



JCG INVESTMENT HOLDINGS LTD

Company Registration No. 200505118M

JCG INVESTMENT HOLDINGS LTD

**FIRST QUARTER UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019**

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, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group 3 months ended		Increase/ (Decrease)
	31.03.19 Unaudited S\$'000	31.03.18 Unaudited S\$'000	
Revenue	81	594	(86%)
Cost of Sales	(11)	(304)	(96%)
Gross Profit	70	290	(76%)
Gross Profit Margin	86%	49%	
Other income	-	20	(100%)
Selling and distribution expenses	(16)	(34)	(53%)
Administrative expenses	(839)	(534)	57%
Other operating expenses	-	(30)	(100%)
Finance expenses	(180)	(159)	13%
Loss for the financial period before income tax	(965)	(447)	116%
Income tax expense	-	-	-
Net loss	(965)	(447)	116%
Other comprehensive loss:			
Item that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation income	38	78	(51%)
Other comprehensive income, net of tax	38	78	(51%)
Total comprehensive loss	(927)	(369)	151%
Loss attributable to:			
Equity holders of the Company	(944)	(443)	113%
Non-controlling interests	(21)	(4)	425%
Net loss for the financial period	(965)	(447)	116%
Loss attributable to:			
Equity holders of the Company	(912)	(372)	145%
Non-controlling interests	(15)	3	600%
Total comprehensive loss for the financial period	(927)	(369)	151%

Notes to Consolidated Statement of Comprehensive Income

	Group		Increase/ (Decrease)
	3 months ended		
	31.03.19	31.03.18	
	Unaudited	Unaudited	
	S\$'000	S\$'000	
Interest expense on borrowings	(29)	(116)	(75%)
Depreciation of property, plant and equipment	(9)	(21)	(57%)
Unwinding of imputed interest	(151)	(43)	251%
Foreign exchange (loss)/gain	(5)	2	(350%)

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

	Group		Company	
	As at 31.03.19 Unaudited S\$'000	As at 31.12.18 Audited S\$'000	As at 31.03.19 Unaudited S\$'000	As at 31.12.18 Audited S\$'000
<u>ASSETS</u>				
Current assets				
Cash and cash equivalents	1,799	1,613	465	347
Trade and other receivables	556	620	3,578	46
Total current assets	2,355	2,233	4,043	393
Non-current assets				
Investment in subsidiary corporations	-	-	352	352
Property, plant and equipment	57	31	35	4
Total non-current assets	57	31	387	356
Total assets	2,412	2,264	4,430	749
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Trade and other payables	829	4,054	956	4,245
Borrowings	-	3,493	-	-
Income tax payable	40	40	-	-
Total current liabilities	869	7,587	956	4,245
Total liabilities	869	7,587	956	4,245
Net assets/ (liabilities)	1,543	(5,323)	3,474	(3,496)
Capital and reserves attributable to equity holders of the Company				
Share capital	61,669	53,871	61,669	53,871
Other reserves	3,802	3,775	3,780	3,785
Accumulated losses	(64,050)	(63,106)	(61,975)	(61,152)
Share capital and reserves	1,421	(5,460)	3,474	(3,496)
Non-controlling interests	122	137	-	-
Total equity	1,543	(5,323)	3,474	(3,496)

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

	As at 31.03.2019		As at 31.12.2018	
	Unaudited		Audited	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
(i) Loan facilities ^(a)	-	-	3,493	-

Details of any collateral

- (a) Approximately S\$3.493 million (HK\$20 million) loan borrowed by the Company's wholly owned subsidiary, CMIC Hemodialysis (Hong Kong) Limited, is secured by a corporate guarantee granted by the Company and a deed of guarantee granted by one of the Company's shareholder, Dato Dr Choo Yeow Ming.

The loan has been fully settled in January 2019 through a S\$4.0million proceeds raised from a share subscription, as announced on 26 August 2018 and approved by shareholders on 31 December 2018.

Amount repayable after one year

The Group had no borrowings repayable after one year.

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

	Group	
	3 months ended	
	31.03.2019	31.03.2018
	Unaudited	Unaudited
	S\$'000	S\$'000
Net loss	(965)	(447)
Cash flows from operating activities		
Adjustment for:		
Depreciation of property, plant and equipment	9	21
Unwinding of imputed interest	151	43
Unrealised currency translation gain	39	(1)
Interest income	-	(5)
Interest expense	29	116
Operating cash flows before movements in working capital	<u>(737)</u>	<u>(273)</u>
Trade and other receivables	64	168
Inventories	-	19
Trade and other payables	408	(230)
Cash used in operations	<u>(265)</u>	<u>(316)</u>
Income tax paid	-	(2)
Interest income	-	5
Net cash used in operating activities	<u>(265)</u>	<u>(313)</u>
 Cash flow used in investing activities		
Purchase of property, plant and equipment	(35)	(7)
Net cash used in investing activities	<u>(35)</u>	<u>(7)</u>

	Group	
	3 months ended	
	31.03.2019	31.03.2018
	Unaudited	Unaudited
	S\$'000	S\$'000
Cash flows from financing activities		
Proceeds from issuance of new shares	4,000	-
Proceeds from conversion of warrants	8	61
Repayment of borrowings	(3,493)	-
Interest paid	(29)	(116)
Net cash generated from/(used in) financing activities	486	(55)
Net increase/(decrease) in cash and cash equivalents	186	(375)
Cash and cash equivalents at the beginning of the financial period	1,613	3,847
Effect of currency translation on cash and cash equivalents	-	(2)
End of the financial period	1,799	3,470

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

Group	Share capital S\$'000	Currency translation reserves S\$'000	Accumulated losses S\$'000	Share option reserve S\$'000	Warrant reserve S\$'000	Attributable to equity holders of company S\$'000	Non-controlling interest S\$'000	Total S\$'000
Unaudited								
Balance as at 01.01.2018	53,645	149	(61,068)	280	3,672	(3,322)	92	(3,230)
Conversion of warrants	75	-	-	-	(14)	61	-	61
Expiry of warrants	151	-	-	-	(151)	-	-	-
Total comprehensive loss for the period	-	-	(443)	-	-	(443)	(4)	(447)
Other comprehensive loss	-	71	-	-	-	71	7	78
Balance as at 31.03.2018	53,871	220	(61,511)	280	3,507	(3,633)	95	(3,538)
Unaudited								
Balance as at 01.01.2019	53,871	(10)	(63,106)	278	3,507	(5,460)	137	(5,323)
Conversion of warrants	13	-	-	-	(5)	8	-	8
Issuance of share capital	7,785	-	-	-	-	7,785	-	7,785
Total comprehensive loss for the period	-	-	(944)	-	-	(944)	(21)	(965)
Other comprehensive loss	-	32	-	-	-	32	6	38
Balance as at 31.03.2019	61,669	22	(64,050)	278	3,502	1,421	122	1,543

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 (cont'd)

Company	Share capital S\$'000	Accumulated losses S\$'000	Share option reserves S\$'000	Warrant reserve S\$'000	Total S\$'000
Unaudited Balance as at 01.01.2018	53,645	(58,679)	280	3,672	(1,082)
Conversion of warrants	75	-	-	(14)	61
Expiry of warrants	151	-	-	(151)	-
Total comprehensive loss for the period	-	(434)	-	-	(434)
Balance as at 31.03.2018	53,871	(59,113)	280	3,507	(1,455)
Unaudited Balance as at 01.01.2019	53,871	(61,152)	278	3,507	(3,496)
Conversion of warrants	13	-	-	(5)	8
Issuance of share capital	7,785	-	-	-	7,785
Total comprehensive loss for the period	-	(823)	-	-	(823)
Balance as at 31.03.2019	61,669	(61,975)	278	3,502	3,474

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 also 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.

	Number of shares	Share capital S\$'000
Balance as at 31 December 2018	8,812,778,946	53,871
Balance as at 31 March 2019	10,624,476,623	61,669

On 10 January 2019, the Company had completed:

- (i) Consolidation of every 2 existing ordinary shares in the capital of the Company into 1 consolidated share;
- (ii) Allotment and issuance of up to 3,214,285,714 consolidated shares pursuant to the conversion of the deferred payment liability of S\$3.5 million;
- (iii) Placement of 2,857,142,857 consolidated shares in the capital of the company at an issue price of S\$0.0014 for each share ("Share Subscription"), with up to 952,380,952 investment warrants, each carrying the right to subscribe for 1 consolidated share in the capital of the company at an exercise price of S\$0.0014 for each new consolidated share; and
- (iv) Allotment and issuance of 142,857,143 Introducer Shares at an issue price of S\$0.0014 to the Introducer.

The total number of shares of the Company has increased from 4,406,389,409 Shares post-completion of the Proposed Share Consolidation to 10,620,675,123 Shares, following the completion of the Proposed Deferred Liability Conversion, Proposed Share Subscription and Proposed Introducer Shares Issue.

3,801,500 warrants pursuant to the 2017 Rights cum Warrants Issue were exercised during 1Q2019. As at 31 March 2019, there were 2,796,918,493 free detachable warrants ("2017 Warrants") which may be exercisable into 2,796,918,493 ordinary shares of the Company. As at 31 March 2018, there were 5,601,440,009 free detachable warrants ("2017 Warrants") which may be exercisable into 5,601,440,009 ordinary shares of the Company.

Pursuant to the 2017 Rights cum Warrants Issue, the exercise prices of share options granted on 2 May 2008, 20 June 2008 and 2 October 2014 were adjusted to S\$0.01 and additional 158,393,000 options were granted. Accordingly, the Company has 262,343,000 outstanding employee share options after the 2017 Rights cum Warrants Issue. In 1Q2019, no employee share options were exercised. As at 31 March 2019, the Company had 156,473,000 (31 March 2018: 157,734,000) outstanding employee share options exercisable into 156,473,000 (31 March 2018: 157,734,000) ordinary shares of the Company.

There were no treasury shares and subsidiary holdings as at 31 March 2019 and 31 March 2018.

1(d)(iii) To show the 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

	Company	Company
	31.03.2019	31.12.2018
Total number of issued shares excluding treasury shares	10,624,476,623	8,812,778,946

There were no treasury shares during and as at end of the financial year ended 31 March 2019 and 31 December 2018.

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 as the Company did not have any treasury shares as at the end of the current financial period reported on.

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 as the Company did not have any subsidiary holdings during and as at the end of the current financial period reporting 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 the Company's auditors.

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

Not applicable. The figures have not been audited or reviewed by the Company's auditors.

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 same accounting policies and methods of computation have been adopted for the current reporting year as compared with the most recent audited financial statements of the Company for the financial year ended 31 December 2018 ("FY2018").

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

Not applicable.

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 preference dividends**

Loss Per Share	Group	
	3 months ended	
	31.03.2019 Unaudited	31.03.2018 Unaudited
Basic (Singapore cents) ⁽¹⁾	(0.009)	(0.005)
Diluted (Singapore cents) ⁽²⁾	(0.009)	(0.005)

Notes:

- ¹ The calculation of loss per ordinary share is based on the Group's loss attributable to equity holders of the Company of S\$944,000 for 1Q2019 (31 March 2018: S\$443,000) divided by the weighted average number of shares 10,442,435,278 shares (31 March 2018: 8,801,108,792 shares).
- ² The outstanding warrants and options were not included in the computation of the diluted loss per share as their effect would have been anti-dilutive.

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	
	31.03.19 Unaudited	31.12.18 Audited	31.03.19 Unaudited	31.12.18 Audited
Net assets/(liabilities) (S\$'000)	1,543	(5,323)	3,474	(3,496)
Number of ordinary shares in issue ('000)	10,624,477	8,812,779	10,624,477	8,812,779
Net assets/(liabilities) value per ordinary share (Singapore cents)	0.01	(0.06)	0.03	(0.04)

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of the Income Statement of the Group

i) Revenue

	1Q2019	1Q2018	Variance	
	S\$'000	S\$'000	S\$'000	%
Trading & distribution	-	396	(396)	(100%)
Medical Aesthetics	81	198	(117)	(59%)
Total	<u>81</u>	<u>594</u>	(513)	(86%)

The Group's revenue from its trading and distribution business for 1Q2019 was S\$Nil, a decrease of 100% or S\$0.396 million as compared to the revenue of S\$0.396 million in the previous corresponding financial period ended 31 March 2018 ("1Q2018").

Medical aesthetic segment recorded revenue of S\$0.081 million during 1Q2019, a decrease of S\$0.117 million compared to corresponding period in 1Q2018 of S\$0.198 million. This was partially due to medical aesthetics business being badly affected by poor market demand from China and weak market condition in Taiwan, resulting in a lower number of treatments performed in 1Q2019.

ii) Cost of sales

The decrease in cost of sales is in line with the decrease in revenue in trading & distribution as well as medical aesthetic businesses.

iii) Gross profit

As a result of the abovementioned, the Group's gross profit from operations decreased by 76% from S\$0.29 million in 1Q2018 to S\$0.007 million in 1Q2019. This was mainly due to lower revenue recorded in 1Q2019 and lower costs of sales due to the sales mix.

iv) Other income

Other operating income decreased by S\$0.020 million to S\$Nil in 1Q2019 from S\$0.020 million in 1Q2018 as there was no non-operating revenue generated by the overseas subsidiary corporations during the financial period.

v) Administrative expenses

Administrative expenses increased by S\$0.305 million from S\$0.534 million in 1Q2018 to S\$0.839 million in 1Q2019. The administrative expenses incurred during the period ended 31 March 2019 are mainly operational costs, including staff costs, directors' remunerations and professional fees. The increase was mainly due to the one-off introducer fee of S\$0.286 million arising from the corporate exercises completed on 10 January 2019.

vi) Finance expenses

During the financial period under review, finance expenses increased by S\$0.021 million or 13% due to the full recognition of unwinding of imputed interest amounting to S\$0.151 million as a result of conversion of the deferred payment liability of S\$3.5 million into share capital. This is offset by settlement of HK\$20 million loan, whereby the loan interest expenses of S\$0.029 million was incurred only up to January 2019.

vii) Depreciation of property, plant and equipment

During the financial period under review, the depreciation of property, plant and equipment decreased by S\$0.012 million or 57% due to lesser addition of property, plant and equipment.

Review of the Financial Position of the Group

viii) Assets

Total assets of the Group increased by S\$0.148 million from S\$2.264 million as at 31 December 2018 to S\$2.412 million as at 31 March 2019. This was mainly attributable to an increase in cash and cash equivalents of approximately S\$0.186 million due to cash generated from financing activities as explained under paragraph x below.

The increase in total assets was slightly offset by a decrease in trade and other receivables of S\$0.064 million.

ix) Liabilities

Current liabilities decreased by S\$6.718 million from S\$7.587 million as at 31 December 2018 to S\$0.869 million as at 31 March 2019 due to conversion of the deferred payment liability of S\$3.5 million into share capital and repayment of HK\$20 million loan from Concorde Global Limited.

Review of the Cash Flow Statement of the Group

x) Cash flow

Net cash used in operating activities in 1Q2019 amounted to S\$0.265 million. The operating cash outflows before movement in working capital was S\$0.737 million. The net cash outflow from the changes in working capital of approximately S\$0.472 million was mainly due to a decrease in trade and other payables of S\$0.408 million.

Net cash used in investing activities for 1Q2019 amounted to S\$0.035 million which comprises purchase of property, plant and equipment.

Net cash generated from financing activities for 1Q2019 amounted to S\$0.486 million, arising from proceeds from issuance of ordinary shares and conversion of warrants of S\$4.0 million and S\$0.008 million respectively and offset by repayment of loan and interests from Concorde Global Limited of S\$3.522 million.

Cash and cash equivalents were S\$1.799 million as at 31 March 2019 as compared to S\$3.470 million as at 31 March 2018.

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

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

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 Directors and the management of the Company have embarked on a strategic review of the Group's existing businesses to determine the feasibility of growing and expanding these businesses, as well as to consider the feasibility of adding business consultancy, real estate related services, investment management and advisory services, subject to compliance with licensing and other regulatory requirements.

As part of the strategic review following the recent corporate exercises, the Company has entered into a sale and purchase agreement with Brand X Lab Pte. Ltd. on 11 March 2019 and has completed the 100% acquisition of Brand X Lab Pte Ltd on 15 April 2019. Brand X Lab is a private limited company incorporated in Singapore and it provides event organisation and promotion services as well as business and management consultancy services. The Company views the business of Brand X Lab as synergistic with and complementary to the Company's existing medical aesthetics and healthcare business and will similarly augment other businesses that the Company would be expanding into in future. This maiden acquisition is in line with our commitment to rebuild and nurse the Company back to sustained profitability as the additional commercial activities brought in through the acquisition would increase the revenue income of the Group as a whole.

Presently, the Board's strategy for the Group's two key businesses are as follows:

- Medical Aesthetics Business

The Group intends to rejuvenate its medical aesthetics business. Besides our current representation in Taiwan, we intend to widen involvement into Singapore, Malaysia as well as China.

- Steel Trading Business

The Group is currently inclined to retain and expand the steel trading business and management will continue to explore options with other principals for the steel trading business.

The Company will make the necessary announcement as and when there are material developments.

11. Dividend

If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No dividend has been declared or recommended for the current financial period.

(b)(i) Amount per share (cents)

Not applicable.

(b)(ii) Previous corresponding period (cents)

Not applicable.

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- (c) ***Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).***

Not applicable.

- (d) ***The date the dividend is payable.***

Not applicable.

- (e) ***The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividends are determined.***

Not applicable.

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

No dividend has been declared or recommended as the Group is in loss making position for financial period ended 31 March 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 did not enter into any IPT of S\$100,000 or more in value per transaction for 1Q2019. The Group does not have a general mandate from shareholders for IPTs.

14. Use of Proceeds

As at 14 May 2019, the net proceeds from 2017 Rights cum Warrants issue and from share subscription in 2019 had been utilised as follows:

	Allocation of net proceeds raised S\$'000	Amount re-allocated S\$'000	Amount utilised before 28-Feb-19 S\$'000	Amount utilised from 1-Mar-19 to 14-May-19 S\$'000	Amount unutilised as at 14-May-19 S\$'000
(A) Proceeds from 2017 Rights cum Warrants issue					
(i) Working Capital	2,801	160	(2,801)	(160)	-
(ii) Repayment of loans	2,800	(160)	(2,640)	-	-
(B) Proceeds from share subscription in 2019					
(i) Working Capital	484	-	-	(132)	352
(ii) Repayment of loans	3,516	-	(3,516)	-	-
Total Amount	9,601	-	(8,957)	(292)	352

Notes:

- (A) The aggregate proceeds from the 2017 Rights cum Warrants Issue was S\$5.601 million, comprising S\$4.118 million from rights subscribed and S\$1.483 million from excess application. As the Company announced in its 3Q2017 results announcement dated 10 November 2017, the Company had revised the use of proceeds from the Rights cum Warrants Issue to 50.01% working capital and 49.99% repayment of loans.

As mentioned in the full year unaudited financial statement and dividend announcement for the financial year ended 31 December 2018 released on 1 March 2019, there was no fund utilised for the repayment of loans. As the Group does not have any outstanding loan, the balance of S\$160,000 has been re-allocated to working capital.

- (i) During the period from 1 March 2019 to 14 May 2019, S\$160,000 from the working capital portion of the proceeds from the 2017 Rights cum Warrants Issue was utilised for expenses relating to the operations of the Group. Such expenses mainly related to administrative and operating expenses.
- (B) The proceeds from Share Subscription amounts to S\$4.0 million. The Company announced in its circular on 26 August 2018 that 100% of the proceeds shall be used for repayment of the Concorde Loan which had been advanced by Concorde Global Limited to CMIC Hemodialysis (Hong Kong) Limited under the loan agreement entered into between the parties on 20 June 2016 ("Concorde Loan Agreement") and the accrued interest under the Concorde Loan Agreement. Any balance will be used for the working capital of the Company.
- (i) During the period from 1 March 2019 to 14 May 2019, S\$132,000 from the working capital portion of the proceeds from the share subscription was utilised. Such expenses mainly related to administrative and operating expenses.

During the financial ended 31 March 2019, the proceeds from conversion of warrants arising from 2017 Rights cum Warrants amounted to S\$0.008 million which has been fully utilised for working capital purposes.

15. Negative confirmation pursuant to Rule 705(5) of the Catalist Rules.

The Board of Directors hereby confirm that to the best of their knowledge, nothing has come to the attention of the Board which may render the interim financial results set out above to be false or misleading in any material respect.

16. Confirmation that the Issuer has procured undertakings from all its directors and executive officers under Rule 720(1) of the Catalist Rules.

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

**By Order of the Board
15 May 2019**

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Stamford Corporate Services Pte Ltd (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Vanessa Ng (Telephone: +65 6389 3065 and E-mail: vanessa.ng@morqanlewis.com)