

HUPSteel Limited
3QFY19 FINANCIAL STATEMENT (UNAUDITED)

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3),
 HALF-YEAR AND FULL-YEAR RESULTS**

**1(a) Group income statement and comparative statement for the corresponding period of the
 immediately preceding financial year**

The following figures have not been audited.

	GROUP (S\$'000)					
	3Q FY19	3Q FY18	% +/(-)	1.7.18 - 31.3.19	1.7.17 - 31.3.18	% +/(-)
Revenue	16,568	18,409	-10%	50,088	41,491	21%
Changes in inventories	(8,467)	1,814	NM	(4,359)	(1,489)	193%
Purchases of inventories	(4,732)	(16,431)	-71%	(35,302)	(29,955)	18%
Gross profit	3,369	3,792	-11%	10,427	10,047	4%
Other gains/(losses)	74	(195)	NM	(20)	2,120	NM
Other operating income	612	608	1%	1,929	1,294	49%
Staff cost	(1,977)	(1,891)	5%	(5,929)	(5,203)	14%
Depreciation	(472)	(471)	NM	(1,410)	(1,442)	-2%
Other operating expenses	(1,182)	(885)	34%	(2,843)	(3,258)	-13%
Finance cost - net	-	-	NM	-	-	NM
Profit before tax	424	958	-56%	2,155	3,558	-39%
Income tax expense	(11)	(200)	-95%	(35)	(214)	NM
Total profit	413	758	-46%	2,119	3,344	-37%
Other comprehensive income/(loss) :						
Currency translation differences arising from consolidation	22	397	-94%	180	479	-63%
Available-for-sale financial assets						
- Fair value losses	-	(612)	NM	-	(667)	NM
- Reclassification	-	(76)	NM	-	8	NM
	22	(291)	NM	180	(180)	NM
Items that will not be reclassified subsequently to profit or loss:						
Financial assets, at fair value through other comprehensive income ("FVOCI")						
- Fair value gains	668	-	NM	64	-	NM
Total comprehensive income	1,103	467	136%	2,363	3,164	-25%
Profit attributable to Equity holders of the Company	413	758	-46%	2,119	3,344	-37%
Total comprehensive income attributable to Equity holders of the Company	1,103	467	136%	2,363	3,164	-25%
Profit attributable to Equity holders of the Company						

Profit attributable to shareholders is arrived at after charging the following:

	GROUP (S\$'000)			
	3Q FY19	3Q FY18	1.7.18 - 31.3.19	1.7.17 - 31.3.18
Dividend income	133	81	372	245
Interest income	124	164	502	449
Reclassification from other comprehensive income on disposal of available-for-sale financial assets	-	76	-	(8)
Gain on disposal of investment property	-	-	-	4,515
Investment property written off (<i>Fixed assets W/O due to re-development of an investment property</i>)	-	-	-	(2,185)
Gain/(Loss) on disposal of property, plant and equipment	8	(5)	8	(5)
Foreign exchange loss	74	(271)	(20)	(202)
Finance cost-net is made up of :				
Interest expense	*	*	*	*
Provision for slow moving stocks	(450)	(300)	(450)	(300)
Reversal of utilised loss allowance/(allowance) for trade receivables	(150)	561	88	726

Note *: Amounts less than S\$1,000

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

	GROUP		COMPANY	
	31.03.2019 \$'000	30.06.2018 \$'000	31.03.2019 \$'000	30.06.2018 \$'000
Current Assets				
Cash and cash equivalents	38,512	45,995	10,037	7,093
Trade and other receivables	18,960	21,043	4,954	7,203
Inventories	36,718	32,359	17,739	15,375
Other current assets	958	206	495	62
Tax recoverable	80	67	-	-
Due from subsidiaries	-	-	8,172	8,363
	95,228	99,670	41,397	38,096
Non-Current Assets				
Available-for-sale financial assets	-	20,577	-	20,577
Financial assets, at FVOCI	21,420	-	21,420	-
Investment in subsidiaries	-	-	9,457	9,457
Loan to a subsidiary	-	-	29,623	29,499
Property, plant and equipment	18,548	19,181	77	89
Investment properties	32,178	32,053	26,802	27,155
	72,146	71,811	87,379	86,777
Total Assets	167,374	171,481	128,776	124,873
Current Liabilities				
Trade and other payables	3,280	6,565	1,592	3,734
Derivative financial instruments	-	218	-	218
Due to a subsidiary	-	-	-	1,153
Provision for directors' retirement gratuity	86	75	86	75
Borrowings	-	558	-	558
	3,366	7,416	1,679	5,738
Non-Current Liabilities				
Deferred income tax liabilities	14	14	-	-
Provision for directors' retirement gratuity	47	25	47	25
	61	39	47	25
Total Liabilities	3,427	7,455	1,726	5,763
Net Assets	163,948	164,026	127,050	119,110
Share capital and reserves				
Share capital	107,485	107,485	107,485	107,485
Treasury shares	(3,389)	(3,389)	(3,389)	(3,389)
Capital reserves	(558)	(558)	1,349	1,349
Currency translation reserves	(1,377)	(1,557)	-	-
Fair value reserves	(222)	(278)	(222)	(278)
Retained profits	62,009	62,323	21,827	13,943
	163,948	164,026	127,050	119,110

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

Amount repayable in one year or less, or on demand (S\$'000)

As at 31.03.2019		As at 30.6.2018	
Secured	Unsecured	Secured	Unsecured
-		-	558

Amount repayable after one year (S\$'000)

As at 31.03.2019		As at 30.6.2018	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral

The unsecured group borrowings consist of trust receipts of the Group arising from the ordinary course of business and bank borrowings. Certain Group borrowings are covered by corporate guarantee from the Company.

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

	Group (S\$'000)			
	3Q FY19	3Q FY18	1.7.18 - 31.3.19	1.7.17 - 31.3.18
Cash flow from operating activities				
Total profit	413	758	2,119	3,344
Adjustments for:				
- Income tax expense	11	200	35	214
- Property, plant and equipment and investment properties				
- Depreciation	472	471	1,410	1,442
- Loss/(gain) on disposal	(8)	5	(8)	(4,510)
- Written off		-	-	2,185
- Available-for-sale financial assets				
- Reclassification from other comprehensive income on disposal	-	(76)	-	8
- Interest income	(124)	(164)	(502)	(449)
- Interest expense	-	-	-	-
- Dividend income	(133)	(81)	(372)	(245)
	<u>631</u>	<u>1,113</u>	<u>2,682</u>	<u>1,989</u>
Change in working capital				
- Trade and other receivables	4,859	(6,340)	2,083	(3,825)
- Inventories	(251)	(1,814)	(4,359)	1,489
- Other current assets	(924)	(151)	(970)	(43)
- Trade and other payables	(3,097)	695	(3,282)	(2,609)
- Provision for director retirement gratuity	11	(583)	33	(565)
Cash generated/(used in) from operations	<u>1,228</u>	<u>(7,080)</u>	<u>(3,813)</u>	<u>(3,564)</u>
Income taxes refunded	(17)	33	(52)	16
Interest received	124	164	502	449
Net cash provided by/(used in) operating activities	<u>1,335</u>	<u>(6,883)</u>	<u>(3,363)</u>	<u>(3,099)</u>
Cash flows from investing activities				
Property, plant & equipment :				
- Purchases	(217)	(103)	(902)	(1,198)
- Proceeds from disposal	7	1	8	5,166
Financial assets, available-for-sale				
- Purchases	(1,398)	(500)	(2,904)	(9,028)
- Proceeds from disposal	636	304	2,117	8,430
Dividends received	133	81	372	245
Net cash (used in)/provided by investing activities	<u>(839)</u>	<u>(217)</u>	<u>(1,309)</u>	<u>3,615</u>
Cash flows from financing activities				
Purchase of treasury shares	-	-	-	(351)
Proceeds from trust receipts	-	1,858	-	3,703
Repayment of trust receipts	-	(1,860)	(558)	(3,582)
Dividend paid to shareholders	-	(2,441)	(2,441)	(4,882)
Interest paid	*	*	*	*
Net cash (used in)/provided by financing activities	<u>-</u>	<u>(2,443)</u>	<u>(2,999)</u>	<u>(5,112)</u>
Net (decrease)/ increase in cash and cash equivalents	496	(9,543)	(7,671)	(4,596)
Cash and cash equivalents at beginning of the financial period	37,988	57,584	45,995	52,555
Effects of currency translation on cash and cash equivalents	28	397	188	479
Cash and cash equivalents at end of the financial period	<u>38,512</u>	<u>48,438</u>	<u>38,512</u>	<u>48,438</u>

Note * : Amounts less than S\$1,000

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

	Share Capital	Treasury shares	Capital Reserves	Currency Translation Reserves	Fair Value Reserves	Retained Profits	Total Equity
Group	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 July 2018	107,485	(3,389)	(558)	(1,557)	(278)	62,323	164,026
Dividend paid	-	-	-	-	-	(2,441)	(2,441)
Total comprehensive income	-	-	-	180	64	2,119	2,363
Transfer upon disposal of investments					(8)	8	-
At 31 March 2019	107,485	(3,389)	(558)	(1,377)	(222)	62,009	163,948
Group							
At 1 July 2017	107,485	(3,038)	(477)	(1,701)	514	62,465	165,248
Purchase of treasury shares	-	(351)	-	-	-	-	(351)
Dividend paid	-	-	-	-	-	(4,882)	(4,882)
Total comprehensive income/(loss)	-	-	-	479	(659)	3,344	3,164
At 31 March 2018	107,485	(3,389)	(477)	(1,222)	(145)	60,927	163,179

	Share Capital	Treasury shares	Capital Reserves	Currency Translation Reserves	Fair Value Reserves	Retained Profits	Total Equity
Company	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 July 2018	107,485	(3,389)	1,349	-	(278)	13,943	119,110
Dividend paid	-	-	-	-	-	(2,441)	(2,441)
Total comprehensive income	-	-	-	-	64	10,317	10,381
Transfer upon disposal of investments					(8)	8	-
At 31 March 2019	107,485	(3,389)	1,349	-	(222)	21,827	127,050
Company							
At 1 July 2017	107,485	(3,038)	1,430	-	514	13,290	119,681
Purchase of treasury shares	-	(351)	-	-	-	-	(351)
Dividend paid	-	-	-	-	-	(4,882)	(4,882)
Total comprehensive (loss)/income	-	-	-	-	(659)	4,910	4,251
At 31 March 2018	107,485	(3,389)	1,430	-	(145)	13,318	118,699

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 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 corresponding period immediately preceding financial year.

Treasury Shares	No. of shares	\$'000
Balance as at 30 Jun 2018	3,429,100	3,389
Purchases	0	0
Balance as at 31 Mar 2019	3,429,100	3,389

(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.

	31.03.19	30.06.18
Number of shares in issue excluding treasury shares	122,045,014	122,045,014

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

None of the above occurred since the end of the previous period reported on.

(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 are no subsidiary holdings.

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

The figures have not been audited or reviewed.

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

Not applicable as the figures have not been audited nor reviewed.

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 as in the most recently audited financial statements.

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 Singapore Accounting Standards Council has issued a new Singapore financial reporting framework that is identical to the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), referred to as Singapore Financial Reporting Standards (International) ("SFRS(I)").

As required by the listing requirements of the Singapore Exchange, the Group has adopted SFRS(I) on 1 July 2018 and is required to apply all of the specific transition requirements in SFRS(I) 1 First-time Adoption of SFRS(I). The Group has also concurrently applied the new SFRS(I) 9 Financial Instruments.

The Group has not early adopted any other mandatory standards, amendments and interpretations to existing standards that have been published but are only effective for the Group's accounting periods beginning on or after 1 July 2018. These include SFRS(I) 16 Leases (effective for annual periods beginning on or after 1 July 2019). The Group is assessing the impact of the relevant new or revised accounting standards and interpretations.

(1) Application of SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International)

The Group has elected the deemed cost exemption to set the revalued amount of its investment properties comprising of freehold land and buildings of the Group which was performed as one-off valuation between 1 January 1984 and 31 December 1996 (both dates inclusive) as their deemed cost at the date of transition to SFRS(I) on 1 July 2017. As the Group had measured the revalued amount of its investment properties using the cost model since one-off valuation, there is no material impact on the financial statements of the Group as the Group plans to continue to measure its investment properties using the cost model.

(2) Adoption of SFRS(I) 9 Financial Instruments

SFRS(I) 9 is effective for annual periods beginning on or after 1 July 2018. The Group has elected to apply the short-term exemption under SFRS(I) 1, which exempts the Group from applying SFRS(I) 9 to comparative information. Accordingly, requirements of SFRS(I) 39 Financial Instruments: Recognition and Measurement will continue to apply to financial instruments up to the financial year ended 30 June 2018.

SFRS(I) 9 introduces new requirements for classification and measurement of financial instruments, impairment of financial assets, and hedge accounting. SFRS(I) 9 also introduces expanded disclosure requirements and changes in presentation.

(a) Classification and measurement

The Group has assessed the business models that are applicable on 1 July 2018 to financial assets so as to classify them into appropriate categories under SFRS(I) 9.

Significant adjustments to the Group's balance sheet line items are as follows:

- Equity investments previously classified as financial assets, available-for-sale ("AFS") to financial assets, fair value through other comprehensive income ("FVOCI") The Group has elected to recognise changes in the fair value of debt and equity investments previously classified as AFS in other comprehensive income.

(b) Impairment of financial assets

The following financial assets have been subjected to the expected credit loss model under SFRS(I) 9:

- trade receivables recognised under SFRS(I) 15;
- other receivables at amortised cost.

There is no material change in the provision for impairment for the above financial assets from the application of the expected credit loss impairment model.

Impact on the comparatives for the third quarter 2019 Financial Information

The financial effects of adopting SFRS(l)s are as follows:

	As at 01.07.2018 reported under SFRS(l)s	As at 30.06.2018 reported under SFRS*	As at 01.07.2017 reported under SFRS(l)s	As at 01.07.2017 reported under SFRS*
Group Balance Sheets	\$'000	\$'000	\$'000	\$'000
Financial assets, available-for-sale	-	20,577	20,827	20,827
Financial assets, at FVOCI	20,577	-	-	-
Retained earnings	62,323	62,323	62,465	62,465

* Singapore Financial Reporting Standards

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

	GROUP			
	3 months ended 31.03.19	3 months ended 31.03.18	9 months ended 31.03.19	9 months ended 31.03.18
Earnings/(Loss) per share based on profit attributable to equity shareholders:				
(a) Basic (cent)	0.34	0.62	1.74	2.74
(b) Diluted (cent)	0.34	0.62	1.74	2.74

The basic and diluted earnings per share is calculated based on the weighted average number of ordinary shares of 122,045,014 (31.03.18: 122,169,674) in issue during the period.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	GROUP		COMPANY	
	31.03.19	31.03.18	31.03.19	31.03.18
Net Asset Value per ordinary share (cents)	134.33	133.70	104.10	97.26

The net asset value per ordinary share is calculated based on the number of ordinary shares in issue of 122,045,014 at the end of the period (30.06.18: 122,045,014).

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 OPERATING PERFORMANCE FOR THE QUARTER ENDED 31 MARCH 2019 ("3QFY19")

Revenue and Gross profit

	S\$'000				
	3QFY19	2QFY19	3QFY18	9MFY19	9MFY18
Revenue	16,568	18,202	18,409	50,088	41,491
Gross Profit	3,369	3,415	3,792	10,427	10,047
GP %	20.3%	18.8%	20.6%	20.8%	24.2%

Revenue for 3QFY19 declined to S\$16.6M from S\$18.2M reported for 2QFY19. The lower turnover was mainly due to traditional business shutdowns during the Chinese New Year holidays and the short February month. However, turnover for 9MFY19 rose to \$50.1M compared with \$41.5M for 9MFY18 as sales were generally stronger in 1HFY19.

For 3QFY19, the Group reported a gross profit margin of 20.3% which was higher than 18.8% reported for 2QFY19. The gross profit margin was better than the previous quarter as there were more project sales which fetched lower gross profit margin in 2QFY19.

The Group's gross profit for 9MFY19 of S\$10.4M was slightly better than S\$10.0M reported for 9MFY18. However, gross profit margin dipped to 20.8% from 24.2% as reported for 9MFY18 as it was affected by stronger US dollar coupled with higher costs amidst a competitive market.

Other gains/(losses)

Other gains for 3QFY19 was S\$74K as compared to other losses of S\$195K in 3QFY18. This comprised foreign exchange gains of S\$74K (3QFY18: S\$271K foreign exchange loss and a gain on disposal of available-for-sale financial assets of S\$76K).

Other operating income

Other operating income for 3QFY19 which comprised rental income, dividends and interest income remained stable at S\$612K (3QFY18:\$608K).

Staff cost, Depreciation, Other operating expenses, Finance cost and Income tax

Staff cost for 3QFY19 of S\$2.0M was stable compared with S\$1.9M reported for 3QFY18 with the Group continuing to make consistent provision for staff incentives for the period.

Depreciation of S\$472K recorded in 3QFY19 was relatively unchanged from \$471K for 3QFY18.

Other operating expenses were marginally higher at S\$1.2M for 3QFY19 when compared with S\$0.9M for 3QFY18. Included in the other operating expenses was an allowance for trade receivables of \$150K while there was a write-back of allowance for doubtful trade receivables amounting to S\$561K in 3QFY18.

The Group incurred negligible finance cost in 3QFY19 and 3QFY18. The Group pays off its debts as and when they fall due so as to minimise finance cost.

The Group only recognised a tax expense of S\$11K in 3QFY19 (3QFY18: S\$200K) for profits earned in a foreign tax jurisdiction. The Group had unabsorbed tax losses carried forward from previous years for utilisation against current year profits.

Profit attributable to equity holders of the Company

The Group reported a net profit of S\$413K for 3QFY19 compared with a net profit of S\$758K reported for 3QFY18 as a result of lower revenue, weaker gross profit margins and allowance set aside for doubtful trade receivables. For 9MFY19, the Group reported a net profit after tax of S\$2.1M compared with a net profit of S\$3.3M for 9MFY18. The higher net profit after tax in 9MFY18 was mainly due to net gains derived from the disposal & amount written off relating to investment properties' transactions.

REVIEW OF FINANCIAL POSITION AS AT 31 MARCH 2019

Non current assets

As at the end of 3QFY19, the Group had financial assets, at FVOCI amounting to S\$21.4M (4QFY18 termed as available-for-sale financial assets: \$20.6M) as it continued to fine-tune the composition of its portfolio and better market valuation.

Current assets and current liabilities

Trade and other receivables decreased to S\$18.9M from S\$21.0M (4QFY18) as a result of lower sales during the period.

The Group reported higher inventory balance of S\$36.7M in 3QFY19 compared with S\$32.4M in 4QFY18 as a result of rising costs and inventory replenishment exercise.

Trade and other payables decreased to S\$3.3M (4QFY18: S\$6.6M) and there was also no outstanding borrowings as at 3QFY19 (4QFY18: S\$558K). The Group continues to utilise its cash and cash equivalents to pay down these liabilities as they fall due.

The Group posted a healthy level of current ratio of 28.4 times (4QFY18: 13.4 times) and continued to be in a net cash position for the quarter.

Share capital and reserves

Fair value reserves stood at S\$222K, debit balance, as at 3QFY19 (4QFY18: S\$278 debit balance) due to a slight appreciation in the market values of the Group's financial assets, at FVOCI.

Cash Flow

During the quarter, the Group achieved a net cash inflow of S\$1.3M from its operations (3QFY18: S\$6.9M outflow), S\$0.8M outflow from its investing activities (3QFY18: S\$0.2M) and no cash movement from its financing activities (3QFY18: S\$2.4M). These resulted in a net increase of S\$0.5M (3QFY18: S\$9.5M outflow) in cash and cash equivalents.

The Group maintained a healthy level of cash holding of S\$38.5M as at 3QFY19. This cash holding will provide the Group with a ready source of fund for its working capital requirements.

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

No forecast or a prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the 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

Market conditions are expected to remain challenging as trade tensions between China and US have yet been resolved. As such, demand for steel products may not pick up in the short term which has remained soft since the end of Chinese New Year holidays.

With the successful and peaceful completion of elections in neighbouring countries, it is hoped that demand for steel products may strengthen as these countries' economies can achieve steady progress under newly elected authorities.

Higher oil prices and strengthening US dollar may push steel products' prices higher in the near term, hence affecting margins.

The Group continues to adapt its inventory purchases so as to respond readily to changes in customers' demand patterns in order to maintain its competitiveness.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared 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?

NA.

(c) Date payable

NA.

(d) Books closure date

NA.

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

No dividend has been proposed by the Board for this quarter as the Group is preserving its cash reserves to support operational needs and to pursue strategic business opportunities.

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.

There was no IPT transaction for the quarter and the Group does not have any general mandate from shareholders pursuant to Rule 920.

14. Negative confirmation pursuant to Rule 705(5).

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 31 March 2019 to be false or misleading in any material aspect.

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.

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

Tan Ching Chek
Company Secretary
10 May 2019