

Unaudited Second Quarter Financial Statement And Related Announcement for the Quarter Ended 30 June 2019

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF Q2 RESULTS

1(a) 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.

1(a)(i) CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTERS ENDED 30 JUNE 2019 AND 30 JUNE 2018

Consolidated Income Statement

	Group 2Q2019	Group 2Q2018	Increase/ (Decrease)	Group HY2019	Group HY2018	Increase/ (Decrease)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	231,100	362,221	(36.2%)	470,894	635,043	(25.8%)
Cost of sales	(215,423)	(342,176)	(37.0%)	(440,987)	(599,570)	(26.4%)
Gross profit	15,677	20,045	(21.8%)	29,907	35,473	(15.7%)
Other income	369	316	16.8%	704	462	52.4%
Sales and distribution expenses	(8,792)	(10,433)	(15.7%)	(16,557)	(18,295)	(9.5%)
General and administrative expenses	(3,892)	(5,227)	(25.5%)	(7,670)	(9,640)	(20.4%)
Impairment losses on financial assets	(1,417)	(58)	N.M	(1,517)	(125)	N.M
Interest expense	(1,455)	(1,695)	(14.2%)	(3,168)	(3,189)	(0.7%)
Profit before taxation	490	2,948	(83.4%)	1,699	4,686	(63.7%)
Income tax expense	(324)	(742)	(56.3%)	(527)	(1,017)	(48.2%)
Profit after taxation	166	2,206	(92.5%)	1,172	3,669	(68.1%)

Profit attributable to:-						
Equity holders of the Company	166	2,206	(92.5%)	1,172	3,669	(68.1%)

Note:-

N.M. = Not meaningful

1(a) 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 (Cont'd).

1(a)(i) **CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTERS ENDED 30 JUNE 2019 AND 30 JUNE 2018 (CONT'D)**

Consolidated Statement of Other Comprehensive Income

	Group 2Q2019	Group 2Q2018	Increase/ (Decrease)	Group HY2019	Group HY2018	Increase/ (Decrease)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Profit after taxation	166	2,206	(92.5%)	1,172	3,669	(68.1%)
Other comprehensive income:-						
Item that will not be reclassified subsequently to profit or loss:-						
Net fair value changes on equity instrument at fair value through other comprehensive income	367	(29)	N.M	493	119	N.M.
Items that may be reclassified subsequently to profit or loss:-						
Foreign currency translation	(11)	(30)	(63.3%)	(34)	(46)	(26.1%)
Other comprehensive income for the period	356	(59)	N.M	459	73	N.M.
Total comprehensive income for the period	522	2,147	(75.7%)	1,631	3,742	(56.4%)
Total comprehensive income attributable to:-						
Equity holders of the Company	522	2,147	(75.7%)	1,631	3,742	(56.4%)

1(a)(ii) **NOTES TO THE CONSOLIDATED INCOME AND STATEMENT OF COMPREHENSIVE INCOME**

Notes to the consolidated income and statement of comprehensive income	Group 2Q2019	Group 2Q2018	Group HY2019	Group HY2018
	US\$'000	US\$'000	US\$'000	US\$'000
Interest income	54	4	65	10
Interest expenses on loans and borrowings	(1,396)	(1,695)	(3,044)	(3,189)
Interest expenses on lease liabilities	(58)	–	(123)	–
Impairment losses on trade debtors	(1,417)	(58)	(1,517)	(125)
Bad debt written back	–	–	108	–
Reversal of stocks written down	648	717	1,354	1,113
Stocks written down/ off	(355)	(713)	(790)	(1,485)
Net (loss)/ gain on disposal of property, plant and equipment	–	(1)	55	(1)
Depreciation of property, plant and equipment	(379)	(310)	(768)	(609)
Depreciation of right-of-use assets	(717)	–	(1,427)	–
Net foreign exchange loss	(458)	(1,247)	(259)	(271)
Net fair value change on derivatives	(20)	(26)	(36)	(26)

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.

STATEMENT OF FINANCIAL POSITION	Group 30/06/2019 (Unaudited)	Group 31/12/2018 (Audited)	Company 30/06/2019 (Unaudited)	Company 31/12/2018 (Audited)
	US\$'000	US\$'000	US\$'000	US\$'000
Non-current assets				
Property, plant and equipment	3,737	3,411	–	–
Right-of-use assets	5,069	–	–	–
Intangible assets	752	752	–	–
Investments in subsidiaries	–	–	27,878	25,878
Other investments	4,911	2,418	2,691	2,198
Deferred tax assets	–	142	–	–
Total non-current assets	14,469	6,723	30,569	28,076
Current assets				
Trade and other debtors	164,429	191,521	9,709	13,555
Prepayments	580	455	7	2
Stocks	148,047	164,422	–	–
Derivatives	303	386	–	–
Cash and short-term deposits	15,429	20,571	566	1,484
Total current assets	328,788	377,355	10,282	15,041
Current liabilities				
Trade and other creditors	(126,826)	(150,765)	(92)	(1,522)
Contract liabilities	(3,574)	(4,037)	–	–
Interest-bearing loans and borrowings	(129,414)	(148,947)	–	–
Lease liabilities	(2,809)	–	–	–
Provision for taxation	(2,241)	(2,459)	(109)	(134)
Total current liabilities	(264,864)	(306,208)	(201)	(1,656)
Net current assets	63,924	71,147	10,081	13,385
Non-current liability				
Lease liabilities	(2,359)	–	–	–
Total non-current liability	(2,359)	–	–	–
Net assets	76,034	77,870	40,650	41,461
Equity attributable to equity holders of the Company				
Share capital	38,893	38,859	38,893	38,859
Reserves	37,141	39,011	1,757	2,602
	76,034	77,870	40,650	41,461

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

Amount repayable in one year or less, or on demand

At 30/06/2019 (US\$'000)		At 31/12/2018 (US\$'000)	
Secured	Unsecured	Secured	Unsecured
–	129,414	–	148,947

Amount repayable after one year, or on demand

At 30/06/2019 (US\$'000)		At 31/12/2018 (US\$'000)	
Secured	Unsecured	Secured	Unsecured
–	–	–	–

Details of any collateral

There is no collateral on the Group's interest-bearing loans and borrowings as at 30 June 2019.

As at 30 June 2019, the Company has provided corporate guarantees to banks in connection with credit facilities provided to its subsidiaries, of which US\$129,414,000 (31 December 2018: US\$148,947,000) of the credit facilities have been utilised.

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 2Q2019	Group 2Q2018	Group HY2019	Group HY2018
	US\$'000	US\$'000	US\$'000	US\$'000
Operating activities				
Profit before taxation	490	2,948	1,699	4,686
Adjustments for:-				
Interest income	(54)	(4)	(65)	(10)
Interest expense	1,454	1,695	3,167	3,189
Depreciation of property, plant and equipment	379	310	768	609
Depreciation of right-of-use assets	717	–	1,427	–
Net loss/ (gain) on disposal of property, plant and equipment	–	1	(55)	1
Impairment losses on trade debtors	1,417	58	1,517	125
(Net reversal of stocks written down)/ stocks written down	(293)	(4)	(564)	372
Net fair value changes on derivatives	20	26	36	26
Share based payments under EPSS	34	42	34	42
Operating cash flows before changes in working capital	4,164	5,072	7,964	9,040
Decrease/ (increase) in stocks	215	29,615	16,939	(17,180)
Decrease/ (increase) in trade and other debtors and prepayments	12,632	(17,246)	25,448	(9,116)
(Decrease)/ increase in trade and other creditors and contract liabilities	(5,712)	(24,081)	(24,402)	6,522
Cash flows generated from/ (used in) operations	11,299	(6,640)	25,949	(10,734)
Interest received	54	4	65	10
Interest paid	(1,454)	(1,695)	(3,167)	(3,189)
Income tax paid	(360)	(336)	(603)	(714)
Net cash flows generated from/ (used in) operating activities	9,539	(8,667)	22,244	(14,627)
Investing activities				
Purchase of investment	(2,000)	–	(2,000)	–
Purchase of property, plant and equipment	(302)	(206)	(1,093)	(1,411)
Proceed from disposal of property, plant and equipment	–	–	55	–
Purchase of derivatives	–	(496)	–	(496)
Proceed from derivatives	31	–	49	–
Net cash flows used in investing activities	(2,271)	(702)	(2,989)	(1,907)
Financing activities				
Net (decrease)/ increase in interest-bearing loans and borrowings	(12,054)	16,641	(19,533)	23,679
Dividend paid on ordinary shares	(3,501)	(4,028)	(3,501)	(4,028)
Repayment of lease liabilities	(716)	–	(1,329)	–
Net cash flows (used in)/ generated from financing activities	(16,271)	12,613	(24,363)	19,651
Net (decrease)/ increase in cash and cash equivalents	(9,003)	3,244	(5,108)	3,117
Effects of exchange rate changes on cash and cash equivalents	(11)	(18)	(34)	(30)
Cash and cash equivalents at beginning of period	24,443	9,840	20,571	9,979
Cash and cash equivalents at end of period	15,429	13,066	15,429	13,066

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.

Attributable to equity holders of the Company								
Group	Equity, total US\$'000	Share capital US\$'000	Reserves, total US\$'000	Other reserve US\$'000	Fair value reserve US\$'000	Statutory reserve US\$'000	Foreign currency translation reserve US\$'000	Revenue reserve US\$'000
<u>HY2019</u>								
Opening balance at 1 January 2019	77,870	38,859	39,011	227	602	25	(21)	38,178
Profit for the period	1,172	—	1,172	—	—	—	—	1,172
Other comprehensive income for the period	459	—	459	—	493	—	(34)	—
Total comprehensive income for the period	1,631	—	1,631	—	493	—	(34)	1,172
<u>Contributed by and distribution to owners:-</u>								
Issuance of new shares	34	34	—	—	—	—	—	—
Dividends on ordinary shares	(3,501)	—	(3,501)	—	—	—	—	(3,501)
Closing balance at 30 June 2019	76,034	38,893	37,141	227	1,095	25	(55)	35,849
<u>HY2018</u>								
Opening balance at 1 January 2018	73,718	38,553	35,165	227	804	25	6	34,103
Profit for the period	3,669	—	3,669	—	—	—	—	3,669
Other comprehensive income for the period	73	—	73	—	119	—	(46)	—
Total comprehensive income for the period	3,742	—	3,742	—	119	—	(46)	3,669
<u>Contributed by and distribution to owners:-</u>								
Issuance of new shares	42	42	—	—	—	—	—	—
Dividends on ordinary shares	(4,028)	—	(4,028)	—	—	—	—	(4,028)
Closing balance at 30 June 2018	73,474	38,595	34,879	227	923	25	(40)	33,744

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.

Attributable to equity holders of the Company								
Group	Equity, total US\$'000	Share capital US\$'000	Reserves, total US\$'000	Other reserve US\$'000	Fair value reserve US\$'000	Statutory reserve US\$'000	Foreign currency translation reserve US\$'000	Revenue reserve US\$'000
2Q2019								
Opening balance at 1 April 2019	78,979	38,859	40,120	227	728	25	(44)	39,184
Profit for the period	166	–	166	–	–	–	–	166
Other comprehensive income for the period	356	–	356	–	367	–	(11)	–
Total comprehensive income for the period	522	–	522	–	367	–	(11)	166
Contributed by and distribution to owners:-								
Issuance of new shares	34	34	–	–	–	–	–	–
Dividends on ordinary shares	(3,501)	–	(3,501)	–	–	–	–	(3,501)
Closing balance at 30 June 2019	76,034	38,893	37,141	227	1,095	25	(55)	35,849
2Q2018								
Opening balance at 1 April 2018	75,313	38,553	36,760	227	952	25	(10)	35,566
Profit for the period	2,206	–	2,206	–	–	–	–	2,206
Other comprehensive income for the period	(59)	–	(59)	–	(29)	–	(30)	–
Total comprehensive income for the period	2,147	–	2,147	–	(29)	–	(30)	2,206
Contributed by and distribution to owners:-								
Issuance of new shares	42	42	–	–	–	–	–	–
Dividends on ordinary shares	(4,028)	–	(4,028)	–	–	–	–	(4,028)
Closing balance at 30 June 2018	73,474	38,595	34,879	227	923	25	(40)	33,744

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	Attributable to equity holders of the Company					
	Equity, total US\$'000	Share capital US\$'000	Reserves, total US\$'000	Other reserve US\$'000	Fair value reserve US\$'000	Revenue reserve US\$'000
<u>HY2019</u>						
Opening balance at 1 January 2019	41,461	38,859	2,602	227	602	1,773
Profit for the period	2,163	—	2,163	—	—	2,163
Other comprehensive income for the period	493	—	493	—	493	—
Total comprehensive income for the period	2,656	—	2,656	—	493	2,163
<u>Contributed by and distribution to owners:-</u>						
Issuance of new shares	34	34	—	—	—	—
Dividends on ordinary shares	(3,501)	—	(3,501)	—	—	(3,501)
Closing balance at 30 June 2019	40,650	38,893	1,757	227	1,095	435
<u>HY2018</u>						
Opening balance at 1 January 2018	41,316	38,553	2,763	227	804	1,732
Profit for the period	2,974	—	2,974	—	—	2,974
Other comprehensive income for the period	119	—	119	—	119	—
Total comprehensive income for the period	3,093	—	3,093	—	119	2,974
<u>Contributed by and distribution to owners:-</u>						
Issuance of new shares	42	42	—	—	—	—
Dividends on ordinary shares	(4,028)	—	(4,028)	—	—	(4,028)
Closing balance at 30 June 2018	40,423	38,595	1,828	227	923	678

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	Attributable to equity holders of the Company					
	Equity, total US\$'000	Share capital US\$'000	Reserves, total US\$'000	Other reserve US\$'000	Fair value reserve US\$'000	Revenue reserve US\$'000
2Q2019						
Opening balance at 1 April 2019	41,631	38,859	2,772	227	728	1,817
Profit for the period	2,119	–	2,119	–	–	2,119
Other comprehensive income for the period	367	–	367	–	367	–
Total comprehensive income for the period	2,486	–	2,486	–	367	2,119
Contributed by and distribution to owners:-						
Issuance of new shares	34	34	–	–	–	–
Dividends on ordinary shares	(3,501)	–	(3,501)	–	–	(3,501)
Closing balance at 30 June 2019	40,650	38,893	1,757	227	1,095	435
2Q2018						
Opening balance at 1 April 2018	41,423	38,553	2,870	227	952	1,691
Profit for the period	3,015	–	3,015	–	–	3,015
Other comprehensive income for the period	(29)	–	(29)	–	(29)	–
Total comprehensive income for the period	2,986	–	2,986	–	(29)	3,015
Contributed by and distribution to owners:-						
Issuance of new shares	42	42	–	–	–	–
Dividends on ordinary shares	(4,028)	–	(4,028)	–	–	(4,028)
Closing balance at 30 June 2018	40,423	38,595	1,828	227	923	678

- 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.**

	2Q2019		2Q2018	
	No. of shares	US\$'000	No. of shares	US\$'000
<u>Issued share capital</u>				
At beginning of financial period	119,192,840	38,859	118,502,940	38,553
Issuance of EPSS	80,000	34	80,000	42
At end of financial period	119,272,840	38,893	118,582,940	38,595

Grant of Share Awards Pursuant to the Excelpoint Performance Share Scheme ("EPSS")

In May 2019, the Company allotted and issued 80,000 ordinary shares in the share capital of the Company at the market price of US\$0.42 (S\$0.57) under the EPSS.

- 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.**

The total number of issued shares excluding treasury shares as at 30 June 2019 is 119,272,840 (31 December 2018: 119,192,840). There were no treasury shares as at 30 June 2019 (31 December 2018: Nil).

- 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.**

There were no sales, transfers, cancellation and/or use of treasury share during 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.**

There were no subsidiary holdings during the current financial period reported on.

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

The figures have not been audited or reviewed by our auditors.

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

Not applicable ("N.A.").

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 Group's accounting policies adopted are consistent with those disclosed in the FY2018 audited financial statements except that in the current financial period, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2019.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The adoption of the new and revised standards did not have material effect on the financial position or financial performance of the Group, except for the SFRS(I) 16 *Leases* as described below.

SFRS(I) 16 – Leases

The Group recognised right-of-use assets and leases liabilities of US\$6,353,000 respectively for its leases previously classified as operating leases at the date of initial application, 1 January 2019, without restating prior period's information.

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.

	Group			
	2Q2019	2Q2018	HY2019	HY2018
Basic and diluted earnings per share (US cent)	0.14	1.86	0.98	3.10
Weighted average number of ordinary shares	119,239,433	118,549,533	119,216,265	118,526,365

The basic and diluted earnings per share of the Group were the same, as there were no share options and warrants granted.

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

- (a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30/06/2019	31/12/2018	30/06/2019	31/12/2018
Net asset value per ordinary share based on existing issued share capital as at end of period reported on (US cents)	63.75	65.33	34.08	34.78
Number of ordinary shares, excluding treasury shares	119,272,840	119,192,840	119,272,840	119,192,840

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.**

COMPARING 2Q2019 TO 2Q2018

INCOME STATEMENT

The Group's revenue decreased by 36.2% from US\$362.2 million to US\$231.1 million and gross profit decreased by 21.8% from US\$20.0 million to US\$15.7 million, mainly due to lower sales from the Singapore and Hong Kong business units. However, gross margin improved by 1.3% from 5.5% to 6.8% due to product mix.

Sales and distribution costs decreased by 15.7% from US\$10.4 million to US\$8.8 million, and general and administrative expense decreased by 25.5% from US\$5.2 million to US\$3.9 million. These were mainly due to lower staff cost and lower net foreign exchange loss in 2Q2019 arising from the translation of balances denominated in foreign currency into functional currency.

Impairment losses on financial assets increased by US\$1.4 million. This was due to allowance for doubtful trade debts.

Interest expense decreased by 14.2% from US\$1.7 million to US\$1.5 million, due to lower borrowings.

Overall, the Group reported profit after taxation of US\$0.2 million for 2Q2019.

CASHFLOW AND FINANCIAL POSITION

Cashflow

The Group's net cash flows generated from operating activities was US\$9.5 million compared to net cash flows used in operating activities of US\$8.7 million in 2Q2018.

Net cash flows used in investing activities was US\$2.3 million compared to US\$0.7 million in 2Q2018. This was mainly due to purchase of investment.

Net cash flows used in financing activities was US\$16.3 million compared to net cash generated from financing activities of US\$12.6 million in 2Q2018. This was mainly due to lower working capital requirement.

Cash and short-term deposits was US\$15.4 million as at 30 June 2019 as compared to US\$13.1 million as at 30 June 2018.

Financial Position

Non-current assets increased from US\$6.7 million to US\$14.5 million as at 30 June 2019 mainly due to the recognition of right-of-use assets upon adoption of SFRS(I) 16 on 1 January 2019 and purchase of investment.

Current assets decreased from US\$377.4 million to US\$328.8 million as at 30 June 2019 mainly due to:-

- a) decrease in trade and other debtors of US\$27.1 million due to lower sales;
- b) decrease in stocks of US\$16.4 million due to lower purchase of stocks; and
- c) decrease in cash and short-term deposits of US\$5.1 million.

Current liabilities decreased from US\$306.2 million to US\$264.9 million as at 30 June 2019 mainly due to:-

- a) decrease in trade and other creditors of US\$23.9 million due to lower purchase of stocks;
- b) decrease in interest-bearing loans and borrowings of US\$19.5 million due to lower working capital requirement; and
- c) partially offset by increase in lease liabilities of US\$2.8 million due to recognition of lease liabilities upon adoption of SFRS(I) 16 on 1 January 2019.

Non-current liabilities of US\$2.4 million as at 30 June 2019 was due to the recognition of lease liabilities upon adoption of SFRS(I) 16 on 1 January 2019.

Overall, shareholders' equity decreased from US\$77.9 million to US\$76.0 million as at 30 June 2019, mainly due to the dividend payment of US\$3.5 million in 2Q2019. This was partially offset by net profit of US\$1.2 million and fair value changes on equity instrument of US\$0.5 million in 1H2019.

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

N.A. No forecast or a 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 impact of the US-China trade tensions, alongside a weaker economic climate will continue to affect the business environment that the Group operates in.

Going forward, the Group will continue to closely monitor the developments in the market and exercise caution in its business in view of current volatilities. We remain committed towards strengthening our core competencies, expanding our customer base and product offering, while at the same time focusing on long-term strategies of pursuing higher value business opportunities through strategic alliances to aid the business and enhance shareholder value.

11. Dividend

(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

N.A.

(d) Books closure date

N.A.

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 for the current financial period reported on. Dividend, if any, will be recommended in the full year financial statement and related announcement.

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.

No IPT mandate has been obtained.

The aggregate value of all interested person transactions during the financial period ended 30 June 2019 were as follows:-

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Description of the transaction entered into with the interested person during the financial year under review	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Nil	N.A.	N.A.	N.A.

14. **Use of Placement Proceeds as at Date of this Announcement**

The Company refers to the net proceeds of approximately S\$7,825,000 raised from the placement of 15 million new ordinary shares at S\$0.525 each in the issued and paid-up share capital of the Company on 5 October 2016 (the "Net Proceeds") (as defined in the Company's announcement dated 2 September 2016).

The status on the use of the Net Proceeds is as follows:-

Intended Uses	Approximate Amount (S\$'000)	Estimated Percentage Allocation of Net Proceeds	Amount Utilised as at Date of this Announcement (S\$'000)	Balance as at Date of this Announcement (S\$'000)
Strategic Investments and Acquisitions	5,000	63.9%	(3,054)	1,946
Development of New Technology and Application	1,700	21.7%	(943)	757
Investments in Research and Development Expertise	1,125	14.4%	(819)	306
Total	7,825	100.0%	(4,816)	3,009

15. **Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual**

The Board of Directors of the Company hereby confirm to the best of their knowledge that nothing has come to their attention which may render the financial statements for the second quarter ended 30 June 2019 to be false or misleading.

16. **Confirmation Pursuant to Rule 720(1) of the Listing Manual**

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Wong Yoen Har
Company Secretary
7 August 2019