



(Company Registration No. 201414628C)

MS HOLDINGS LIMITED

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SIX-MONTH FINANCIAL PERIOD ENDED 31 OCTOBER 2019

*This announcement has been prepared by MS Holdings Limited (the “**Company**”) and has been reviewed by the Company’s sponsor, United Overseas Bank Limited (the “**Sponsor**”), for compliance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalyst.*

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.

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UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SIX-MONTH FINANCIAL PERIOD ENDED 31 OCTOBER 2019

PART 1 - INFORMATION REQUIRED FOR SIX-MONTH AND FULL YEAR ANNOUNCEMENTS

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

	Group		
	Six months ended 31 October		
	2019 S\$'000	2018 S\$'000	Change %
Revenue	7,468	6,857	8.9
Cost of sales	(5,236)	(4,975)	5.2
Gross profit	2,232	1,882	18.6
Other income	467	395	18.2
Expenses			
Distribution expenses	(6)	(7)	(14.3)
General and administrative expenses	(1,915)	(2,030)	(5.7)
Finance costs	(560)	(504)	11.1
Profit/(loss) before tax	218	(264)	NM
Income tax expense	(207)	(71)	NM
Profit/(loss) for the period	11	(335)	NM
Profit/(loss) net of tax, representing total comprehensive income/(loss) attributable to:			
Owners of the Company	34	(335)	NM
Non-controlling interests	(23)	-	NM
Profit/(loss) net of tax, representing total comprehensive income/(loss) for the period	11	(335)	NM

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1(a)(ii) Notes to Consolidated Statement of Comprehensive Income

A) Other income

	Group		
	Six months ended		
	31 October		
	2019	2018	Change
	S\$'000	S\$'000	%
Rental income from leasehold properties	253	250	1.2
Service income	171	105	62.9
Interest income from loan and fixed deposits	-#	-#	NM
Gain on disposal of plant and equipment	2	-	NM
Gain on disposal of joint venture	3	-	NM
Government grants/incentives	11	14	(21.4)
Unrealised exchange gain	-	1	NM
Insurance claim	-	15	NM
Miscellaneous income	27	10	170.0
	467	395	18.2

B) Profit/(loss) before tax was stated after charging:

	Group		
	Six months ended		
	31 October		
	2019	2018	Change
	S\$'000	S\$'000	%
Depreciation of property, plant and equipment	1,682	1,683	(0.1)
Depreciation on right-of-use assets	79	-	NM
Allowance for impairment of trade receivables	37	-	NM
Allowance for impairment of trade receivables written back	(5)	-	NM

NM *Not meaningful*
Amount less than S\$1,000

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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 31.10.2019 S\$'000	As at 30.04.2019 S\$'000	As at 31.10.2019 S\$'000	As at 30.04.2019 S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	49,680	50,426	15	18
Right-of-use assets	3,402	-	-	-
Investment securities	130	130	-	-
Investment in subsidiaries	-	-	23,488	23,488
Investment in joint venture	-	78	-	78
	<u>53,212</u>	<u>50,634</u>	<u>23,503</u>	<u>23,584</u>
Current assets				
Trade and other receivables	6,086	6,349	3,081	3,743
Prepaid operating expenses	212	216	10	12
Inventories	35	642	-	-
Cash and bank balances	6,602	4,150	3,474	2,342
	<u>12,935</u>	<u>11,357</u>	<u>6,565</u>	<u>6,097</u>
Total assets	<u>66,147</u>	<u>61,991</u>	<u>30,068</u>	<u>29,681</u>
EQUITY AND LIABILITIES				
Current liabilities				
Trade and other payables	1,217	1,302	1,751	1,143
Accrued operating expenses	475	497	87	160
Obligations under finance leases	2,300	2,822	-	-
Bank borrowings	9,616	9,029	-	-
Lease liabilities	52	-	-	-
Provision for taxation	25	54	8	8
	<u>13,685</u>	<u>13,704</u>	<u>1,846</u>	<u>1,311</u>
Non-current liabilities				
Obligations under finance leases	2,971	4,120	-	-
Bank borrowings	16,537	14,837	-	-
Lease liabilities	3,377	-	-	-
Deferred tax liabilities	1,879	1,643	3	3
Provision for reinstatement cost	700	700	-	-
	<u>25,464</u>	<u>21,300</u>	<u>3</u>	<u>3</u>
Total liabilities	<u>39,149</u>	<u>35,004</u>	<u>1,849</u>	<u>1,314</u>
Net assets	<u>26,998</u>	<u>26,987</u>	<u>28,219</u>	<u>28,367</u>
Equity attributable to owners of the Company				
Share capital	29,334	29,334	29,334	29,334
Merger reserve	(19,728)	(19,728)	-	-
Retained earnings/(accumulated losses)	17,357	17,323	(1,115)	(967)
	<u>26,963</u>	<u>26,929</u>	<u>28,219</u>	<u>28,367</u>
Non-controlling interests	35	58	-	-
Total equity	<u>26,998</u>	<u>26,987</u>	<u>28,219</u>	<u>28,367</u>
Total equity and liabilities	<u>66,147</u>	<u>61,991</u>	<u>30,068</u>	<u>29,681</u>

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

	As at 31.10.2019		As at 30.04.2019	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Current				
Amount repayable in one year or less, or on demand	11,916	–	11,851	–
Non-current				
Amount repayable after one year	19,508	–	18,957	–

Details of any collaterals

The Group's borrowings comprised (i) bank borrowings to finance the acquisition of a leasehold property and working capital; and (ii) obligations under finance leases to fund the purchases of cranes and other equipment.

The above credit facilities are secured by one or several of (i) mortgage over respective plant and equipment financed under hire purchase arrangement; (ii) mortgage over the leasehold property; (iii) deed of charge; and (iv) corporate guarantee by the Company.

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SIX-MONTH FINANCIAL PERIOD ENDED 31 OCTOBER 2019

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	
	Six months ended 31 October	
	2019 S\$'000	2018 S\$'000
Operating activities:		
Profit/(loss) before tax	218	(264)
Adjustments for:		
Depreciation of property, plant and equipment	1,682	1,683
Depreciation on right-of-use assets	79	-
Gain on disposal of plant and equipment, net	(2)	-
Gain on disposal of joint venture	(3)	-
Allowance for impairment of trade receivables	37	-
Allowance for impairment of trade receivables written back	(5)	-
Interest income	_#	_#
Interest expense	560	504
Net exchange gain	-	(1)
Total adjustments	2,348	2,186
Operating cash flows before changes in working capital	2,566	1,922
Changes in working capital:		
Decrease/(increase) in trade and other receivables	233	(2,208)
Decrease in prepaid operating expenses	4	2
Decrease in inventories	66	113
(Decrease)/increase in trade and other payables	(85)	221
(Decrease)/increase in accrued operating expenses	(45)	72
Total changes in working capital	173	(1,800)
Cash flows from operations	2,739	122
Income tax paid	_#	(22)
Interest paid	(537)	(486)
Net cash flows generated from/(used in) operating activities	2,202	(386)
Investing activities:		
Purchase of property, plant and equipment (<i>Note A</i>)	(396)	(222)
Proceeds from disposal of joint venture	81	-
Proceeds from disposal of plant and equipment	2	-
Interest income	_#	_#
Net cash flows used in investing activities	(313)	(222)
Financing activities:		
Proceeds from bank borrowings	3,500	7,000
Repayment of bank borrowings	(1,214)	(4,632)
Repayment of obligations under finance leases	(1,671)	(2,505)
Repayment of principal amount of lease liabilities	(52)	-
Proceeds from rights cum warrants issue	-	3,955
Net cash flows generated from financing activities	563	3,818
Net increase in cash and cash equivalents	2,452	3,210
Cash and cash equivalents at 1 May	4,150	1,685
Cash and cash equivalents at 31 October	6,602	4,895

Amount less than S\$1,000

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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.**

Notes to Consolidated Statements of Cash Flows:

A) Purchase of property, plant and equipment

	<u>Group</u>	
	<u>Six months ended</u>	
	<u>31 October</u>	
	<u>2019</u>	<u>2018</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Current year additions to property, plant and equipment	396	222
Less:		
Increase in obligations under finance leases	-	-
Net cash outflow for purchase of property, plant and equipment	<u>396</u>	<u>222</u>

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SIX-MONTH FINANCIAL PERIOD ENDED 31 OCTOBER 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.

	Attributable to the owners of the Company				Non-controlling interests S\$'000	Total Equity S\$'000
	Share Capital S\$'000	Merger Reserve S\$'000	Retained Earnings S\$'000	Total S\$'000		
Group						
At 1 May 2018	25,564	(19,728)	17,258	23,094	-	23,094
Loss for the period, representing total comprehensive loss for the period	-	-	(335)	(335)	-	(335)
Issuance of ordinary shares pursuant to the rights cum warrants issue	3,955	-	-	3,955	-	3,955
At 31 October 2018	29,519	(19,728)	16,923	26,714	-	26,714
At 1 May 2019	29,334	(19,728)	17,323	26,929	58	26,987
Profit for the period, representing total comprehensive income for the period	-	-	34	34	23	11
At 31 October 2019	29,334	(19,728)	17,357	26,963	35	26,998

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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.

	Share Capital S\$'000	Accumulated Losses S\$'000	Total S\$'000
Company			
At 1 May 2018	25,564	(642)	24,922
Loss for the period, representing total comprehensive loss for the period	-	(228)	(228)
Issuance of ordinary shares pursuant to the rights cum warrants issue	3,955	-	3,955
At 31 October 2018	29,519	(870)	28,649
At 1 May 2019	29,334	(967)	28,367
Loss for the period, representing total comprehensive loss for the period	-	(148)	(148)
At 31 October 2019	29,334	(1,115)	28,219

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- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, 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 corresponding period of the immediately preceding financial year.**

There were no changes in the Company's share capital since 30 April 2019.

As at 31 October 2019 and 31 October 2018, there were a total of 15,947,365 warrants outstanding, each warrant carrying the right to subscribe for one share at the exercise price of S\$0.13 per share.

As at 31 October 2019 and 31 October 2018, there were no treasury shares and subsidiary holdings.

- 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	
	31.10.2019	30.04.2019
Total number of issued ordinary shares	165,789,460	165,789,460

- 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.**

There were no treasury shares held by the Company.

- 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.**

There were no subsidiary holdings.

- 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 auditor.

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

Not applicable.

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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 financial statements have been prepared based on accounting policies and methods of computation consistent with those adopted in the most recent audited financial statements of the Group for the financial year ended 30 April 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 Group has adopted SFRS(I) 16 with effect from 1 May 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 financial year ended 30 April 2019 reporting period as permitted under the specific transition provisions in the standard.

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 Six months ended 31 October	
	2019	2018
Earnings per share		
(a) Basic earnings/(loss) per share (cents) ⁽¹⁾	0.02	(0.30)
(b) Diluted earnings/(loss) per share (cents) ⁽²⁾	0.02	(0.30)

As at 31 October 2019, the Company does not have any dilutive instruments.

⁽¹⁾ The calculation of basic earnings/(loss) per share is based on the profit/(loss) for the period attributable to owners of the Company of S\$34,000 (1H2019: (S\$335,000)) divided by the weighted average number of ordinary shares in issue during the period of 165,789,460 (1H2019: 110,646,432).

⁽²⁾ The calculation of fully diluted earnings/(loss) per share is based on the profit/(loss) for the period attributable to owners of the Company of S\$34,000 (1H2019: (S\$335,000)) divided by the weighted average number of ordinary shares in issue during the period of 165,789,460 (1H2019: 110,646,432). The exercise price of the warrants of S\$0.13 per ordinary share exceeds the average market price of the ordinary shares from the date of issuance of the warrants (26 Oct 2018) to the end of the reporting period (31 October 2019). Therefore, the warrants are anti-dilutive and have not been included in the computation above.

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- 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 31.10.2019	As at 30.04.2019	As at 31.10.2019	As at 30.04.2019
Net assets (S\$'000)	26,963	26,929	28,219	28,367
Number of shares ('000)	165,789	165,789	165,789	165,789
Net asset value per share (cents)	16.3	16.2	17.0	17.1

- 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.

Review of the Group's performance

Revenue

For the six-month financial period ended 31 October 2019 ("1H2020"), the Group's revenue increased by S\$0.6 million or 8.9% to S\$7.5 million, compared to S\$6.9 million in the six-month financial period ended 31 October 2018 ("1H2019"). This was mainly contributed by an increase in revenue from the crane leasing business, which was mainly due to an improvement in the utilisation rate of our mobile cranes.

Cost of sales and gross profit

Cost of sales increased by S\$0.2 million or 5.2% from S\$5.0 million in 1H2019 to S\$5.2 million in 1H2020 in line with the increase in revenue.

Gross profit increased by S\$0.3 million or 18.6%, from S\$1.9 million in 1H2019 to S\$2.2 million in 1H2020. Gross profit margin increased from 27.4% to 29.9%, due mainly to the improvement in the utilisation rate of our mobile cranes.

Other income

Other income increased by S\$0.1 million or 18.2% from S\$0.4 million in 1H2019 to S\$0.5 million in 1H2020, due mainly to an increase in service income.

Distribution expenses

Distribution expenses were not significant and were less than S\$0.1 million for both 1H2019 and 1H2020.

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General and administrative expenses

General and administrative expenses decreased by S\$0.1 million or 5.7% from S\$2.0 million in 1H2019 to S\$1.9 million in 1H2020 mainly due to the decrease in legal and professional fees.

Finance costs

Finance costs increased by S\$0.1 million or 11.1% from S\$0.5 million in 1H2019 to S\$0.6 million in 1H2020, due mainly to an increase in interest expense from recognition of lease liabilities following the adoption of SFRS(I) 16 Lease in 1H2020.

Income tax expense

The income tax expense increased by S\$0.1 million from S\$0.1 million in 1H2019 to S\$0.2 million in 1H2020, due mainly to taxable temporary differences in tax and accounting depreciation.

Net profit

The Group reported a net profit of approximately S\$11,000 in 1H2020 compared with a loss of S\$0.3 million in 1H2019.

Review of the Group's financial position

Non-current assets

As at 31 October 2019, non-current assets amounted to S\$53.2 million or 80.4% of total assets of S\$66.1 million.

Property, plant and equipment decreased by S\$0.7 million from S\$50.4 million as at 30 April 2019 to S\$49.7 million as at 31 October 2019, due mainly to depreciation of plant and equipment, partially offset by the acquisition of plant and equipment.

Following the adoption of SFRS(I) 16 as enumerated in section 5 above, right-of-use assets were being recognised in balance sheet for the financial periods beginning on or after 1 May 2019 for the first time, without restatement of comparative amounts for the period prior to first adoption.

Current assets

As at 31 October 2019, current assets amounted to S\$12.9 million or 19.6% of total assets of S\$66.1 million.

Trade and other receivables decreased by S\$0.2 million from S\$6.3 million as at 30 April 2019 to S\$6.1 million as at 31 October 2019.

Inventories decreased by S\$0.6 million, due mainly to the sale of equipment from our trading business.

Cash and bank balances increased by S\$2.4 million from S\$4.2 million as at 30 April 2019 to S\$6.6 million as at 31 October 2019 as a result of disbursement of loan from bank.



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Current liabilities

As at 31 October 2019, current liabilities amounted to S\$13.7 million or 35.0% of total liabilities of S\$39.1 million.

Trade and other payables decreased by S\$0.1 million from S\$1.3 million as at 30 April 2019 to S\$1.2 million as at 31 October 2019.

Accrued operating expenses amounted to S\$0.5 million as at 30 April 2019 and 31 October 2019.

Current portion of obligations under finance leases decreased by S\$0.5 million from S\$2.8 million as at 30 April 2019 to S\$2.3 million as at 31 October 2019 due to lease repayments.

Current portion of bank borrowings increased by S\$0.6 million from S\$9.0 million as at 30 April 2019 to S\$9.6 million as at 31 October 2019 due mainly to the drawdown of banking facilities for working capital purposes, partially offset by repayment of bank borrowings.

Following the adoption of SFRS(I) 16 as enumerated in section 5 above, lease liabilities were being recognised in balance sheet for the financial periods beginning on or after 1 May 2019 for the first time, without restatement of comparative amounts for the period prior to first adoption.

Provision for taxation decreased by approximately S\$29,000 from approximately S\$54,000 as at 30 April 2019 to approximately S\$25,000 as at 31 October 2019, mainly due to reversal of over-provision in prior year.

Non-current liabilities

As at 31 October 2019, non-current liabilities amounted to S\$25.5 million or 65.0% of total liabilities of S\$39.2 million.

Non-current portion of obligations under finance leases decreased by S\$1.1 million from S\$4.1 million as at 30 April 2019 to S\$3.0 million as at 31 October 2019 due to lease repayments.

Non-current portion of bank borrowings increased by S\$1.7 million from S\$14.8 million as at 30 April 2019 to S\$16.5 million as at 31 October 2019 due to the drawdown of banking facilities, partially offset by repayment of bank borrowings.

Following the adoption of SFRS(I) 16 as enumerated in section 5 above, lease liabilities were being recognised in balance sheet for the financial periods beginning on or after 1 May 2019 for the first time, without restatement of comparative amounts for the period prior to first adoption.

Deferred tax liabilities increase by S\$0.3 million from S\$1.6 million as at 30 April 2019 to S\$1.9 million as at 31 October 2019, due mainly to taxable temporary differences in tax and accounting depreciation.

Provision for reinstatement cost amounted to S\$0.7 million as at 31 October 2019 and 30 April 2019.

Total equity

Total equity amounted to S\$27.0 million as at 31 October 2019 and 30 April 2019.

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Working capital

The Group recorded a negative working capital of S\$0.8 million as at 31 October 2019, as compared to a negative working capital of S\$2.3 million as at 30 April 2019.

The management is of the opinion that, after taking into consideration the Group's existing cash and bank balances and credit facilities from financial institutions, the Group has adequate resources to pay its debts as and when they are due.

Review of the Group's statement of cash flows

In 1H2020, the Group generated net cash from operating activities before changes in working capital of S\$2.6 million. Net cash generated from working capital amounted to S\$0.2 million, due mainly to a decrease in trade and other receivables of S\$0.2 million and decrease in inventories of S\$0.1, partially offset by a decrease in trade and other payables and a decrease in accrued operating expenses of S\$0.1 million. The Group also paid interest expenses of S\$0.5 million. As a result, net cash generated from operating activities amounted to S\$2.2 million.

Net cash used in investing activities amounted to S\$0.3 million due mainly to purchase of property, plant and equipment amounting to S\$0.4 million, partially offset by proceeds from disposal of joint venture amounting to S\$0.1 million.

Net cash generated from financing activities amounted to S\$0.6 million mainly arising from the proceeds from the drawdown of banking facilities of S\$3.5 million, partially offset by the repayment of bank borrowings of S\$1.2 million, repayment of obligations under finance leases of S\$1.7 million and repayment of lease liabilities.

As a result of the above, the Group's cash and cash equivalents increased by S\$2.4 million from S\$4.2 million as at 30 April 2019 to S\$6.6 million as at 31 October 2019.

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

No forecast nor prospect statement has been previously disclosed to shareholders.

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 of directors ("Board" or Directors") of the Company believes that the outlook for the crane rental business is expected to remain challenging although rental rates have stabilised. The Group will continue to focus on optimising the deployment of its fleet of mobile cranes and lorry cranes to drive further operating improvements. The Group will also remain on the lookout for new business opportunities to grow its profitability.



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11 Dividend

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

No.

(b) Corresponding Period of the immediately preceding financial year.

No.

(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) Date payable.

Not applicable.

(e) Date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividends 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 for 1H2020 in view of the Group's ongoing needs for working capital.

13 If the group has obtained a general mandate from shareholders for Interested Person Transactions (the "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 Group has not obtained a general mandate from shareholders for interested person transactions.

14 Negative confirmation pursuant to Rule 705(5)

The Board hereby confirms that, to the best of their knowledge, nothing has come to their attention which may render the results for the six-month financial period ended 31 October 2019 of the Group and the Company to be false or misleading in any material aspect.

15 Confirmation by the issuer pursuant to Rule 720(1)

The Group has procured undertakings from all its Directors and Executive Officers, in the format set out in Appendix 7H, pursuant to Rule 720(1) of the Catalist Rules.

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SIX-MONTH FINANCIAL PERIOD ENDED 31 OCTOBER 2019

16 Use of proceeds from Rights cum Warrants Issue

The allocation of the net proceeds from the Rights cum Warrants Issue set out in the table below is consistent with the intended uses as disclosed in the Company's Offer Information Statement dated 3 October 2018 in relation to the Rights cum Warrants Issue.

	Amount allocated	Amount utilised as at the date of this announcement	Balance of net proceeds as at the date of this announcement
Use of proceeds	(S\$'000)	(S\$'000)	(S\$'000)
Business expansion	2,283	132	2,151
General working capital	1,522	1,522	-
Net proceeds	3,805	1,654	2,151

BY ORDER OF THE BOARD

Yap Chin Hock
Executive Director and Chief Executive Officer

Ng Chui Hwa
Executive Director

10 December 2019