



MAXI-CASH FINANCIAL SERVICES CORPORATION LTD

(Company Registration No: 200806968Z)
(Incorporated in the Republic of Singapore)

**UNAUDITED SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019**

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SECTION B: RULES OF CATALIST ("CATALIST RULES")
20. PROCURED UNDERTAKINGS BY THE BOARD AND EXECUTIVE OFFICERS PURSUANT TO RULE 720 (1) OF THE CATALIST RULES

This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited ("Sponsor"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("SGX-ST") and 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 Mr Ong Hwee Li (Tel: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

1. CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Consolidated Statements of Comprehensive Income For The Financial Period Ended 30 June 2019 ("1H 2019")

	Group		Change %
	1H 2019 \$'000	1H 2018 \$'000	
Revenue	91,969	109,543	-16%
Material costs	(54,854)	(72,853)	-25%
Employee benefits	(10,026)	(9,888)	1%
Depreciation and amortisation	(4,904)	(1,011)	385%
Finance costs	(6,219)	(5,238)	19%
Other operating expenses	(10,125)	(15,577)	-35%
Interest income from investment securities	644	1,525	-58%
Rental income	92	157	-41%
Other income	270	343	-21%
Share of results of joint venture	(1)	(306)	n.m.
Profit before tax	6,846	6,695	2%
Taxation	(1,203)	(1,343)	-10%
Profit for the period	5,643	5,352	5%
Other comprehensive income			
Net fair value changes on debt and equity instruments at fair value through other comprehensive ("FVOCI")	1,006	(1,836)	n.m.
Foreign currency translation	11	(1)	n.m.
Other comprehensive income for the period, net of tax	1,017	(1,837)	n.m.
Total comprehensive income for the period	6,660	3,515	89%
Profit attributable to:			
Owners of the Company	5,600	5,295	6%
Non-controlling interests	43	57	-25%
	5,643	5,352	5%
Total comprehensive income attributable to:			
Owners of the Company	6,617	3,458	91%
Non-controlling interests	43	57	-25%
	6,660	3,515	89%
Earnings per ordinary share (cents)			
-Basic	0.54	0.53	2%
-Diluted	0.54	0.53	2%

Other information :-

	Group		Change %
	1H 2019 \$'000	1H 2018 \$'000	
Amortisation of prepaid rent	2	-	n.m.
Depreciation of property, plant and equipment	1,107	1,011	9%
Financial losses on items not fully covered by insurance	21	5	320%
Foreign currency exchange loss, net	561	2,173	-74%
Loss on disposal of plant and equipment, net	197	117	68%

n.m. - Not meaningful

1. CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)

1(ii) Consolidated Statements of Comprehensive Income For The Financial Period from 1 April 2019 to 30 June 2019 ("2Q 2019")

	Group		Change %
	2Q 2019 \$'000	2Q 2018 \$'000	
Revenue	45,361	55,670	-19%
Material costs	(26,392)	(37,257)	-29%
Employee benefits	(4,977)	(5,084)	-2%
Depreciation and amortisation	(2,229)	(525)	325%
Finance costs	(3,156)	(2,734)	15%
Other operating expenses	(5,531)	(6,814)	-19%
Interest income from investment securities	250	845	-70%
Rental income	50	69	-28%
Other income	74	108	-31%
Share of results of joint venture	-	(169)	n.m.
Profit before tax	3,450	4,109	-16%
Taxation	(632)	(590)	7%
Profit for the period	2,818	3,519	-20%
Other comprehensive income			
Net fair value changes on debt and equity instruments at FVOCI	296	(986)	n.m.
Foreign currency translation	11	-	n.m.
Other comprehensive income for the period, net of tax	307	(986)	n.m.
Total comprehensive income for the period	3,125	2,533	23%
Profit attributable to:			
Owners of the Company	2,798	3,490	-20%
Non-controlling interests	20	29	-31%
	2,818	3,519	-20%
Total comprehensive income attributable to:			
Owners of the Company	3,105	2,504	24%
Non-controlling interests	20	29	-31%
	3,125	2,533	23%

n.m. - Not meaningful

NOTES:

- 1a - Depreciation of fixed assets in pawnshops and retail outlets is computed on a straight-line basis over 3 to 5 years.
- 1b - The Group recognises all inventory, including trade-in stock and sales return stock, at the lower of cost and net realisable value.
- 1c - The decrease in material costs in 1H 2019 and 2Q 2019 were generally in line with the lower revenue and mainly due to lower cost from the retail and trading of jewellery and branded merchandise business.
- 1d - Higher employee benefits for 1H 2019 compared to 1H2018 was mainly due to the increase in number of employees for overseas expansion, while employee benefits decreased for 2Q 2019 as compared to 2Q 2018 mainly due to a decrease in the number of employees.
- 1e - Higher depreciation and amortisation charges in 1H 2019 and 2Q 2019 were mainly due to the recognition of right-of-use assets following the adoption of SFRS(I) 16 Leases.
- 1f - Increase in finance costs for 1H 2019 and 2Q 2019 were mainly due to higher interest rate charged on interest-bearing loans and recognition of lease liabilities following the adoption of SFRS(I) 16 Leases.
- 1g - Lower other operating expenses in 1H 2019 and 2Q 2019 were mainly due to the decrease in foreign currency exchange loss and rental expenses following the adoption of SFRS(I) 16 Leases.
- 1h - Lower interest income for 1H 2019 and 2Q 2019 was mainly due to the reduction in investment securities.
- 1i - Decrease in other income for 1H 2019 and 2Q 2019 was mainly due to lower government grants.

2. STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	30-Jun-19 \$'000	31-Dec-18 \$'000	30-Jun-19 \$'000	31-Dec-18 \$'000
NON-CURRENT ASSETS				
Property, plant and equipment	23,141	23,150	135	158
Right-of-use assets	34,476	-	-	-
Trade and other receivables	21,104	15,123	-	-
Investment in subsidiaries	-	-	47,928	47,928
Investment in joint venture	6,639	141	7,000	500
Investment securities	4,609	24,249	-	-
Prepaid rent	-	1	-	-
Deferred tax assets	670	685	-	-
	90,639	63,349	55,063	48,586
CURRENT ASSETS				
Inventories	78,130	61,469	-	-
Trade and other receivables	312,945	303,543	28	29
Prepaid rent	3	4	-	-
Prepayments	1,002	1,726	270	421
Due from subsidiaries (non-trade)	-	-	150,949	161,889
Due from a related company (non-trade)	-	1	-	-
Due from a joint venture (non-trade)	1,515	5,215	1,515	5,215
Derivative financial instruments	1,337	1,058	-	-
Investment securities	992	2,466	-	-
Cash and bank balances	12,762	21,845	1,613	941
	408,686	397,327	154,375	168,495
TOTAL ASSETS	499,325	460,676	209,438	217,081
CURRENT LIABILITIES				
Trade and other payables	11,865	9,089	4,420	2,776
Due to a related company (trade)	244	-	-	-
Due to a related company (non-trade)	706	706	-	-
Lease liabilities	8,795	-	-	-
Provision for taxation	2,459	1,986	140	50
Dividends payables	2,888	3,105	2,588	3,105
Term notes	66,000	-	66,000	-
Interest-bearing loans	226,557	222,668	-	-
	319,514	237,554	73,148	5,931
Net current assets	89,172	159,773	81,227	162,564
NON-CURRENT LIABILITIES				
Other payables	-	74	-	16
Interest-bearing loans	12,359	12,644	-	-
Term notes	-	69,000	-	70,000
Lease liabilities	25,900	-	-	-
Deferred tax liabilities	256	257	5	-
	38,515	81,975	5	70,016
TOTAL LIABILITIES	358,029	319,529	73,153	75,947
Net assets	141,296	141,147	136,285	141,134
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital	137,286	137,286	137,286	137,286
Treasury shares	(15)	(15)	(15)	(15)
Other reserves	(2,032)	(3,257)	(23)	(23)
Revenue reserves	5,294	6,113	(963)	3,886
	140,533	140,127	136,285	141,134
Non-controlling interests	763	1,020	-	-
Total equity	141,296	141,147	136,285	141,134
Net asset value per ordinary share (cents)	13.58	13.54	13.17	13.63

2a. - Review of Financial Position

The equity attributable to owners of the Company was \$140.5 million as at 30 June 2019 as compared to \$140.1 million as at 31 December 2018. The increase was mainly attributable to the increase in the total reserves. The increase in other reserves was mainly due to net gain in fair value change of investment securities.

The Group's total assets of \$499.3 million as at 30 June 2019 was \$38.6 million higher than that as at 31 December 2018 mainly due to the recognition of right-of-use assets arising from the adoption of SFRS(I) 16, increase in trade and other receivables, inventories, derivative financial instruments and investment in joint venture, partially offset by the decrease in cash and bank balances, prepayments, amount due from a joint venture and investment securities. The increase in trade and other receivables was mainly due to the increase in pledge book for the Group's pawnbroking business and the provision of secured loans.

The Group's total liabilities of \$358.0 million as at 30 June 2019 was \$38.5 million higher than that as at 31 December 2018. This was mainly due to the increase in interest-bearing loans, amount due to a related company (trade) and recognition of lease liabilities arising from the adoption of SFRS(I) 16, partially offset by a decrease of dividends payables and term notes.

3. CONSOLIDATED STATEMENT OF CASH FLOWS

	Group			
	2Q 2019 \$'000	2Q 2018 \$'000	1H 2019 \$'000	1H 2018 \$'000
OPERATING ACTIVITIES				
Profit before tax	3,450	4,109	6,846	6,695
Adjustments for:				
Write back for doubtful receivables, net	-	(26)	-	(26)
Depreciation of property, plant and equipment	558	525	1,107	1,011
Interest expense	3,099	2,668	6,106	5,114
Interest income from investment securities	(250)	(845)	(644)	(1,525)
Amortisation of prepaid commitment fee	70	79	141	150
Amortisation of premium on term notes	(14)	(14)	(28)	(27)
Financial losses on pledged items not fully covered by insurance	9	-	21	5
Loss on disposal of property, plant and equipment	197	116	198	117
Gain on purchase of term notes	(4)	-	(16)	-
Loss on disposal of investment securities	249	12	249	7
Net fair value gain on derivatives	(270)	-	(278)	-
Amortisation of prepaid rent	1	-	2	-
Depreciation of right-of-use assets	1,670	-	3,795	-
Unrealised foreign exchange differences	305	(65)	653	2,008
Share of results of joint venture	-	145	1	282
Operating profit before changes in working capital	9,070	6,704	18,153	13,811
(Increase)/decrease in:				
Inventories	(10,753)	(1,530)	(16,661)	(2,977)
Trade and other receivables	(7,139)	(14,833)	(16,933)	(10,988)
Prepayments	733	161	583	832
Due from a related company (trade)	904	45	1	(1)
Increase in:				
Trade and other payables	1,981	(1,028)	2,498	143
Cash flows (used in)/generated from operations	(5,204)	(10,481)	(12,359)	820
Interest paid	(2,915)	(2,668)	(5,728)	(5,114)
Interest received	250	23	644	34
Income taxes paid	(672)	(712)	(965)	(845)
Net cash flows used in operating activities	(8,541)	(13,838)	(18,408)	(5,105)
INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(824)	(756)	(1,306)	(7,882)
Interest received	664	822	995	1,491
Investment in subsidiary	-	(1,610)	-	(1,610)
Purchase of investment securities	-	(10,168)	-	(42,330)
Investment in joint venture	(6,500)	-	(6,500)	-
Proceeds from disposal of plant and equipment	11	14	11	14
Due from a related company (non-trade)	-	2,618	-	2,618
Due from a joint venture (non-trade)	5,400	(2,915)	3,700	(3,190)
Proceeds from disposal of investment securities	22,066	1,986	22,066	10,981
Net cash flows generated from/(used in) investing activities	20,817	(10,009)	18,966	(39,908)
FINANCING ACTIVITIES				
Purchase of term notes	(12)	-	(3,000)	-
(Repayment of)/ Proceeds from short-term bank borrowings, net	(9,563)	10,425	3,863	20,826
Proceeds from term loans	-	-	-	5,678
Repayment of term loans	(128)	(144)	(258)	(207)
Repayment of lease liability	(1,769)	-	(3,953)	-
Repayment of advances from related companies (non-trade), net	128	(172)	244	(214)
Proceeds from rights issue, net	-	-	-	13,802
Dividends paid on ordinary shares	(3,406)	-	(6,511)	-
Net cash flows (used in)/generated from financing activities	(14,750)	10,109	(9,615)	39,885
Net decrease in cash and cash equivalents	(2,474)	(13,738)	(9,057)	(5,128)
Effect of exchange rate changes on cash and cash equivalents	(26)	(59)	(26)	(59)
Cash and cash equivalents at the beginning of the financial period	15,262	26,304	21,845	17,694
Cash and cash equivalents at the end of the financial period	12,762	12,507	12,762	12,507

3. CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

Cash and cash equivalents

Cash and cash equivalents included in the consolidated cash flow statements comprise the following amounts:-

	1H 2019 \$'000	1H 2018 \$'000
Cash at banks and on hand	12,762	12,507
Cash and cash equivalents	12,762	12,507

3a. - Cashflow Analysis

2Q 2019

Net cash used in operating activities for 2Q 2019 was \$8.5 million. This was due to the increase in inventories, trade and other receivables, interest paid and income taxes paid, but partially offset by higher operating profit, decrease in prepayments and amount due from a related company (trade), increase in trade and other payables and interest received.

Net cash generated from investing activities was \$20.8 million in 2Q 2019. The net cash generated from investing activities in 2Q 2019 was mainly due to amount due from a joint venture company (non-trade) and proceeds from disposal of investment securities, partially offset by investment in joint venture and purchase of property, plant and equipment.

Net cash used in financing activities was \$14.8 million in 2Q 2019. The net cash used in financing activities was mainly due to dividend payment, repayment of short-term bank borrowings, repayment of lease liability and repayment of term loans, partially offset by repayment of advances from related companies (non-trade).

1H 2019

Net cash used in operating activities for 1H 2019 was \$18.4 million. This was due to the increase in inventories, trade and other receivables, interest paid and income taxes paid, but partially offset by higher operating profit, decrease in prepayments, increase in trade and other payables and interest received.

Net cash generated from investing activities was \$19.0 million in 1H 2019. The net cash generated from investing activities in 1H 2019 was mainly due to amount due from a joint venture (non-trade), proceeds from disposal of investment securities and interest received, partially offset by purchase of property, plant and equipment and investment in joint venture.

Net cash used in financing activities was \$9.6 million in 2Q 2019. The net cash used in financing activities was mainly due to dividend payment, repayment of lease liability, purchase of term notes and repayment of term loans, partially offset by repayment of advances from related companies (non-trade) and proceeds from short-term bank borrowings.

As a result of the above, cash and cash equivalents was \$12.8 million as at 30 June 2019.

4. STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company				Non-controlling interests	Total
	Share capital	Treasury shares	Other reserves	Revenue reserves		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group						
Balance as at 1 January 2019	137,286	(15)	(3,257)	6,113	1,020	141,147
Total comprehensive income for the period	-	-	-	5,600	43	5,643
Dividends on ordinary shares - Cash	-	-	-	(6,211)	(300)	(6,511)
Foreign Currency Translation	-	-	11	-	-	11
Net fair value changes on debt and equity instruments at fair value through other comprehensive income ("FVOCI")	-	-	1,006	-	-	1,006
Transfer of fair value reserves of equity instruments at FVOCI upon disposal	-	-	208	(208)	-	-
Balance as at 30 June 2019	137,286	(15)	(2,032)	5,294	763	141,296
Balance as at 1 January 2018						
Balance as at 1 January 2018	118,367	(165)	305	9,918	917	129,342
Total comprehensive income for the period	-	-	-	5,295	57	5,352
Dividends on ordinary shares - Cash	-	-	-	(1,867)	-	(1,867)
Dividends on ordinary shares - Scrip	-	-	-	(5,117)	-	(5,117)
Ordinary shares issued under scrip dividend scheme	-	-	-	-	-	-
Ordinary shares issued under rights issue	13,940	-	-	-	-	13,940
Capital reserve from acquisition of a subsidiary	-	-	(1,501)	-	-	(1,501)
Net fair value changes on debt and equity instruments at FVOCI	-	-	(1,836)	-	-	(1,836)
Share issuance expenses	(138)	-	-	-	-	(138)
Balance as at 30 June 2018	132,169	(165)	(3,032)	8,229	974	138,175
Company						
Balance as at 1 January 2019	137,286	(15)	(23)	3,886	-	141,134
Total comprehensive income for the period	-	-	-	1,362	-	1,362
Dividends on ordinary shares-Cash	-	-	-	(6,211)	-	(6,211)
Dividends on ordinary shares-Scrip	-	-	-	-	-	-
Share issuance expenses	-	-	-	-	-	-
Balance as at 30 June 2019	137,286	(15)	(23)	(963)	-	136,285
Balance as at 1 January 2018						
Balance as at 1 January 2018	118,367	(165)	-	2,198	-	120,400
Total comprehensive income for the period	-	-	-	5,046	-	5,046
Dividends on ordinary shares - Cash	-	-	-	(1,867)	-	(1,867)
Dividends on ordinary shares - Scrip	-	-	-	(5,117)	-	(5,117)
Ordinary shares issued under rights issue	13,940	-	-	-	-	13,940
Share issuance expenses	(138)	-	-	-	-	(138)
Balance as at 30 June 2018	132,169	(165)	-	260	-	132,264

5. CHANGES IN SHARE CAPITAL

	No. of ordinary shares (excluding treasury shares) '000	Issued and fully paid-up share capital \$'000
Balance as at 31 December 2018, 31 March 2019 and 30 June 2019	1,035,156	137,271

The Company has no outstanding convertibles or subsidiary holdings as at 30 June 2018 and 30 June 2019.

6. CHANGES IN TREASURY SHARES

	As at 30 June 2019 ('000)	As at 30 June 2018 ('000)
Total number of treasury shares	96	1,000
Total number of ordinary shares (excluding treasury shares)	1,035,156	997,702
% of treasury shares over total number of ordinary shares	0.01%	0.10%

There were no sales, transfers, cancellation and /or use of treasury shares during and as at the end of the current financial period reported on.

7. CHANGES IN SUBSIDIARY HOLDINGS

Not applicable. The Company does not have any subsidiary holdings.

8. GROUP BORROWINGS AND DEBT SECURITIES

Amount repayable in one year or less, or on demand

As at 30-Jun-19		As at 31-Dec-18	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
226,557	66,000	222,668	-

Amount repayable after one year

As at 30-Jun-19		As at 31-Dec-18	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
12,359	-	12,644	69,000

Details of collateral

The Group's borrowings and debt securities are secured as follows:-

- corporate guarantees by the Company; and
- fixed and floating charges on all assets of certain subsidiaries.

9. AUDITOR'S REPORT

The figures have not been audited or reviewed by the auditors.

10. ACCOUNTING POLICIES

Except as disclosed in paragraph 11 below, the Group has applied the same accounting policies and methods of computation for the current financial period ended 30 June 2019 as those of the audited financial statements for the financial year ended 31 December 2018, as well as adopted Singapore Financial Reporting Framework (International) ("SFRS(I)"), a new financial reporting framework equivalent to the International Financial Reporting Standards, and all applicable new and revised SFRS(I) which became effective for financial years beginning on or after 1 January 2019.

11. CHANGES IN THE ACCOUNTING POLICIES

The Group has adopted the SFRS(I) 16 Leases with effect from 1 January 2019. 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 2018 reporting period as permitted under the specific transition provisions in the standard.

12. EARNINGS PER SHARE

	Group			
	2Q 2019	2Q 2018	1H 2019	1H 2018
i) Basic earnings per share (cents)	0.27	0.35	0.54	0.53
ii) Diluted earnings per share (cents)	0.27	0.35	0.54	0.53
- Weighted average number of shares ('000)	1,035,156	992,407	1,035,156	992,407

13. NET ASSET VALUE PER SHARE

	Group		Company	
	30-Jun-19	31-Dec-18	30-Jun-19	31-Dec-18
Net asset value per ordinary share (cents)	13.58	13.54	13.17	13.63
Number of ordinary shares in issue ('000)	1,035,156	1,035,156	1,035,156	1,035,156

14. VARIANCE FROM FORECAST STATEMENT

No forecast for the financial period ended 30 June 2019 was previously provided.

15. REVIEW OF CORPORATE PERFORMANCE

The Group's revenue decreased by 16.3% to \$92.0 million in 1H 2019 and was \$17.5 million lower than 1H 2018. The decrease in revenue was primarily attributed to lower sales from the retail and trading of jewellery and branded merchandise business.

Revenue contribution from the pawnbroking business increased by about 16.3% in 1H 2019 as compared to 1H 2018. The increase was primarily attributed to the higher interest income from its growing pledge book. The retail and trading of jewellery and branded merchandise business reported a 22.2% decrease in revenue in 1H 2019 as compared to 1H 2018. The secured lending business reported a 14.3% increase in revenue in 1H 2019 as compared to 1H 2018.

The increase in depreciation and amortisation costs in 1H 2019 and 2Q 2019 as compared to 1H 2018 and 2Q 2018 were mainly due to the recognition of right-of-use assets following the adoption of SFRS(I) 16. The increase in finance costs in 1H 2019 and 2Q 2019 as compared to 1H 2018 and 1Q 2018 was mainly due to higher interest rate charged on interest-bearing loans. The decrease in material costs were due to lower sales from the retail and trading of jewellery and branded merchandise business. The operating expenses in 1H 2019 included start up cost relating to overseas expansion, but was partially offset by the lower foreign exchange loss.

The lower revenue and gross profit were offset by the decrease in other operating expenses such as foreign exchange loss. As a result, the pre-tax profit of the Group increased to \$6.8 million in 1H 2019 as compared to \$6.7 million in 1H 2018.

16. BUSINESS OUTLOOK

The uncertain economic conditions continue to impact job creation and consumer sentiment which affected our retail and pawnbroking businesses. Keen competition, increasing operating costs, volatile gold price and exchange rates posed further challenges.

To mitigate the impact from these challenges, we will continue to improve our operating effectiveness and efficiencies.

17. INTERESTED PERSON TRANSACTIONS

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920(1)(a)(ii) of the Catalist Rules.

18. DIVIDEND

(i) Any dividend declared for the current financial period reported on?

Yes

Name of dividend	1H 2019
Name of dividend	Interim
Dividend Type	Cash
Dividend Rate	\$0.0025 per ordinary share
Tax Rate	One-tier tax exempt
Book closure date	To be advised
Payment date	To be advised

(ii) Any dividend declared for the previous corresponding financial period?

Yes

Name of dividend	1H 2018
Name of dividend	Interim
Dividend Type	Cash
Dividend Amount per share	\$0.003 per ordinary share
Tax Rate	One-tier tax exempt
Books closure date	5 September 2018
Payment date	14 September 2018

19. NEGATIVE CONFIRMATION BY THE BOARD PURSUANT TO RULE 705 (5) OF THE CATALIST RULES

On behalf of the Board of Directors of the Company, we 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 unaudited financial statements for the second quarter and half year ended 30 June 2019 to be false or misleading in any material aspect.

20. PROCURED UNDERTAKINGS BY THE BOARD AND EXECUTIVE OFFICERS PURSUANT TO RULE 720 (1) OF THE CATALIST RULES

The Company confirms that all the required undertakings under Rule 720 (1) of the Catalist Rules have been obtained from all its directors and executive officers in the format set out in Appendix 7H of the Catalist Rules.

On behalf of the Board of Directors,

Ng Leok Cheng
CEO

Koh Wee Seng
Non-Executive Chairman

8th August 2019