



ISOTEAM LTD.

(Company Registration No. 201230294M)

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2018

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

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

1(a)(i) Unaudited Consolidated Income Statement and Statement of Comprehensive Income for the First Quarter ("1QFY2019") ended 30 September 2018

	Group			
	Note	Three Months Ended		Change %
		30.09.18	30.09.17	
		(Unaudited) \$'000	(Unaudited) \$'000	
Income Statement				
Revenue		27,265	25,108	8.6
Cost of sales		(22,387)	(20,671)	8.3
Gross profit		4,878	4,437	9.9
Other income	(a)	197	514	(61.7)
Marketing and distribution expenses		(348)	(379)	(8.2)
General and administrative expenses		(3,735)	(2,691)	38.8
Finance costs		(237)	(164)	44.5
Other operating expenses		(110)	(90)	22.2
Profit before tax	(b)	645	1,627	(60.4)
Tax expense		(164)	(211)	(22.3)
Profit for the period		481	1,416	(66.0)
Profit attributable to:				
Equity holders of the Company		796	1,510	(47.3)
Non-controlling interests		(315)	(94)	235.1
		481	1,416	(66.0)

"N/M" denotes Not Meaningful if % of change is more than 300%

	Group			Change
	Note	Three Months Ended		
		30.09.18	30.09.17	
		(Unaudited)	(Unaudited)	
		\$'000	\$'000	%
Statement of Comprehensive Income				
Profit for the period		481	1,416	(66.0)
Other comprehensive income:				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Foreign currency translation gain		29	1	N/M
Other comprehensive income for the period, net of tax		29	1	N/M
Total comprehensive income for the period		510	1,417	(64.0)
Total comprehensive income attributable to:				
Equity holders of the Company		820	1,511	(45.7)
Non-controlling interests		(310)	(94)	229.8
		510	1,417	(64.0)

"N/M" denotes Not Meaningful if % of change is more than 300%

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

		Group		
		Three Months Ended		
		30.09.18	30.09.17	Change
		(Unaudited)	(Unaudited)	
		\$'000	\$'000	%
(a)	<u>Other income</u>			
	Government grants	47	346	(86.4)
	Gain on disposal of property, plant and equipment	1	1	0.0
	Interest income	29	28	3.6
	Administrative income	2	49	(95.9)
	Sales of spare parts	23	34	(32.4)
	Others	95	56	69.6
		197	514	
(b)	<u>Profit before tax</u>			
	This is arrived at after charging/(crediting):			
	Audit fees payable/paid to auditor of the Company	54	50	8.0
	Depreciation of property, plant and equipment	1,048	740	41.6
	Depreciation of investment property	4	-	100.0
	Net loss on disposal of property, plant and equipment	28	30	(6.7)
	Amortisation of intangible assets	166	1,032	(83.9)

"N/M" denotes Not Meaningful if % of change is more than 300%

1(b) 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.

1(b)(i) Statements of Financial Position

	Group		Company	
	As at	As at	As at	As at
	30.09.18	30.06.18	30.09.18	30.06.18
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	\$'000	\$'000	\$'000	\$'000
Assets				
<u>Non-current assets</u>				
Property, plant and equipment	30,978	34,238	-	-
Investment property	925	-	-	-
Intangible assets	2,757	2,923	-	-
Investment in subsidiaries	-	-	34,229	34,229
Goodwill	2,658	2,658	-	-
Other investments	6,040	6,048	5,000	5,000
	43,358	45,867	39,229	39,229
<u>Current assets</u>				
Contract assets	26,037	24,422	-	-
Asset held for sale	2,330	-	-	-
Inventories	563	486	-	-
Trade and other receivables	36,501	26,887	14,092	12,145
Cash and bank balances	11,413	12,200	2,099	3,376
Total current assets	76,844	63,995	16,191	15,521
Total assets	120,202	109,862	55,420	54,750
<u>Non-current liabilities</u>				
Bank borrowings	11,571	12,101	-	-
Finance lease liabilities	2,624	2,478	-	-
Deferred tax liabilities	1,078	1,160	-	-
Total non-current liabilities	15,273	15,739	-	-
<u>Current liabilities</u>				
Contract liabilities	5,757	3,477	-	-
Bank borrowings	15,149	11,699	3,650	4,400
Trade and other payables	20,928	16,106	5,611	4,763
Finance lease liabilities	1,203	1,150	-	-
Tax payables	415	140	-	-
Total current liabilities	43,452	32,572	9,261	9,163
Total liabilities	58,725	48,311	9,261	9,163
Net assets	61,477	61,551	46,159	45,587

	Group		Company	
	As at 30.09.18	As at 30.06.18	As at 30.09.18	As at 30.06.18
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	\$'000	\$'000	\$'000	\$'000
Share capital and reserves				
Share capital	29,618	29,618	29,618	29,618
Treasury shares	(312)	(256)	(312)	(256)
Accumulated profits	36,350	36,082	16,778	16,150
Foreign currency translation reserve	40	16	-	-
Merger reserve	(7,338)	(7,338)	-	-
Other reserves	1,065	1,065	75	75
Equity attributable to equity holders of the Company	59,423	59,187	46,159	45,587
Non-controlling interests	2,054	2,364	-	-
Total equity	61,477	61,551	46,159	45,587

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

	Group		Group	
	As at 30.09.18		As at 30.06.18	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Amount repayable in one year or less, or on demand	16,352	-	12,849	-
Amount repayable after one year	14,195	-	14,579	-
	30,547	-	27,428	-

Details of any collaterals

- (a) Bank borrowings amounting to \$26.7 million are secured by:
- i. charges over fixed deposits;
 - ii. mortgage over the Group's leasehold properties;
 - iii. first fixed charge over receivables arising from invoices financed directly or indirectly over the account in which the receivables are deposited;
 - iv. SGD corporate bond; and
 - v. corporate guarantee from the Company and a subsidiary.
- (b) Finance lease obligations of the Group amounting to \$3.8 million are secured by the rights to the leased equipment, machineries and motor vehicles. Certain directors of the Company have provided personal guarantees for certain finance lease liabilities.

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.

1(c)(i) Consolidated Statement of Cash Flows

	Note	Group	
		Three Months Ended	
		30.09.18	30.09.17
		(Unaudited)	(Unaudited)
		\$'000	\$'000
Cash flows from operating activities			
Profit before income tax		645	1,627
Adjustment for: -			
Depreciation of property, plant and equipment		1,048	740
Depreciation of investment property		4	-
Net loss on disposal of property, plant and equipment		28	30
Amortisation of intangible assets		166	1,032
Interest income		(29)	(28)
Interest expense		223	142
Operating cash flows before working capital changes		2,085	3,543
Contract assets/liabilities		665	1,748
Inventories		(77)	(211)
Trade and other receivables		(9,475)	203
Trade and other payables		4,319	(1,548)
Cash (used in)/generated from operations		(2,483)	3,735
Interest received		37	36
Interest paid		(223)	(142)
Tax refund/(paid)		26	(4)
Net cash (used in)/generated from operating activities		(2,643)	3,625
Cash flows from investing activities			
Purchases of property, plant and equipment	(A)	(710)	(872)
Proceeds from disposal of property, plant and equipment		41	47
Net cash used in investing activities		(669)	(825)
Cash flows from financing activities			
Purchase of treasury shares		(56)	(220)
Capital contributed by non-controlling interest		-	490
Due from related parties (non-trade)		11	-
Fixed deposits pledged to banks		(3)	(1,104)
Drawdown of bank borrowings		4,635	5,870
Repayment of bank borrowings		(2,299)	(476)
Repayment of finance lease		(349)	(276)
Net cash generated from financing activities		1,939	4,284

1(c)(i) Consolidated Statement of Cash Flows (Con't)

	Note	Group	
		Three Months Ended	
		30.09.18	30.09.17
		(Unaudited)	(Unaudited)
		\$'000	\$'000
Net (decrease)/increase in cash and cash equivalents		(1,373)	7,084
Cash and cash equivalents at beginning of financial period		9,309	13,322
Cash and cash equivalents at end of financial period		7,936	20,406

Note A

The Group acquired equipment with an aggregate cost of \$1,093,000 (1QFY2018: \$1,025,000). The additions were by way of cash payments of \$710,000 (1QFY2018: \$872,000) and finance lease of \$383,000 (1QFY2018: \$153,000).

1(c)(ii) Notes to the Consolidated Statement of Cash Flows

Cash and cash equivalents included in the consolidated statement of cash flows consist of the following: -

	Group	
	Three Months Ended	
	30.09.18	30.09.17
	(Unaudited)	(Unaudited)
	\$'000	\$'000
Cash in hand and at bank	5,547	16,968
Fixed deposits	5,866	5,949
	11,413	22,917
Less: Fixed deposits pledged	(2,753)	(2,343)
Less: Bank overdrafts	(724)	(168)
	7,936	20,406

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	Attributable to equity holders of the Group								
	Share capital \$'000	Treasury shares \$'000	Merger reserve \$'000	Foreign currency translation reserve \$'000	Other reserves \$'000	Accumulated profits \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance at 1 July 2017	29,618	(562)	(7,338)	8	(4)	36,038	57,760	1,009	58,769
Profit for the period	-	-	-	-	-	1,510	1,510	(94)	1,416
Other comprehensive income									
Foreign currency translation gain	-	-	-	1	-	-	1	-	1
Other comprehensive income for the period, net of tax	-	-	-	1	-	-	1	-	1
Total comprehensive income for the period	-	-	-	1	-	1,510	1,511	(94)	1,417
Contribution by and distributions to equity holders									
Purchase of treasury shares	-	(220)	-	-	-	-	(220)	-	(220)
	-	(220)	-	-	-	-	(220)	-	(220)
Change in ownership interest in subsidiary									
Incorporation of a subsidiary	-	-	-	-	-	-	-	490	490
	-	-	-	-	-	-	-	490	490
Total transactions with equity holders of the Company	-	(220)	-	-	-	-	(220)	490	270
Balance at 30 September 2017	29,618	(782)	(7,338)	9	(4)	37,548	59,051	1,405	60,456

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. (Con't)

Group	Attributable to equity holders of the Group								
	Share capital \$'000	Treasury shares \$'000	Merger reserve \$'000	Foreign currency translation reserve \$'000	Other reserves \$'000	Accumulated profits \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance at 1 July 2018	29,618	(256)	(7,338)	16	1,065	36,082	59,187	2,364	61,551
Profit for the period	-	-	-	-	-	796	796	(315)	481
Other comprehensive income									
Foreign currency translation gain	-	-	-	24	-	-	24	5	29
Other comprehensive income for the period, net of tax	-	-	-	24	-	-	24	5	29
Total comprehensive income for the period	-	-	-	24	-	796	820	(310)	510
Contribution by and distributions to equity holders									
Dividend	-	-	-	-	-	(528)	(528)	-	(528)
Purchase of treasury shares	-	(56)	-	-	-	-	(56)	-	(56)
	-	(56)	-	-	-	(528)	(584)	-	(584)
Total transactions with equity holders of the Company	-	(56)	-	-	-	(528)	(584)	-	(584)
Balance at 30 September 2018	29,618	(312)	(7,338)	40	1,065	36,350	59,423	2,054	61,477

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. (Con't)

Attributable to equity holders of the Company

Company	Share capital \$'000	Treasury shares \$'000	Merger reserve \$'000	Other reserves \$'000	Accumulated profits \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance at 1 July 2017	29,618	(562)	-	103	14,597	43,756	-	43,756
Profit and total comprehensive income for the period	-	-	-	-	579	579	-	579
Contribution by and distributions to equity holders								
Purchase of treasury shares	-	(220)	-	-	-	(220)	-	(220)
	-	(220)	-	-	-	(220)	-	(220)
Balance at 30 September 2017	29,618	(782)	-	103	15,176	44,115	-	44,115
Balance at 1 July 2018	29,618	(256)	-	75	16,150	45,587	-	45,587
Profit and total comprehensive income for the period	-	-	-	-	1,141	1,141	-	1,141
Contribution by and distributions to equity holders								
Dividend	-	-	-	-	(513)	(513)	-	(513)
Purchase of treasury shares	-	(56)	-	-	-	(56)	-	(56)
	-	(56)	-	-	(513)	(569)	-	(569)
Balance at 30 September 2018	29,618	(312)	-	75	16,778	46,159	-	46,159

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.

	Financial Period 2019		Financial Period 2018	
	Issued Ordinary Shares (excluding Treasury Shares)	Treasury Shares	Issued Ordinary Shares (excluding Treasury Shares)	Treasury Shares
As at 1 July	285,130,562	736,028	284,387,041	1,479,549
Share buyback during the financial period	(200,000)	200,000	(625,000)	625,000
As at 30 September	284,930,562	936,028	283,762,041	2,104,549
Percentage (%) of treasury shares against total number of shares outstanding as at 30 September		0.3%		0.7%

There were no subsidiary holdings and outstanding convertible instruments which may be converted to shares as at 30 September 2018 and 30 September 2017.

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 30.09.18	As at 30.06.18
Number of ordinary shares issued and fully paid	285,866,590	285,866,590
Treasury shares	(936,028)	(736,028)
Number of ordinary shares issued and fully paid (excluding treasury shares)	284,930,562	285,130,562

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

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

Not applicable.

2 Whether the figures have been audited or reviewed, and in accordance with which 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.

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

The Group has applied the same accounting policies and methods of computation in the financial information for the current financial period as those used in the audited financial statements for the financial year ended 30 June 2018, except that the Group has adopted Singapore financial Reporting Standards (International) ("SFRS(I)") on 1 July 2018 which are effective for annual financial period beginning on 1 July 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.

Please refer to paragraph 4 above.

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.

Earnings per share ("EPS")	Group	
	Three Months Ended	
	30.09.18	30.09.17
Profit attributable to equity holders of the Company (\$'000)	796	1,510
Weighted average number of ordinary shares ⁽¹⁾	285,064,258	284,309,052
Basic and diluted EPS based on weighted average number of ordinary shares (cents)⁽²⁾	0.28	0.53

Notes:

- (1) The calculation for the basic and diluted EPS for the respective financial period is based on the weighted average number of ordinary shares in issue during the financial periods.
- (2) The basic and diluted EPS were the same as the Group did not have any potentially dilutive instruments for 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.

Net assets value ("NAV")	Group		Company	
	As at 30.09.18	As at 30.06.18	As at 30.09.18	As at 30.06.18
NAV (\$'000)	59,423	59,187	46,159	45,587
Number of ordinary shares	284,930,562	285,130,562	284,930,562	285,130,562
NAV per ordinary share (cents)	20.86	20.76	16.20	15.99

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 FINANCIAL PERFORMANCE

Revenue	Group				
	Three Months Ended				
	30.09.18		30.09.17		Change
	\$'000	%	\$'000	%	%
Repairs & Redecoration ("R&R")	4,044	14.8	7,363	29.3	(45.1)
Addition & Alteration ("A&A")	15,012	55.0	10,243	40.8	46.6
Coating & Painting ("C&P")	2,797	10.3	2,890	11.5	(3.2)
Others ⁽¹⁾	5,412	19.9	4,612	18.4	17.3
	27,265	100.0	25,108	100.0	8.6

Note:

- (1) Others included revenue from commercial interior designs ("ID"), home retrofitting business, landscaping works, leasing service, waterproofing, green solutions business, mechanical & electrical engineering works and handyman service.

Revenue

Group revenue increased by \$2.2 million or 8.6% from \$25.1 million in 1QFY2018 to \$27.3 million in 1QFY2019.

The increase was mainly due to increase revenue of A&A and Others business segments, it was mainly offset by decrease in revenue of R&R business segment.

Gross profit and gross profit margin

The Group's gross profit increased by \$0.5 million or 9.9% from \$4.4 million in 1QFY2018 to \$4.9 million in 1QFY2019. There were no material changes in gross profit margin during the financial period under review.

Other income

The Group's other income decreased by \$0.3 million or 61.7% from \$0.5 million in 1QFY2018 to \$0.2 million in 1QFY2019. The decrease was mainly due to lesser government grant applicable to the Group.

General and administrative expenses

The Group's general and administrative expenses increased by \$1.0 million or 38.8% from \$2.7 million in 1QFY2018 to \$3.7 million in 1QFY2019. The increase was mainly attributable to the increase in depreciation of property and renovation of the new office building and the absence of a one-off write back of allowance for doubtful debt due to undertaking by the vendor of an acquired subsidiary in 1QFY2019.

Finance costs

The Group's finance costs increased by \$0.1 million or 44.5% from \$0.1 million in 1QFY2018 to \$0.2 million in 1QFY2019, mainly due to increase in borrowings to finance the purchase of office building.

Profit before tax

As a result of the above, the Group recorded a profit before tax of \$0.6 million in 1QFY2019 as compared to \$1.6 million in 1QFY2018.

REVIEW OF FINANCIAL POSITION

Non-current assets

The Group's non-current assets decreased by \$2.5 million or 5.5% from \$45.9 million as at 30 June 2018 to \$43.4 million as at 30 September 2018, mainly due to reclassification of certain properties from property, plant and equipment ("PPE") to asset held for sales and investment property, depreciation of PPE and investment property, disposal of PPE and amortisation of intangible assets, which were offset by the purchase of PPE.

Current assets

The increase in current assets of \$12.8 million or 20.1% from \$64.0 million as at 30 June 2018 to \$76.8 million as at 30 September 2018 was mainly due to increase in contract assets, asset held for sale and trade and other receivables, which were offset by decrease in cash and bank balances.

The significant increase in trade and other receivables of approximately \$10.0 million was due to billings for a major project which has been subsequently collected in full as of the date of this announcement.

Non-current liabilities

The decrease in non-current liabilities of \$0.5 million or 3.0% from \$15.7 million as at 30 June 2018 to \$15.2 million as at 30 September 2018 was mainly due to the repayment of bank borrowings and decrease in deferred tax liabilities, which were offset by increase in finance lease liabilities for purchase of additional PPE.

Current liabilities

The increase in current liabilities of \$10.9 million or 33.4% from \$32.6 million as at 30 June 2018 to \$43.5 million as at 30 September 2018 was mainly due to the increase in contract liabilities, tax payables, bank borrowings and trade and other payables.

REVIEW OF STATEMENT OF CASH FLOWS

Net cash used in operating activities

Net cash used in operating activities amounted to \$2.6 million was mainly due to increase in contract assets/liabilities and trade and other receivables which were offset by increase in trade and other payables.

Please refer to the explanation under current assets for further details on trade and other receivables.

Net cash used in investing activities

Net cash used in investing activities amounted to \$0.7 million was mainly due to the purchase of PPE.

Net cash generated from financing activities

Net cash generated from financing activities of \$1.9 million was mainly due to drawdown of bank borrowings which were offset by purchase of treasury shares, repayment of bank borrowings and finance lease.

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

No forecast or prospect statement has been previously disclosed to the 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.

Despite the challenging operating environment, the Group's order book as at 31 Oct 2018 remained strong at \$121.0 million, and which is expected to be delivered over the next two years. The Group expects revenue to be mainly driven by its A&A segment which currently includes two major projects for a leading resort in Singapore.

The Group is at the forefront of constructing floating solar installations in Singapore and it is working very closely with Sunseap Group which is its strategic partner in this sector. The Group expects to see additional new revenue stream from this collaboration.

Although the market conditions remain challenging, the Group is actively reviewing its project management processes to boost manpower productivity and efficiencies and is also implementing a number of management actions such as tighter control measures, collection policies and processes to improve its working capital cycle.

With its action plan and barring unforeseen circumstances, the Group is cautiously positive of its outlook for FY2019.

11 Dividend

(a) Dividend declared (recommended) for the current financial period reported on

No.

(b) Dividend declared (recommended) for the corresponding period of the immediately preceding financial year

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12 If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared or recommended for 1QFY2019.

13 If the group has obtained a general mandate from shareholders for interested person 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 Group has not obtained a general mandate from shareholders for IPTs pursuant to Rule 920(1)(a)(ii).

14 Confirmation by the Company Pursuant to Rule 720(1) of the Listing Manual of SGX-ST.

The Company confirms that it 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 Listing Manual of the SGX-ST.

15 Negative confirmation pursuant to Rule 705 (5)

We, David Ng Cheng Lian and Anthony Koh Thong Huat, being the directors of the Company, do hereby confirm on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial information for 1QFY2019 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

David Ng Cheng Lian

Executive Chairman

13 November 2018

Anthony Koh Thong Huat

CEO

This announcement has been prepared by the Company and its contents have been reviewed by the Company’s sponsor (“Sponsor”), Hong Leong Finance Limited for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (“SGX-ST”). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the 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 Tang Yeng Yuen, Vice President, Head of Corporate Finance, at 16 Raffles Quay, #01-05 Hong Leong Building, Singapore 048581, Telephone (65) 6415 9886.