SEN YUE HOLDINGS LIMITED
森跃控股有限公司

SEN YUE HOLDINGS LIMITED RCB REG. NO: 200105909M

Unaudited Financial Statements and Dividend Announcement for the Half Year Ended 31 March 2020 ("HY2020")

PART 1 – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a)(i) An income statement and statement of comprehensive income, or statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediate preceding financial year.

	Group		
	Half Year ended 31/03/2020 (unaudited) $'000	**Half Year ended 31/03/2019 (unaudited) $'000**	**Change %**
Revenue	115,609	127,312	(9.2)
Cost of sales	(108,906)	(121,247)	(10.2)
Gross profit	6,703	6,065	10.5
Other operating income	629	602	4.5
Distribution costs	(716)	(701)	2.1
Administrative expenses	(4,681)	(4,701)	(0.4)
Other operating expenses	(20,046)	(190)	NM
Results from operating activities	(18,111)	1,075	NM
Finance costs	(1,280)	(1,266)	1.1
Loss before tax	**(19,391)**	**(191)**	**NM**
Income tax expense	(357)	(364)	(1.9)
Loss after tax	**(19,748)**	**(555)**	**NM**

NM: Not Meaningful

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

	Group		
	Half Year ended 31/03/2020 (unaudited) $'000	**Half Year ended 31/03/2019 (unaudited) $'000**	**Change %**
Loss for the financial period	(19,748)	(555)	NM
Other comprehensive income (loss):			
Items that will not be reclassified to profit or loss:			
Revaluation of properties	197	-	NM
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	(490)	191	NM
Other comprehensive income (loss), net of tax	(293)	191	NM
Total comprehensive loss for the financial period	**(20,041)**	**(364)**	**NM**

NM: Not Meaningful

1(a)(ii) Other profit and loss items disclosure.

The following items were (credited)/ charged to the income statement:

	Group		
	Half Year ended 31/03/2020 (unaudited) $'000	**Half Year ended 31/03/2019 (unaudited) $'000**	**Change %**
Other income	(514)	(491)	4.7
Interest income	(115)	(111)	3.6
Interest expense	1,280	1,266	1.1
Depreciation of property, plant and equipment	1,818	1,540	18.1
Depreciation of right-of-use assets	190	-	NM
(Gain) Loss on disposal of property, plant and equipment	(5)	3	NM
Property, plant and equipment written off	-	1	NM
Foreign exchange loss, net	63	125	(49.6)
Reversal of allowance for inventories	(50)	(4)	1,150.0
Loss allowance for receivables	19,933	-	NM

NM: Not Meaningful

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.

	Group		Company	
	Half Year ended 31/03/2020 (unaudited) $'000	Year ended 30/09/2019 (audited) $'000	Half Year ended 31/03/2020 (unaudited) $'000	Year ended 30/09/2019 (audited) $'000
Assets				
Current assets				
Cash and cash equivalents	20,629	21,413	87	295
Trade and other receivables	38,665	52,429	29	10
Inventories	16,578	13,961	-	-
Total current assets	**75,872**	**87,803**	**116**	**305**
Non-current assets				
Property, plant and equipment	28,397	30,006	-	-
Right-of-use assets	2,938	-	-	-
Goodwill	338	338	-	-
Subsidiaries	-	-	37,593	31,988
Other receivables	599	634	-	-
Financial assets at FVTPL	4,247	4,101	-	-
Total non-current assets	**36,519**	**35,079**	**37,593**	**31,988**
Total assets	**112,391**	**122,882**	**37,709**	**32,293**
Liabilities and equity				
Current liabilities				
Bank overdrafts, loans and trade bills	58,538	58,970	1,000	1,000
Trade and other payables	16,264	14,445	4,594	4,617
Finance leases	314	309	-	-
Lease liabilities	351	-	-	-
Income tax payable	91	252	-	-
Total current liabilities	**75,558**	**73,976**	**5,594**	**5,617**
Non-current liabilities				
Bank overdrafts, loans and trade bills	1,960	2,358	-	-
Finance leases	404	562	-	-
Lease liabilities	2,604	-	-	-
Other payables	80	78	-	-
Deferred tax liabilities	2,033	2,106	-	-
Total non-current liabilities	**7,081**	**5,104**	**-**	**-**
Total liabilities	**82,639**	**79,080**	**5,594**	**5,617**
Capital, reserves and non-controlling interests				
Share capital	46,246	40,255	46,246	40,255
Merger deficit	(3,454)	(3,454)	-	-
Translation reserve	(7,805)	(7,315)	-	-
Revaluation reserve	11,365	11,168	-	-
Capital reserve	2,605	2,605	-	-
Retained earnings (Accumulated losses)	(19,205)	543	(14,131)	(13,579)
Net equity attributable to owners of the Company	**29,752**	**43,802**	**32,115**	**26,676**
Total liabilities and equity	**112,391**	**122,882**	**37,709**	**32,293**

1(b)(ii) Aggregate amount of the group's borrowing and debt securities.

Amount repayable in one year or less, or on demand:

As at 31/03/2020 (Unaudited)		As at 30/09/2019 (Audited)	
Secured $'000	Unsecured $'000	Secured $'000	Unsecured $'000
58,852	-	59,279	-

Amount repayable after one year:

As at 31/03/2020 (Unaudited)		As at 30/09/2019 (Audited)	
Secured $'000	Unsecured $'000	Secured $'000	Unsecured $'000
2,364	-	2,920	-

Details of any collateral:-

As at 31 March 2020, total bank borrowings amounting to $60,498,000 (30 September 2019: $61,328,000) [(1)] were secured on one or more of the followings:

(i) Mortgage over certain freehold land and buildings of the Group;
(ii) Mortgage over a leasehold land and building of the Group;
(iii) Deposits pledged with financial institutions;
(iv) Corporate guarantee given by the Company;
(v) Personal guarantee by a Director;
(vi) Assignment of life insurance policies[(2)] assured on a Director; and
(vii) Assignment of life insurance policy[(2)] assured on a general manager of a subsidiary.

The finance leases of $718,000 (30 September 2019: $871,000) were secured by the lessor's title to the leased assets.

Notes:

(1) The Group registered a loss after tax of $ 19.7 million in HY2020 which resulted in its net tangible asset as at 31 March 2020 to decrease to $29.4 million. Our subsidiary's bank covenants which stipulated the maintenance of a minimum net tangible asset position were not fulfilled as a result of the provisioning of the accounts receivables. Management has written to the banks and are awaiting their responses on the breach of these covenants. In the event that the banks choose to accelerate repayment of the aggregate principal amount of the loan due to the breach of the aforesaid covenants, there may be a significant adverse impact on the operations or cashflow of this subsidiary and subsequently, the Group. The Group would also wish to highlight that 65% of the outstanding borrowings as at 31 March 2020 are secured by collaterals.

(2) The life insurance policies refer to key-man life insurance policies purchased by a subsidiary for the Executive Chairman and Executive Director of the Company and a Key Management Personnel of the subsidiary, with the subsidiary being the beneficiary.

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

	Group (Unaudited)	
	Half Year ended 31/03/2020 $'000	**Half Year ended 31/03/2019 $'000**
Operating activities		
Loss before income tax	(19,391)	(191)
Adjustments for:		
Reversal of allowance for inventories	(50)	(4)
Loss allowance for receivables	19,933	-
Interest income	(115)	(111)
Interest expense	1,280	1,266
Depreciation of property, plant and equipment	1,818	1,540
Depreciation of right-of-use assets	190	-
Foreign exchange loss (net)	(40)	105
(Gain) Loss on disposal of property, plant and equipment	(5)	3
Property, plant and equipment written off	-	1
Post-employment benefits	11	11
Increase in fair value of financial assets at FVTPL	(38)	(36)
Operating cash flows before movements in working capital	**3,593**	**2,584**
Trade and other receivables	(6,235)	(6,126)
Inventories	(2,577)	5,465
Trade and other payables	1,751	38
Trade bills	(531)	2,898
Cash generated from operations	(3,999)	4,859
Income taxes paid	(444)	(423)
Net cash (used in) from operating activities	**(4,443)**	**4,436**
Investing activities		
Interest received	169	93
Purchase of plant and equipment	(432)	(507)
Proceeds from disposal of plant and equipment	6	4
Net cash used in investing activities	**(257)**	**(410)**
Financing activities		
Interest paid	(1,280)	(1,266)
Repayments of borrowings	(592)	(537)
Repayments of finance lease liabilities	(154)	(163)
Payments of lease liabilities	(172)	-
Increase in pledged deposits with financial institutions	(60)	(1,537)
Net proceeds from issuance of new shares	5,991	-
Net cash from (used in) financing activities	**3,733**	**(3,503)**
Net increase in cash and cash equivalents	**(967)**	**523**
Cash and cash equivalents at beginning of the financial period	4,000	1,056
Effect of exchange rate changes on cash balances held in foreign currencies	(62)	130
Cash and cash equivalents at end of the financial period	**2,971**	**1,709**
Cash at banks and in hand	3,481	2,829
Fixed deposits with financial institutions	17,148	17,550
Cash and cash equivalents in statement of financial position	20,629	20,379
Fixed deposits pledged with financial institutions	(17,148)	(17,550)
Bank overdraft (secured)	(510)	(1,120)
Cash and cash equivalents at end of the financial period	**2,971**	**1,709**

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.

Group	Share capital $'000	Merger deficit $'000	Translation reserve $'000	Revaluation reserve $'000	Capital reserve $'000	Retained earnings (Accumulated losses) $'000	Net equity attributable to owners of the Company $'000
Balance as at October 1, 2018 (audited)	**40,255**	**(3,454)**	**(7,403)**	**8,623**	**2,605**	**522**	**41,148**
Total comprehensive loss for the period							
Loss for the period	-	-	-	-	-	(555)	(555)
Other comprehensive income for the period	-	-	191	-	-	-	191
Total	-	-	**191**	**-**	**-**	**(555)**	**(364)**
Balance as at March 31, 2019 (unaudited)	**40,255**	**(3,454)**	**(7,212)**	**8,623**	**2,605**	**(33)**	**40,784**
Balance as at October 1, 2019 (audited)	**40,255**	**(3,454)**	**(7,315)**	**11,168**	**2,605**	**543**	**43,802**
Issue of share capital, representing transactions with owners, recognised directly in equity	5,991	-	-	-	-	-	5,991
Total	**5,991**	**-**	**-**	**-**	**-**	**-**	**5,991**
Total comprehensive income for the period							
Loss for the period	**-**	**-**	**-**	**-**	**-**	(19,748)	(19,748)
Other comprehensive income (loss) for the period	-	-	(490)	197	-	-	(293)
Total	**-**	**-**	**(490)**	**197**	**-**	**(19,748)**	**(20,041)**
Balance as at March 31, 2020 (unaudited)	**46,246**	**(3,454)**	**(7,805)**	**11,365**	**2,605**	**(19,205)**	**29,752**

Company	Share Capital $'000	Accumulated losses $'000	Total $'000
Balance as at October 1, 2018 (audited)	**40,255**	**(13,066)**	**27,189**
Loss for the period, representing total comprehensive loss for the period	-	(357)	(357)
Balance as at March 31, 2019 (unaudited)	**40,255**	**(13,423)**	**26,832**
Balance as at October 1, 2019 (audited)	**40,255**	**(13,579)**	**26,676**
Issue of share capital, representing transactions with owners, recognised directly in equity	5,991	-	5,991
Loss for the period, representing total comprehensive loss for the period	-	(552)	(552)
Balance as at March 31, 2020 (unaudited)	**46,246**	**(14,131)**	**32,115**

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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.

Issued and fully paid-up ordinary shares of the Company ("Shares")

Movements in the Company's share capital since 30 September 2019 up to 31 March 2020 were as follows:

	Number of Shares	Issued and paid-up capital – $
Balance as at 30 September 2019	864,280,038	40,254,502
Issuance of shares	120,000,000	5,991,440
Balance as at 31 March 2020	984,280,038	46,245,942

The Company did not have any outstanding options, convertibles, treasury shares or subsidiary holdings as at 31 March 2020 and 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.

	Company as at 31/03/2020	Company as at 30/09/2019
Total number of issued shares excluding treasury shares	984,280,038	864,280,038

There were no treasury shares as at 31 March 2020 and 30 September 2019.

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. There were no sales, transfers, cancellations and/or use of treasury shares during the 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.

Not applicable. There were no sales, transfers, cancellations and/or use of subsidiary holdings during the financial period reported on.

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 Company's auditors.

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

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion (This is not required for any audit issue that has material uncertainty relating to going concern):—

(a) Updates on the efforts taken to resolve each outstanding audit issue.

Not applicable. The Group's latest financial statements for the financial year ended 30 September 2019 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable. The Group's latest financial statements for the financial year ended 30 September 2019 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Save 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 those used in the most recently audited financial statements for the financial year ended 30 September 2019 ("**FY2019**").

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 Group has adopted the SFRS(I) 16 Leases with effect from 1 October 2019 which is relevant to its operations. The Group has applied the simplified transition approach and will not restate comparative amounts for the year prior to first adoption and has not restated comparatives for the financial year ended 30 September 2019 reporting period as permitted under the specific transition provisions in the standard. The effect of the change on the adoption of SFRS(I) 16 Leases is the recognition of right-of-use assets and lease liabilities in the statement of financial position for the half year ended 31 March 2020. Following the adoption of SFRS(I) 16, right-of-use assets and lease liabilities were being recognised in the balance sheet for the financial periods beginning on or after 1 October 2019 for the first time, without restatement of comparative amounts for the period prior to first adoption.

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	
Basic loss per ordinary share ("LPS") and Diluted LPS	**HY2020 (Unaudited)**	**HY2019 (Unaudited)**
Loss attributable to equity holders of the Company ($)	(19,748,000)	(555,000)
Weighted average number of ordinary shares in issue	957,066,923	864,280,038
LPS (Singapore cents)	(2.06)	(0.06)

The basic and diluted LPS for the half year ended 31 March 2020 ("**HY2020**") and 31 March 2019 ("**HY2019**") were the same as there were no potentially dilutive ordinary shares in issue as at end of the respective financial periods.

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	
	As at 31/03/2020 (Unaudited)	As at 30/09/2019 (Audited)	As at 31/03/2020 (Unaudited)	As at 30/09/2019 (Audited)
Net asset value as per ordinary share based on existing issued share capital excluding treasury shares as at the end of the period (in Singapore cents)	3.02	5.07	3.26	3.09
Number of ordinary shares in issue	984,280,038	864,280,038	984,280,038	864,280,038

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

The Group's revenue decreased mainly due to a decrease of revenue in the commodities segment as the Group conducted lower sales to its overseas customers including its China-based clients as a result of the Coronavirus Disease 2019 ("**Covid-19**") pandemic and lower demand from customers.

Cost of sales decreased due to lower material and labour cost incurred in line with the decrease in revenue, partially offset by higher depreciation charged on our premises that were revalued in FY2019.

Gross profit increased due to the decrease in cost of sales in HY2020.

Other operating income increased due to a new handling fee charged by a subsidiary to its customer.

Other operating expenses increased mainly due to provision of doubtful debts provided by two subsidiaries.

On a prudent basis, the Board has made general provisions of 50% and 100% for the accounts receivables from certain customers that have been outstanding for 31 – 120 days and over 120 days respectively as at 31 March 2020. Furthermore, the Board has made specific provisions for three customers as there are no subsequent collections as at 30 June 2020. The total provisions made constituted 36% of the total accounts receivables. The Group continues to closely monitor the collection on these debts, which has slowed down in part due to the Covid-19 pandemic. The provisions will be subject to review during the audit for the financial year ending 30 September 2020. The Board is of the view that the provisions made is material for HY2020.

The above general and specific provision of doubtful debts were made based on the assessment made to date by SMC Industrial Pte Ltd's ("**SMCI**") management and the Board and may vary as more information is obtained. Subsequently, if payment is received from the customers, the Group will make the reversal of provision accordingly.

Finance cost increased mainly due to finance cost to lease liabilities as a result of adoption of SFRS(I) 16 Leases.

As a result of the foregoing, the Group registered a loss after tax of $19.7 million in HY2020 as compared to a loss after tax of $0.6 million in HY2019, mainly due to the provision of doubtful debts amounting to $19.9 million.

Revaluation of properties increased due to the revaluation on the property belonging to one of the Group's subsidiary.

Statement of Financial Position

As an update to the announcements made on 29 April 2020, 4 May 2020, 15 May 2020 and 22 May 2020, the Company did not engage an accounting firm to conduct the review of the accounts receivables, inventory and bank facilities (including loan covenants) of SMCI ("**Review**"). In the interest of time to release this HY2020 results, the Board and Management of SMCI had chosen to undertake the Review internally.

Current Assets

The decrease in trade and other receivables was mainly as a result of provision of doubtful debts provided by two of the subsidiaries discussed in the earlier paragraphs.

The increase in inventories was mainly due to an increase in purchases under the commodities segment.

Non-Current Assets

The decrease in property, plant and equipment was mainly due to depreciation charges and offset by the purchase of new equipment.

Current Liabilities

Bank overdrafts, loans and trade bills decreased as a result of repayment of bank loans and trade bills in HY2020.

Trade and other payables increased mainly due to an increase in purchases under the commodities segment.

Non-Current Liabilities

The Group's non-current liabilities mainly due to the reclassification of loan repayable from non-current liabilities to current liabilities.

Working Capital

The working capital of the Group as at 31 March 2020 and 30 September 2019 are set out below:-

$'000	As at 31 March 2020 (Unaudited)	As at 30 September 2019 (Audited)
Total current assets	75,872	87,803
Total current liabilities	75,558	73,976
Working capital	**314**	**13,827**

The Group had a positive working capital of $0.3 million as at 31 March 2020, as compared to positive of $13.8 million as at 30 September 2019 as a result of the above.

Cash Flow Analysis

Net cash used in operating activities was mainly due to higher inventory level and repayment of trade bills in HY2020.

Net cash used in investing activities was mainly due to from purchases of plant and equipment, offset by interest received from deposits placed with financial institutions.

Net cash from financing activities was mainly due to net proceeds from issuance of new shares, offset by interest paid on bank borrowings, repayment of borrowings and leases and an increase in pledged deposits with financial institutions.

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

A profit guidance was announced on 27 April 2020 and there is no variance between the expectations announced in the profit guidance and the actual results for HY2020.

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 Board is in the process of verifying Foo Kon Tan Advisory Services Pte Ltd ("**FKT**")'s key findings disclosed in the Company's announcement dated 18 June 2020 regarding potential relationships between the Executive Chairman, Mr Koh Mia Seng ("**Mr Koh**") and certain customers of SMCI. Mr Koh has indicated that he will provide an official response to these findings by 15 September 2020. The Audit Committee will also be following up on the requirements set out in the Notice of Compliance issued by the SGX Regco on 18 June 2020.

In view of the COVID-19 pandemic, authorities in Singapore and other jurisdictions have imposed various measures that restrict movement and business operations. Such measures have and may continue to adversely impact the business and operations of the Group.

The Board is of the view that the Group's ability to operate as a going concern is dependent on the following factors:

- The collections of the accounts receivables by our subsidiaries, and in particular, SMCI;
- The continued provision of bank facilities granted and/or waiver of the event of default, in relation to the non-fulfilment of the covenants by SMCI;
- The continued ability of the Group's other subsidiaries to continue to generate profits and cashflow; and
- The macro-economic factors remaining favourable for business, such as the continued re-opening of key customer markets and the relaxation of borders to facilitate trade and labour.

The Group faces financial challenges due to the uncertainties in collections in SMCI which has impacted its cashflow. Banks' facilities may be affected as banks loan covenants have been breached. Management has informed the banks and are awaiting the banks' responses on the breach of the loan covenants. The Board has not received any responses from the banks as at the date of this announcement but will continuously monitor the situation and keep shareholders updated through announcements via the SGXNet.

In the meantime, the Board is of the opinion that, in light of the uncertainty surrounding the Group's financial position arising from the breach of loan covenants and the potential relationships between Mr Koh and certain customers of SMCI which is pending Mr Koh's official response, the Company should continue the voluntary suspension of trading in the Company's shares.

11. If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No dividend has been declared or recommended for the current financial period reported on.

(b)(i) Amount per share:

Not applicable

(ii)Previous corresponding period:

Not applicable. No dividend has been declared or recommended for the previous corresponding period.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (if the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable

(d) The date of dividend payable

Not applicable

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable

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 or recommended for HY2020 as the Group is not profitable and would like to conserve cash for future operations in view of the prevailing business conditions of the Group.

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 were no interested person transactions with a value of $100,000 or more during HY2020. The Group has not obtained a general mandate from shareholders for interested person transactions.

14. Disclosures on Incorporation, Acquisition and Realisation of Shares pursuant to Rule 706A of the Catalist Rules

Not applicable as the Company did not undertake any transactions in relation to Catalist Rule 706A for HY2020.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

The Company confirms that it has procured undertakings from all its directors and executive officers in the required format.

16. Negative Confirmation by the Board pursuant to Rule 705(5) of the Catalist Rules

The Board of Directors of the Company confirms, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results for HY2020 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

NEO GIM KIONG
CHIEF EXECUTIVE OFFICER

15 JULY 2020

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.

This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms. Gillian Goh, Director, Head of Continuing Sponsorship (Mailing address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).