

Dynamic Colours Limited
Incorporated in the Republic of Singapore
(Company registration no. 199304233Z)
For the nine months ended 30 September 2019



QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL

Dynamic Colours Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) was placed in the Watch-list under the minimum trading price (“MTP”) entry criteria pursuant to Listing Rule 1311(2) of the Listing Manual (the “**Listing Manual**”) of the Singapore Exchange Securities Trading Limited on 6 June 2019.

Pursuant to Rule 1313(2) of the Listing Manual, the Board of Directors of the Company (the “**Board**”) wishes to provide an update of the efforts made in meeting the MTP exit criteria as set out in Rule 1314(2) of the Listing Manual.

Update on Unaudited Financial Performance

The Group reported a total revenue of US\$28 million for the nine months ended 30 September 2019, which was 9% lower than that of its corresponding period in 2018.

Notwithstanding the lower revenue contribution, the Group’s gross profit generated improved by 25% compared to the same period last year as the cost of sales fell by a larger proportion as compared to the decrease in revenue, resulting in an increase in the overall gross profit margin from 13% to 18%.

Update on Future Direction

The Board endeavors to review the options available to the Company to meet the MTP exit criteria, taking into consideration the various factors, including the lackluster market conditions and uncertainties surrounding the global economy.

The Board remain vigilant of the market developments and shall continue to explore options available to the Company to comply with the MTP exit criteria within 36 months from 6 June 2019. The Board will consider the various options and employ an appropriate strategy that will best serve the interests of the shareholders of the Company. The Company will keep the shareholders informed on the outcome of the Board’s decision in due course.

BY ORDER OF THE BOARD

Yeo Hock Leng
Executive Chairman and Group Managing Director
12 November 2019