



HOE LEONG CORPORATION LTD.

(Registration No. 199408433W)

First quarter financial statements and related announcement for the financial period ended 31 March 2019

The Board of Directors of Hoe Leong Corporation Ltd. (the "Company") is pleased to announce the consolidated results for the three months ended 31 March 2019. The figures presented below have not been audited or reviewed by the auditors of the Company.

UNAUDITED FINANCIAL STATEMENTS

1(a)(i) Statement of comprehensive income (the Group)

	Note	1 Jan 2019 to	1 Jan 2018 to	Increase /
		31 Mar 2019	31 Mar 2018	(decrease)
		\$'000	\$'000	%
Revenue		17,214	15,487	11.2 %
Cost of sales		(13,952)	(12,044)	15.8 %
Gross profit		3,262	3,443	(5.3)%
Other income		76	120	(36.7)%
Distribution expenses		(920)	(933)	(1.4)%
Administrative expenses		(1,640)	(2,035)	(19.4)%
Other expenses		(1,152)	(1,084)	6.3 %
Results from operating activities		(374)	(489)	(23.5)%
Finance costs	1	(282)	(970)	(70.9)%
Loss before income tax	2	(656)	(1,459)	(55.0)%
Income tax (expense)/credit		(103)	23	N.M
Loss for the year		(759)	(1,436)	(47.1)%
Loss attributable to:				
Owners of the Company		(759)	(1,436)	(47.1)%
Non-controlling interests		-	-	N.M.
Loss for the period		(759)	(1,436)	(47.1)%

N.M. - Not meaningful

1(a)(i) Statement of comprehensive income (the Group)

	1 Jan 2019 to 31 Mar 2019	1 Jan 2018 to 31 Mar 2018	Increase / (decrease)
	\$'000	\$'000	%
Loss for the period	(759)	(1,436)	(47.1)%
Other comprehensive income			
Foreign currency translation differences arising from foreign operations	(282)	(483)	(41.6)%
Other comprehensive income, net of tax	(282)	(483)	(41.6)%
Total comprehensive income for the period	(1,041)	(1,919)	(45.8)%
Total comprehensive income attributable to:			
Owners of the Company	(1,019)	(1,824)	(44.1)%
Non-controlling interests	(22)	(95)	(76.8)%
Total comprehensive income for the period	(1,041)	(1,919)	(45.8)%

1(a)(ii) Breakdown and explanatory notes to the statement of comprehensive income

Note 1

	1 Jan 2019 to 31 Mar 2019	1 Jan 2018 to 31 Mar 2018	Increase / (decrease)
	\$'000	\$'000	%
Finance costs:			
Interest paid and payable on:-			
- Loans and borrowings	(277)	(901)	(69.3)%
- Finance leases	(5)	(3)	66.7 %
- Loans from Immediate Holding Company	-	(66)	N.M.
Total	(282)	(970)	

Note 2 Loss before income tax is stated after (charging) / crediting the following:

	1 Jan 2019 to 31 Mar 2019	1 Jan 2018 to 31 Mar 2018	Increase / (decrease)
	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>
Allowance written back for slow-moving inventories, included in other expenses	112	22	N.M.
Depreciation of property, plant and equipment	(714)	(781)	(8.6)%
Foreign exchange loss, net, included in other expenses	(411)	(360)	14.2 %
Operating lease expenses, included in other expenses	(300)	(284)	5.6 %
Rental income, included in other Income	<u>16</u>	<u>16</u>	- %

1(b)(i) Statement of financial position (the Group and the Company)

	Group		Company	
	31 March 2019	31 Dec 2018	31 March 2019	31 Dec 2018
	\$'000	\$'000	\$'000	\$'000
Assets				
Property, plant and equipment	26,744	26,992	2,186	2,213
Investments in subsidiaries	-	-	13,800	13,800
Investments in associates	-	-	-	-
Deferred tax assets	764	814	-	-
Non-current assets	27,508	27,806	15,986	16,013
Inventories	22,409	22,581	-	-
Trade and other receivables	18,286	19,128	3,564	3,813
Cash and cash equivalents	2,125	3,264	54	41
Current assets	42,820	44,973	3,618	3,854
Total assets	70,328	72,779	19,604	19,867
Equity				
Share capital	114,461	114,461	114,461	114,461
Treasury shares	(55)	(55)	(55)	(55)
Currency translation reserve	(1,096)	(836)	-	-
Accumulated losses	(90,266)	(89,503)	(99,086)	(98,816)
Equity attributable to the Company	23,044	24,067	15,320	15,590
Non-controlling interests	(1,209)	(1,187)	-	-
Total equity	21,835	22,880	15,320	15,590
Liabilities				
Loans and borrowings	18,021	19,351	173	184
Deferred tax liabilities	38	38	19	19
Non-current liabilities	18,059	19,389	192	203
Trade and other payables	13,981	15,553	4,049	4,031
Loans and borrowings	12,592	11,174	43	43
Loans from non-controlling shareholders of subsidiaries	3,599	3,573	-	-
Current tax payable	262	210	-	-
Current liabilities	30,434	30,510	4,092	4,074
Total liabilities	48,493	49,899	4,284	4,277
Total equity and liabilities	70,328	72,779	19,604	19,867

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

Non-current

As at 31 Mar 2019		As at 31 Dec 2018		As at 31 Mar 2019	As at 31 Dec 2018
Secured	Unsecured	Secured	Unsecured	Non-current	Non-current
<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
12,631	5,390	13,781	5,570	18,021	19,351

Current

As at 31 Mar 2019		As at 31 Dec 2018		As at 31 Mar 2019	As at 31 Dec 2018
Secured	Unsecured	Secured	Unsecured	Current	Current
<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
11,912	680	10,554	620	12,592	11,174

Total

As at 31 Mar 2019		As at 31 Dec 2018		As at 31 Mar 2019	As at 31 Dec 2018
Secured	Unsecured	Secured	Unsecured	Total	Total
<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
24,544	6,070	24,335	6,190	30,614	30,525

Details of any collateral:-

- (a) Legal mortgages over vessels, freehold land and buildings and certain plant and equipment;
- (b) Personal guarantees provided by executive directors for certain banking facilities; and
- (c) Corporate guarantees provided by the Company.

1(c) Statement of cash flows (the Group)

	Group	
	1 Jan 2019 to 31 Mar 2019	1 Jan 2018 to 31 Mar 2018
	\$'000	\$'000
Operating activities		
Loss before income tax	(656)	(1,459)
Adjustments for:		
(Allowances written-back) for slow moving inventories	(112)	(22)
Depreciation of property, plant and equipment	714	781
Finance costs	282	970
	<u>228</u>	<u>270</u>
Change in working capital:		
Inventories	284	(1,106)
Trade and other receivables	842	(1,066)
Trade and other payables	(1,753)	3,536
Cash flows from operations	(399)	1,634
Income taxes paid	-	(180)
Cash flows from operating activities	(399)	1,454
Investing activities		
Purchase of property, plant and equipment	(493)	(419)
Proceeds from disposal of property, plant and equipment	-	29
Net cash outflow on deconsolidation of subsidiary	(5)	-
Cash flows from investing activities	(498)	(390)
Financing activities		
Finance costs paid	(279)	(96)
Proceeds from bills payable and trust receipts	289	75
Repayment of bills payable and trust receipts	-	(141)
Payment of lease liabilities	(46)	(27)
Proceeds from interest-bearing borrowings	1,225	-
Repayment of interest-bearing borrowings	(1,434)	(377)
Cash flows from financing activities	(245)	(566)
Net (decrease)/increase in cash and cash equivalents	(1,142)	498
Cash and cash equivalents at beginning of the period	3,264	1,727
Effect of exchange rates fluctuations	3	(318)
Cash and cash equivalents at end of the period	2,125	1,907

1(d)(i) Statement of changes in equity (the Group and the Company)

	Share capital \$'000	Treasury shares \$'000	Share-based compensation reserve \$'000	Currency translation reserve \$'000	Accumulated losses \$'000	Equity attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
Group								
2019								
At 1 January 2019	114,461	(55)	-	(836)	(89,503)	24,067	(1,187)	22,880
Adjustment to accumulated losses on adoption of SFRS(I) 16 (NOTE 5)	-	-	-	-	(4)	(4)	-	(4)
At 1 January 2019 restated	114,461	(55)	-	(836)	(89,507)	24,063	(1,187)	22,876
Total comprehensive income for the period								
Loss for the period	-	-	-	-	(759)	(759)	-	(759)
Foreign currency translation differences arising from foreign operations				(260)	-	(260)	(22)	(282)
Total comprehensive income for the period	-	-	-	(260)	(759)	(1,019)	(22)	(1,041)
At 31 March 2019	114,461	(55)	-	(1,096)	(90,266)	23,044	(1,209)	21,835
2018								
At 1 January 2018	69,490	(55)	171	330	(98,667)	(28,731)	(1,183)	(29,914)
Total comprehensive income for the period								
Loss for the period	-	-	-	-	(1,436)	(1,436)	-	(1,436)
Foreign currency translation differences arising from foreign operations				(388)	-	(388)	(95)	(483)
Total comprehensive income for the period	-	-	-	(388)	(1,436)	(1,824)	(95)	(1,919)
At 31 March 2018	69,490	(55)	171	(58)	(100,103)	(30,555)	(1,278)	(31,833)

Company	Share capital \$'000	Treasury Shares \$'000	Share-based compensation reserve \$'000	Accumulated losses \$'000	Total equity \$'000
2019					
At 1 January 2019	114,461	(55)	-	(98,816)	15,590
Total comprehensive income for the period					
Loss for the period	-	-	-	(270)	(270)
Total comprehensive income for the period	-	-	-	(270)	(270)
At 31 March 2019	114,461	(55)	-	(99,086)	15,320
2018					
At 1 January 2018	69,490	(55)	171	(102,726)	(33,120)
Total comprehensive income for the period					
Loss for the period	-	-	-	(885)	(885)
Total comprehensive income for the period	-	-	-	(885)	(885)
At 31 March 2018	69,490	(55)	171	(103,611)	(34,005)

- 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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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

Share Capital

There was no change in the Company's share capital during the financial period.

Share Options

There were no outstanding options as of 31 March 2019 and as of 31 December 2018.

Treasury shares

Treasury shares held as at 31 March 2019 is 470,000 shares (31 December 2018: 470,000 shares).

There were no transactions relating to sale, transfer, disposal, cancellation and/or use of treasury shares during the period ended 31 March 2019.

- 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.

Number of Issued shares

	31-Mar-19	31-Dec-18
Issued and paid-up shares	5,619,902,579	5,619,902,579
Total number of shares held as treasury	(470,000)	(470,000)
Issued and paid-up shares net of treasury shares	5,619,432,579	5,619,432,579

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

Please refer to note 1 (d) (ii).

- 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 auditors of the Company.

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

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as compared with the Group's audited financial statements for the financial year ended 31 December 2018.

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 effect of the adoption of the new/revised Singapore Financial Reporting Standards (International) ("SFRS(I)") that are effective for the financial year beginning on 1 January 2019 are as follows :

SFRS (I) 16

The Group and Company adopted SFRS(I) 16 and elected to apply the modified retrospective approach from the effective date 1 January 2019. Therefore, the cumulative effect of adopting SFRS(I) 16 will be recognized as an adjustment to the opening balance of accumulated losses at 1 January 2019, with no restatement of comparative information. The Group and the Company applied the practical expedient to grandfather the definition of a lease on transition. This means that they applied SFRS(I) 16 to all contracts entered into before 1 January 2019 and identified as leases in accordance with SFRS(I) 1-17 and SFRS(I) INT 4.

As at 1 January 2019, the Group recorded a Right-of-use asset of \$191,000 and lease liabilities of \$195,000 with an increase in accumulated losses of \$4,000. The Company is in the process of negotiating its expiring leases.

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	
	1 Jan 2019 to 31 Mar 2019	1 Jan 2018 to 31 Mar 2018
Loss per share of the Group:		
(a) Loss attributable to owners of the Company (S\$'000)	(759)	(1,436)
Weighted average number of ordinary shares ('000)	5,619,433	622,681
Basic loss per share (cents)	(0.01)	(0.23)
(b) Loss attributable to owners of the Company (S\$'000)	(759)	(1,436)
Adjusted weighted average number of ordinary shares ('000)	5,619,433	622,681
Diluted loss per share (cents)	(0.01)	(0.23)

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 Mar 2019	31 Dec 2018	31 Mar 2019	31 Dec 2018
Net assets (S\$'000)	21,835	22,880	15,320	15,590
Number of ordinary shares ('000)	5,619,433	5,619,433	5,619,433	5,619,433
Net assets value per ordinary share (cents)	0.4	0.4	0.3	0.3

- 8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

Statement of Comprehensive Income

Results for Q1 FY2019:

The Group reported loss after tax of S\$0.8 million for the period ended 31 March 2019 ("Q1 2019") as compared to loss after tax of S\$1.4 million for the period ended 31 March 2018 ("Q1 2018") due to the following factors:

Total revenue increased by S\$1.7 million, or 11.2%, to S\$17.2 million in Q1 2019 as compared to S\$15.5 million in Q1 2018. The increase in total revenue was due to increase in revenue from the Group's Equipment segment of S\$2.5 million offset by a decrease in revenue from the Group's Vessel Chartering segment of S\$0.8 million.

Sales revenue from the Equipment segment increased by S\$2.5 million, or 19.8%, to S\$15.1 million in Q1 2019 as compared to S\$12.6 million in Q1 2018 mainly due to higher sales of equipment parts to our customers.

Charter revenue from the Vessel Chartering segment decreased by S\$0.8 million, or 27.6%, to S\$2.1 million in Q1 2019 as compared to S\$2.9 million in Q1 2018 mainly due to lower utilization of the vessels. A vessel was sent for dry-docking in January 2019 followed by another at the end Feb 2019.

Total cost of sales increased by S\$1.9 million, or 15.8%, to S\$14.0 million in Q1 2019 as compared to S\$12.0 million in Q1 2018 mainly due to increase in cost of sales of equipment parts by S\$2.1 million, or 20.5%, to S\$12.3 million in line with increase in sales offset by decrease in cost of sales of vessel chartering segment by S\$0.1 million, or 10.0%, to S\$1.7 million due to lower depreciation cost in Vessel Chartering segment as compared to S\$1.8 million.

Overall gross profit margin decreased to 18.9% in Q1 2019 as compared to 22.2% in Q1 2018. Gross profit for Equipment segment increased by S\$0.5 million and Vessel Chartering segment gross profit decreased by S\$0.6 million in Q1 2019 due to lower utilization with two vessels being sent for dry-docking.

The Group has deconsolidated Arkstar Ship Management Pte Ltd ("ASM") in Q1 2019 according to Singapore Financial Reporting Standards SFRS(I)10 as a result of a Court order on 29 March 2019, appointing a liquidator for ASM. Accordingly, the Group has not included this matter under the notes on Material Litigation.

The deconsolidation of ASM has no material impact on the Group's results for Q1 2019.

Administrative expenses decreased by S\$0.4 million, or 19.4%, to S\$1.6 million in Q1 2019 which was mainly due to a decrease in legal and other professional fees.

Finance costs decreased by S\$0.7 million, or 70.9%, to S\$0.3 million in Q1 2019 mainly due to lower loan interest from bank borrowings after the completion of the Scheme of arrangement with the banks in May 2018.

Other comprehensive income for Q1 2019:

Foreign currency translation loss of S\$0.28 million arising from foreign operations in Q1 2019 related mainly due to the Group's substantial foreign operations whose functional currencies are denominated in currencies other than Singapore dollar ("SGD") ie Australia dollar, United States dollar, Korean won, Malaysia ringgit and Chinese yuan.

Statement of Financial Position

The Group's Property, plant and equipment decreased by S\$0.2 million, or 0.9% to S\$26.7 million as at 31 March 2019 mainly due to depreciation expense of S\$0.7 million offset by new purchases and recognition of Right-of-use asset of S\$0.2 million in Q1 2019.

Inventories remained about the same as at 31 December 2018.

Trade and other receivables decreased by S\$0.8 million, or 4.4%, to S\$18.3 million as at 31 March 2019 mainly due to improved collections from customers.

Trade and other payables decreased by S\$1.6 million, or 10.0%, to S\$14.0 million as at 31 March 2019 due to increase in payments made.

Loans and borrowings increased slightly by S\$0.1 million, or 0.3%, to S\$30.6 million at 31 March 2019 due mainly to slight increase in bank borrowings offset by repayment of loans.

Statement of Cash Flows

For Q1 2019, the Group reported cash outflows of S\$1.1 million, mainly comprising cash outflows from operating activities of S\$0.4 million, from investing activities of S\$0.5 million and from financing activities of S\$0.2 million respectively.

As at 31 March 2019, the Group's cash and cash equivalents amounted to S\$2.1 million (31 December 2018: S\$3.3 million).

Material Litigation

(A) Litigation with Sumatec Resources Bhd (“Sumatec”)

The Company and Ebony Ritz Sdn Bhd (“Ebony”, an 80%-owned subsidiary of the Company currently under liquidation, with the Official Receiver of Malaysia acting as liquidator) have, pursuant to mediation at the Singapore Mediation Centre on 19 March 2018, entered into a conditional Settlement Agreement with Sumatec and Mr Chan Yok Peng (“Mr Chan”) (“Settlement Agreement”) in relation to the full and final settlement of the following Litigation (as referred to below) by the completion of Sumatec’s corporate exercise which was expected no later than 30 October 2018 (“Corporate Exercise Completion Date”):

1. Singapore High Court Suit No. 534 of 2016;
 2. Singapore High Court Suit No. 808 of 2017; and
 3. Sumatec’s counterclaim in Suit No. WA-22NCC-52-02/2017 before the High Court of Malaya at Kuala Lumpur against the Company;
 4. Sumatec’s claim in Suit No. WA-22NCC-65-02/2019 before the High Court of Malaya at Kala Lumpur against the Company;
- (collectively, the “Litigation”).

On 3 October 2018, the Judge issued his Judgement that Sumatec shall pay Ebony the following sum in respect of the Guarantee Claim:

- (i) RM10,000,000;
- (ii) Re-judgment interest at the rate of 5.33% per annum on the judgement sum (ie RM10,000,000) from the date of accrual ranged from 31 March 2012 to 24 September 2012; and
- (iii) costs in the sum of S\$40,000

The Company has proposed the appointment of a private liquidator to replace the Official Receiver. The Official Receiver has filed the Appointment application to the High Court of Malaysia. However, the minority shareholder of Ebony has filed a Stay Application. On 4 January 2019, the Court had granted an interim order of the Stay Application. Subsequently, on 10 May 2019, the High Court granted the Stay Application with costs of RM3,000 to be borne by the Company. The Company is in the midst of exploring other options.

On 14 April 2019, the Company received a writ dated 25 February 2019 from Sumatec claiming for general and exemplary damages for fraud and conspiracy. The Company was one of the defendants who were alleged to be acting in concert with Mr Chan with the intention to defraud or deceive Sumatec in relation to the Settlement Agreement 2013 and 2015. The Company has up to 21 May 2019 to file the Defence to Sumatec’s claim.

B) Kuala Lumpur High Court - Auspicious Journey Sdn Bhd vs Ebony Ritz Sdn Bhd

Auspicious Journey Sdn Bhd a minority shareholder in Ebony Ritz Sdn Bhd (“Ebony”), had filed in the Malaysian High Court a suit against the Company, being the majority shareholder in Ebony, for conducting the affairs of Ebony in manner that is oppressive to the Plaintiff. On 3 August 2016, the trial and hearing of the legal action has been concluded.

The Court issued an Order partially in favour of the Plaintiff and ordered:

- (a) A declaration that the company has conducted the affairs of Ebony in a manner that is oppressive to the Plaintiff;
- (b) Ebony is to be wound up and the Official Receiver be appointed as the liquidator of Ebony;
- (c) the Company is to pay general damages with interest to the Plaintiff, to be assessed by the Court through an assessment process; and
- (d) the Company has to pay costs of RM300,000 (equivalent to S\$98,680) to the Plaintiff.

Both the Plaintiff and the Company appealed against the Order. The Appeals were heard on 21 November 2017 and 21 May 2018 in the Court of Appeal. Both were dismissed.

Material Litigation (Continued)

B) Kuala Lumpur High Court - Auspicious Journey Sdn Bhd vs Ebony Ritz Sdn Bhd (Continued)

The Plaintiff filed an application for leave to appeal to the Federal Court against the dismissal of its Appeal by the Court of Appeal. On 13 May 2019, the Federal Court made a decision to allow the Leave application in part, specifically, the winding-up order for Ebony was final and that Company had conducted the affairs of Ebony in a manner oppressive to the Plaintiff. There will be a case management on the appointment of the private liquidator and assessment of damages in High Court on 16 May 2019.

The damages cannot be estimated reliably and hence, the company made no provision in the financial statements in Q1 2019.

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

Not applicable.

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

Due to global trade tensions, the prospects for equipment segment are uncertain. As for the Vessel Chartering sector, challenging conditions are expected to continue in the somewhat sluggish oil and gas industry and pressure on the charter rates of the vessels will continue.

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

Not applicable.

(d) Books closure date

Not applicable.

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

No applicable.

13 Interested Person Transactions

	Period ended 31 March 2019	
	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than \$100,000)
<u>Name of interested person</u>	<u>\$'000</u>	<u>\$'000</u>
Hoe Leong Plastic Industry (China) Ltd - Rental expense	112	-

The Company has not obtained a general mandate from shareholders for Interested Person Transactions.

14 Negative Assurance Confirmation

We, Kuah Geok Lin and Kuah Geok Khim, being two of the Directors of the Company, do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited interim financial results of the Group for the financial period ended 31 March 2019 to be false or misleading in any material aspect.

15 Undertaking from directors and executive officers

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

BY ORDER OF THE BOARD

Kuah Geok Lin
 Chairman and CEO

15 May 2019