

SIN GHEE HUAT CORPORATION LTD

Company Registration No:197700475Z
Incorporated in Singapore



UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 MARCH 2019

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

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

Consolidated Income Statement

Group

	Third quarter ended		Increase/ (Decrease)	Nine months ended		Increase/ (Decrease)
	31/03/2019	31/03/2018		31/03/2019	31/03/2018	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	12,090	11,136	9	38,793	26,320	47
Cost of sales	(9,203)	(9,374)	(2)	(29,907)	(20,651)	45
Gross profit	2,887	1,762	64	8,886	5,669	57
Other operating income	44	62	(29)	122	82	49
Distribution costs	(1,420)	(1,344)	6	(4,363)	(4,085)	7
Administrative expenses	(863)	(814)	6	(2,536)	(2,453)	3
Other operating expenses	(293)	(198)	48	(308)	(408)	(25)
Results from operating activities	355	(532)	NM	1,801	(1,195)	NM
Finance income	58	78	(26)	194	241	(20)
Finance cost	(5)	(3)	67	(35)	(42)	(17)
Profit/(loss) before tax	408	(457)	NM	1,960	(996)	NM
Tax (expense)/credit	(49)	1	NM	(411)	(15)	>500
Net profit/(loss) for the period	359	(456)	NM	1,549	(1,011)	NM
Earnings per share						
Basic (cents)	0.16	(0.21)		0.70	(0.46)	
Diluted (cents)	0.16	(0.21)		0.70	(0.46)	

NM: Not meaningful

1(a)(ii) Consolidated Statement of Comprehensive Income

	Group					
	Third quarter ended		Increase/ (Decrease)	Nine months ended		Increase/ (Decrease)
	31/03/2019	31/03/2018		31/03/2019	31/03/2018	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Net profit/(loss) for the period	359	(456)	NM	1,549	(1,011)	NM
Other comprehensive income:						
Foreign currency translation difference arising from consolidation	10	15	(33)	(43)	14	NM
Total comprehensive income for the period	369	(441)	NM	1,506	(997)	NM
Attributable to:						
Equity holders of the Company	369	(441)	NM	1,506	(997)	NM
Total comprehensive income for the period	369	(441)	NM	1,506	(997)	NM

1(a)(iii) Net profit/(loss) for the period has been arrived at after crediting/(charging) the following:

	Group			
	Third quarter ended		Nine months ended	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	S\$'000	S\$'000	S\$'000	S\$'000
Depreciation of property, plant and equipment	(191)	(236)	(701)	(724)
Foreign exchange loss	(180)	(191)	(138)	(409)
Gain / (loss) on disposal of property, plant and equipment	3	-	(10)	-
Reversal / (allowance) for inventory impairment, net	95	(981)	(278)	(1,211)
Allowance for doubtful debts, trade	(101)	-	(161)	-
Recovery of doubtful debts, trade	3	-	58	-

(b)(i) *A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.*

Statement of Financial Position

	Group			Company		
	31/3/2019	30/6/2018	1/7/2017	31/3/2019	30/6/2018	1/7/2017
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
		Restated	Restated		Restated	Restated
Non-current assets						
Property, plant and equipment	7,564	6,546	7,651	7,416	6,322	7,322
Investment in subsidiaries	–	–	–	6,276	6,276	6,666
Investment in joint venture	–	–	–	50	50	50
Other financial assets	1,000	1,001	2,038	1,000	1,001	2,038
Deferred tax assets	331	302	303	258	233	217
	<u>8,895</u>	<u>7,849</u>	<u>9,992</u>	<u>15,000</u>	<u>13,882</u>	<u>16,293</u>
Current assets						
Inventories	48,068	41,019	36,865	35,418	28,560	27,253
Trade and other receivables	15,703	14,399	10,233	22,878	19,845	15,839
Other financial assets	–	–	1,000	–	–	1,000
Current tax recoverables	–	–	15	–	–	17
Cash and cash equivalents	16,560	26,274	29,737	15,264	24,508	26,929
	<u>80,331</u>	<u>81,692</u>	<u>77,850</u>	<u>73,560</u>	<u>72,913</u>	<u>71,038</u>
Total assets	<u>89,226</u>	<u>89,541</u>	<u>87,842</u>	<u>88,560</u>	<u>86,795</u>	<u>87,331</u>
Equity attributable to equity holders of the Company						
Share capital	45,750	45,750	45,750	45,750	45,750	45,750
Reserves	(43)	–	–	–	–	–
Retained earnings	39,165	38,482	38,874	39,494	38,712	39,261
Total equity	<u>84,872</u>	<u>84,232</u>	<u>84,624</u>	<u>85,244</u>	<u>84,462</u>	<u>85,011</u>
Current liabilities						
Trade and other payables	3,467	3,130	2,769	2,861	2,159	2,320
Borrowings	424	2,004	449	–	–	–
Current tax liabilities	463	175	–	455	174	–
	<u>4,354</u>	<u>5,309</u>	<u>3,218</u>	<u>3,316</u>	<u>2,333</u>	<u>2,320</u>
Total liabilities	<u>4,354</u>	<u>5,309</u>	<u>3,218</u>	<u>3,316</u>	<u>2,333</u>	<u>2,320</u>
Total equity and liabilities	<u>89,226</u>	<u>89,541</u>	<u>87,842</u>	<u>88,560</u>	<u>86,795</u>	<u>87,331</u>

1(b)(ii) Aggregate amount of group's borrowings and debt securities**Amount repayable in one year or less, or on demand (\$'000)**

<u>As at 31 March 2019</u>		<u>As at 30 June 2018</u>	
Secured	Unsecured	Secured	Unsecured
-	424	-	2,004

Amount repayable after one year (\$'000)

<u>As at 31 March 2019</u>		<u>As at 30 June 2018</u>	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral

The unsecured group borrowings comprised trade financing facility utilised by a subsidiary arising from the ordinary course of business.

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

Consolidated Statement of Cash Flows

	Group			
	Third quarter ended		Nine months ended	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Profit/(loss) for the period	359	(456)	1,549	(1,011)
Adjustments for :				
Depreciation of property, plant and equipment	191	236	701	724
(Gain)/loss on disposal of property, plant and equipment	(3)	–	10	–
Finance income	(58)	(78)	(194)	(241)
Finance cost	5	3	35	42
Tax expense	49	(1)	411	15
	<u>543</u>	<u>(296)</u>	<u>2,512</u>	<u>(471)</u>
Changes in operating assets and liabilities:				
Trade and other receivables	1,423	(3,138)	(1,504)	(2,351)
Trade and other payables	481	244	337	(55)
Inventories	(4,142)	1,124	(7,049)	(496)
Net cash used in operations	<u>(1,695)</u>	<u>(2,066)</u>	<u>(5,704)</u>	<u>(3,373)</u>
Income tax (paid)/refund	(74)	–	(152)	25
Net cash used in operating activities	<u>(1,769)</u>	<u>(2,066)</u>	<u>(5,856)</u>	<u>(3,348)</u>
Cash flows from investing activities				
Acquisition of property, plant and equipment	(981)	(8)	(1,732)	(51)
Proceed from sales of property, plant and equipment	3	–	3	–
Proceeds from redemption of debt securities	–	–	–	2,000
Interest received	58	78	194	241
Net cash (used in)/from investing activities	<u>(920)</u>	<u>70</u>	<u>(1,535)</u>	<u>2,190</u>
Cash flows from financing activities				
Interest paid	(5)	(2)	(34)	(5)
Proceeds from borrowings	425	219	1,556	816
Repayment of borrowings	(723)	(597)	(3,136)	(1,046)
Dividend paid	–	–	(666)	(444)
Net cash used in financing activities	<u>(303)</u>	<u>(380)</u>	<u>(2,280)</u>	<u>(679)</u>
Net decrease in cash and cash equivalents	<u>(2,992)</u>	<u>(2,376)</u>	<u>(9,671)</u>	<u>(1,837)</u>
Cash and cash equivalents at beginning of the period	19,542	30,275	26,274	29,737
Effect of exchange rate fluctuations	10	15	(43)	14
Cash and cash equivalents at end of the period	<u>16,560</u>	<u>27,914</u>	<u>16,560</u>	<u>27,914</u>
Cash and cash equivalents comprise:				
Cash and bank balances	6,854	6,914	6,854	6,914
Short-term bank deposits	9,706	21,000	9,706	21,000
	<u>16,560</u>	<u>27,914</u>	<u>16,560</u>	<u>27,914</u>

- 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.*

Consolidated Statement of Changes in Equity for the Group

	Share capital S\$'000	Revaluation reserve S\$'000	Translation reserve S\$'000	Retained earnings S\$'000	Total S\$'000
Balance as at 1 July 2018 (restated)	45,750	–	–	38,482	84,232
Effect on application of SFRS(I) 9, net of tax	–	–	–	(200)	(200)
Balance as at 1 July 2018 (restated)	45,750	–	–	38,282	84,032
Total comprehensive income for the half year ended 31 December 2018	–	–	(53)	1,190	1,137
Dividend paid	–	–	–	(666)	(666)
Balance as at 31 December 2018	45,750	–	(53)	38,806	84,503
Total comprehensive income for the quarter ended 31 March 2019	–	–	10	359	369
Balance as at 31 March 2019	45,750	–	(43)	39,165	84,872
Balance as at 1 July 2017 (as previously reported)	45,750	2,916	80	35,726	84,472
Effect on adoption of SFRS(I) 1	–	(2,916)	(80)	3,148	152
Balance as at 1 July 2017 (restated)	45,750	–	–	38,874	84,624
Total comprehensive income for the half year ended 31 December 2017	–	–	(1)	(555)	(556)
Dividend paid	–	–	–	(444)	(444)
Balance as at 31 December 2017 (restated)	45,750	–	(1)	37,875	83,624
Total comprehensive income for the quarter ended 31 March 2018	–	–	15	(456)	(441)
Balance as at 31 March 2018 (restated)	45,750	–	14	37,419	83,183

Statement of Changes in Equity for the Company

	Share capital	Revaluation reserve	Retained earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 July 2018 (restated)	45,750	–	38,712	84,462
Effect on application of SFRS(I) 9, net of tax	–	–	(200)	(200)
Balance as at 1 July 2018 (restated)	45,750	–	38,512	84,262
Total comprehensive income for the half year ended 31 December 2018	–	–	1,524	1,524
Dividend paid	–	–	(666)	(666)
Balance as at 31 December 2018	45,750	–	39,370	85,120
Total comprehensive income for the quarter ended 31 March 2019	–	–	124	124
Balance as at 31 March 2019	45,750	–	39,494	85,244
Balance as at 1 July 2017 (as previously reported)	45,750	2,916	36,193	84,859
Effect on adoption of SFRS(I) 1	–	(2,916)	3,068	152
Balance as at 1 July 2017 (restated)	45,750	–	39,261	85,011
Total comprehensive income for the half year ended 31 December 2017	–	–	(359)	(359)
Dividend paid	–	–	(444)	(444)
Balance as at 31 December 2017 (restated)	45,750	–	38,458	84,208
Total comprehensive income for the quarter ended 31 March 2018	–	–	(228)	(228)
Balance as at 31 March 2018 (restated)	45,750	–	38,230	83,980

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 was no change in the share capital of the Company during the period reported on.

There were no outstanding convertibles and treasury shares as at 31 March 2019 and 31 March 2018.

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 31/03/2019	As at 30/06/2018
Number of shares in issue	222,000,000	222,000,000

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 report 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 report 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 issuer's most recently audited annual financial statements have been applied.*

Except as disclosed in paragraph 5 below, the accounting policies and methods of computation adopted in the financial statements for the financial period reported on are consistent with those in the most recently audited financial statements for the financial year ended 30 June 2018.

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 the Singapore Financial Reporting Standards (International) ("SFRS(I)") with effect from 1 July 2018. In adopting the new framework, the Group is required to apply SFRS(I) on a retrospective basis and the specific transition requirements in SFRS(I) 1 set out below:

- (a) The Group has elected the optional exemption to reset the foreign currency translation reserve (FCTR) to \$nil on 1 July 2017 and reclassified the cumulative FCTR of \$80,000 as at 1 July 2017 to retained earnings.
- (b) The Group has elected the optional exemption to measure the freehold premises at the date of transition to SFRS(I) at fair value and use that fair value as its deemed cost in its SFRS(I) financial statements. Accordingly, the carrying amount of freehold premises and retained earnings of the Group and the Company as at 1 July 2017 increased by \$152,000.
- (c) The balance of the revaluation reserve of \$2,916,000 as at 30 June 2017 relating to the revaluation of the freehold premises was reclassified to retained earnings of the Group and the Company on transition to SFRS(I) at 1 July 2017.
- (d) The Group has applied the exemption in SFRS(I) 1 allowing it not to restate comparative information for the financial year ending 30 June 2019 SFRS(I) financial statements. Differences in the carrying amount of financial assets and financial liabilities resulting from the adoption of SFRS(I) 9 are recognised in retained earnings as at 1 July 2018.

The Group has elected to apply the simplified approach and recorded lifetime expected credit loss (ECL) under SFRS(I) 9. Upon application of the ECL model, the impairment for trade and other receivables and other investments (debt securities) of \$200,000, net of tax, was recognised through the retained earnings of the Group and the Company as at 1 July 2018.

The impact (in \$'000) of the adoption of SFRS(I) on the affected statement of financial position line items is summarised as follows:

Group	30 June 2018			1 July 2018	
	FRS Framework	Effect of adoption of SFRS(I) 1	SFRS(I) Framework	SFRS(I) 9	SFRS(I) Framework
Non-current assets					
Property, plant and equipment	6,394	152	6,546	–	6,546
Equity					
Revaluation reserve	2,916	(2,916)	–	–	–
Foreign currency translation reserve	100	(100)	–	–	–
Retained earnings	35,314	3,168	38,482	(200)	38,282
	1 July 2017				
	FRS Framework	Effect of adoption of SFRS(I) 1	SFRS(I) Framework		
Non-current assets					
Property, plant and equipment	7,499	152	7,651		
Equity					
Revaluation reserve	2,916	(2,916)	–		
Foreign currency translation reserve	80	(80)	–		
Retained earnings	35,726	3,148	38,874		
	30 June 2018			1 July 2018	
Company	FRS Framework	Effect of adoption of SFRS(I) 1	SFRS(I) Framework	SFRS(I) 9	SFRS(I) Framework
Non-current assets					
Property, plant and equipment	6,170	152	6,322	–	6,322
Equity					
Revaluation reserve	2,916	(2,916)	–	–	–
Retained earnings	35,644	3,068	38,712	(200)	38,512
	1 July 2017				
	FRS Framework	Effect of adoption of SFRS(I) 1	SFRS(I) Framework		
Non-current assets					
Property, plant and equipment	7,170	152	7,322		
Equity					
Revaluation reserve	2,916	(2,916)	–		
Retained earnings	36,193	3,068	39,261		

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:*

Earnings per Share

	Group		Group	
	Third quarter ended		Nine months ended	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
Earnings per share (cents)				
(a) based on weighted average number of shares in issue	0.16	(0.21)	0.70	(0.46)
(b) on a fully diluted basis	0.16	(0.21)	0.70	(0.46)
Weighted average number of shares in issue	222,000,000	222,000,000	222,000,000	222,000,000

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.*

Net Asset Value per Share

	Group		Company	
	31/03/2019	30/06/2018 Restated	31/03/2019	30/06/2018 Restated
Net asset value per share based on issued share capital (cents)	38.2	37.9	38.4	38.0
Number of shares on issue	222,000,000	222,000,000	222,000,000	222,000,000

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 and liabilities of the group during the current financial period reported on.*

REVIEW OF PERFORMANCE

Consolidated Income Statement For the third quarter ended 31 March 2019

Sales revenue rose 9% to \$12.09 million in the third quarter ended 31 March 2019 (3Q2019) compared with \$11.14 million recorded in 3Q2018, the corresponding quarter of the preceding financial year. The improved product demand prompted a write-back of inventory provision of \$95,000 as opposed to an impairment provision of \$981,000 in 3Q2018 which, coupled with the increased revenue, largely contributed to the increased gross profit of \$2.89 million (3Q2018: \$1.76 million).

A net profit of \$359,000 was achieved for 3Q2019 versus the loss of \$456,000 incurred in 3Q2018.

Other operating income for 3Q2019 at \$44,000 (3Q2018: \$62,000) mainly due to lower scrap sales.

Other operating expenses were higher at \$293,000 (3Q2018: \$198,000) mainly due to doubtful debts provision for the quarter.

Finance income for 3Q2019 was lower at \$58,000 (3Q2018: \$78,000) largely due to reduced short-term bank deposits.

Tax expense of \$49,000 was recorded for 3Q2019 as opposed to a tax credit of \$1,000 for 3Q2018 mainly due to taxable profit arising in the current quarter.

Consolidated Income Statement For the nine months ended 31 March 2019

Amidst improved market conditions, revenue for the nine months ended 31 March 2019 (9M2019) rose to \$38.79 million compared with \$26.32 million registered in the corresponding 9M2018.

Gross profit for 9M2019 was higher at \$8.89 million (9M2018: \$5.67 million) mainly due to increased revenue and lower impairment of inventory provision.

Other operating income for 9M2019 was higher at \$122,000 (9M2018: \$82,000) mainly due to recovery of trade debts. Other operating expenses for 9M2019 were lower at \$308,000 (9M2018: \$408,000) largely because of lower foreign exchange loss.

Tax expense of \$411,000 was recorded for 9M2019 (9M2018: \$15,000) mainly due to taxable profit arising in the current period.

The above collectively resulted in a net profit of \$1.55 million for 9M2019 as opposed to the net loss of \$1.01 million for 9M2018.

Financial Position and Cash Flows

Expenditure on property, plant and equipment for 3Q2019 increased to \$981,000 (3Q2018: \$8,000) due to the redevelopment of the warehouse underway at Gul Crescent, Singapore. For the same reason, the expenditure on property, plant and equipment in 9M2019 increased to \$1.73 million (9M2018: \$51,000).

Trade and other receivables were higher as of 31 March 2019 at \$15.70 million (30 June 2018: \$14.40 million) mainly due to higher sales in the current period. Inventories increased to \$48.07 million (30 June 2018: \$41.02 million) largely due to increased replenishments of inventories in view of the improved market demand. Trade and other payables were higher at \$3.47 million (30 June 2018: \$3.13 million) mainly due to increased inventory purchases. Borrowings were lower at \$424,000 (30 June 2018: \$2.00 million) due to significant repayment during the period.

These resulted in net cash used in operations of \$1.70 million (3Q2018: \$2.07 million) for the current quarter, and \$5.70 million (9M2018: \$3.37 million) year-to-date.

Net cash used in investing activities of \$920,000 in 3Q2019 was largely for expenditure on the redevelopment of the warehouse facility referred to in the first paragraph of this section, whereas 3Q2018 showed a positive net cash of \$70,000 from investing activities attributed to interest received. Similarly, net cash used in investing activities of \$1.54 million in 9M2019 was due to the redevelopment expenditure as opposed to a positive net cash from investing activities of \$2.19 million in 9M2018 mainly because of the proceeds from redemption of debt securities.

Net cash used in financing activities in 3Q2019 was lower at \$303,000 (3Q2018: \$380,000) due to lower cash outflow, on a net basis, on the borrowings. On the other hand, net cash used in financing activities in 9M2019 was higher at \$2.28 million (9M2018: \$679,000) arising mainly from increased cash outflow, on a net basis, on the borrowings.

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 Q32019 was in line with the Statement stated in Paragraph 10 of the Company's previous results announcement dated 11 February 2019.

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.*

Business and demand for our products have improved for the nine months ended 31 March 2019. There is uncertainty moving forward which might affect the demand for our products.

11. *Dividend*

(a) Current Financial Period Reported On

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

(c) Date payable: Not applicable

(d) Books closure date: Not applicable

(e) The date on which Registrable Transfers received by the company will be registered before entitlements to the dividend are determined: Not applicable

12. *If no dividend has been declared (recommended), a statement to that effect.*

No dividend has been declared or recommended for the quarter ended 31 March 2019.

13. *If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.*

The Group does not have any general mandate from shareholders pursuant to Rule 920.

14. *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 the undertakings under Rule 720(1) of the Listing Manual have been obtained from all its directors and executive officers in the format set out in Appendix 7.7.

Confirmation by Directors

Pursuant to Rule 705(5) of the Listing Manual, we, the undersigned, on behalf of the Board of Directors of the Company, confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for the third quarter ended 31 March 2019 to be false or misleading in any material aspect.

Kua Ghim Siong
Chief Executive Officer

Kua Peng Chuan
Director

BY ORDER OF THE BOARD

Kua Ghim Siong
Chief Executive Officer
15 May 2019