

PAN-UNITED CORPORATION LTD

(Company Reg No: 199106524G)

THIRD QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2019
PART I – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS
1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED INCOME STATEMENT						
	3Q 2019	3Q 2018	+ / (-)	YTD 2019	YTD 2018	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	192,457	219,112	(12)	599,262	652,405	(8)
Other income	625	826	(24)	2,511	2,060	22
Raw materials, subcontract cost and other direct costs	(157,234)	(190,158)	(17)	(500,702)	(573,401)	(13)
Staff costs	(11,350)	(9,996)	14	(32,296)	(28,611)	13
Depreciation and amortisation expenses	(5,967)	(4,428)	35	(18,015)	(13,196)	37
Other expenses	(9,901)	(10,744)	(8)	(28,432)	(32,787)	(13)
Finance costs	(1,284)	(1,105)	16	(3,990)	(3,147)	27
	7,346	3,507	109	18,338	3,323	452
Share of results of associates	121	682	(82)	901	2,363	(62)
Profit before income tax from continuing operations	7,467	4,189	78	19,239	5,686	238
Income tax expense	(1,475)	(547)	170	(3,982)	(1,355)	194
Profit from continuing operations, net of tax	5,992	3,642	65	15,257	4,331	252
Discontinued operations						
Profit from discontinued operations, net of tax	-	-	nm	-	1,007	(100)
Profit for the period, net of tax	5,992	3,642	65	15,257	5,338	186
Attributable to:						
Equity holders of the Company						
Profit from continuing operations, net of tax	5,959	3,471	72	15,090	4,039	274
Profit from discontinued operations, net of tax	-	-	nm	-	878	(100)
	5,959	3,471	72	15,090	4,917	207
Non-controlling interests						
Profit from continuing operations, net of tax	33	171	(81)	167	292	(43)
Profit from discontinued operations, net of tax	-	-	nm	-	129	(100)
	33	171	(81)	167	421	(60)
	5,992	3,642	65	15,257	5,338	186

nm: Not meaningful

The discontinued operations comprised the results from the Ports business, under Xinghua Port Holdings Ltd (Xinghua), which was de-merged on 7 February 2018, as a separate entity. The de-merger was effected through a capital reduction of the Company and a distribution in specie of all the shares in Xinghua, held by the Company, to its shareholders.

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

A. Profit before income tax is arrived at after crediting/(charging) the following:	3Q 2019	3Q 2018	+/(-) %	YTD 2019	YTD 2018	+/(-) %
	\$'000	\$'000		\$'000	\$'000	
Interest income	95	95	-	294	240	23
Interest expense	(1,203)	(1,050)	15	(3,744)	(2,971)	26
Bad debts written-off	-	-	nm	(2)	-	nm
Impairment loss on trade receivables	(260)	(326)	(20)	(1,151)	(2,383)	(52)
Foreign exchange gain/(loss)	148	92	61	(198)	413	(148)
Gain on disposal of property, plant and equipment	-	15	100	8	35	(77)
Write-off of property, plant and equipment	(6)	-	nm	(109)	(327)	(67)

B. The increase in interest expense was mainly due to the recognition of lease liabilities following the adoption of SFRS(I) 16 as disclosed in paragraph 5 of \$344,000 and higher interest expense from bank loans.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME						
	3Q 2019	3Q 2018	+/(-) %	YTD 2019	YTD 2018	+/(-) %
	\$'000	\$'000		\$'000	\$'000	
Profit for the period, net of tax	5,992	3,642	65	15,257	5,338	186
Other comprehensive income:						
Foreign currency translation	879	(1,965)	145	743	906	(18)
Fair value changes of derivatives	1,273	(46)	nm	923	2,220	(58)
Other comprehensive income for the period, net of tax	2,152	(2,011)	207	1,666	3,126	(47)
Total comprehensive income for the period	8,144	1,631	399	16,923	8,464	100
Attributable to:						
Equity holders of the Company	8,004	1,561	413	16,666	7,775	114
Non-controlling interests	140	70	100	257	689	(63)
Total comprehensive income for the period	8,144	1,631	399	16,923	8,464	100
Attributable to equity holders of the Company:						
Total comprehensive income from continuing operations, net of tax	8,004	1,561	413	16,666	4,790	248
Total comprehensive income from discontinued operations, net of tax	-	-	nm	-	2,985	(100)
Total comprehensive income for the period attributable to equity holders of the Company	8,004	1,561	413	16,666	7,775	114

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.

BALANCE SHEETS	Group		Company	
	30-Sep-19 \$'000	31-Dec-18 \$'000	30-Sep-19 \$'000	31-Dec-18 \$'000
Non-current assets				
Property, plant and equipment	194,369	180,052	208	248
Intangible assets	4,672	4,888	370	370
Subsidiaries	-	-	92,552	92,552
Associates	3,486	3,078	-	-
Other investments	407	407	404	404
Trade and other receivables	163	665	-	-
Deferred tax assets	797	679	-	-
	<u>203,894</u>	<u>189,769</u>	<u>93,534</u>	<u>93,574</u>
Current assets				
Inventories	18,237	22,293	-	-
Prepayments	2,514	1,825	617	305
Trade and other receivables	160,780	149,389	19,649	22,487
Derivatives	1,346	423	1,346	423
Other assets	10,232	10,259	-	-
Cash and short-term deposits	57,193	47,894	28,027	27,681
	<u>250,302</u>	<u>232,083</u>	<u>49,639</u>	<u>50,896</u>
Current liabilities				
Loans and borrowings	70,734	62,274	-	-
Lease liabilities	6,261	-	-	-
Payables and accruals	87,441	76,442	25,179	17,760
Deferred income	-	5,244	-	-
Provisions	1,027	1,163	-	-
Income tax payable	4,102	2,021	1	32
	<u>169,565</u>	<u>147,144</u>	<u>25,180</u>	<u>17,792</u>
Net current assets	<u>80,737</u>	<u>84,939</u>	<u>24,459</u>	<u>33,104</u>
Non-current liabilities				
Loans and borrowings	49,429	64,192	19,847	19,787
Lease liabilities	17,263	-	-	-
Deferred tax liabilities	7,570	7,704	-	-
Other liabilities	542	539	-	-
Provisions	4,099	3,949	-	-
	<u>78,903</u>	<u>76,384</u>	<u>19,847</u>	<u>19,787</u>
Net assets	<u>205,728</u>	<u>198,324</u>	<u>98,146</u>	<u>106,891</u>
Equity attributable to equity holders of the Company				
Share capital	12,645	12,645	12,645	12,645
Treasury shares	(957)	(957)	(957)	(957)
Reserves	187,496	179,852	86,458	95,203
	<u>199,184</u>	<u>191,540</u>	<u>98,146</u>	<u>106,891</u>
Non-controlling interests	6,544	6,784	-	-
Total equity	<u>205,728</u>	<u>198,324</u>	<u>98,146</u>	<u>106,891</u>

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. (continued)

Explanatory Notes to Balance Sheets

Property, plant and equipment increased due mainly to recognition of right-of-use assets arising from the adoption of SFRS(I) 16 Leases.

Lease liabilities recognised as at 30 September 2019 was due to the recognition of lease liabilities arising from the adoption of SFRS(I) 16 Leases.

As at 30 September 2019, the Group's net gearing (including lease liabilities) was 0.42 times. Assuming the SFRS(I) 16 Leases was not adopted, the net gearing would be reduced to 0.31 times as compared to 0.40 times as at 31 December 2018.

1(b)(ii) In relation to the aggregate amount of group's borrowings and debts securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

	As of 30-Sep-2019		As of 31-Dec-2018	
	<u>Secured</u> \$'000	<u>Unsecured</u> \$'000	<u>Secured</u> \$'000	<u>Unsecured</u> \$'000
Amount repayable in one year or less, or on demand	26,471	50,524	21,086	41,188
Amount repayable after one year	32,006	34,686	14,603	49,589

Details of any collateral

Certain short and long-term bank loans are secured by mortgages over certain assets of foreign subsidiaries.

Included in secured borrowings are lease liabilities which are secured over right-of-use assets included under property, plant and equipment.

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.

CONSOLIDATED CASH FLOW STATEMENTS	3Q 2019	3Q 2018	YTD 2019	YTD 2018
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Profit before income tax from continuing operations	7,467	4,189	19,239	5,686
Profit from discontinued operations	-	-	-	1,485
Adjustments for				
Depreciation expenses	5,889	4,366	17,786	13,872
Amortisation of intangible assets	78	62	229	169
Amortisation of upfront fees	33	-	98	-
Interest income	(95)	(95)	(294)	(240)
Interest expense	1,203	1,050	3,744	2,971
Gain on disposal of property, plant and equipment	-	(15)	(8)	(35)
Bad debts written off	-	-	2	-
Impairment loss on trade receivables	260	326	1,151	2,383
Write-down of inventories	-	-	-	62
Gain on disposal of other investments	-	(29)	-	(29)
Provision/(reversal of provisions)	-	35	(32)	(198)
Write-off of property, plant and equipment	6	-	109	327
Write-off of intangible assets	-	-	22	-
Fair value changes of derivatives	-	(9)	-	(117)
Share-based payment expenses	30	39	90	133
Share of results of associates	(121)	(682)	(901)	(2,548)
Foreign exchange differences	128	(574)	156	(1,416)
Operating cash flows before working capital changes	14,878	8,663	41,391	22,505
Decrease/(Increase) in				
Trade and other receivables	(4,876)	(6,339)	(12,042)	(8,478)
Prepayments	264	(25)	(689)	(466)
Inventories	4,931	(2,336)	4,056	13,283
Other assets	1,858	(2,778)	27	(4,785)
Increase/(Decrease) in				
Payables, accruals and provisions	6,993	(7,948)	10,895	(17,111)
Deferred income	-	-	(5,244)	(5,364)
Cash flows from/(used in) operations	24,048	(10,763)	38,394	(416)
Interest paid	(1,203)	(1,050)	(3,744)	(2,971)
Income tax paid	(491)	(280)	(2,153)	(2,368)
Interest received	95	95	294	240
Net cash flows from/(used in) operating activities	22,449	(11,998)	32,791	(5,515)
Cash flows from investing activities				
Purchase of property, plant and equipment	(1,351)	(1,698)	(3,292)	(10,167)
Additions to intangible assets	-	(205)	-	(488)
Proceeds from disposal of property, plant and equipment	1	15	11	37
Net cash outflow on de-merger of subsidiaries	-	-	-	(3,820)
Proceeds from disposal of other investments	-	42	-	42
Dividend income from associates	275	680	493	1,991
Net cash flows used in investing activities	(1,075)	(1,166)	(2,788)	(12,405)
Cash flows from financing activities				
Proceeds from bank borrowings	15,722	20,750	64,733	44,767
Repayment of bank borrowings	(16,680)	(3,966)	(71,250)	(47,077)
Repayment of lease liabilities	(1,558)	-	(4,882)	-
Dividends paid to shareholders	(3,505)	-	(9,112)	(5,607)
Dividend paid to non-controlling interests	-	(667)	(497)	(667)
Net cash flows (used in)/from financing activities	(6,021)	16,117	(21,008)	(8,584)
Net increase/(decrease) in cash and cash equivalents	15,353	2,953	8,995	(26,504)
Cash and cash equivalents as at beginning of period	41,343	34,448	47,894	63,133
Effects of exchange rate changes on opening cash and cash equivalents	497	(59)	304	713
Cash and cash equivalents as at end of period	57,193	37,342	57,193	37,342

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.

STATEMENTS OF CHANGES IN EQUITY	Attributable to equity holders of the Company							Non-controlling interests	Total Equity
	Share capital	Treasury shares	Foreign currency translation reserve	Retained earnings	Other reserves	Reserves of disposal group classified as held for sale	Total reserves		
GROUP	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Balance at 1 January 2019	12,645	(957)	(1,586)	142,479	38,959	-	179,852	6,784	198,324
Total comprehensive income for the period	-	-	(119)	9,131	(350)	-	8,662	117	8,779
Cost of share-based payment (share options)	-	-	-	-	60	-	60	-	60
Dividends on ordinary shares	-	-	-	(5,607)	-	-	(5,607)	-	(5,607)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(497)	(497)
Balance at 30 June 2019	12,645	(957)	(1,705)	146,003	38,669	-	182,967	6,404	201,059
Total comprehensive income for the period	-	-	772	5,959	1,273	-	8,004	140	8,144
Cost of share-based payment (share options)	-	-	-	-	30	-	30	-	30
Dividends on ordinary shares	-	-	-	(3,505)	-	-	(3,505)	-	(3,505)
Balance at 30 September 2019	12,645	(957)	(933)	148,457	39,972	-	187,496	6,544	205,728
Balance at 1 January 2018, as previously reported	151,799	(957)	(6,925)	148,242	(179)	36,914	178,052	39,015	367,909
Effect on adoption of SFRS(I)	-	-	6,228	(6,228)	-	-	-	-	-
Total comprehensive income for the period	-	-	395	568	2,266	2,985	6,214	619	6,833
Cost of share-based payment (share options)	-	-	-	-	94	-	94	-	94
Dividends on ordinary shares	-	-	-	(5,607)	-	-	(5,607)	-	(5,607)
Distribution in specie	-	-	-	-	37,154	(39,899)	(2,745)	(32,513)	(35,258)
Capital reduction	(139,154)	-	-	-	-	-	-	-	(139,154)
Balance at 30 June 2018	12,645	(957)	(302)	136,975	39,335	-	176,008	7,121	194,817
Total comprehensive income for the period	-	-	(1,864)	3,471	(46)	-	1,561	70	1,631
Cost of share-based payment (share options)	-	-	-	-	39	-	39	-	39
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(667)	(667)
Balance at 30 September 2018	12,645	(957)	(2,166)	140,446	39,328	-	177,608	6,524	195,820

(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. (continued)

COMPANY	Share capital	Treasury shares	Retained earnings	Other reserves	Total reserves	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2019	12,645	(957)	56,244	38,959	95,203	106,891
Total comprehensive income for the period	-	-	(354)	(350)	(704)	(704)
Cost of share-based payment (share options)	-	-	-	60	60	60
Dividends on ordinary shares	-	-	(5,607)	-	(5,607)	(5,607)
Balance at 30 June 2019	12,645	(957)	50,283	38,669	88,952	100,640
Total comprehensive income for the period	-	-	(292)	1,273	981	981
Cost of share-based payment (share options)	-	-	-	30	30	30
Dividends on ordinary shares	-	-	(3,505)	-	(3,505)	(3,505)
Balance at 30 September 2019	12,645	(957)	46,486	39,972	86,458	98,146
Balance at 1 January 2018	151,799	(957)	53,320	(179)	53,141	203,983
Total comprehensive income for the period	-	-	(359)	2,266	1,907	1,907
Cost of share-based payment (share options)	-	-	-	94	94	94
Dividends on ordinary shares	-	-	(5,607)	-	(5,607)	(5,607)
Distribution in specie	-	-	-	37,154	37,154	37,154
Capital reduction	(139,154)	-	-	-	-	(139,154)
Balance at 30 June 2018	12,645	(957)	47,354	39,335	86,689	98,377
Total comprehensive income for the period	-	-	782	(46)	736	736
Cost of share-based payment (share options)	-	-	-	39	39	39
Balance at 30 September 2018	12,645	(957)	48,136	39,328	87,464	99,152

1(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, shares buy-backs, exercise of shares options or warrants conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the corresponding period of the immediately preceding financial year.

	3Q 2019 ended 30-Sep-19	3Q 2018 ended 30-Sep-18
Issued share capital		
Issued and fully paid ordinary shares:		
As at beginning and end of period	701,995,825	701,995,825
Treasury shares		
As at beginning and end of period	1,110,000	1,110,000
Total number of issued shares excluding treasury shares	700,885,825	700,885,825

There were no share buyback and no new shares issued during the quarter ended 30 September 2019.

	As at 30-Sep-19	As at 30-Sep-18
The number of shares that may be issued on exercise of share options outstanding at the end of the period	12,867,800	12,049,000

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

	As at 30-Sep-19	As at 31-Dec-18
Total number of issued shares	701,995,825	701,995,825
Treasury shares	1,110,000	1,110,000
Total number of issued shares excluding treasury shares	700,885,825	700,885,825

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

There were no sales, transfers, disposals, cancellations and/or use of treasury shares for the quarter ended 30 September 2019.

1(d)(v) **Subsidiary holdings.**

There were no subsidiary holdings as at the end of the current financial period reported on.

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by our auditors, Messrs Ernst & Young LLP.

3 Where the figures have been audited or reviewed, the auditor's report (including any qualification of emphasis of matter).

Not applicable.

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

Except as disclosed in item 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those of the audited financial statements for the year ended 31 December 2018.

5 If there are any changes in 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 new Singapore Financial Reporting Framework (International) (SFRS(I)) 16 Leases that is effective for the financial period beginning 1 January 2019. Under SFRS(I) 16, a lessee recognises a right-of-use (ROU) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The accounting for lessors has not changed significantly.

The Group recognises its existing operating lease arrangements as ROU assets with corresponding lease liabilities and measures lease liabilities based on the remaining lease payments discounted using the incremental borrowing rate as at the date of initial application, 1 January 2019. The Group applied the practical expedient to recognise amounts of ROU assets equal to its lease liabilities on 1 January 2019 and recognition exemptions for short-term leases and leases of low value items in accordance with SFRS(I) 16. The Group presents the ROU assets as part of property, plant and equipment.

6 Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for the preference dividends.

	Quarter			Year to date		
	ended 30 September			ended 30 September		
Earnings per share from continuing operations attributable to equity holders of the Company	<u>2019</u>	<u>2018</u>	<u>Change</u>	<u>2019</u>	<u>2018</u>	<u>Change</u>
Based on weighted average number of ordinary shares in issue (in cents)	0.85	0.50	70	2.15	0.58	271
On a fully diluted basis (in cents)	0.85	0.50	70	2.15	0.58	271

- 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 (b) immediately preceding financial year.**

	<u>Group</u>	<u>Company</u>
Net asset value per ordinary share based on Issued share capital at 30 September 2019 (in cents)	28.4	14.0
Net asset value per ordinary share based on Issued share capital at 31 December 2018 (in cents)	27.3	15.3

- 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 Year to date 2019 Performance

The Group's Concrete and Cement (C&C) business recorded a 14% year-on-year (yoy) increase in revenue to \$454.7 million, with the improved performance of ready-mix concrete (RMC) business in Singapore. On the Group level, revenue came in at \$599.3 million, an 8% yoy decrease compared to prior period, due to lower sales volume and selling prices from the trading business.

The EBITDA from continuing business increased from \$19.3 million to \$39.8 million, largely attributed to the improvement in the C&C business. Assuming the SFRS(I) 16 Leases was not adopted, EBITDA would have been \$34.6 million.

Depreciation and amortisation expenses increased by \$4.8 million yoy due to the recognition of right-of-use assets following the adoption of SFRS(I) 16 Leases as disclosed in paragraph 5.

In year to date 2019, the Group recorded a net attributable profit of \$15.1 million from continuing business, up from \$4.0 million in prior period.

The Ports business, under Xinghua Port Holdings Ltd, was de-merged as a separate entity on 7 February 2018. The results of the Ports business and its comparatives are presented separately in the income statement under "Discontinued Operations".

- 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.

Based on advance estimates by the Ministry of Trade and Industry, the construction sector in Singapore registered a 2.7% yoy increase in Gross Domestic Product (GDP) in 3Q2019, expanding for the third consecutive quarter. The construction sector is expected to remain strong in the year ahead, given the line-up of numerous public infrastructure projects and the expansion of the integrated resorts.

The construction sector in Vietnam recorded a GDP of VND148,892 billion (approximately S\$8.9 billion) in 3Q2019, up from VND85,798 billion (approximately S\$5.1 billion) in 2Q2019. According to Fitch Solutions, the construction sector is expected to continue boosting Vietnam's GDP further in 2019.

Pursuant to Budget 2020, the construction sector in Malaysia is expected to see a growth of 3.7% in 2020, an increase from the 1.7% predicted to be seen in 2019. In 2020, the construction industry would be worth approximately RM70 billion (approximately S\$23.1 billion).

11 If a decision regarding dividend has been made:

(a) Current Financial Period Reported On

Any dividend recommended 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

12 If no dividend has been declared/recommendedd, a statement to that effect.

The Company usually reviews its dividend policy semi-annually. As such, no dividend has been declared or recommended for the quarter ended 30 September 2019.

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 does not have a general mandate from shareholders for interested person transactions.

14 Negative confirmation pursuant to Rule 705(5).

CONFIRMATION PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited consolidated financial results for the quarter ended 30 September 2019 to be false or misleading.

- 15 **Confirmation that the issuer has procured undertakings from all its directors and executive officers pursuant to Rule 720(1) of the SGX Listing Manual.**

CONFIRMATION PURSUANT TO RULE 720(1) OF THE LISTING MANUAL

The Company 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 Listing Manual.

BY ORDER OF THE BOARD

Kevin Cho
Company Secretary
12 November 2019