

**Challenger  
Technologies Limited**



**SECOND QUARTER UNAUDITED FINANCIAL STATEMENT**

**FOR THE FINANCIAL PERIOD ENDED**

**30 JUNE 2019**

Co Reg No: 198400182 K

## UNAUDITED QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2019

- 1(a) A consolidated statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Statement of Comprehensive Income

	Group					
	3 months ended		Change	6 months ended		Change
	30.06.2019	30.06.2018		30.06.2019	30.06.2018	
\$'000	\$'000	%	\$'000	\$'000	%	
<b>Revenue</b>	82,359	76,249	8	163,292	153,839	6
<b>Other Items of Income</b>						
Interest Income	285	156	83	608	322	89
Other Gains [note (A)]	63	117	(46)	276	412	(33)
<b>Other Items of Expense</b>						
Changes in Inventories of Finished Goods	(544)	608	N.M.	(2,017)	1,243	N.M.
Purchase of Goods and Consumables	(63,811)	(59,772)	7	(126,406)	(120,431)	5
Other Consumables Used	(44)	(46)	(4)	(73)	(79)	(8)
Depreciation Expense	(538)	(715)	(25)	(1,116)	(1,502)	(26)
Employee Benefits Expense	(6,429)	(5,659)	14	(12,189)	(11,129)	10
Other Expenses [Note (B)]	(5,984)	(5,583)	7	(11,892)	(10,903)	9
Other Losses [Note (A)]	(127)	(120)	6	(264)	(247)	7
<b>Profit Before Tax from Continuing Operations</b>	5,230	5,235	(0)	10,219	11,525	(11)
Income Tax Expense	(1,033)	(1,215)	(15)	(1,902)	(2,256)	(16)
<b>Profit from Continuing Operations, Net of Tax</b>	4,197	4,020	4	8,317	9,269	(10)
<b>Other Comprehensive Income:</b>						
<b>Items that May Be Reclassified Subsequently to Profit or Loss:</b>						
Exchange Differences on Translating Foreign Operations, Net of tax	(10)	(1)	900	(4)	4	N.M.
<b>Other Comprehensive (Loss) / Income for the Period, Net of Tax</b>	(10)	(1)	900	(4)	4	N.M.
<b>Total Comprehensive Income</b>	4,187	4,019	4	8,313	9,273	(10)
<b>Profit Attributable to Owners of the Parent, Net of Tax</b>	4,174	4,002	4	8,257	9,217	(10)
<b>Profit Attributable to Non-Controlling Interests, Net of Tax</b>	23	18	28	60	52	15
<b>Profit Net of Tax</b>	4,197	4,020	4	8,317	9,269	(10)
<b>Total Comprehensive Income Attributable to Owners of the Parent</b>	4,164	4,001	4	8,253	9,221	(10)
<b>Total Comprehensive Income Attributable to Non-Controlling Interests</b>	23	18	28	60	52	15
<b>Total Comprehensive Income</b>	4,187	4,019	4	8,313	9,273	(10)
<b>Note:</b>						
<b>Profit before income tax is arrived after (charging) / crediting the followings:</b>						
<b>Note (A) - Other (Losses) / Gains</b>						
Foreign exchange adjustment gains/ (losses)	(7)	23	(130)	62	46	35
Sundry income	63	94	(33)	214	366	(42)
Provision for bad debts - trade	-	-	N.M.	-	(7)	N.M.
Inventories written off	-	(14)	N.M.	-	(14)	N.M.
Provision for inventories	(120)	(106)	13	(264)	(226)	17
	(64)	(3)	2,033	12	165	(93)
Presented in profit or loss as:						
Other Gains	63	117	(46)	276	412	(33)
Other Losses	(127)	(120)	6	(264)	(247)	7
	(64)	(3)	2,033	12	165	(93)
<b>Note (B) - Other Expenses</b>						
Premises expenses	(4,189)	(4,217)	(1)	(8,568)	(8,203)	4
Other operating expenses	(886)	(525)	69	(1,414)	(1,041)	36
Selling and distribution costs	(909)	(841)	8	(1,910)	(1,659)	15
	(5,984)	(5,583)	7	(11,892)	(10,903)	9

N.M. = not meaningful

CHALLENGER TECHNOLOGIES LIMITED

**UNAUDITED QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2019**

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

**Statements of Financial Position**

	Group		Company	
	30.06.2019 \$'000	31.12.2018 \$'000	30.06.2019 \$'000	31.12.2018 \$'000
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Investments in Subsidiaries	-	-	6,039	6,031
Other Financial Assets	6,102	6,102	5,793	5,793
Property, Plant and Equipment	6,687	7,573	6,541	7,389
Rights-of-use assets*	17,380	-	16,894	-
<b>Total Non-Current Assets</b>	<b>30,169</b>	<b>13,675</b>	<b>35,267</b>	<b>19,213</b>
<b>Current Assets</b>				
Cash and Cash Equivalents	66,128	63,240	58,617	55,610
Trade and Other Receivables	11,631	10,138	9,735	8,247
Other Assets	6,156	5,460	5,960	5,322
Inventories	35,554	37,939	35,290	37,785
Other Financial Assets	503	503	503	503
<b>Total Current Assets</b>	<b>119,972</b>	<b>117,280</b>	<b>110,105</b>	<b>107,467</b>
<b>Total Assets</b>	<b>150,141</b>	<b>130,955</b>	<b>145,372</b>	<b>126,680</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to Owners of the Parent</b>				
Share Capital	18,775	18,775	18,775	18,775
Retained Earnings	74,768	73,415	74,726	73,227
Other Reserves	(198)	(194)	14	14
<b>Equity, Attributable to Owners of the Parent</b>	<b>93,345</b>	<b>91,996</b>	<b>93,515</b>	<b>92,016</b>
Non-Controlling Interests	397	337	-	-
<b>Total Equity</b>	<b>93,742</b>	<b>92,333</b>	<b>93,515</b>	<b>92,016</b>
<b>Non-Current Liabilities</b>				
Deferred Tax Liabilities	17	17	-	-
Other Liabilities, Non-Current	2,233	2,759	897	1,368
Lease Liabilities*	11,079	-	10,754	-
<b>Total Non-Current Liabilities</b>	<b>13,329</b>	<b>2,776</b>	<b>11,651</b>	<b>1,368</b>
<b>Current Liabilities</b>				
Trade and Other Payables	23,117	21,569	21,791	20,456
Provisions	1,974	1,955	1,974	1,955
Income Tax Payable	4,274	4,587	3,917	4,251
Other Liabilities, Current	7,250	7,735	6,230	6,634
Lease Liabilities*	6,455	-	6,294	-
<b>Total Current Liabilities</b>	<b>43,070</b>	<b>35,846</b>	<b>40,206</b>	<b>33,296</b>
<b>Total Liabilities</b>	<b>56,399</b>	<b>38,622</b>	<b>51,857</b>	<b>34,664</b>
<b>Total Equity and Liabilities</b>	<b>150,141</b>	<b>130,955</b>	<b>145,372</b>	<b>126,680</b>

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

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

Amount repayable in one year or less, or on demand

Nil.

Amount repayable after one year

Nil.

Details of any collateral

Nil.

**UNAUDITED QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2019**

- 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

**Consolidated Statement of Cash Flows**

	3 months ended		6 months ended	
	30.06.2019 \$'000	30.06.2018 \$'000	30.06.2019 \$'000	30.06.2018 \$'000
<b>Cash Flow From Operating Activities</b>				
Profit Before Tax	5,230	5,235	10,219	11,525
Adjustments for:				
Amortisation on Rights-of-use Assets	3,536	-	7,089	-
Depreciation Expense	538	715	1,116	1,502
Interest Income	(285)	(156)	(608)	(322)
Interest Expense	135	-	290	-
Net Effect of Exchange Rate Changes in Consolidating Foreign Operations	(10)	(1)	(4)	4
Operating Cash Flows Before Working Capital Changes	9,144	5,793	18,102	12,709
Trade and Other Receivables	(615)	1,236	(1,493)	1,233
Other Assets	(319)	(151)	(696)	136
Inventories	695	(503)	2,385	(1,018)
Trade and Other Payables	3,963	1,228	1,548	(2,201)
Other Liabilities	(458)	(187)	(1,011)	(773)
Net Cash Flows From Operations	12,410	7,416	18,835	10,086
Income Taxes Paid	(2,125)	(1,145)	(2,215)	(1,547)
Net Cash Flows From Operating Activities	10,285	6,271	16,620	8,539
<b>Cash Flows From Investing Activities</b>				
Interest Received	285	156	608	322
Increase in Other Financial Assets	-	(748)	-	(748)
Purchase of Plant and Equipment	(173)	(9)	(211)	(18)
Net Cash Flows From / (Used in) Investing Activities	112	(601)	397	(444)
<b>Cash Flows From Financing Activities</b>				
Dividends paid to equity owners	(6,904)	(7,595)	(6,904)	(7,595)
Dividends Paid to Non-Controlling Interests	-	(150)	-	(150)
Principal element of lease payments	(3,476)	-	(6,935)	-
Interest element of lease payments	(135)	-	(290)	-
Net Cash Flows Used in Financing Activities	(10,515)	(7,745)	(14,129)	(7,745)
<b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>	(118)	(2,075)	2,888	350
Cash and Cash Equivalents, Consolidated Statement of Cash Flow, Beginning Balance	66,246	65,657	63,240	63,232
<b>Cash and Cash Equivalents, Consolidated Statement of Cash Flow, Ending Balance</b>	<b>66,128</b>	<b>63,582</b>	<b>66,128</b>	<b>63,582</b>

**UNAUDITED QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2019**

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

**Statements of Changes in Equity**

	Attributable to Equity Holder of the Company					
	Total Equity \$'000	Attributable to Parent sub-total \$'000	Share Capital \$'000	Retained Earnings \$'000	Other Reserves \$'000	Non-controlling Interests \$'000
<b>Group</b>						
<b>Current Period:</b>						
<b>Opening Balance at 1 January 2019</b>	92,333	91,996	18,775	73,415	(194)	337
<b>Movements in Equity:</b>						
Total Comprehensive Income for the Period	4,126	4,089	-	4,083	6	37
<b>Closing Balance at 31 March 2019</b>	96,459	96,085	18,775	77,498	(188)	374
Total Comprehensive Income for the Period	4,187	4,164	-	4,174	(10)	23
Dividends paid	(6,904)	(6,904)	-	(6,904)	-	-
<b>Closing Balance at 30 June 2019</b>	<b>93,742</b>	<b>93,345</b>	<b>18,775</b>	<b>74,768</b>	<b>(198)</b>	<b>397</b>
<b>Previous Period:</b>						
<b>Opening Balance at 1 January 2018</b>	86,442	86,103	18,775	67,464	(136)	339
Impact of adoption of SFRS(I) 15 on previously reported results for the period ended 31 December 2017	(2,110)	(2,110)	-	(2,110)	-	-
<b>Balance at 1 January 2018, as restated</b>	84,332	83,993	18,775	65,354	(136)	339
<b>Movements in Equity:</b>						
Total Comprehensive Income for the Period	5,254	5,220	-	5,215	5	34
<b>Closing Balance at 31 March 2018</b>	89,586	89,213	18,775	70,569	(131)	373
Total Comprehensive Income for the Period	4,019	4,001	-	4,002	(1)	18
Dividends paid	(7,745)	(7,595)	-	(7,595)	-	(150)
<b>Closing Balance at 30 June 2018</b>	<b>85,860</b>	<b>85,619</b>	<b>18,775</b>	<b>66,976</b>	<b>(132)</b>	<b>241</b>
<b>Company</b>						
<b>Current Period:</b>						
<b>Opening Balance at 1 January 2019</b>	92,016	92,016	18,775	73,227	14	-
<b>Movements in Equity:</b>						
Total Comprehensive Income for the Period	4,015	4,015	-	4,015	-	-
<b>Closing Balance at 31 March 2019</b>	96,031	96,031	18,775	77,242	14	-
Total Comprehensive Income for the Period	4,388	4,388	-	4,388	-	-
Dividends paid	(6,904)	(6,904)	-	(6,904)	-	-
<b>Closing Balance at 30 June 2019</b>	<b>93,515</b>	<b>93,515</b>	<b>18,775</b>	<b>74,726</b>	<b>14</b>	<b>-</b>
<b>Previous Period:</b>						
<b>Opening Balance at 1 January 2018</b>	86,107	86,107	18,775	67,276	56	-
Impact of adoption of SFRS(I) 15 on previously reported results for the period ended 31 December 2017	(2,110)	(2,110)	-	(2,110)	-	-
<b>Balance at 1 January 2018, as restated</b>	83,997	83,997	18,775	65,166	56	-
<b>Movements in Equity:</b>						
Total Comprehensive Income for the Period	5,134	5,134	-	5,134	-	-
<b>Closing Balance at 31 March 2018</b>	89,131	89,131	18,775	70,300	56	-
Total Comprehensive Income for the Period	4,070	4,070	-	4,070	-	-
Dividends paid	(7,595)	(7,595)	-	(7,595)	-	-
<b>Closing Balance at 30 June 2018</b>	<b>85,606</b>	<b>85,606</b>	<b>18,775</b>	<b>66,775</b>	<b>56</b>	<b>-</b>

**UNAUDITED QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2019**

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-back, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares or cash 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.**

There were no changes in the share capital of the Company in the second quarter of 2019. As at 30 June 2019, the Company's issued and paid up capital comprises 345,207,961 (31 December 2018: 345,207,961) ordinary shares and \$18,775,054 (31 December 2018: \$18,775,054) respectively.

There were no outstanding convertibles issued or treasury shares held by the Company or subsidiary as at 30 June 2019 and 30 June 2018.

**1(d)(iii) 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.**

	<b>30.06.2019</b>	<b>31.12.2018</b>
Total number of issued shares (excluding treasury shares)	345,207,961	345,207,961

**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.

**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.

**2 Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

The figures have not been audited nor reviewed by the Group auditors.

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

Not applicable.

**UNAUDITED QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2019**

**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 and the Company have applied the same accounting policies and methods of computation in the financial statements for the current reporting period, which are consistent with those described in the Audited Financial Statements for the year ended 31 December 2018, except for the adoption of all applicable new and revised Singapore Financial Reporting Standards (International), ("SFRS(I)") and Interpretations of SFRS(I) ("INT SFRS(I)") which becomes effective from annual 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 application of the new and revised standards and interpretations has no material effect on the financial statements, except for the adoption of SFRS(I) 16 – Leases.

The Group adopted SFRS(I) 16 - Leases on 1 January 2019. At the date of initial application, the Group recognised the rights to use leased assets as right-of-use assets and their associated obligations as lease liabilities. The Group applied this standard using the modified retrospective approach. Therefore, the 1H/ 2Q2018 comparative figures have not been restated from that which was previously announced in 1H/ 2Q2018 announcement as the Group and the Company have applied the standard retrospectively with the cumulative effect recognised at the date of initial application.

**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**

	3 months ended		6 months ended	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
	cents	cents	cents	cents
<u>Group</u>				
Earnings per share based on consolidated profit after taxation and non-controlling interests				
- on weighted average number of shares	1.21	1.16	2.39	2.67
- on a fully diluted basis	1.21	1.16	2.39	2.67

Earnings per ordinary share is computed based on the weighted average number of 345,207,961 issued shares.

**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 period reported on and (b) immediately preceding financial year**

	Group		Company	
	30.06.2019	31.12.2018	30.06.2019	31.12.2018
	cents	cents	cents	cents
Net asset value per share based on existing issued share capital as at the end of the respective period	27.04	26.65	27.09	26.66

The net asset value per ordinary share of the Group and the Company as at 30 June 2019 and 31 December 2018 is computed based on the total number of issued shares of 345,207,961.

**UNAUDITED QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2019**

- 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

**Revenue**

The Group achieved revenue of \$82.4 M for the three months ended 30 June 2019 ("2Q2019"), an increase of 8.1% or \$6.2 M compared to the revenue of \$76.2 M registered for the three months ended 30 June 2018 ("2Q2018").

The increase in revenue was primarily driven by improved performance from IT products and services which increased by 7.7% to \$80.9 M in 2Q2019, from \$75.1 M in 2Q2018. The growth in this segment was mainly attributed to higher revenue contribution from trade show and corporate sales.

Revenue from the electronic signage services business segment doubled to \$0.2 M from \$0.1 M, mainly contributed by audio and lightings retail operations in 2Q2019.

Revenue from the telephonic call centre and data management services improved by \$0.4 M or 16% to \$2.9 M in 2Q2019 compared to 2Q2018 as more marketing projects were secured in the current period.

**Profit after taxation ("PAT")**

The Group registered a slightly higher PAT of \$4.2 M in 2Q2019, as compared to \$4.0 M in 2Q2018.

The increase in PAT was mainly due to the following:

- a) increase in overall gross profit by \$0.9 M was in line with stronger revenue achieved. Overall gross profit margin remained consistent at 22% in 2Q2019.
- b) decrease in depreciation expenses by \$0.2 M;
- c) interest income from SGD fixed deposits and coupon received from investment in corporate bonds up by \$0.1 M; and
- d) decrease in rental expenses by \$0.1 M due to lower rental for trade show events.
- e) lower income tax provision by \$0.2 M.

The above items have been offset by:

- f) increase employee benefits expenses by \$0.8 M mainly due to increased staff costs;
- g) higher selling and distribution expenses increased by \$0.1 M mainly from card surcharges;
- h) net impact of \$0.1 M arising from the adoption of SFRS(I) 16 Leases, mainly on amortisation expenses on right-of-use assets and interest expense on lease liabilities;
- i) other operating expenses increased by \$0.3 M mainly due to expenses for delisting exercise.

The provision for inventories of \$0.1 M is to cater for both third parties and house brand products. Sundry income of \$0.06 M mainly comprises of receipts of government grant from Wage Credit Scheme. Foreign exchange losses of \$0.01 M mainly arising from revaluation of Renminbi transactions.

**Working capital, assets and liabilities**

For the second quarter ended 30 June 2019, the Group has cash of approximately \$66.1 M.

The Group recorded an operating cash inflow of about \$10.3 M in 2Q2019. This has resulted mainly from the following:

- a) operating profit derived for 2Q2019 of \$9.1 M;
- b) increase of trade, other receivables and other assets of \$0.9 M;
- c) decrease in inventory of \$0.7 M;
- d) increase of trade, other payables and accrued liabilities of \$4.0 M;
- e) decrease of other liabilities of \$0.5 M; and
- f) income tax paid of \$2.1 M.

The net cash inflow for investing activities was mainly on interests received from fixed deposits and bonds of \$0.3 M, partially offset by acquisition of equipment and renovations of \$0.2 M during the period. Meanwhile, \$3.6 M used in investing activities was incurred as principal and interest element for lease payments and \$6.9 M was used to pay as dividend to shareholders. Hence, cash and cash equivalents decreased slightly by about \$0.1 M for the period ended 30 June 2019.

Other than the above, no significant difference was noted for other working capital, assets and liabilities, except for the increased trade payables due to timing difference in payment to suppliers.



**UNAUDITED QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2019**

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

No specific forecast was previously provided.

- 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**

**a. IT products and services**

Retail trade continues to remain challenging in 2019. The Group will close another two stores in the second half of the year. We are also looking at expanding the "PIT.Money" concept store to further tap into the market segment of pre-owned and demo products. Besides, the Challenger superstore at Paya Lebar Quarter is set to be opened in the third quarter of this year. As of today, the Group has a total retail network of 40 stores in Singapore.

**b. Electronic signage services**

We will continue to explore business opportunity with strategic partners to continue to grow our business in architectural and commercial lighting projects.

- 11 Dividend**

**(a) Current Financial Period Reported On**

None.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Interim dividend for the period ended 30.06.2018 paid on 24.08.2018 as noted below.

Name of Dividend: Interim exempt (one-tier) dividend

Dividend type: Cash

Dividend amount per share (in cents): 1.10

Tax rate: Tax-exempt one-tier

**(c) Date Payable**

Not applicable.

**(d) Books Closure Date**

Not applicable.

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

There is no dividend declared for this quarter. The Company does not have a formal dividend policy and in view of the uncertainty in the market outlook and business environment, the Board deems it prudent to defer any decision on dividends till the end of the financial year.

- 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 is no IPT mandate obtained.

**UNAUDITED QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2019**

**14 Confirmation By the Company 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.

**15 CONFIRMATION BY THE BOARD**

On behalf of the Board of Directors of the Company, Loo Leong Thye and Tan Wee Ko being two directors of the Company, do hereby confirm to the best of our knowledge, that nothing has come to the attention of the Board of Directors of the Company which may render the financial statement for the second quarter ended 30 June 2019 to be false or misleading in any material aspect.

On behalf of the Board of Directors

LOO LEONG THYE  
EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER

TAN WEE KO  
EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER

**BY ORDER OF THE BOARD**

LOO LEONG THYE  
EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER  
DATE: 5 August 2019