future earnings.

For the paper mill business, the supply of waste paper has stabilised and the upward price trend in selling prices of papers packaging products in Malaysia is slowing down. This was a result of China's action to ban import of waste paper since September 2017. The Group is monitoring the situation closely. The Group will continue to upgrade and improve its production facilities to raise productivity and mitigate the impact of higher operating costs.

Earnings for the power plant in Myanmar are backed by a 30-year power purchase agreement with the Electric Power Generation Enterprise (EPGE), under Myanmar's Ministry of Electricity and Energy. Barring unforeseen circumstances, the Group remains on track to meet the minimum off-take requirement of 350 million kWh for the current year.

The Group will continue its efforts to identify opportunities and strategies to further grow its market presence, strengthen operational efficiency and monitor key cost drivers, in order to stay competitive. At the same time, the Group will continue to seek investment opportunities to enhance shareholder value, when such opportunities arise.

**11. Dividend**

**(a) 3<sup>rd</sup> Quarter ended 30 September 2017**

**Any dividend declared for the current financial period reported on?**

None

**(b) 3<sup>rd</sup> Quarter ended 30 September 2016**

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

None

**(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 dividend has been declared or recommended for the third quarter ended 30 September 2017.

**13. If the Group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), 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 Interested Person Transactions.

**14. Negative assurance confirmation by the Board pursuant to Rule 705(5) of the Manual Listing**

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 financial results for the third quarter and nine months ended 30 September 2017 to be false or misleading in any material respect.

**15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under 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 7.7 under Rule 720(1) of the Listing Manual.

**BY ORDER OF THE BOARD**

Tong Kooi Ong  
Executive Chairman

Koh Wan Kai  
Executive Director

10 November 2017