SANLI ENVIRONMENTAL LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 201705316M)

UNAUDITED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2018

This announcement has been prepared by Sanli Environmental Limited (the "Company") and its contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "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 David Yeong (Telephone no.: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

Background

Sanli Environmental Limited (the "Company"), together with its subsidiaries (the **"**Group**"**), was listed on the Catalist Board of the SGX-ST on 8 June 2017, pursuant to an initial public offering (the "IPO") exercise. The Group is an environmental engineering company with more than ten years of experience and have completed more than 1,000 projects, in the field of water and waste management. Its expertise is in the design, supply, delivery, installation, commissioning, maintenance, repair and overhaul of mechanical and electrical equipment as well as process, instrumentation and control systems in wastewater treatment plants, water reclamation plants, NEWater plants, waterworks, service reservoirs, pumping stations and incineration plants.

The Company was incorporated in Singapore on 27 February 2017 under the Singapore Companies Act as a private company limited by shares, under the name "Sanli Environmental Pte. Ltd.". The Company was incorporated pursuant to the restructuring exercise (the "Restructuring Exercise") as disclosed in the Company's offer document dated 30 May 2017 (the "Offer Document"). The Company was converted into a public limited company on 9 May 2017 and its name was changed to "Sanli Environmental Limited". Please refer to the Offer Document for further details on the Restructuring Exercise.

For the purpose of this announcement, the financial results of the Group for the half-year ended 30 September 2018 ("1HFY2019") and its comparative figures for the half-year ended 30 September 2017 ("1HFY2018") have been prepared on the assumption that the Group's structure had been in place since 1 April 2016.

PART I: INFORMATION REQUIRED FOR HALF-YEAR ANNOUNCEMENT

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		Increase/
	1HFY2019	1HFY2018	(Decrease)
	S$'000	S$'000	%
Revenue	**34,728**	30,754	12.9
Cost of contract works	**(29,291)**	(25,893)	13.1
Gross profit	**5,437**	4,861	11.8
Other income	**112**	131	(14.5)
Administrative expenses	**(2,890)**	(2,115)	36.6
Other operating expenses	**(511)**	(1,585)	(67.8)
Finance cost	**(46)**	(196)	(76.5)
Profit before tax	**2,102**	1,096	91.8
Income tax expense	**(353)**	(438)	(19.4)
Profit for the period	**1,749**	658	165.8
Other comprehensive (loss)/income:			
Item that may subsequently reclassified to profit or loss:			
Currency translation differences arising from translation of foreign operation	**(15)**	3	N.M.
Total comprehensive income for the period	**1,734**	661	162.3
Profit for the period attributable to:			
Equity holders of the Company	**1,769**	658	168.8
Non-controlling interests	**(20)**	-	N.M.
	1,749	658	165.8
Total comprehensive income for the period attributable to:			
Equity holders of the Company	**1,754**	661	165.4
Non-controlling interests	**(20)**	-	N.M.
	1,734	661	162.3

Denotes: N.M. - not meaningful

1(a)(ii) Notes to the statement of comprehensive income

	Group		Increase/
	1HFY2019	1HFY2018	(Decrease)
	S$'000	S$'000	%
Profit after income tax was arrived after crediting/(charging):			
Depreciation of property, plant and equipment	**(507)**	(316)	60.4
Currency exchange loss - net	**(4)**	(37)	(89.2)
Interest income	**43**	31	38.7
Interest expense	**(46)**	(196)	(76.5)
IPO expenses	**-**	(1,231)	N.M.

Denotes: N.M. - not meaningful

1(b)(i) A statement of financial position (for the issuer and the group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	As at 30 Sep 2018	As at 31 Mar 2018	**As at 30 Sep 2018**	As at 31 Mar 2018
ASSETS	**S$'000**	S$'000	**S$'000**	S$
Current assets				
Cash and cash equivalents	**8,634**	9,354	**296**	1,051
Trade and other receivables	**7,876**	15,686	**113**	13,501
Contract work-in-progress in excess of billings	**18,092**	13,477	**-**	-
Total current assets	**34,602**	38,517	**409**	14,552
Non-current assets				
Property, plant and equipment	**11,324**	10,500	**-**	-
Investment in subsidiaries	**-**	-	**21,755**	8,255
Available-for-sale investments	**267**	267	**-**	-
Total non-current assets	**11,591**	10,767	**21,755**	8,255
Total assets	**46,193**	49,284	**22,164**	22,807
LIABILITIES				
Current liabilities				
Borrowings	**271**	271	**-**	-
Trade and other payables	**15,773**	19,820	**271**	227
Billings in excess of contract work-in-progress	**515**	450	**-**	-
Finance leases	**87**	87	**-**	-
Income tax payable	**837**	960	**-**	-
Total current liabilities	**17,483**	21,588	**271**	227
Non-current liabilities				
Borrowings	**2,475**	2,611	**-**	-
Finance leases	**136**	180	**-**	-
Total non-current liabilities	**2,611**	2,791	**-**	-
Total liabilities	**20,094**	24,379	**271**	227
NET ASSETS	**26,099**	24,905	**21,893**	22,580
EQUITY				
Capital and reserves attributed to equity holders of the Company				
Share capital	**21,297**	21,297	**21,297**	21,297
Capital reserves	**363**	232	**-**	-
Merger reserves	**(6,755)**	(6,755)	**-**	-
Translation reserves	**(34)**	(22)	**-**	-
Retained earnings	**11,212**	10,114	**596**	1,283
Equity attributable to owners of the Company	**26,083**	24,866	**21,893**	22,580
Non-controlling interests	**16**	39	**-**	-
Total equity	**26,099**	24,905	**21,893**	22,580

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

	Group			
	As at		As at	
	30 Sep 2018		31 Mar 2018	
	S$'000		S$'000	
	Secured	**Unsecured**	Secured	Unsecured
Amount repayable in one year or less, or on demand	**358**	**-**	358	-
Amount repayable after one year	**2,611**	**-**	2,791	-
Total borrowings and debt securities	**2,969**	**-**	3,149	-

Details of collateral:

i. Bank borrowings of S$2,746,000 (31 March 2018: S$2,882,000) is secured by a first legal charge over certain property, plant and equipment of the Group.

ii. Finance leases of S$223,000 (31 March 2018: S$267,000) is secured by charges over the leased motor vehicles.

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

	Group	
	1HFY2019	1HFY2018
	S$'000	S$'000
Cash flows from operating activities		
Profit before tax	**2,102**	1,096
Adjustments for:		
Depreciation of property,plant and equipment	**507**	316
Share based expense	**131**	91
Finance Cost	**46**	196
Interest Income	**(43)**	(31)
Operating cash flow before working capital changes	**2,743**	1,668
Change in operating assets and liabilities:		
Trade and other receivables	**7,810**	(2,394)
Trade and other payables	**(4,056)**	(1,149)
Contract work-in-progress in excess of billings	**(4,550)**	(6,812)
Cash enerated/(used in) from operations	**1,947**	(8,687)
Income tax paid	**(477)**	(517)
Net cash from/(used in) operating activities	**1,470**	(9,204)
Cash flows from investing activities		
Purchase of property, plant and equipment	**(1,336)**	(4,309)
Interest received	**43**	31
Net cash used in investing activities	**(1,293)**	(4,278)
Cash flows from financing activities		
Dividends paid to equity holders of the Company	**(671)**	-
Proceeds from issuance of new shares pursuant to IPO, net of IPO expenses capitalised	**-**	11,042
Repayment of borrowings	**(136)**	(719)
Repayment of finance lease liabilities	**(44)**	(44)
Interest Paid	**(46)**	(196)
Net cash (used in)/from financing activities	**(897)**	10,083
Net decrease in cash and cash equivalents	**(720)**	(3,399)
Cash and cash equivalents at beginning of financial period	**9,354**	11,484
Cash and cash equivalents at end of financial period	**8,634**	8,085

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group

	Share capital S$'000	Merger reserves S$'000	Capital reserves S$'000	Translation reserves S$'000	Retained earnings S$'000	Equity attributable to owners of the company S$'000	Non-controlling interests S$'000	Total S$'000
Balance as at 1 Apr 18	21,297	(6,755)	232	(22)	10,114	24,866	39	24,905
Total comprehensive income for the period:								
Profit/(loss) for the financial period	-	-	-	-	1,769	1,769	(20)	1,749
Other comprehensive loss for the period	-	-	-	(12)	-	(12)	(3)	(15)
Total	-	-	-	(12)	1,769	1,757	(23)	1,734
Transaction with owners, recognised directly in equity:								
Dividends paid to owners of the Company	-	-	-	-	(671)	(671)	-	(671)
Recognition of share-based payments	-	-	131	-	-	131	-	131
Total	-	-	131	-	(671)	(540)	-	(540)
Balance as at 30 Sep 18	**21,297**	**(6,755)**	**363**	**(34)**	**11,212**	**26,083**	**16**	**26,099**
Balance as at 1 Apr 17	1,500	-	-	(35)	7,045	8,510	-	8,510
Total comprehensive income for the period:								
Profit for the financial period	-	-	-	-	658	658	-	658
Other comprehensive income for the period	-	-	-	3	-	3	-	3
Total	-	-	-	3	658	661	-	661
Transaction with owners, recognised directly in equity:								
Adjustments pursuant to the Restructuring Exercise	(1,500)	(6,755)	-	-	-	(8,255)	-	(8,255)
Share based payment	-	-	91	-	-	91	-	91
Issuance of new shares pursuant to the Restructuring Exercise	8,255	-	-	-	-	8,255	-	8,255
Issuance of new shares pursuant to the conversion of convertible loan	2,000	-	-	-	-	2,000	-	2,000
Issuance of new shares pursuant to the IPO	11,042	-	-	-	-	11,042	-	11,042
Total	19,797	(6,755)	91	-	-	13,133	-	13,133
Balance as at 30 Sep 17	**21,297**	**(6,755)**	**91**	**(32)**	**7,703**	**22,304**	**-**	**22,304**

Company

	Share capital S$'000	Retained earnings S$'000	Total S$'000
Balance as at 1 Apr 18	21,297	1,283	22,580
Total comprehensive income for the period:			
Loss for the financial period	-	(16)	(16)
	21,297	1,267	22,564
Transaction with owners, recognised directly in equity:			
Dividends paid to owners of the Company	-	(671)	(671)
Balance as at 30 Sep 18	**21,297**	**596**	**21,893**

	Share capital S$'000	Retained earnings S$'000	Total S$'000
Balance as at 1 Apr 17	-	-	-
Total comprehensive income for the period:			
Loss for the financial period	-	(1,486)	(1,486)
Issuance of new shares pursuant to the Restructuring Exercise	8,255	-	8,255
Issuance of new shares pursuant to the conversion of convertible loan	2,000	-	2,000
Issuance of new shares pursuant to the IPO	11,042	-	11,042
Balance as at 30 Sep 17	**21,297**	**(1,486)**	**19,811**

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.

During the six months ended 30 September 2018, there has been no change in the issued and paid-up share capital of the Company. There are also no outstanding convertibles, treasury shares and subsidiary holdings 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.

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.

The total number of issued ordinary shares (excluding treasury shares) as at 30 September 2018 was 268,657,813 (31 March 2018: 268,657,813).

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. The Company does not have any treasury shares.

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. The Company does not have any 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 auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of 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 disclosed under paragraph 5 below, the Group has consistently applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period compared to the most recently audited annual financial statements.

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.

In December 2017, the Accounting Standards Council (ASC) issued the Singapore Financial Reporting Standards (International) (SFRS(I)). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The Group's financial statements for the financial year ending 31 March 2019 will be prepared in accordance with SFRS(I) issued by the ASC. The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 March 2018, except for the adoption of the following new/revised SFRS(I) that are applicable for the financial period beginning 1 April 2018.

SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International) SFRS(I) requires that the Group applies SFRS(I) on a retrospective basis, subject to the mandatory exceptions and optional exemptions under SFRS(I). The application of the mandatory exceptions and the optional exemptions in SFRS(I) 1 does not have any significant impact on the Group's financial statements.

SFRS(I) 9 Financial Instruments SFRS(I) 9 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Overall, the Group does not expect a significant change to the measurement basis arising from adopting the new classification and measurement model under SFRS(I) 9.

SFRS(I) 9 requires the Group to record expected credit losses on all of its loans and trade receivables, either on a 12-month or lifetime basis. The Group adopts the simplified approach and records lifetime expected losses on all trade receivables. The impairment calculated using the expected credit loss model does not have a significant impact on the financial statements.

SFRS(I) 15 Revenue from Contracts with Customers SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met. Based on the existing contractual arrangement for revenue, management has assessed that the implementation of SFRS(I) 15 does not result in a change in the amounts and timing of revenue recognition by the Group.

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	
	1HFY2019	1HFY2018
Profit attributable to owners of the Company(S$'000)	**1,769**	658
Weighted average number of ordinary shares	**268,657,813**	268,657,813
Earnings per share (basic and diluted) (cents)	**0.66**	0.24

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 Sep 2018	As at 31 Mar 2018	**As at 30 Sep 2018**	As at 31 Mar 2018
Net Asset Value per share (cents)	**9.71**	9.26	**8.15**	8.40
Net Asset Value (S$'000)	**26,083**	24,866	**21,893**	22,580
Number of ordinary shares used	**268,657,813**	268,657,813	**268,657,813**	268,657,813

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 GROUP'S PERFORMANCE

The Group registered a revenue of S$34.7 million for 1HFY2019, an increase of S$3.9 million or 12.9% over the S$30.8 million recorded for 1HFY2018. The increase in the Group's turnover was mainly attributed to the increase in contribution from its Engineering, Procurement and Construction segment of S$6.9 million or 31.9%, which was partially offset by a decrease in revenue from the Operations and Maintenance segment of S$3.0 million or 33.5%.

Cost of contract works increased by S$3.4 million or 13.1% from S$25.9 million in 1HFY2018 to S$29.3 million in 1HFY2019 in tandem with the increase in revenue. Gross profit for the Group increased by S$0.5 million or 11.8% from S$4.9 million in 1HFY2018 to S$5.4 million in 1HFY2019 due to the increase in turnover. Gross profit margin remained relatively stable at 15.7% in 1H FY2019, compared to 15.8% in 1HFY2018.

Other income decreased by S$0.02 million or 14.5% from S$0.13 million in 1HFY2018 to S$0.11 million in 1HFY2019 mainly due to the decrease in government grants received.

Administrative expenses increased by S$0.8 million or 36.6% from S$2.1 million in 1HFY2018 to S$2.9 million in 1HFY2019, is mainly due to the, (i) S$0.3 million expenses incurred for the business development department, and (ii) S$0.5 million increase in other employees' remuneration, additional professional fees and other office expenses incurred during the period.

Other operating expenses decreased by S$1.1 million or 67.8% from S$1.6 million in 1HFY2018 to S$0.5 million in 1HFY2019, mainly due to the absence of the one-off IPO expenses of S$1.2 million relating to the IPO of the Company in 1HFY2018. Depreciation of property, plant and equipment increased by S$0.2 million due to the depreciation of the Group's new leasehold property at 28 Kian Teck Drive.

Finance cost decreased by S$0.15 million or 76.5% from S$0.20 million in 1HFY2018 to S$0.05 million in 1HFY2019 due to the absence of the fixed interest of S$0.12 million that was incurred for the convertible loan in 1HFY2018.

Profit before tax for the Group increased by S$1.0 million or 91.8% from S$1.1 million in 1HFY2018 to S$2.1 million in 1HFY2019. Excluding the one-off IPO expenses of S$1.2 million in 1HFY2018, profit before tax for the Group for 1HFY2019 would have decreased by S$0.2 million or 9.7%.

REVIEW OF GROUP'S FINANCIAL POSITION

Current assets decreased by 10.2% from S$38.5 million as at 31 March 2018 to S$34.6 million as at 30 September 2018, mainly due to the decrease in trade and other receivables, partially offset by an increase in contract work-in-progress in excess of billings.

Trade and other receivables decreased by 49.8% from S$15.7 million as at 31 March 2018 to S$7.9 million as at 30 September 2018. This was mainly due to higher unbilled work done as at 30 September 2018, which was in line with the increase in contract work-in-progress in excess of billings.

Contract work-in-progress in excess of billings increased by 34.2% from S$13.5 million as at 31 March 2018 to S$18.1 million as at 30 September 2018, due to significant work done for the execution of various on-going projects.

Non-current assets increased by 7.7% from S$10.8 million as at 31 March 2018 to S$11.6 million as at 30 September 2018 mainly due to an increase in property, plant and equipment.

Current liabilities decreased by 19.0% from S$21.6 million as at 31 March 2018 to S$17.5 million as at 30 September 2018, mainly due to the decrease in trade and other payables of S$4.0 million as there were significant billings by suppliers as at 31 March 2018.

Non-current liabilities decreased by 6.4% from S$2.8 million as at 31 March 2018 to S$2.6 million as at 30 September 2018 with lower borrowings and finance leases.

REVIEW OF GROUP'S CASH FLOWS

Net cash from operating activities amounted to S$1.5 million due to operating cash flow before movements in working capital of S$2.7 million, adjusted for net cash outflow from working capital changes of S$0.8 million and income tax paid of S$0.5 million.

Net cash outflow from working capital of S$0.8 million was a result of increase in contract work-in-progress in excess of billings of S$4.6 million and decrease in trade and other payables of S$4.1 million, offset by a decrease in trade and other receivables of S$7.8 million.

Net cash used in investing activities amounted to S$1.3 million, mainly due to the acquisition of property, plant and equipment.

Net cash used in financing activities amounted to S$0.9 million, mainly due to dividends paid to equity holders of the Company of S$0.7 million and repayment of borrowings and finance leases of S$0.2 million.

As a result, net cash and cash equivalents decreased by S$0.7 million in 1HFY2019 to S$8.6 million.

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 was previously made 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.

While the business environment is expected to remain challenging with keen competition, the Group's business is expected to be underpinned by projects from the public sector that offer potential business opportunities, particularly large scale projects such as the NEWater, desalinated water and Deep Tunnel Sewerage System (DTSS). This is further supported by its established track record and capabilities in undertaking water and waste management projects. The Group is committed to ensure that its service quality and competitive edge in public sector projects is maintained and continuously enhanced, through rigorous monitoring of its operations.

The Group's investment in its business development department is in line with the Group's use of proceeds and the Group's business strategy to take into account potential opportunities that will arise with growing demand for water management solutions by industrial players in Singapore and the ASEAN region. Managing industrial water use will become a priority for many water-intensive businesses operating in Singapore such as petrochemicals, electronics and pharmaceuticals.

The Group will also continue to undertake careful and comprehensive evaluation of areas for potential future growth in the ASEAN region.

11. Dividend:

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

Nil.

(b) Corresponding period of the immediately preceding financial year?

Nil.

(c) Date payable

Not applicable.

(d) Book 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 the current financial period under review.

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) of the Catalist Rules. If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a shareholders' mandate for interested person transactions. There were no interested person transactions of S$100,000 or more for the period under review.

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

The Company has procured signed undertakings from all its directors and executive officers as set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

15. Updates on use of IPO proceeds

	Amount allocated	Amount utilised	Balance of net proceeds as at the date of this announcement
	S$ million	S$ million	S$ million
Working capital to expand business operations through securing more projects and projects of a larger scale	5.74	-	5.74
Expansion of business premises	2.92	2.92	-
Investment in a business development department	1.06	0.60	0.46
Net proceeds from IPO	**9.72**	**3.52**	**6.20**

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

The Board of Directors confirms that, to the best of its knowledge, nothing has come to its attention which may render the unaudited financial statements for the half year ended 30 September 2018 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Sim Hock Heng
Chief Executive Officer
13 November 2018