

***Half Year Financial Statement And Dividend Announcement For The Period Ended 30 June 2020**

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

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

Consolidated Statement of Comprehensive Income	Group		
	1H2020 (Unaudited) S\$'000	1H2019 (Unaudited) S\$'000	Increase/ (Decrease) %
Revenue	8,353	13,321	(37.3)
Cost of sales	(6,370)	(8,896)	(28.4)
Gross profit	1,983	4,425	(55.2)
Other items of income			
Interest income	31	29	6.9
Other income	824	206	300.0
Other items of expense			
Distribution costs	(1,857)	(2,013)	(7.7)
Administrative and other expenses	(1,942)	(2,346)	(17.2)
Listing expenses	-	(1,505)	(100.0)
Finance costs	(127)	(132)	(3.8)
Loss before income tax	(1,088)	(1,336)	(18.6)
Income tax expense	(11)	(94)	(88.3)
Loss for the financial period	(1,099)	(1,430)	(23.1)
Other comprehensive loss:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange (loss)/gain arising from translation of foreign operations	(1)	(4)	(75.0)
Other comprehensive loss for the financial period, net of tax	(1)	(4)	(75.0)
Total comprehensive loss for the financial period	(1,100)	(1,434)	(23.3)
Loss attributable to:			
Owners of the parent	(1,097)	(1,430)	(23.3)
Non-controlling interest	(2)	-	100.0
	(1,099)	(1,430)	(23.1)
Total comprehensive loss attributable to:			
Owners of the parent	(1,098)	(1,434)	(23.4)
Non-controlling interest	(2)	-	100.0
	(1,100)	(1,434)	(23.3)

Remarks:

"1H2020" denotes the half-year ended 30 June 2020

"1H2019" denotes the half-year ended 30 June 2019

1(a)(ii) Notes to Consolidated Statement of Comprehensive Income (for the group)

Loss before income tax is arrived at after charging /(crediting) the following:			
	Group		Increase/ (Decrease) %
	1H2020 (Unaudited) S\$'000	1H2019 (Unaudited) S\$'000	
Depreciation of property, plant and equipment	128	333	(61.6)
Amortisation of intangible assets	11	2	450.0
Interest expenses	127	132	(3.8)
Fair value gain on derivative financial instruments	(8)	(10)	(20.0)
Interest income	(31)	(29)	6.9

Included in income tax expense were:-

Overprovision of current income tax in prior financial years	(28)	(65)	(56.9)
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1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of immediately preceding financial year.

Statement of Financial Position	Group As at		Company As at	
	30/06/2020 (Unaudited) S\$'000	31/12/2019 (Audited) S\$'000	30/06/2020 (Unaudited) S\$'000	31/12/2019 (Audited) S\$'000
NON-CURRENT ASSETS				
Property, plant and equipment	1,016	966	-	-
Right-of-use-assets	1,801	2,572	-	-
Intangible assets	54	14	-	-
Investment in subsidiaries	-	-	10	10
	2,871	3,552	10	10
CURRENT ASSETS				
Inventories	4,176	3,457	-	-
Trade and other receivables	7,612	11,495	4,368	4,510
Income tax recoverable	47	28	-	-
Cash and bank balances	8,272	10,924	1,105	1,184
	20,107	25,904	5,473	5,694
Less:				
CURRENT LIABILITIES				
Contract liabilities	563	590	-	-
Lease liabilities	934	1,239	-	-
Trade and other payables	2,757	6,186	319	368
Borrowings	2,100	3,230	-	-
Derivative financial instruments	-	8	-	-
Income tax payable	515	515	-	-
	6,869	11,768	319	368
NET CURRENT ASSETS	13,238	14,136	5,154	5,326
Less:				
NON-CURRENT LIABILITIES				
Lease liabilities	1,280	1,759	-	-
Deferred tax liabilities	62	62	-	-
	1,342	1,821	-	-
NET ASSETS	14,767	15,867	5,164	5,336
CAPITAL AND RESERVES				
Share capital	5,125	5,125	5,125	5,125
Other reserves	1,202	1,219	-	-
Retained earnings	8,440	9,537	39	211
	14,767	15,881	5,164	5,336
Non-controlling interests	-	(14)	-	-
TOTAL EQUITY	14,767	15,867	5,164	5,336

*Denotes amount less than S\$1,000.

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

Amount repayable in one year or less, or on demand

As at 30/06/2020 (Unaudited) (S\$'000)		As at 31/12/2019 (Audited) (S\$'000)	
Secured	Unsecured	Secured	Unsecured
3,034	-	4,469	-

Amount repayable after one year

As at 30/06/2020 (Unaudited) (S\$'000)		As at 31/12/2019 (Audited) (S\$'000)	
Secured	Unsecured	Secured	Unsecured
1,280	-	1,759	-

Details of any collateral secured borrowings:-

Borrowings of the Group comprise trust receipts and lease liabilities.

- (a) Trust receipts have maturities of between 25 and 150 (31 December 2019: 25 to 150) days. As at 30 June 2020, trust receipts were secured by the title to the Group's inventories with a carrying amount of S\$2,099,792 (31 December 2019: S\$3,229,666). These trust receipts were also supported by corporate guarantees from the Company.
- (b) The Group considered all lease liabilities amounting to S\$2,213,758 (31 December 2019: S\$2,997,202) as secured loans as all leased assets will be returned to the lessors in the event of default by the Group. As at 30 June 2020, the carrying amount of assets acquired under leases was approximately S\$1,801,544 (31 December 2019: S\$2,572,375).

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

Consolidated Statement of Cash Flows	Group	
	1H2020 (Unaudited) S\$'000	1H2019 (Unaudited) S\$'000
Operating activities		
Loss before income tax expense	(1,088)	(1,336)
Adjustments for:		
Depreciation of property, plant and equipment	128	333
Gain from disposal of property, plant and equipment	(56)	-
Amortisation for intangible assets	11	2
Amortisation of right-of-use assets	666	-
Fair value gain on derivative financial instruments	(8)	(9)
Finance cost	127	132
Interest income	(31)	(29)
Operating loss before working capital changes	(251)	(907)
Working capital changes:		
Increase in inventories	(722)	(329)
Decrease in trade receivables and other receivables	3,867	43
Decrease in contract liabilities	(27)	(39)
(Decrease)/increase in trade payables and other payables	(3,413)	1,073
Cash used in operations	(546)	(159)
Income tax refund	-	17
Income tax paid	(19)	(349)
Net cash used in operating activities	(565)	(491)
Investing activities		
Purchase of intangible assets	(51)	(14)
Purchase of property, plant and equipment	(182)	(239)
Proceeds from sale of property, plant and equipment	55	-
Interest received	31	29
Net cash used in investing activities	(147)	(224)
Financing activities		
Dividend paid	-	(388)
Decrease in pledged bank deposits	635	-
Proceeds from borrowings	4,058	3,691
Repayment of borrowings	(5,188)	(4,317)
Interest paid	(127)	(118)
Repayment of obligation under lease	(677)	(106)
Interest paid on finance lease obligations	-	(15)
Net cash used in from financing activities	(1,299)	(1,253)
Net change in cash and cash equivalents	(2,011)	(1,968)
Cash and cash equivalents at beginning of financial period	9,567	9,512
Effect of exchange rate changes on cash and cash equivalents	(5)	3
Cash and cash equivalents at end of financial period	7,551	7,547

Cash and bank balances comprised

Cash on hand and at bank	5,176	5,898
Fixed deposits with banks	3,096	2,370
Cash and bank balances as per consolidated statement of financial position	8,272	8,268
Less: fixed deposits pledged	(721)	(721)
Cash and cash equivalents as per consolidated statement of cash flows	7,551	7,547

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

Consolidated Statement of Changes in Equity for the period ended 30 June

Group (Unaudited)	Share Capital (S\$'000)	Merger Reserve (S\$'000)	Other Reserves (S\$'000)	Foreign Currency Translation Account (S\$'000)	Retained Earnings (S\$'000)	Total (\$S'000)	Non- controlling interest (S\$'000)	Total Equity (S\$'000)
Balance as at 01 January 2020	5,125	1,312	-	(93)	9,537	15,881	(14)	15,867
Loss for the financial period	-	-	-	-	(1,097)	(1,097)	(2)	(1,099)
Other Comprehensive income:								
Exchange differences on translating foreign operations	-	-		(1)	-	(1)	-	(1)
Total comprehensive income for the financial period	-	-		(1)	(1,097)	(1,098)	(2)	(1,100)
Transaction with owners of the Parent								
Acquisition of subsidiary with non- controlling interest	-	-	(16)	-	-	(16)	16	-
Total transaction with owners of the parent	-	-	(16)	-	-	(16)	16	-
Balance as at 30 June 2020	5,125	1,312	(16)	(94)	8,440	14,767	-	14,767

*Denotes amount less than S\$1,000.

Group	Share Capital (S\$'000)	Merger Reserve (S\$'000)	Foreign Currency Translation Account (S\$'000)	Retained Earnings (S\$'000)	Total (S\$'000)	Non- Controlling interest (S\$'000)	Total Equity (S\$'000)
(Unaudited)							
Balance as at 01 January 2019	5,125	1,312	(97)	9,999	16,339	1	16,340
Loss for the financial period	-	-	-	(1,430)	(1,430)	-	(1,430)
Other comprehensive income:							
Exchange differences on translating foreign operations	-	-	1	-	1	-	1
Total comprehensive income for the financial period	-	-	1	(1,430)	(1,429)	-	(1,429)
Transaction with owners of the Parent							
Dividends	-	-	-	(388)	(388)	-	(388)
Total transaction with owners of the parent	-	-	-	(388)	(388)	-	(388)
Balance as at 30 June 2019	5,125	1,312	(96)	8,181	14,522	1	14,523

Denotes amount less than S\$1,000

Consolidated Statement of Changes in Equity for the period ended 30 June - continued

Company (Unaudited)	Share Capital (S\$'000)	Retained Earnings (S\$'000)	Total Equity (S\$'000)
Balance as at 01 January 2020	5,125	211	5,336
Loss for the financial period	-	(172)	(172)
Total comprehensive income for the financial period	-	(172)	(172)
Transaction with owners of the parent			
Dividends	-	-	-
Total transaction with owners of the parent	-	-	-
Balance as at 30 June 2020	5,125	39	5,164
Company (Unaudited)	Share Capital (S\$'000)	Retained Earnings (S\$'000)	Total Equity (S\$'000)
Balance as at 01 January 2019	5,125	530	5,655
Loss for the financial period	-	(94)	(94)
Total comprehensive income for the financial period	-	(94)	(94)
Transaction with owners of the parent			
Dividends	-	(388)	(388)
Total transactions with owners of parent	-	(388)	(388)
Balance as at 30 June 2019	5,125	48	5,173

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 the 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 since the end of the previous period reported on, being 31 December 2019.

The Company does not have any outstanding convertibles, options, treasury shares or subsidiary holdings as at 30 June 2020 and as at 30 June 2019.

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

As at 30 June 2020, the issued share capital of the Company comprised 155,000,000 ordinary shares (31 December 2019: 155,000,000 ordinary shares).

There were no treasury shares as at the end of the current financial period and as at the end of the immediately preceding financial year.

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 nor reviewed by the Company's auditors.

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

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

(a) Updates on effort taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

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 Company and its subsidiaries (the "Group") have consistently applied the same accounting policies and methods of computation in the preparation of the unaudited consolidated financial statements for the six months ended 30 June 2020, as compared to the most recently audited consolidated annual financial statements for the financial year ended 31 December 2019.

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.

During the current financial year, the Group has adopted all the new and revised Singapore Financial Reporting Standards (SFRS(I)s) which took effect from the financial year beginning on or after 1 January 2020. The adoption of the new and revised SFRS(I)s is assessed to have no material impact to the results and financial position of the Group for the financial year ending 31 December 2020.

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:-

- (a) Based on the weighted average number of ordinary shares on issue; and**
- (b) On a fully diluted basis (detailing any adjustments made to the earnings).**

Loss per share

Loss attributable to owners of the Company (S\$'000)

Weighted average number of ordinary shares for calculation of

(a) Basic loss per share ⁽¹⁾(b) Diluted loss per share ⁽²⁾

Loss per ordinary share (cents):-

(a) Based on weighted average number of issued ordinary shares ⁽¹⁾(b) On a fully diluted basis ⁽²⁾

Group	
1H2020 (Unaudited)	1H2019 (Unaudited)
(1,097)	(1,430)
155,000,000	155,000,000
155,000,000	155,000,000
(0.71)	(0.92)
(0.71)	(0.92)

Notes:

- (1.) The calculation for the basic and diluted loss per share for the respective financial periods are based on the weighted average number of ordinary shares in issue in the respective financial period.
- (2.) The basic and diluted loss per share were the same as the Group did not have any potentially dilutive instruments for the respective financial periods.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

- (a) Current financial period reported on; and
- (b) Immediately preceding financial year.

	Group		Company	
	30.06.2020 (Unaudited)	31.12.2019 (Audited)	30.06.2020 (Unaudited)	31.12.2019 (Audited)
Net asset value ("NAV") attributable to owners of the Company (S\$'000)	14,767	15,881	5,164	5,336
Actual number of issued ordinary shares	155,000,000	155,000,000	155,000,000	155,000,000
NAV per ordinary share (cents)	9.53	10.25	3.33	3.44

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) Any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) Any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of the Group's financial performance**Revenue**

The Group's revenue decreased by approximately S\$4.97 million or 37.3% from S\$13.32 million in the six-month financial period ended 30 June 2019 ("1H2019") to S\$8.35 million in the six-month financial period ended 30 June 2020 ("1H2020").

The decrease in the Group's revenue was primarily due to:

- (i) a decrease in sales from the fabrication and distribution business segment of approximately S\$3.91 million as deliveries were delayed and orders and projects were also adversely impacted during the period of the circuit breaker measures in Singapore from April to June 2020 arising from the Covid-19 pandemic; and

- (ii) a decrease in sales from the maintenance and servicing business segment of approximately S\$1.06 million mainly due to the dampening effects of the Covid-19 pandemic on the food and beverage and hospitality industries which are the Group's primary markets.

Cost of sales and gross profit

The Group's cost of sales decreased by approximately S\$2.53 million from S\$8.90 million in 1H2019 to S\$6.37 million in 1H2020.

The Group's gross profit for 1H2020 decreased by approximately S\$2.44 million from S\$4.43 million in 1H2019 to S\$1.98 million in 1H2020. The gross profit margin was 23.7% in 1H2020 as compared to 33.2% in 1H2019 mainly due to lower sales contribution from products and services with higher profit margin, in particular:

- (i) in respect of the maintenance and servicing business segment, there were decreases in sales from ad-hoc servicing of approximately S\$0.55 million, exhaust cleaning of approximately S\$0.30 million and preventive maintenance of approximately S\$0.16 million during the circuit breaker measures in Singapore from April to June 2020; and
- (ii) in respect of the fabrication and distribution business segment, there was a decrease in the sales of manufactured goods of approximately S\$1.60 million during the movement control order in Malaysia from March to June 2020.

Other items of income

Other income increased by approximately S\$0.62 million from S\$0.21 million in 1H2019 to S\$0.82 million in 1H2020, mainly due to government grants under the Job Support Scheme amounting to approximately S\$0.50 million and child care leave subsidy of approximately S\$0.05 million.

Distribution costs

Distribution costs decreased by approximately S\$0.15 million to S\$1.86 million in 1H2020 compared to S\$2.01 million in 1H2019. This was mainly due to the decrease in staff and other related costs of approximately S\$0.26 million and the decrease in upkeep expenses of motor vehicles of approximately S\$0.07 million, both of which were partially offset by the increase in carriage outwards of approximately S\$0.08 million and advertising and promotion fees of approximately S\$0.07 million.

Administrative and other expenses

Administrative and other expenses decreased by approximately S\$0.41 million to S\$1.94 million in 1H2020 from S\$2.35 million in 1H2019. This was mainly due to the decreases in staff and related costs of approximately S\$0.29 million and legal and professional fees of approximately S\$0.09 million.

Listing expenses

Listing expenses amounting to approximately S\$1.50 million were expenses incurred in 1H2019 in relation to the proposed dual primary listing of the Company on the Stock Exchange of Hong Kong Limited which was unsuccessful.

Finance costs

Finance costs amounted to approximately S\$0.13 million in 1H2020, comparable to that in 1H2019.

Income tax expense

Income tax expense was S\$0.01 million in 1H2020 due to withholding tax paid for work performed for an overseas project.

Loss attributable to equity holders

As a result of the reasons mentioned above, the Group reported a net loss attributable to equity holders of approximately S\$1.12 million in 1H2020 compared to S\$1.43 million in 1H2019.

Review of the Group's financial position

Non-current assets

The Group's non-current assets decreased by approximately S\$0.68 million to S\$2.87 million as at 30 June 2020 (31 December 2019: S\$3.55 million).

Property, plant and equipment increased by approximately S\$0.05 million mainly due to the purchases of a high-speed laser cutting machine of approximately S\$0.15 million and office equipment of approximately S\$0.04 million, which were partially offset by depreciation charges of approximately S\$0.13 million.

Intangible assets increased by approximately S\$0.04 million mainly due to the purchase of new payroll software.

Right-of-use assets decreased by approximately S\$0.77 million mainly due to amortisation.

Current assets

The Group's current assets decreased by approximately S\$5.79 million to S\$20.11 million as at 30 June 2020 (31 December 2019: S\$23.90 million).

Inventories increased by approximately S\$0.72 million from S\$3.46 million as at 31 December 2019 to S\$4.18 million as at 30 June 2020. The higher inventories was mainly attributable to stocks for projects which the Group was unable to deliver during the circuit breaker period in Singapore as the project sites ceased operations.

Trade and other receivables decreased by approximately S\$3.88 million from S\$11.49 million as at 31 December 2019 to S\$7.61 million as at 30 June 2020, in line with the decrease in overall sales.

Cash and bank balances decreased by approximately S\$2.65 million from S\$10.92 million as at 31 December 2019 to S\$8.27 million as at 30 June 2020. Fixed deposits pledged decreased by S\$0.64 million and cash and cash equivalents decreased by S\$2.01 million due to net cash used in operating activities of S\$0.57 million, net cash used in investing activities of S\$0.15 million and net cash used in financing activities of S\$1.30 million.

Current liabilities

The Group's current liabilities decreased by approximately S\$4.90 million from S\$11.77 million as at 31 December 2019 to S\$6.87 million as at 30 June 2020. This was mainly due to the decrease in trade and other payables of approximately S\$3.43 million in line with lower purchases made during the circuit breaker period in Singapore and the decrease in bank borrowings of approximately S\$1.13 million attributable to lower utilisation of trust receipts for purchases.

Non-current liabilities

The Group's non-current liabilities decreased by approximately S\$1.10 million mainly due to the repayment of lease liabilities.

Shareholders' equity

Shareholders' equity decreased from S\$15.88 million as at 31 December 2019 to approximately S\$14.77 million as at 30 June 2020 due to the loss incurred in 1H2020.

Review of the Group's cash flows

Cash and cash equivalents (excluding pledged fixed deposits) stood at approximately S\$7.55 million as at 30 June 2020.

Net cash used in operating activities

Net cash used in operating activities during 1H2020 was approximately S\$0.57 million, as a result of operating loss before working capital changes of S\$0.25 million and outflow of working capital of S\$0.32 million.

Net cash used in investing activities

Net cash used in investing activities during 1H2020 was approximately S\$0.15 million, as a result of purchase of property, plant and equipment of approximately S\$0.18 million and purchase of new payroll software of approximately S\$0.05 million which were offset by proceeds from the sale of motor vehicle of approximately S\$0.06 million and interest received of approximately S\$0.03 million.

Net cash used in financing activities

Net cash used in financing activities during 1H2020 was approximately S\$1.30 million, as a result of repayment of borrowings of approximately S\$5.19 million, repayment of finance lease obligations of S\$0.68 million and interest paid of S\$0.13 million, which were partially offset by an increase in proceeds from borrowings of approximately S\$4.06 million and a decrease in pledged bank deposits of approximately S\$0.64 million.

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

Not applicable.

10. ***A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.***

The Group's business has been adversely affected by the economic downturn arising from the Covid-19 pandemic. As stated in the Company's announcement dated 24 June 2020, the Group has implemented various cost-cutting measures to manage operating expenses and preserve cash. Notwithstanding that business expansion and growth have been curtailed, the Group will intensify sales efforts and actively pursue new projects particularly in market segments which are relatively less affected by the effects of the Covid-19 pandemic such as community care centres, nursing homes, central kitchens, army cookhouses and training kitchens.

11. ***Dividend***

- (a) ***Current Financial Period Reported on Any dividend declared 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) ***Record date***

Not applicable.

12. ***If no dividend has been declared/recommended, a statement to that effect and the reason (s) for the decision.***

The Board of Directors of the Company is not recommending any interim dividend in respect of 1H2020 in view of the loss incurred and also to conserve cash in view of market uncertainties.

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 Company did not obtain any general mandate from its shareholders for IPTs. There was no IPTs exceeding S\$100,000 conducted by the Group during the current financial period reported on.

14. **Update on use of proceeds**

(a) Initial Public Offering

In July 2013, the Company was admitted to the Catalist board of the SGX-ST and raised gross cash proceeds from its initial public offering of approximately S\$4.6 million ("**IPO Proceeds**").

As at the date of this announcement, the utilisation of the IPO Proceeds is as follows:

Intended usage (as stated in the Company's offer document dated 12 July 2013)	Amount allocated S\$'000	Amount utilised S\$'000	Balance unutilised S\$'000
(a) Acquisition of additional fabrication equipment and machinery	700	319	381
(b) Funding our expansion, including by way of acquisitions, joint ventures and/or strategic alliances	1,600	-	1,600
(c) For general working capital purposes of the Group	975	975	-
(d) Listing expenses	1,325	1,335	(10)
Total	4,600	2,629	1,971

The Company's utilisation of the IPO Proceeds has been consistent with the intended uses as disclosed in the Company's offer document dated 12 July 2013.

(b) Placement

On 21 November 2017, the Company entered into a subscription agreement with Ascapia Fund II pursuant to which the Company raised net cash proceeds of approximately S\$1.0 million ("**Placement Proceeds**"), 60% of which was allocated for new business expansion or investments and 40% of which was allocated for general working capital purposes.

As at the date of this announcement, the Placement Proceeds have not been utilised.

The Company will make periodic announcements on the use of proceeds as and when the funds are materially disbursed. Pending the deployment of the balance of the IPO Proceeds and the Placement Proceeds, the funds are being placed in deposits with banks and financial institutions.

15. **Acquisition or sale of shares in subsidiaries and/or associated companies under Rule 706(A)**

On 18 June 2020, the Company announced that Q'son Kitchen Equipment Pte Ltd (a wholly-owned subsidiary of the Company) had acquired the remaining 50% issued and paid-up share capital, representing 1 ordinary share in Phoenix, The Central Kitchen Solutions Pte. Ltd. ("**Phoenix**") from Ms Gao ShanShan (an independent individual who is not related to any of the Directors or substantial shareholders of the Company) at the cash consideration of S\$1.00. Following the aforesaid acquisition, Phoenix became an indirect wholly-owned subsidiary of the Company and has since changed its name to Q'son Kitchen Equipment Services Pte. Ltd.

The net asset value represented by 50% interest in Phoenix amounted to approximately S\$10,608 as at 31 December 2019. No independent valuation was conducted on Phoenix and the consideration for the acquisition was determined on a willing-seller and willing-buyer basis taking into account the net asset value of the assets acquired and net loss incurred by Phoenix for its financial year ended 31 December 2019.

Apart from that disclosed above, there is no other acquisition and/or sale of shares in any subsidiaries or associated companies of the Group during 1H2020 which is required to be reported

under Rule 706(A) of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist ("**Catalist Rules**").

16. Negative confirmation by the Board Pursuant to Rule 705(5)

We, Chua Chwee Choo and Lee Chong Hoe, hereby confirm on behalf of the Board of Directors that to the best of our knowledge, nothing has come to our attention which may render the unaudited consolidated financial results of the Group for the six-month financial period ended 30 June 2020 presented in this announcement to be false or misleading in any material aspect.

On behalf of the Board

Chua Chwee Choo
Executive Director and Chief Executive Officer

Lee Chong Hoe
Executive Director

17. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) pursuant to Rule 720(1)

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

BY ORDER OF THE BOARD

Chua Chwee Choo
Executive Director and Chief Executive Officer
13 August 2020

*This announcement has been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch ("**Sponsor**") in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist. This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement. The contact person for the Sponsor is Ms Tan Cher Ting, Director, Investment Banking at 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, telephone: +65 6337 5115.*