

THE HOUR GLASS LIMITED
Co. Registration No: 197901972D

Unaudited Second Quarter and Half Year Financial Statement For The Period Ended 30 September 2019

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

		Group					
		Second Quarter ended			Half Year ended		
Note		30 Sep 19 \$'000	30 Sep 18 \$'000	Change %	30 Sep 19 \$'000	30 Sep 18 \$'000	Change %
	Revenue	193,609	174,683	11%	381,078	355,410	7%
	Other income	1,474	1,164	27%	3,001	2,563	17%
	Total revenue and other income	195,083	175,847	11%	384,079	357,973	7%
	Cost of goods sold	141,552	130,282	9%	279,136	266,978	5%
	Salaries and employees benefits	13,571	12,391	10%	26,346	24,112	9%
	Selling and promotion expenses	5,760	4,450	29%	11,320	9,251	22%
	Depreciation of property, plant and equipment	1,229	1,496	-18%	2,473	3,130	-21%
	Depreciation of right-of-use assets	7,003	-	NM	13,917	-	NM
	Rental expenses	1,313	7,513	-83%	2,555	15,139	-83%
	Finance costs	905	210	>100%	1,734	496	>100%
	Foreign exchange (gain)/loss	(415)	79	NM	(238)	(270)	-12%
	Other operating expenses	3,115	2,800	11%	5,790	5,252	10%
	Total costs and expenses	174,033	159,221	9%	343,033	324,088	6%
	Share of results of associates	1,825	963	90%	3,553	2,253	58%
	Profit before taxation	22,875	17,589	30%	44,599	36,138	23%
	Taxation	4,621	3,872	19%	9,072	7,963	14%
	Profit for the period	18,254	13,717	33%	35,527	28,175	26%
	Profit attributable to:						
	Owners of the Company	17,905	13,480	33%	34,977	27,774	26%
	Non-controlling interests	349	237	47%	550	401	37%
		18,254	13,717	33%	35,527	28,175	26%

Note:

(i) Other income

		Group					
		Second Quarter ended			Half Year ended		
		30 Sep 19 \$'000	30 Sep 18 \$'000	Change %	30 Sep 19 \$'000	30 Sep 18 \$'000	Change %
	Rental income	586	460	27%	1,011	918	10%
	Interest income	489	476	3%	949	876	8%
	Net gain on disposal of property, plant and equipment	-	4	NM	97	82	18%
	Management fee	278	208	34%	568	419	36%
	Others	121	16	>100%	376	268	40%
		1,474	1,164	27%	3,001	2,563	17%

NM – Not Meaningful

1(a)(i) An income statement (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year (Cont'd).

Note:

(ii) Finance costs

Interest on bank loans and overdrafts
Interest on lease liabilities

Group					
Second Quarter ended			Half Year ended		
30 Sep 19	30 Sep 18	Change	30 Sep 19	30 Sep 18	Change
\$'000	\$'000	%	\$'000	\$'000	%
206	210	-2%	309	496	-38%
699	-	NM	1,425	-	NM
905	210	>100%	1,734	496	>100%

1(a)(ii) Amount of any adjustment for under or overprovision of tax in respect of prior years.

Income Tax

- Over provision of tax in respect of prior years

Group					
Second Quarter ended			Half Year ended		
30 Sep 19	30 Sep 18	Change	30 Sep 19	30 Sep 18	Change
\$'000	\$'000	%	\$'000	\$'000	%
-	-	-	-	(1)	NM

1(a)(iii) Statement of comprehensive income

Profit for the period

Other comprehensive income:

Item that may be reclassified subsequently to profit or loss:

Foreign currency translation

Other comprehensive profit/(loss) for the period, net of tax

Total comprehensive income for the period

Total comprehensive income attributable to:

Owners of the Company

Non-controlling interests

Group					
Second Quarter ended			Half Year ended		
30 Sep 19	30 Sep 18	Change	30 Sep 19	30 Sep 18	Change
\$'000	\$'000	%	\$'000	\$'000	%
18,254	13,717	33%	35,527	28,175	26%
312	(1,320)	NM	1,064	1,537	-31%
312	(1,320)	NM	1,064	1,537	-31%
18,566	12,397	50%	36,591	29,712	23%
17,991	12,123	48%	35,723	28,800	24%
575	274	>100%	868	912	-5%
18,566	12,397	50%	36,591	29,712	23%

NM – Not Meaningful

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

	Group		Company	
	30 Sep 19 \$'000	31 Mar 19 \$'000	30 Sep 19 \$'000	31 Mar 19 \$'000
Assets				
Non-current assets				
Property, plant and equipment	100,157	55,546	10,492	9,949
Right-of-use assets	117,214	-	75,989	-
Investment properties	49,682	55,665	11,207	11,207
Intangible assets	5,213	5,258	1,071	1,070
Investment in subsidiaries	-	-	52,074	52,074
Investment in associates	38,431	33,494	68	68
Investment in unquoted security	500	-	-	-
Loan to an associate	2,757	5,388	2,757	5,388
Other receivables	8,413	8,287	4,036	3,967
Deferred tax assets	370	377	106	106
	322,737	164,015	157,800	83,829
Current assets				
Inventories	289,733	286,356	175,891	172,214
Trade and other receivables	19,112	16,818	8,902	7,414
Prepaid operating expenses	1,018	914	537	298
Amount due from associates	57	70	9	10
Amount due from subsidiaries	-	-	5,207	6,541
Cash and cash equivalents	159,131	180,971	102,807	82,811
	469,051	485,129	293,353	269,288
Total assets	791,788	649,144	451,153	353,117
Equity and liabilities				
Current liabilities				
Loans and borrowings	33,939	14,972	-	-
Trade and other payables	36,820	46,346	17,689	22,788
Amount due to subsidiaries	-	-	5,229	5,062
Lease liabilities	25,782	-	15,931	-
Provision for taxation	11,048	11,584	5,630	5,624
	107,589	72,902	44,479	33,474
Net current assets	361,462	412,227	248,874	235,814
Non-current liabilities				
Provisions	304	269	-	-
Lease liabilities	94,261	1,623	62,558	1,623
Deferred tax liabilities	1,297	1,326	-	-
	95,862	3,218	62,558	1,623
Total liabilities	203,451	76,120	107,037	35,097
Net assets	588,337	573,024	344,116	318,020
Equity attributable to owners of the Company				
Share capital	67,638	67,638	67,638	67,638
Reserves	507,179	492,606	276,478	250,382
	574,817	560,244	344,116	318,020
Non-controlling interests	13,520	12,780	-	-
Total equity	588,337	573,024	344,116	318,020
Total equity and liabilities	791,788	649,144	451,153	353,117

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

As at 30 Sep 19		As at 31 Mar 19	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
31,182	2,757	12,951	2,021

Amount repayable after one year

As at 30 Sep 19		As at 31 Mar 19	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
-	-	-	-

Details of any collateral

The unsecured term loans of a subsidiary are covered by corporate guarantees given by the Company.

Loans of \$31,182,000 (31 March 2019: \$12,951,000) are secured on certain properties of a subsidiary and corporate guarantees given by the Company.

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			
	Second Quarter ended		Half Year ended	
	30 Sep 19 \$'000	30 Sep 18 \$'000	30 Sep 19 \$'000	30 Sep 18 \$'000
Operating activities				
Profit before taxation	22,875	17,589	44,599	36,138
Adjustments for:				
Finance costs	905	210	1,734	496
Interest income	(489)	(476)	(949)	(876)
Depreciation of property, plant and equipment	1,229	1,496	2,473	3,130
Depreciation of right-of-use assets	7,003	-	13,917	-
Amortisation of intangible assets	188	165	365	305
Foreign currency translation adjustment	26	(65)	10	(168)
Net gain on disposal of property, plant and equipment	-	(4)	(97)	(82)
Share of results of associates	(1,825)	(963)	(3,553)	(2,253)
Operating cash flows before changes in working capital	29,912	17,952	58,499	36,690
(Increase)/decrease in inventories	(10,367)	(690)	(3,698)	5,342
Decrease/(increase) in receivables	866	3,771	(2,304)	(2,029)
Increase in prepaid operating expenses	(259)	(603)	(246)	(776)
Decrease/(increase) in amount due from associates	2,802	(2,776)	2,795	(2,793)
Increase/(decrease) in payables	1,214	(1,200)	(9,481)	(6,045)
Cash flows from operations	24,168	16,454	45,565	30,389
Income taxes paid	(6,320)	(4,074)	(9,602)	(6,576)
Interest paid	(905)	(210)	(1,734)	(496)
Interest received	489	476	949	876
Net cash flows from operating activities	17,432	12,646	35,178	24,193
Investing activities				
Additions to intangible assets	(93)	(137)	(320)	(275)
Dividend received from an associate	817	-	817	-
Proceeds from disposal of property, plant and equipment	-	23	97	114
Purchase of investment property	(32,292)	-	(32,292)	-
Purchase of unquoted security	(500)	-	(500)	-
Purchase of property, plant and equipment	(7,015)	(5,180)	(11,817)	(7,764)
Net cash flows used in investing activities	(39,083)	(5,294)	(44,015)	(7,925)
Financing activities				
Proceeds from loans and borrowings	19,000	-	21,711	20,343
Repayment of loans and borrowings	(2,068)	(21,000)	(2,068)	(44,000)
Payment of lease liabilities	(6,417)	-	(12,527)	-
Dividends paid to non-controlling interests	-	-	(128)	(500)
Dividends paid on ordinary shares	(21,150)	(14,100)	(21,150)	(14,100)
Net cash flows used in financing activities	(10,635)	(35,100)	(14,162)	(38,257)
Net decrease in cash and cash equivalents	(32,286)	(27,748)	(22,999)	(21,989)
Effects of exchange rate changes on cash and cash equivalents	580	(451)	1,159	1,250
Cash and cash equivalents at beginning of financial period	190,837	187,956	180,971	180,496
Cash and cash equivalents at end of financial period	159,131	159,757	159,131	159,757

Cash and cash equivalents at the end of the period comprise the following:

	Group	
	30 Sep 19 \$'000	30 Sep 18 \$'000
Cash and bank balances	109,696	99,157
Fixed deposits with banks	49,435	60,600
	159,131	159,757

1(d)(i) A statement (for the Company 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.

	Share capital \$'000	Foreign currency translation reserve \$'000	Capital reserve \$'000	Asset revaluation reserve \$'000	Revenue reserve \$'000	Total attributable to owners of the Company \$'000	Non- controlling interests \$'000	Total equity \$'000
Group								
Balance at 1 April 2018	67,638	(7,054)	(142)	3,372	443,326	507,140	12,457	519,597
Total comprehensive income								
Profit for the period	-	-	-	-	14,294	14,294	164	14,458
Other comprehensive income								
Foreign currency translation	-	2,383	-	-	-	2,383	474	2,857
Total other comprehensive income	-	2,383	-	-	-	2,383	474	2,857
Total comprehensive income	-	2,383	-	-	14,294	16,677	638	17,315
Contributions by and distributions to owners								
Dividends paid to non-controlling interests	-	-	-	-	-	-	(500)	(500)
Total transactions with owners	-	-	-	-	-	-	(500)	(500)
Balance at 30 June 2018	67,638	(4,671)	(142)	3,372	457,620	523,817	12,595	536,412
Balance at 1 July 2018	67,638	(4,671)	(142)	3,372	457,620	523,817	12,595	536,412
Total comprehensive income								
Profit for the period	-	-	-	-	13,480	13,480	237	13,717
Other comprehensive income								
Foreign currency translation	-	(1,357)	-	-	-	(1,357)	37	(1,320)
Total other comprehensive (loss)/income	-	(1,357)	-	-	-	(1,357)	37	(1,320)
Total comprehensive (loss)/income	-	(1,357)	-	-	13,480	12,123	274	12,397
Contributions by and distributions to owners								
Dividends on ordinary shares	-	-	-	-	(14,100)	(14,100)	-	(14,100)
Total transactions with owners	-	-	-	-	(14,100)	(14,100)	-	(14,100)
Balance at 30 September 2018	67,638	(6,028)	(142)	3,372	457,000	521,840	12,869	534,709

1(d)(i) Statement of Changes in equity (Cont'd)

<u>Group</u>	Share capital \$'000	Foreign currency translation reserve \$'000	Capital reserve \$'000	Asset revaluation reserve \$'000	Revenue reserve \$'000	Total attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance at 1 April 2019	67,638	(10,281)	(142)	3,372	499,657	560,244	12,780	573,024
Total comprehensive income								
Profit for the period	-	-	-	-	17,072	17,072	201	17,273
Other comprehensive income								
Foreign currency translation	-	660	-	-	-	660	92	752
Total other comprehensive income	-	660	-	-	-	660	92	752
Total comprehensive income	-	660	-	-	17,072	17,732	293	18,025
Contributions by and distributions to owners								
Dividends paid to non-controlling interests	-	-	-	-	-	-	(128)	(128)
Total transactions with owners	-	-	-	-	-	-	(128)	(128)
Balance at 30 June 2019	67,638	(9,621)	(142)	3,372	516,729	577,976	12,945	590,921
Balance at 1 July 2019	67,638	(9,621)	(142)	3,372	516,729	577,976	12,945	590,921
Total comprehensive income								
Profit for the period	-	-	-	-	17,905	17,905	349	18,254
Other comprehensive income								
Foreign currency translation	-	86	-	-	-	86	226	312
Total other comprehensive income	-	86	-	-	-	86	226	312
Total comprehensive income	-	86	-	-	17,905	17,991	575	18,566
Contributions by and distributions to owners								
Dividends on ordinary shares	-	-	-	-	(21,150)	(21,150)	-	(21,150)
Total transactions with owners	-	-	-	-	(21,150)	(21,150)	-	(21,150)
Balance at 30 September 2019	67,638	(9,535)	(142)	3,372	513,484	574,817	13,520	588,337

1(d)(i) Statement of Changes in equity (Cont'd)

<u>Company</u>	Share capital \$'000	Revenue reserve \$'000	Total equity \$'000
Balance at 1 April 2018	67,638	205,033	272,671
Total comprehensive income			
Profit for the period	-	5,421	5,421
Total comprehensive income	-	5,421	5,421
Balance at 30 June 2018	67,638	210,454	278,092
Balance at 1 July 2018	67,638	210,454	278,092
Total comprehensive income			
Profit for the period	-	32,537	32,537
Total comprehensive income	-	32,537	32,537
Contributions by and distributions to owners			
Dividends on ordinary shares	-	(14,100)	(14,100)
Total transactions with owners	-	(14,100)	(14,100)
Balance at 30 September 2018	67,638	228,891	296,529
Balance at 1 April 2019	67,638	250,382	318,020
Total comprehensive income			
Profit for the period	-	5,897	5,897
Total comprehensive income	-	5,897	5,897
Balance at 30 June 2019	67,638	256,279	323,917
Balance at 1 July 2019	67,638	256,279	323,917
Total comprehensive income			
Profit for the period	-	41,349	41,349
Total comprehensive income	-	41,349	41,349
Contributions by and distributions to owners			
Dividends on ordinary shares	-	(21,150)	(21,150)
Total transactions with owners	-	(21,150)	(21,150)
Balance at 30 September 2019	67,638	276,478	344,116

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 Company, 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 has been no change in the number of issued shares in the capital of the Company since the end of the previous period reported on.

The Company does not have any outstanding share convertibles and treasury shares at the end of the period under review.

None of the Company's subsidiaries hold any shares in the Company at the end of the period under review.

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.

30 Sep 19	31 Mar 19
705,011,880	705,011,880

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

Not applicable.

1(d)(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 or reviewed by the auditors.

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

Not applicable.

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

The Group has applied accounting policies and methods of computation in the financial statements for the current reporting year consistent with those of the audited financial statements for the year ended 31 March 2019, except as disclosed in paragraph 5 below.

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

SFRS(I) 16 Leases

SFRS(I) 16 requires lessees to recognise most leases on the statements of financial position. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. SFRS(I) 16 is effective for annual periods beginning on or after 1 January 2019. At commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Group adopted SFRS(I) 16 on 1 April 2019, using the modified retrospective approach, without restating prior years' information.

On the adoption of SFRS(I) 16, the Group has chosen, on a lease-by-lease basis, to measure the right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 1 April 2019.

In addition, the Group has elected the following practical expedients:

- not to reassess whether a contract is, or contains a lease at the date of initial application and to apply SFRS(I) 16 to all contracts that were previously identified as leases; and
- to apply a single discount rate to a portfolio of leases with reasonably similar characteristics.

As at 1 April 2019, the adoption of SFRS(I) 16 resulted in the following effects to the Group and the Company:

	Group	Company
	\$'000	\$'000
Assets		
Right-of-use assets	120,796	84,789
Prepaid operating expenses	(141)	-
Liabilities		
Lease liabilities - current	22,963	14,187
Lease liabilities - non-current	97,662	70,572
Trade and other payables	30	30

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			
	Second Quarter ended		Half Year ended	
	30 Sep 19	30 Sep 18	30 Sep 19	30 Sep 18
(a) Weighted average number of ordinary shares for calculation of basic and diluted earnings per share	705,011,880	705,011,880	705,011,880	705,011,880
(b) Basic and diluted earnings per share (cents)	2.54	1.91	4.96	3.94

EPS is calculated by dividing the Group's profit attributable to owners of the Company with the weighted average number of ordinary shares during the period. The weighted average number of ordinary shares outstanding during the period is the number of ordinary shares outstanding at the beginning of the period, adjusted by the number of ordinary shares issued during the period multiplied by a time-weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the period.

There is no dilutive effect for EPS as the Company does not have any outstanding share convertibles as at 30 September 2019.

7. **Net asset value (for the Company and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the Company at the end of the**

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

	Group		Company	
	30 Sep 19	31 Mar 19	30 Sep 19	31 Mar 19
Number of issued shares	705,011,880	705,011,880	705,011,880	705,011,880
Net asset value per ordinary share (in \$)	0.82	0.79	0.49	0.45

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.**

2Q FY2020 vs 2Q FY2019

Revenue for the quarter ended 30 September 2019 ("2Q FY2020") grew 11% to \$193.6 million compared to \$174.7 million for the same period last year ("2Q FY2019").

Gross margin improved to 26.9% (2Q FY2019: 25.4%) and resulted in a higher profit after tax of \$18.3 million, a 33% increase compared to \$13.7 million for 2Q FY2019.

8. A review of the performance of the Group (Cont'd)

1H FY2020 vs 1H FY2019

For the 6 months ended 30 September 2019 ("1H FY2020"), revenue was 7% higher at \$381.1 million (1H FY2019: \$355.4 million). Gross margin was 26.8% (1H FY2019: 24.9%).

Operating expenses, including staff costs, selling expenses and depreciation of right-of-use assets, were higher than the same period last year. However, profit after tax increased 26% to \$35.5 million (1H FY2019: \$28.2 million).

As at 30 September 2019, group inventory was \$289.7 million (31 March 2019: \$286.4 million). Cash and cash equivalents stood at \$159.1 million (31 March 2019: \$181.0 million). Consolidated net assets were \$574.8 million or \$0.82 per share.

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

The Group's performance for the period under review is in line with the statement in the results announcement for the period ended 30 June 2019.

10. A commentary at the date of 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 business environment remains volatile in the midst of global geo-political and economic uncertainties.

Barring any unforeseen circumstances, the Group expects to be profitable for the financial year.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

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/recommended, a statement to that effect and the reason(s) for the decision.

No dividend is declared or recommended in respect of the current financial period reported on. However, as in past years, the Directors will consider the recommendation of a full-year (final) dividend.

13. **If the Company has obtained a general mandate from shareholders for interested person transactions (“IPT mandate”), 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 Company does not have an IPT mandate.

14. **Statement Pursuant to Rule 705(5) of the Listing Manual**

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and the Company (comprising the statements of financial position, statements of changes in equity, consolidated income statement, consolidated statement of comprehensive income, and consolidated statement of cash flow together with their accompanying notes) for the six months ended 30 September 2019 to be false or misleading in any material respect.

Signed by Dr Henry Tay Yun Chwan and Dr Kenny Chan Swee Kheng on behalf of the Board of Directors.

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

The Hour Glass Limited confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the SGX-ST Listing Manual.

BY ORDER OF THE BOARD

Christine Chan
Company Secretary
14 November 2019

Statement Pursuant to Rule 705(5) of the Listing Manual

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and the Company (comprising the statements of financial position, statements of changes in equity, consolidated income statement, consolidated statement of comprehensive income, and consolidated statement of cash flow together with their accompanying notes) for the six months ended 30 September 2019 to be false or misleading in any material respect.

On behalf of the Board of Directors



Henry Tay Yun Chwan
Executive Chairman



Kenny Chan Swee Kheng
Group Managing Director

Singapore
14 November 2019