
**UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS AND DIVIDEND
ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2019**

Part I Information required for announcement 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		Increase (Decrease) %
	Six (6) months ended		
	30.06.19	30.06.18	
	S\$'000	S\$'000	
Revenue	30,341	30,965	(2.0)
Cost of sales	<u>(21,612)</u>	<u>(22,397)</u>	(3.5)
Gross profit	8,729	8,568	1.9
Other operating income	212	275	(22.9)
Administrative and selling expenses	(4,998)	(5,145)	(2.9)
Other operating expenses	(753)	(473)	59.2
Finance costs	<u>(30)</u>	<u>(15)</u>	100.0
Profit before income tax	3,160	3,210	(1.6)
Income tax expense	<u>(504)</u>	<u>(478)</u>	5.4
Profit for the year, representing total comprehensive income for the year	<u>2,656</u>	<u>2,732</u>	(2.8)
Total comprehensive income attributable to:			
Owners of the Company	2,669	2,727	(2.1)
Non-controlling interests	<u>(13)</u>	<u>5</u>	(360.0)
	<u>2,656</u>	<u>2,732</u>	(2.8)

1 (a)(i) Notes to the statements of comprehensive income:

	Group		Increase (Decrease) %
	Six (6) months ended		
	30.06.19	30.06.18	
	S\$'000	S\$'000	
Profit before income tax is arrived after charging/(crediting):-			
Cost of inventories included in expenses	21,389	22,174	(3.5)
Loss/(gain) on disposal of property, plant and equipment	8	(115)	N.M.
Credit loss allowance on trade receivables	54	-	N.M.
Bad debts recovered	(1)	(4)	(75.0)
Depreciation of property, plant and equipment	354	341	3.8
Depreciation of investment properties	173	173	-
Depreciation of right-of-use assets	197	-	N.M.
Amortisation of club membership	9	9	-
Net foreign exchange gain	(2)	(7)	(71.4)
Interest income	(71)	(13)	446.2
Interest expenses	12	15	(20.0)
Interest expenses of lease liabilities	18	-	N.M.

N.M. : Not meaningful



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 As at		Company As at	
	30.06.19 S\$'000	31.12.18 S\$'000	30.06.19 S\$'000	31.12.18 S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	16,154	15,180	275	469
Trade receivables	5,056	4,745	161	174
Other receivables and prepayments	414	383	15,641	15,922
Inventories	14,294	14,655	-	-
Total current assets	35,918	34,963	16,077	16,565
Non-current assets				
Property, plant and equipment	7,788	7,416	-	-
Investment properties	14,176	14,349	-	-
Club membership	215	224	-	-
Investment in subsidiaries	-	-	2,378	2,340
Right-of-use assets*	891	-	-	-
Total non-current assets	23,070	21,989	2,378	2,340
Total assets	58,988	56,952	18,455	18,905
LIABILITIES AND EQUITY				
Current liabilities				
Trade payables	8,205	7,082	-	-
Other payables and accruals	1,097	1,615	1,324	129
Bank loans	1,586	353	-	-
Finance leases	57	55	-	-
Lease liabilities*	422	-	-	-
Income tax payable	1,015	1,005	6	15
Total current liabilities	12,382	10,110	1,330	144
Non-current liabilities				
Bank loans	-	1,408	-	-
Finance leases	167	195	-	-
Lease liabilities*	632	-	-	-
Deferred tax liability	137	137	-	-
Total non-current liabilities	936	1,740	-	-
Total liabilities	13,318	11,850	1,330	144
Capital, reserves and non-controlling interests				
Share capital	8,020	8,020	8,020	8,020
Retained earnings	37,650	37,034	9,105	10,741
Equity attributable to owners of the Company	45,670	45,054	17,125	18,761
Non-controlling interests	-	48	-	-
Total equity	45,670	45,102	17,125	18,761
Total liabilities and equity	58,988	56,952	18,455	18,905

* The Group adopted SFRS(I) 16 Leases with effect from 1 January 2019 based on the modified retrospective approach.



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

(A) Amount repayable in one year or less, or on demand

	As at 30.06.19		As at 31.12.18	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Bank loans*	1,586	-	353	-
Finance leases	57	-	55	-

(B) Amount repayable after one year

	As at 30.06.19		As at 31.12.18	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Bank loans*	-	-	1,408	-
Finance leases	167	-	195	-

* The Group has decided to make an early repayment of its bank loans and has therefore reclassified the amount to current liabilities. The bank loans are expected to be repaid in second half of financial year 2019.

(C) Details of any collaterals

As at 30.06.19 and 31.12.18

The bank loans were secured by legal mortgages over subsidiary's freehold properties and corporate guarantees provided by the Company.

Finance leases are secured by the lessors' title to the leased assets.

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

	Group	
	Six (6) months ended	
	30.06.19	30.06.18
	S\$'000	S\$'000
Operating activities:		
Profit before income tax	3,160	3,210
Adjustments for:		
Interest expenses	12	15
Interest expenses of lease liabilities	18	-
Interest income	(71)	(13)
Depreciation of property, plant and equipment	354	341
Depreciation of investment properties	173	173
Depreciation of right-of-use assets	197	-
Amortisation of club membership	9	9
Loss/(gain) on disposal of property, plant and equipment	8	(115)
Credit loss allowance on trade receivables	54	-
Bad debts recovered	(1)	(4)
Operating cash flows before changes in working capital	3,913	3,616
Trade receivables	(364)	(33)
Other receivables and prepayments	(31)	222
Inventories	361	192
Trade payables	1,123	(306)
Other payables and accruals	(518)	(575)
Cash flows generated from operations	4,484	3,116
Income tax paid	(494)	(358)
Interest received	71	13
Net cash generated from operating activities	4,061	2,771
Investing activity:		
Purchase of property, plant and equipment (Note A), representing net cash flows used in investing activity	(734)	(666)
Financing activities:		
Acquisition of non-controlling interest in a subsidiary	(38)	-
Proceed from bank loan	-	2,000
Repayment of bank loans	(175)	(170)
Repayment of finance leases	(26)	(23)
Payment of lease liabilities	(212)	-
Dividends paid	(1,872)	(1,872)
Interest paid	(30)	(15)
Net cash flows used in financing activities	(2,353)	(80)
Net increase in cash and cash equivalents	974	2,025
Cash and cash equivalents at beginning of the year	15,180	12,012
Cash and cash equivalents at end of the year	16,154	14,037

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

	Group	
	Six (6) months ended	
	30.06.19	30.06.18
	S\$'000	S\$'000
Note A		
Additions to property, plant and equipment	734	781
Less:		
Offset from trade-in of property, plant and equipment	-	(115)
Net cash outflow for purchase of property, plant and equipment	<u>734</u>	<u>666</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

Group	Share Capital	Retained earnings	Attributable to the owners of the Company	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2019	8,020	37,034	45,054	48	45,102
Effects of adoption of SFRS(I) 16	-	(178)	(178)	-	(178)
Balance as at 1 January 2019 (restated)	8,020	36,856	44,876	48	44,924
Profit (loss) for the year, representing total comprehensive income for the year	-	2,669	2,669	(13)	2,656
<i>Transactions with owners, recognised directly in equity</i>					
Effects of acquiring non-controlling interest in a subsidiary	-	(3)	(3)	(35)	(38)
Dividends paid	-	(1,872)	(1,872)	-	(1,872)
Balance as at 30 June 2019	8,020	37,650	45,670	-	45,670
Balance as at 1 January 2018	8,020	34,061	42,081	60	42,141
Profit for the year, representing total comprehensive income for the year	-	2,727	2,727	5	2,732
Dividends paid, representing transactions with owners, recognised directly in equity	-	(1,872)	(1,872)	-	(1,872)
Balance as at 30 June 2018	8,020	34,916	42,936	65	43,001

- 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 period (*cont'd*)

Company	Share capital S\$'000	Accumulated profits S\$'000	Total S\$'000
Balance as at 1 January 2019	8,020	10,741	18,761
Profit for the period, representing total comprehensive income for the period	-	236	236
Dividends paid, representing transactions with owners, recognised directly in equity	-	(1,872)	(1,872)
Balance as at 30 June 2019	<u>8,020</u>	<u>9,105</u>	<u>17,125</u>
Balance as at 1 January 2018	8,020	12,360	20,380
Profit for the period, representing total comprehensive income for the period	-	244	244
Dividends paid, representing transactions with owners, recognised directly in equity	-	(1,872)	(1,872)
Balance as at 30 June 2018	<u>8,020</u>	<u>10,732</u>	<u>18,752</u>

- 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.**

Between 31 December 2018 (being the end of the previous period reported on) and 30 June 2019, there were no changes in the Company's share capital.

The Company had adopted the Choo Chiang Performance Share Plan prior to its listing on the Catalist in July 2015. As at 31 December 2018 and 30 June 2019, no share awards were granted under this performance share plan. As at 31 December 2018 and 30 June 2019, the Company did not have any outstanding options, warrants or other instrument convertible into securities of the Company.

As at 31 December 2018 and 30 June 2019, the Company had an issued and paid-up share capital of S\$8,020,000 comprising 208,000,000 ordinary shares in issue. As at 31 December 2018 and 30 June 2019, the Company did not have any general mandate to undertake share buybacks and did not hold any treasury shares and subsidiary holdings.

- 1 (d)(iii) 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.**

	Number of ordinary shares	
	As at	
	30.06.19	31.12.18
Total number of issued shares (excluding treasury shares)	<u>208,000,000</u>	<u>208,000,000</u>

- 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 hold any treasury shares.

- 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 hold any subsidiary holdings.

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 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.

Save as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the six months ended 30 June 2019 as its most recently audited financial statements for the financial 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 accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for the financial periods beginning on or after 1 January 2019.

The adoption of new and revised standards did not have substantial effect on the financial performance and position of the Group except for the adoption of Singapore Financial Reporting Standards (International) ("**SFRS(I)**") 16 *Leases* which took effect on 1 January 2019.

The Group has applied the changes in accounting policies using the modified retrospective approach. The impact of adoption is adjusted against the opening balance of retained earnings on 1 January 2019, which is the date of initial application. Comparatives are not restated. Refer to Note 1(b)(i) for the right-of-use assets and lease liabilities recognised as at 30 June 2019 as a result of the application of SFRS(I) 16 *Leases* and refer to Note 1(d)(i) for the impact on opening retained earnings.

Right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If the rate cannot be readily determined, the Group uses its incremental borrowing rate specific to the lease.

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 ordinary share ("EPS")	Group	
	Six (6) months ended	
	30.06.19	30.06.18
Profit attributable to owners of the Company (S\$'000)	2,669	2,727
Number of ordinary shares ('000)	208,000	208,000
Basic and diluted EPS (Singapore cents)	1.28	1.31

EPS is calculated based on (i) the profit attributable to owners of the Company for the six months ended 30 June 2019 ("HY2019") and the six months ended 30 June 2018 ("HY2018"), and (ii) the 208,000,000 issued shares as at 30 June 2019 and as at 30 June 2018, respectively. Fully diluted EPS and the basic EPS for the financial periods presented in the table above are the same as the Company did not have any outstanding instruments convertible into rights to subscribe for, and options in respect of its shares during these 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	
	As at		As at	
	30.06.19	31.12.18	30.06.19	31.12.18
Net Asset Value ("NAV")				
Net assets (S\$'000)	45,670	45,054	17,125	18,761
Number of ordinary shares used in calculating NAV per ordinary share ('000)	208,000	208,000	208,000	208,000
NAV per ordinary share (Singapore cents)	21.96	21.66	8.23	9.02

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 financial performance

Revenue

The Group's revenue is derived from sales and retail of electrical products and accessories in Singapore ("**Distribution Business**") and rental income from its investment properties in Singapore ("**Property Investment**").

Total revenue decreased by S\$0.63 million or 2.0%, from S\$30.97 million in HY2018 to S\$30.34 million in HY2019, mainly due to a decrease in the revenue from the Distribution Business segment.

Distribution Business

Revenue from Distribution Business segment decreased by S\$0.64 million or 2.1%, from S\$30.74 million in HY2018 to S\$30.10 million in HY2019. The decrease was mainly due to general slowdown of the industry in HY2019.

Property Investment

Rental income from the Property Investment segment increased by S\$0.01 million or 4.3%, from S\$0.23 million in HY2018 to S\$0.24 million in HY2019 mainly due to six (6) out of seven (7) investment properties which were vacant for several months in HY2018 were fully leased out in HY2019.

Cost of sales

Cost of sales decreased by S\$0.79 million or 3.5%, from S\$22.40 million in HY2018 to S\$21.61 million in HY2019, which is in line with the decrease in revenue.

Distribution Business

Cost of sales of the Distribution Business segment decreased by S\$0.79 million or 3.6%, from S\$22.18 million in HY2018 to S\$21.39 million in HY2019, generally in line with the decrease in revenue for this segment.

Property Investment

Cost of sales of the Property Investment segment comprised mainly depreciation, management fee and property tax. The cost of sales remained constant at S\$0.22 million in HY2018 and HY2019.

Gross profit and gross profit margin

Gross profit increased by S\$0.16 million or 1.9% from S\$8.57 million in HY2018 to S\$8.73 million in HY2019. Gross profit margin improved from 27.7% in HY2018 to 28.8% in HY2019.

The gross profit margin of the Distribution Business segment increased by 1.1% from approximately 27.8% in HY2018 to 28.9% in HY2019.

The gross profit margin of the Property Investment segment increased from 4.3% in HY2018 to 8.3% in HY2019. This was mainly due to higher rental received from one (1) renewed lease which commenced during HY2019 and lower financing cost incurred from property loans.

Other operating income

Other operating income decreased by S\$0.07 million or 25.0% from S\$0.28 million in HY2018 to S\$0.21 million in HY2019. The decrease in other operating income was mainly due to a decrease in (i) gain on disposal of property, plant and equipment; (ii) government grant; and (iii) bad debts recovered from customers. These decreases were partially offset by the increase in (i) interest income; and (ii) sundry income.

Administrative and selling expenses

Administrative expenses decreased by S\$0.15 million or 2.9% from S\$5.15 million in HY2018 to S\$5.00 million in HY2019. The decrease in administrative and selling expenses was mainly due to a decrease in (i) rental expenses is recorded as depreciation of right-of-use assets as a result of the adoption SFRS(I) 16 Leases; (ii) recruitment expenses; (iii) commission paid to property agents; and (iv) donations and gifts. The decrease was offset by an increase in (i) subscription fee for the ERP system; and (ii) upkeep of motor vehicles in HY2019.

Other operating expenses

Other operating expenses increased by S\$0.28 million or 59.6% from S\$0.47 million in HY2018 to S\$0.75 million in HY2019, mainly due to an increase in (i) depreciation of right-of-use assets as a result of the adoption of SFRS(I)16 Leases; (ii) credit loss allowance on trade receivables; (iii) depreciation of property, plant and equipment; and (iv) loss of disposal of property, plant and equipment.

Finance costs

Finance costs increased from S\$15,000 in HY2018 to S\$30,000 in HY2019 as a result of the recognition of lease liability with the adoption of SFRS(I) 16 Leases.

Profit before income tax

As a result of the reasons mentioned above, the Group's profit before income tax decreased by S\$0.05 million or 1.6% from S\$3.21 million in HY2018 to S\$3.16 million in HY2019.

Review of financial position

Current assets

Current assets increased by S\$0.95 million from S\$34.96 million as at 31 December 2018 to S\$35.91 million as at 30 June 2019. The increase in current assets was mainly due to an increase in cash and bank balances, trade receivables and other receivables and prepayments of S\$0.97 million, S\$0.31 million and S\$0.04 million respectively. These increases were partially offset by a decrease in inventories of S\$0.37 million.

Non-current assets

Non-current assets increased by S\$1.08 million from S\$21.99 million as at 31 December 2018 to S\$23.06 million as at 30 June 2019. The increase in non-current assets was mainly due to the recognition of right-of-use assets of S\$0.89 million as a result of the adoption of SFRS(I) 16 *Leases* and an increase in property, plant and equipment of S\$0.37 million arising mainly from renovation. These increases were partially offset by a decrease in investment properties and club membership of S\$0.17 million and S\$0.01 million respectively.

Current liabilities

Current liabilities increased by S\$2.28 million from S\$10.11 million as at 31 December 2018 to S\$12.39 million as at 30 June 2019. The increase in current liabilities were mainly due to an increase in current portion of bank loans of S\$1.24 million, an increase in trade payables of S\$1.13 million, the recognition of lease liabilities of S\$0.42 million as a result of the adoption of SFRS(I) 16 *Leases* and an increase in provision of taxation of S\$0.01 million. These increases were partially offset by a decrease in other payables and accruals of S\$0.52 million.

Non-current liabilities

Non-current liabilities decreased by S\$0.80 million from S\$1.74 million as at 31 December 2018 to S\$0.94 million as at 30 June 2019. The decrease in non-current liabilities is mainly due to decrease in finance lease of S\$0.04 million and the non-current portion of bank loans of S\$1.41 million that the Group intends to make an early repayment in second half of financial year 2019. The decrease was offset by the recognition of lease liabilities of S\$0.63 million as a result of the adoption of SFRS(I) 16 *Leases*.

Review of cash flow management

Net cash generated from operating activities

In HY2019, the Group generated net cash inflow from operating activities of approximately S\$4.06 million, which was a result of operating cash flows before changes in working capital of approximately S\$3.91 million, net working capital inflows of approximately S\$0.57 million, income tax paid of approximately S\$0.49 million and interest received of approximately S\$0.07 million.

Net cash used in investing activities

In HY2019, the Group's net cash outflow for investing activities amounted to approximately S\$0.73 million, which was solely due to purchases of property, plant and equipment.

Net cash used in financing activities

In HY2019, the Group's net cash outflow for financing activities amounted to approximately S\$2.35 million, mainly due to (i) dividends payment of S\$1.87 million; (ii) repayment of bank loans and finance leases of S\$0.20 million; (iii) lease liabilities and interest payments of S\$0.24 million; and (iv) acquisition of non-controlling interest in a subsidiary of \$0.04 million.

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

There has not been any forecast or prospect statement in relation to the Group's results for HY2019 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.

Subject to, inter alia, market conditions, availability of good location and other relevant business considerations, it is the Group's current intention to continue to expand its retail network in Singapore. The Group also intends to reinforce and strengthen its market position in Singapore by widening the range of products sold under its "CCM" and "CRM" brands.

Renovation works at its headquarters and central warehouse located at 10 Woodlands Loop, Singapore 738388 which began in the second half of 2018 has been progressing according to schedule.

Subject to unexpected circumstances, the Group is expected to remain profitable for the financial year ending 31 December 2019.



11. If a decision regarding dividend has been made:

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

Current financial period reported on

Name of dividend	Interim dividend
Dividend type	Cash
Dividend per ordinary share	0.5 Singapore cents
Total annual dividend	S\$1,040,000
Tax rate	Tax exempt (one-tier)

Previous corresponding period of the Immediately Preceding Financial Year

Not applicable.

(b) The date the dividend is payable

Interim dividend will be paid on 6 September 2019.

(c) The date on which Registrable Transfers received by the company (up to 5.00 p.m.) will be registered before entitlements to the dividend are determined

Notice is hereby given that the Register of Members and the Transfer Books of the Company will be closed at 5.00p.m. on 26 August 2019 ("**Book Closure Date**") for the purpose of determining members' entitlement to the interim dividend.

Duly completed registrable transfers received by the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902 up to 5.00 p.m. on 26 August 2019 will be registered to determine shareholders' entitlements to the Dividends.

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

Not applicable.

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 did not obtain any general mandate from the Company's shareholders in respect of interested person transactions.

As at 30 June 2019, the following remained subsisting:

- (i) Lim Teck Chuan, Executive Chairman and Chief Executive Officer, had provided personal guarantees to the Housing & Development Board in order that the Group may secure lease agreements;
- (ii) the Company, CCM Australia Pty Ltd ("**CCM Australia**")⁽¹⁾ and Lim Teck Chuan had entered into a call option agreement on 26 June 2015 ("**TL Call Option Agreement**") pursuant to which Lim Teck Chuan granted the Company a call option to acquire all the shares that he may from time to time hold in CCM Ventures;
- (iii) the Company and CCM Australia had entered into a call option agreement on 26 June 2015 pursuant to which CCM Australia granted the Company a call option to purchase from CCM Australia the trademark that is used by CCM Australia in Australia;
- (iv) each of CCM Ventures and CCM Australia had provided a non-competition deed in favour of the Company;
- (v) Lim Teck Chuan had provided an undertaking pursuant to which he would *inter alia* (aa) within two (2) years from 29 July 2015 (being the date of listing of the Company on the Catalist), divest his shareholding in CCM Ventures to persons other than his Associates such that he will no longer be a shareholder of CCM Ventures; and (bb) grant the Company a right of first refusal of any sale of any shares in CCM Ventures by himself; and
- (vi) CCM Ventures had provided an undertaking pursuant to which, amongst others, (aa) in the event of any proposed issue by CCM Ventures of any shares to any Associate of Lim Teck Chuan, it shall be a condition precedent to such share issue that the proposed subscriber enters into a call option agreement with the Company on the same terms and conditions as the TL Call Option Agreement; and (bb) CCM Ventures granted the Company a right of first refusal of any sale of any shares in CCM Australia by CCM Ventures.

On 21 July 2017, the Company announced that Lim Teck Chuan had informed the Company of his intention for the business of CCM Australia to be discontinued and consequently for both CCM Ventures and CCM Australia to be struck off and that the Company had entered into various side letters with each of Lim Teck Chuan, CCM Ventures and CCM Australia pursuant to which the relevant documents referred to under (ii) to (vi) in this paragraph above would be terminated upon the effective date of striking off of CCM Ventures and CCM Australia. As at the date of this announcement, CCM Australia has been struck off and CCM Ventures is in the process of being struck off.

Note:

- (1) CCM Ventures Pte. Ltd. ("**CCM Ventures**") owned 100% of the issued and paid-up share capital of CCM Australia. The Company's Executive Chairman and Chief Executive Officer, Lim Teck Chuan owns an interest of 65.3% in CCM Ventures and is also the sole director of CCM Ventures and previously, a director of CCM Australia. Accordingly, CCM Australia was an associate of Lim Teck Chuan.

14. Negative confirmation pursuant to Rule 705(5) (not required for announcement of full year results). This confirmation must be signed by two (2) directors on behalf of the board of directors.

We, Lim Teck Chuan and Lim Teck Seng, being Directors of the Company, hereby confirm on behalf of the board of Directors that, to the best of the Directors' knowledge, nothing has come to the attention of the board of Directors which may render the unaudited consolidated financial statements of the Group for the six (6) months ended 30 June 2019 to be false or misleading in any material aspect.

Lim Teck Chuan
Executive Chairman and Chief Executive Officer

Lim Teck Seng
Executive Director

15. 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)

The Company hereby confirms that it has already procured undertakings from all of its Directors and relevant executive officers in the format as set out in Appendix 7H of the Catalyst Rules in accordance with Rule 720(1) of the Catalyst Rules.

BY ORDER OF THE BOARD

Lim Teck Chuan
Executive Chairman and Chief Executive Officer

Singapore

8 August 2019

*This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited ("**Sponsor**"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Sponsor and the SGX-ST assume 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 Mr David Yeong, at 1 Robinson Road #21-00 AIA Tower Singapore 048542, Telephone: +65 6232 3210.*
