

UNAUDITED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2019

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

The Company was incorporated on 3 August 2005 and listed on the Official List of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 20 November 2006.

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

Consolidated Income Statement

	Group			Group		
	2Q2019	2Q2018	Increase / (decrease)	1H2019	1H2018	Increase / (decrease)
	1 Apr 2019 to 30 Jun 2019	1 Apr 2018 to 30 Jun 2018		1 Jan 2019 to 30 Jun 2019	1 Jan 2018 to 30 Jun 2018	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	239,732	214,240	11.9%	480,268	424,060	13.3%
Cost of sales	(191,454)	(165,963)	15.4%	(385,374)	(328,921)	17.2%
Gross profit	48,278	48,277	0.0%	94,894	95,139	(0.3%)
Other income	841	775	8.5%	1,812	1,744	3.9%
Selling and distribution expenses	(4,260)	(3,597)	18.4%	(8,547)	(7,481)	14.2%
General and administrative expenses	(5,560)	(5,501)	1.1%	(11,277)	(11,003)	2.5%
Other operating expenses	(546) #	(466) #	17.2%	(2,345) #	(2,975) #	(21.2%)
Finance costs	(178)	(246)	(27.6%)	(375)	(499)	(24.8%)
Profit before taxation	38,575	39,242	(1.7%)	74,162	74,925	(1.0%)
Income tax expense	(6,064)	(5,689)	6.6%	(11,441)	(10,288)	11.2%
Profit after taxation	32,511	33,553	(3.1%)	62,721	64,637	(3.0%)
Profit attributable to:						
Equity holders of the Company	32,511	33,553	(3.1%)	62,721	64,637	(3.0%)
Non-controlling interests	- *	- *	N/M	- *	- *	N/M
	32,511	33,553		62,721	64,637	

Consolidated Statement of Comprehensive Income

	Group			Group		
	2Q2019	2Q2018	Increase / (decrease)	1H2019	1H2018	Increase / (decrease)
	1 Apr 2019 to 30 Jun 2019	1 Apr 2018 to 30 Jun 2018		1 Jan 2019 to 30 Jun 2019	1 Jan 2018 to 30 Jun 2018	
	RM'000	RM'000	%	RM'000	RM'000	%
Profit after taxation	32,511	33,553	(3.1%)	62,721	64,637	(3.0%)
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss						
Foreign currency translation gain/ (loss)	2,092	(983)	(312.8%)	2,131	(2,719)	(178.4%)
Total comprehensive income	34,603	32,570	6.2%	64,852	61,918	4.7%
Total comprehensive income attributable to:						
Equity holders of the Company	34,603	32,570	6.2%	64,852	61,918	4.7%
Non-controlling interests	- *	- *	N/M	- *	- *	N/M
	34,603	32,570		64,852	61,918	

1 (a) (ii) The net profit attributable to shareholders includes the following (charges)/credits:

	Group			Group		
	2Q2019	2Q2018	Increase / (decrease)	1H2019	1H2018	Increase / (decrease)
	1 Apr 2019 to 30 Jun 2019	1 Apr 2018 to 30 Jun 2018		1 Jan 2019 to 30 Jun 2019	1 Jan 2018 to 30 Jun 2018	
	RM'000	RM'000	%	RM'000	RM'000	%
Depreciation of property, plant and equipment	(11,764)	(10,184)	15.5%	(23,429)	(20,209)	15.9%
Net foreign exchange gain	132 #	4,771 #	(97.2%)	308 #	3,902 #	(92.1%)
Property, plant and equipment written off	(10)	(2)	400.0%	(23)	(24)	(4.2%)
Gain/ (loss) on disposal of property, plant and equipment	1	5	(80.0%)	7	(22)	(131.8%)
Fair value gain/ (loss) on derivatives	261 #	(4,255) #	(106.1%)	(793) #	(4,974) #	(84.1%)
Research and development expenses	(634)	(644)	(1.6%)	(1,272)	(1,230)	3.4%
Interest income from bank balances	583	536	8.8%	1,157	1,038	11.5%
Interest on bank borrowings	(177)	(246)	(28.0%)	(375)	(499)	(24.8%)

N/M Not Meaningful

* Denote amount less than RM500

The net foreign exchange gain and fair value gain/ (loss) on derivatives have been included in other operating expenses

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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	
	As at 30.06.19	As at 31.12.18	As at 30.06.19	As at 31.12.18
	RM'000	RM'000	RM'000	RM'000
Non-current assets				
Property, plant and equipment	495,572	484,430	-	-
Other assets	18,944	18,175	-	-
Investments in subsidiary companies	-	-	200,877	199,026
Deferred tax assets	9,956	10,420	-	-
	<u>524,472</u>	<u>513,025</u>	<u>200,877</u>	<u>199,026</u>
Current assets				
Inventories	96,234	83,635	-	-
Trade receivables	140,414	158,246	-	-
Other receivables	5,571	13,595	4	27,821
Prepayments	7,188	5,245	7	26
Tax recoverable	973	973	-	-
Derivatives	334	1,127	-	-
Fixed deposits	25,979	24,860	18,974	9,703
Cash at banks and in hand	66,382	72,150	6,876	3,117
	<u>343,075</u>	<u>359,831</u>	<u>25,861</u>	<u>40,667</u>
Current liabilities				
Payables and accruals	96,622	125,579	244	288
Amount due to a subsidiary company	-	-	117	-
Bank borrowings (secured)	6,000	7,000	-	-
Refund liabilities	252	403	-	-
Provision for taxation	9,974	6,883	2	3
	<u>112,848</u>	<u>139,865</u>	<u>363</u>	<u>291</u>
Net current assets	<u>230,227</u>	<u>219,966</u>	<u>25,498</u>	<u>40,376</u>
Non-current liabilities				
Bank borrowings (secured)	10,000	13,000	-	-
Employee benefit obligations	295	261	-	-
Deferred tax liabilities	10,922	10,711	-	-
	<u>21,217</u>	<u>23,972</u>	<u>-</u>	<u>-</u>
Net assets	<u>733,482</u>	<u>709,019</u>	<u>226,375</u>	<u>239,402</u>
Equity attributable to equity holders of the Company				
Share capital	156,337	156,337	156,337	156,337
Treasury shares	(815)	(815)	(815)	(815)
Reserves	577,955	553,492	70,853	83,880
	<u>733,477</u>	<u>709,014</u>	<u>226,375</u>	<u>239,402</u>
Non-controlling interests	5	5	-	-
Total equity	<u>733,482</u>	<u>709,019</u>	<u>226,375</u>	<u>239,402</u>

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

Not applicable

	Group	
	As at 30.06.19	As at 31.12.18
	RM'000	RM'000
Amount repayable in one year or less, or on demand		
Bank borrowings (secured)	<u>6,000</u>	<u>7,000</u>
	<u>6,000</u>	<u>7,000</u>
Amount repayable after one year		
Bank borrowings (secured)	<u>10,000</u>	<u>13,000</u>
	<u>10,000</u>	<u>13,000</u>

The bank borrowings were secured by a corporate guarantee of the Company and a charge over a piece of leasehold land and buildings.

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

	Group		Group	
	2Q2019 1 Apr 2019 to 30 Jun 2019	2Q2018 1 Apr 2018 to 30 Jun 2018	1H2019 1 Jan 2019 to 30 Jun 2019	1H2018 1 Jan 2018 to 30 Jun 2018
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit before taxation	38,575	39,242	74,162	74,925
Adjustments for:				
Depreciation of property, plant and equipment	11,764	10,184	23,429	20,209
Property, plant and equipment written off	10	2	23	24
(Gain)/ loss on disposal of property, plant and equipment	(1)	(5)	(7)	22
Fair value (gain)/ loss on derivatives	(261)	4,255	793	4,974
Interest expense	177	246	375	499
Interest income	(583)	(536)	(1,157)	(1,038)
Operating cash flows before working capital changes	49,681	53,388	97,618	99,615
Increase in inventories	(4,646)	(19,237)	(12,599)	(24,181)
Decrease/ (increase) in receivables and prepayments	9,617	(10,103)	23,913	2,389
(Decrease)/ increase in payables and accruals	(28,461)	6,530	(28,957)	(689)
Decrease in refund liabilities	(192)	-	(151)	-
Increase in employee benefit obligations	23	4	34	12
Cash flows from operations	26,022	30,582	79,858	77,146
Income tax paid	(4,098)	(4,744)	(7,675)	(8,082)
Interest paid	(177)	(246)	(375)	(499)
Interest received	583	536	1,157	1,038
Net cash flows from operating activities	22,330	26,128	72,965	69,603
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	1	13	7	29
Purchase of property, plant and equipment	(16,966)	(24,167)	(33,985)	(43,669)
Amount paid for purchase of land	(769)	-	(769)	-
Net cash flows used in investing activities	(17,734)	(24,154)	(34,747)	(43,640)
Cash flows from financing activities				
Repayment of revolving credit	-	-	(1,000)	-
Repayment of bank borrowings	(1,500)	(1,500)	(3,000)	(3,000)
Dividends paid	(40,389)	(42,242)	(40,389)	(42,242)
Net cash flows used in financing activities	(41,889)	(43,742)	(44,389)	(45,242)
Net increase in cash and cash equivalents	(37,293)	(41,768)	(6,171)	(19,279)
Effect of foreign currency exchange rates	1,603	(788)	1,522	(2,450)
Cash and cash equivalents at beginning of period	128,051	135,077	97,010	114,250
Cash and cash equivalents at end of period	92,361	92,521	92,361	92,521
Cash and cash equivalents comprise the followings at end of the financial period				
Fixed deposits	25,979	10,989	25,979	10,989
Cash at banks and in hand	66,382	81,532	66,382	81,532
Cash and cash equivalent at end of the financial period	92,361	92,521	92,361	92,521

- 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 year of the immediately preceding financial year.

<u>GROUP</u>	Share Capital RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Other Reserves RM'000	Total Reserves RM'000	Non- controlling Interests RM'000	Total Equity RM'000
1H2018							
Balance at 1 January 2018	156,337	(815)	515,843	(38,754)	477,089	5	632,616
Total comprehensive income for the period	-	-	64,637	(2,719)	61,918	- *	61,918
Payment of FY2017 final dividend	-	-	(42,242)	-	(42,242)	-	(42,242)
Balance at 30 June 2018	156,337	(815)	538,238	(41,473)	496,765	5	652,292
1H2019							
Balance at 1 January 2019	156,337	(815)	593,653	(40,161)	553,492	5	709,019
Total comprehensive income for the period	-	-	62,721	2,131	64,852	- *	64,852
Payment of FY2018 final dividend	-	-	(40,389)	-	(40,389)	-	(40,389)
Balance at 30 June 2019	156,337	(815)	615,985	(38,030)	577,955	5	733,482
2Q2018							
Balance at 1 April 2018	156,337	(815)	546,927	(40,490)	506,437	5	661,964
Total comprehensive income for the period	-	-	33,553	(983)	32,570	- *	32,570
Payment of FY2017 final dividend	-	-	(42,242)	-	(42,242)	-	(42,242)
Balance at 30 June 2018	156,337	(815)	538,238	(41,473)	496,765	5	652,292
2Q2019							
Balance at 1 April 2019	156,337	(815)	623,863	(40,122)	583,741	5	739,268
Total comprehensive income for the period	-	-	32,511	2,092	34,603	- *	34,603
Payment of FY2018 final dividend	-	-	(40,389)	-	(40,389)	-	(40,389)
Balance at 30 June 2019	156,337	(815)	615,985	(38,030)	577,955	5	733,482

* Denote amount less than RM500

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<u>COMPANY</u>	Share Capital RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Other Reserves RM'000	Total Reserves RM'000	Total Equity RM'000
1H2018						
Balance at 1 January 2018	156,337	(815)	42,239	45,306	87,545	243,067
Total comprehensive income for the period	-	-	11,138	(6,635)	4,503	4,503
Payment of FY2017 final dividend	-	-	(42,242)	-	(42,242)	(42,242)
Balance at 30 June 2018	156,337	(815)	11,135	38,671	49,806	205,328
1H2019						
Balance at 1 January 2019	156,337	(815)	40,438	43,442	83,880	239,402
Total comprehensive income for the period	-	-	25,614	1,748	27,362	27,362
Payment of FY2018 final dividend	-	-	(40,389)	-	(40,389)	(40,389)
Balance at 30 June 2019	156,337	(815)	25,663	45,190	70,853	226,375
2Q2018						
Balance at 1 April 2018	156,337	(815)	41,782	37,889	79,671	235,193
Total comprehensive income for the period	-	-	11,595	782	12,377	12,377
Payment of FY2017 final dividend	-	-	(42,242)	-	(42,242)	(42,242)
Balance at 30 June 2018	156,337	(815)	11,135	38,671	49,806	205,328
2Q2019						
Balance at 1 April 2019	156,337	(815)	45,181	41,628	86,809	242,331
Total comprehensive income for the period	-	-	20,871	3,562	24,433	24,433
Payment of FY2018 final dividend	-	-	(40,389)	-	(40,389)	(40,389)
Balance at 30 June 2019	156,337	(815)	25,663	45,190	70,853	226,375

- 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 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.

Share capital	Number of shares	Share Capital RM'000
Issued and fully paid up:		
As at 31 December 2018	<u>742,452,050</u>	<u>156,337</u>
As at 30 June 2019	<u>742,452,050</u>	<u>156,337</u>

As at 30 June 2019, the Company held 1,368,000 of its issued shares as treasury shares (31 December 2018: 1,368,000).

Other than the above mentioned, the Company does not have any outstanding share convertibles at the end of the financial period under review.

- 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.

	As at 30.06.19	As at 31.12.18
Total number of issued shares	742,452,050	742,452,050
Less: Treasury shares	<u>(1,368,000)</u>	<u>(1,368,000)</u>
Total number of issued shares excluding treasury shares	<u>741,084,050</u>	<u>741,084,050</u>

- 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.

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

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

There were no sales, transfers, disposal, cancellation and/ or use of subsidiary holdings as at the end of the current 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

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 explained in note 5, the Group and the Company have applied the same accounting policies and method of computation applied in the financial statements for the current reporting period as those adopted in the most recently audited consolidated 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 adoption of the new Singapore Financial Reporting Standards (International) ("SFRS(I)"), in particular SFRS(I) 16, is assessed to have no material impact to the results of the Group and the Company for the financial year ended 31 December 2019.

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	
	2Q2019	2Q2018
Earnings per share ("EPS") in sen (RM)		
a) Basic	4.39	4.53
b) On a fully diluted basis	4.39	4.53

Earnings per share for the second quarter ended 30 June 2019 is calculated based on profit from ordinary activities after taxation of RM32.5 million divided by weighted average of 741.1 million number of ordinary shares in issue. As for comparative, earnings per share for the second quarter ended 30 June 2018 is calculated based on profit from ordinary activities after taxation of RM33.6 million divided by weighted average of 741.1 million number of ordinary shares in issue.

As there were no share options and other potential issuance granted, the basic and fully diluted earnings per share are the same.

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 30.06.19	As at 31.12.18	As at 30.06.19	As at 31.12.18
Net asset per share in sen (RM)	98.97	95.67	30.55	32.30

The Group and Company net asset backing per ordinary share as at 30 June 2019 and 31 December 2018 are calculated based on 741.1 million ordinary shares in issue excluding treasury shares.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

a) INCOME STATEMENT REVIEW

For 2Q2019, the Group achieved RM239.7 million in total revenue, an increase of 11.9% compared to RM214.2 million in 2Q2018. Cost of sales increased to RM191.5 million in 2Q2019 in line with increase in total revenue. The Group's gross profit of RM48.3 million was flat in 2Q2019 in comparison to that of the same period last year. The Group's gross profit margin came down from 22.5% to 20.1% due to lower average selling price for healthcare gloves and changes in product mix.

The Group's other income increased by 8.5% to RM0.8 million in 2Q2019 mainly due to higher interest income.

Selling and distribution expenses increased by 18.4% year-on-year (yoy) to RM4.3 million in 2Q2019 mainly due to increase in selling and promotional activities.

General and administrative expenses increased by 1.1% yoy to RM5.6 million in 2Q2019 mainly due to increase in payroll cost.

Other operating expenses increased by 17.2% to RM0.5 million in 2Q2019 mainly due to the impact from net foreign exchange and fair value in derivatives.

Overall yoy in 2Q2019, the Group's profit before tax and profit after tax reduced by 1.7% to RM38.6 million and 3.1% to RM32.5 million respectively.

b) BALANCE SHEET REVIEW

As at 30 June 2019, non-current assets which consist of property, plant and equipment (PPE), other assets and deferred tax assets, increased to RM524.5 million from RM513.0 million. PPE increased to RM495.6 million from RM484.4 million mainly on acquisition amounted to RM34.0 million coupled with foreign exchange adjustment of RM0.6 million offset by the depreciation charge of RM23.4 million and PPE written off/ disposals. Other assets as at 30 June 2019 was at RM18.9 million consisting of payments for the land purchase. Deferred tax assets (DTA) decreased to RM10.0 million mainly due to higher utilisation of reinvestment allowance incentive against the statutory income.

Inventories increased from RM83.6 million as at 31 December 2018 to RM96.2 million as at 30 June 2019 mainly due to higher production volume. Improvement in trade receivables turnover led the trade receivables declined to RM140.4 million. As a result of refunds from Goods and services tax, other receivables reduced to RM5.6 million as at 30 June 2019 from RM13.6 million. On the other hand, Prepayments increased from RM5.2 million to RM7.2 million as at 30 June 2019 mainly due to prepayment of Malaysian government levy for foreign workers.

Cash and cash equivalents decreased to RM92.4 million as at 30 June 2019 from RM97.0 million as at 31 December 2018. For the 2Q2019, the Group generated RM22.3 million in net cash flows from operating activities and net cash flows used in investing activities amounting to RM17.7 million were mainly for the purchase of PPE. The Group's net cash flows used in financing activities in 2Q2019 amounted to RM41.9 million mainly for the payment of dividends totalling RM40.4 million and repayment of bank borrowings of RM1.5 million.

Current liabilities reduced to RM112.8 million as at 30 June 2019 mainly due to lower payables and accruals. Payables and accruals came down from RM125.6 million as at 31 December 2018 to RM96.6 million as at 30 June 2019. Provision for taxation was RM10.0 million as at 30 June 2019, increased from RM6.9 million as at 31 December 2018 as a result of higher provisional tax expense.

Non-current liabilities declined to RM21.2 million as at 30 June 2019 from RM24.0 million mainly due to the repayment of bank borrowings of RM1.5 million.

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.

Subject to market conditions, the Group will add an additional capacity up to 1.4 billion pieces of gloves by the end of 2019/1Q2020 for Phase 6 of its expansion plans, which will bring the Group's total annual production capacity up to 10.4 billion pieces of gloves.

Macroeconomic headwinds such as US Dollar fluctuations, volatile raw material prices, increase in overall production costs as well as competition from other glove manufacturers continue to remain a challenge for the Group.

11. If a decision regarding dividend has been made:-

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

The Board has recommended to pay a one-tier tax exempt interim dividend of 1.55 sen (RM) per ordinary share for the financial year ending 31 December 2019.

(b) Corresponding period of the immediately preceding financial year

Yes

Name of Dividend	Interim Tax Exempt Dividend
Dividend Type	Cash
Dividend amount per Share (in sen)	1.30 sen (RM) per ordinary share
Tax Rate	Tax-exempt one-tier

(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).

The dividend will be a one-tier tax exempt dividend and will not be taxable in the hands of shareholders in Singapore.

(d) The date the dividend is payable.

To be determined

(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.

Not applicable

13. If the group has obtained a general mandate from shareholders for Interested Parties Transactions (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.

The Company does not have an Interested Person Transactions mandate.

14. Statement by Directors

Pursuant to SGX Listing Rule 705(5)

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited financial results of Riverstone Holdings Limited for the second quarter ended 30 June 2019 presented in this announcement to be false or misleading in any material respect.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers under SGX Listing Rule 720(1)

The Company has procured undertakings from all its directors and executive officers.

BY ORDER OF THE BOARD

WONG TEEK SON
EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

07 August 2019

This release may contain forward looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.