
**UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS AND DIVIDEND
ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2020**

Part I Information required for announcement of quarterly (Q1, Q2 & Q3), half-year and full year results

1 (a)(i) 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

	Group		Increase (Decrease) %
	Six (6) months ended		
	30.06.20	30.06.19	
	S\$'000	S\$'000	
Revenue	20,068	30,341	(33.9)
Cost of sales	(14,177)	(21,612)	(34.4)
Gross profit	5,891	8,729	(32.5)
Other operating income	810	212	282.1
Administrative and selling expenses	(4,789)	(4,998)	(4.2)
Other operating expenses	(796)	(753)	5.7
Finance costs	(53)	(30)	76.7
Profit before income tax	1,063	3,160	(66.4)
Income tax expense	(177)	(504)	(64.9)
Profit for the period, representing total comprehensive income for the period	886	2,656	(66.6)
Total comprehensive income attributable to:			
Owners of the Company	886	2,669	(66.8)
Non-controlling interests	-	(13)	N.M.
	886	2,656	(66.6)
Earnings per share attributable to shareholders of the Company:			
- Basic (Singapore cents)	0.43	1.28	(66.4)
- Diluted (Singapore cents)	0.43	1.28	(66.4)

1 (a)(i) Notes to the statements of comprehensive income:

	Group		Increase (Decrease) %
	Six (6) months ended		
	30.06.20	30.06.19	
	S\$'000	S\$'000	
Profit before income tax is arrived after charging/(crediting):-			
Cost of inventories included in expenses	13,980	21,389	(34.6)
Loss on disposal of property, plant and equipment	-	8	N.M.
Dividend income from financial assets at fair value through profit or loss	(18)	-	N.M.
Fair value loss on financial assets at fair value through profit or loss	59	-	N.M.
Loss allowance for trade receivables	6	54	(88.9)
Bad debts recovered	(1)	(1)	-
Depreciation of property, plant and equipment	301	354	(15.0)
Depreciation of investment properties	173	173	-
Depreciation of right-of-use assets	284	197	44.2
Amortisation of club membership	9	9	-
Net foreign exchange loss/(gain)	17	(2)	N.M.
Interest income	(67)	(71)	(5.6)
Interest expenses of bank loans and finance leases	-	12	N.M.
Interest expenses of lease liabilities	53	18	194.4

N.M. : Not meaningful



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 As at		Company As at	
	30.06.20	31.12.19	30.06.20	31.12.19
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	9,487	15,389	450	272
Trade receivables	2,471	5,564	4,173	473
Other receivables and prepayments	323	416	17,151	17,041
Inventories	16,059	14,367	-	-
Financial assets at fair value through profit or loss	1,943	-	-	-
Total current assets	30,283	35,736	21,774	17,786
Non-current assets				
Property, plant and equipment	8,443	8,661	-	-
Investment properties	13,830	14,003	-	-
Club membership	196	205	-	-
Other receivables and prepayments	-	31	-	-
Investment in subsidiaries	-	-	2,238	2,238
Right-of-use assets	2,835	2,592	-	-
Total non-current assets	25,304	25,492	2,238	2,238
Total assets	55,587	61,228	24,012	20,024
LIABILITIES AND EQUITY				
Current liabilities				
Trade payables	3,442	8,061	-	-
Other payables and accruals	1,296	2,129	305	63
Contract liabilities	24	82	-	-
Lease liabilities	486	383	-	-
Income tax payable	1,338	1,162	28	28
Total current liabilities	6,586	11,817	333	91
Non-current liabilities				
Lease liabilities	2,894	2,735	-	-
Deferred tax liability	27	26	-	-
Total non-current liabilities	2,921	2,761	-	-
Total liabilities	9,507	14,578	333	91
Capital, reserves and non-controlling interests				
Share capital	8,020	8,020	8,020	8,020
Retained earnings	38,060	38,630	15,659	11,913
Equity attributable to owners of the Company, representing total equity	46,080	46,650	23,679	19,933
Total liabilities and equity	55,587	61,228	24,012	20,024



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

(A) Amount repayable in one year or less, or on demand

	As at 30.06.20		As at 31.12.19	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Lease liabilities	68	418	66	317

(B) Amount repayable after one year

	As at 30.06.20		As at 31.12.19	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Lease liabilities	142	2,752	176	2,559

(C) Details of any collaterals

As at 30.06.20 and 31.12.19

Lease liabilities are secured by the lessors' title to the leased assets and personal guarantees provided by the executive directors of the Group.

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	
	Six (6) months ended	Six (6) months ended
	30.06.20	30.06.19
	S\$'000	S\$'000
Operating activities:		
Profit before income tax	1,063	3,160
Adjustments for:		
Interest expenses of bank loans and finance leases	-	12
Interest expenses of lease liabilities	53	18
Interest income	(67)	(71)
Depreciation of property, plant and equipment	301	354
Depreciation of investment properties	173	173
Depreciation of right-of-use assets	284	197
Amortisation of club membership	9	9
Loss on disposal of property, plant and equipment	-	8
Dividend income from financial assets at fair value through profit or loss	(18)	-
Fair value loss on financial assets at fair value through profit or loss	59	-
Loss allowance for trade receivables	6	54
Bad debts recovered	(1)	(1)
Operating cash flows before changes in working capital	1,862	3,913
Trade receivables	3,088	(364)
Other receivables and prepayments	124	(31)
Inventories	(1,692)	361
Trade payables	(4,619)	1,123
Other payables and accruals	(833)	(518)
Contract liabilities	(58)	-
Cash flows generated from operations	(2,128)	4,484
Income tax paid	-	(494)
Interest received	67	71
Net cash generated from operating activities	(2,061)	4,061
Investing activity:		
Purchase of property, plant and equipment	(83)	(734)
Dividend income from financial assets at fair value through profit or loss	18	-
Purchase of financial assets at fair value through profit or loss	(2,002)	-
Net cash flows used in investing activities	(2,067)	(734)
Financing activities:		
Acquisition of non-controlling interest in a subsidiary	-	(38)
Repayment of bank loans	-	(175)
Repayment of finance leases	-	(26)
Payment of lease liabilities	(265)	(212)
Dividends paid	(1,456)	(1,872)
Interest paid	(53)	(30)
Net cash flows used in financing activities	(1,774)	(2,353)
Net increase in cash and cash equivalents	(5,902)	974
Cash and cash equivalents at beginning of the period	15,389	15,180
Cash and cash equivalents at end of the period	9,487	16,154

- 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	Retained earnings	Attributable to the owners of the Company	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2020	8,020	38,630	46,650	-	46,650
Profit for the period, representing total comprehensive income for the period	-	886	886	-	886
Dividends paid, representing transactions with owners, recognised directly in equity	-	(1,456)	(1,456)	-	(1,456)
Balance as at 30 June 2020	8,020	38,060	46,080	-	46,080
Balance as at 1 January 2019	8,020	37,034	45,054	48	45,102
Effects of adoption of SFRS(I) 16	-	(178)	(178)	-	(178)
Balance as at 1 January 2019 (restated)	8,020	36,856	44,876	48	44,924
Profit (loss) for the period, representing total comprehensive income for the period	-	2,669	2,669	(13)	2,656
<i>Transactions with owners, recognised directly in equity</i>					
Effects of acquiring non-controlling interest in a subsidiary	-	(3)	(3)	(35)	(38)
Dividends paid	-	(1,872)	(1,872)	-	(1,872)
Balance as at 30 June 2019	8,020	37,650	45,670	-	45,670

- 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 period (*cont'd*)

Company	Share capital S\$'000	Accumulated profits S\$'000	Total S\$'000
Balance as at 1 January 2020	8,020	11,913	19,933
Profit for the period, representing total comprehensive income for the period	-	5,202	5,202
Dividends paid, representing transactions with owners, recognised directly in equity	-	(1,456)	(1,456)
Balance as at 30 June 2020	8,020	15,659	23,679
Balance as at 1 January 2019	8,020	10,741	18,761
Profit for the period, representing total comprehensive income for the period	-	236	236
Dividends paid, representing transactions with owners, recognised directly in equity	-	(1,872)	(1,872)
Balance as at 30 June 2019	8,020	9,105	17,125

- 1 (d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 end of the corresponding period of the immediately preceding financial year.**

There were no changes in the Company's share capital since the end of the previous financial period reported on. As at 31 December 2019 and 30 June 2020, the Company had an issued and paid-up share capital of S\$8,020,000 comprising 208,000,000 ordinary shares in issue.

At the Annual General Meeting of the Company held on 30 April 2020, the shareholders of the Company approved the adoption of the share buy-back mandate. However, the Company did not conduct any share repurchase between 30 April 2020 and 30 June 2020.

The Company had adopted the Choo Chiang Performance Share Plan prior to its listing on the Catalist in July 2015. As at 31 December 2019 and 30 June 2020, no share awards were granted under this performance share plan.

As at 30 June 2019 and 30 June 2020, the Company did not have any outstanding options, warrants or other instrument convertible into securities of the Company.

As at 30 June 2019 and 30 June 2020, the Company did not hold any treasury shares and subsidiary holdings.

- 1 (d)(iii) 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.**

	Number of ordinary shares	
	As at	
	<u>30.06.20</u>	<u>31.12.19</u>
Total number of issued shares (excluding treasury shares)	<u>208,000,000</u>	<u>208,000,000</u>

- 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 as the Company did not hold 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 as the Company did not hold 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 nor reviewed by the auditors.

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

Not applicable.

3A. Latest financial statements subject to an adverse opinion, qualified opinion or disclaimer of opinion.

Not applicable as the Company is not required to do compulsory quarterly reporting.

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 Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the six (6) months ended 30 June 2020 as its most recently audited financial statements for the financial year ended 31 December 2019.

5. If there are any changes in 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 all the new and revised standards which are effective for the financial periods beginning on or after 1 January 2020. The adoption of these new and revised FRS and INT FRS does not result in any material changes to the Group's accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited financial statements 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.**

Earnings per ordinary share ("EPS")	Group	
	Six (6) months ended	
	30.06.20	30.06.19
Profit attributable to owners of the Company (S\$'000)	886	2,669
Number of ordinary shares ('000)	208,000	208,000
Basic and diluted EPS (Singapore cents)	0.43	1.28

EPS is calculated based on (i) the profit attributable to owners of the Company for the six months ended 30 June 2020 ("**HY2020**") and the six months ended 30 June 2019 ("**HY2019**"), and (ii) the 208,000,000 issued shares as at 30 June 2020 and as at 30 June 2019, respectively. Fully diluted EPS and the basic EPS for the financial periods presented in the table above are the same as the Company did not have any outstanding instruments convertible into rights to subscribe for, and options in respect of its shares during these 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 Asset Value ("NAV")	Group		Company	
	As at		As at	
	30.06.20	31.12.19	30.06.20	31.12.19
Net assets (S\$'000)	46,080	46,650	23,679	19,933
Number of ordinary shares used in calculating NAV per ordinary share ('000)	208,000	208,000	208,000	208,000
NAV per ordinary share (Singapore cents)	22.15	22.43	11.38	9.58

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

The Group's revenue is derived from (i) sales and retail of electrical products and accessories in Singapore ("**Distribution Business**"), and (ii) rental income from its investment properties in Singapore ("**Property Investment**").

Total revenue decreased by S\$10,273,000 or 33.9%, from S\$30,341,000 in HY2019 to S\$20,068,000 in HY2020, is mainly due to a decrease in the revenue from the Distribution Business segment.

Distribution Business

Revenue from Distribution Business segment decreased by S\$10,259,000 or 34.1%, from S\$30,103,000 in HY2019 to S\$19,844,000 in HY2020. Due to the impact of the Coronavirus ("**COVID-19**") on the construction sector and the implementation of the Circuit Breaker measures by the Singapore government, most of the construction works were suspended for more than 2 months, which resulted in lower demand for electrical products and accessories during this period.

Property Investment

Rental income from the Property Investment segment decreased by S\$14,000 or 5.9%, from S\$238,000 in HY2019 to S\$224,000 in HY2020 mainly due to three (3) investment properties being vacant for couple of months in HY2020. As at 30 June 2020, two (2) of the investment properties are rented out and the Company is in the midst of finding a tenant for the remaining investment property.

Cost of sales

Cost of sales decreased by S\$7,435,000 or 34.4%, from S\$21,612,000 in HY2019 to S\$14,177,000 in HY2020, which is in line with the decrease in revenue.

Distribution Business

Cost of sales of the Distribution Business segment decreased by S\$7,409,000 or 34.6%, from S\$21,389,000 in HY2019 to S\$13,980,000 in HY2020, generally in line with the decrease in revenue for this segment.

Property Investment

Cost of sales of the Property Investment segment had decreased by S\$26,000 or 11.7% from S\$223,000 in HY2019 to S\$197,000 in HY2020. The decrease is mainly due to the full repayment of bank loans for two (2) investment properties in September 2019 which led to the decrease in bank loans interest.

Gross profit and gross profit margin

Gross profit decreased by S\$2,838,000 or 32.5% from S\$8,729,000 in HY2019 to S\$5,891,000 in HY2020. Gross profit margin improved marginally from 28.8% in HY2019 to 29.4% in HY2020.

The gross profit margin of the Distribution Business segment increased marginally by 0.6% from approximately 28.9% in HY2019 to 29.6% in HY2020.

The gross profit margin of the Property Investment segment increased by 5.8% from approximately 6.3% in HY2019 to 12.1% in HY2020. The increase is mainly due to the full repayment of bank loans for two (2) investment properties in September 2019 which led to the decrease in bank loans interest.

Other operating income

Other operating income increased by S\$598,000 or 282.1% from S\$212,000 in HY2019 to S\$810,000 in HY2020. The increase in other operating income was mainly due to increase in (i) government grant due to Jobs Support Scheme (JSS), foreign worker levy rebates and property tax rebates amounting to S\$623,000; and (ii) dividend income from an investment in funds which are recorded as financial assets held at fair value through profit or loss amounting to S\$18,000. These increases were partially offset by the decrease in (i) annual sponsorships for company events; (ii) interest income; and (iii) foreign exchange gain.

Administrative and selling expenses

Administrative expenses decreased by S\$209,000 or 4.2% from S\$4,998,000 in HY2019 to S\$4,789,000 in HY2020. The decrease in administrative and selling expenses was mainly due to a decrease in (i) rental expenses as one short-term lease was subsequently recognised as right-of-use assets and lease liabilities upon renewal of lease in March 2020; (ii) staff welfare; (iii) donations and gifts; (iv) entertainment and refreshments; and (v) upkeep of motor vehicle. These decreases were offset by an increase in (i) product testing fee; (ii) marketing expenses; (iii) insurance; (iv) commission paid to property agents; and (v) COVID-19 related expenses incurred such as the purchase of face masks, thermometers and hand sanitisers for employees.

Other operating expenses

Other operating expenses increased by S\$43,000 or 5.7% from S\$753,000 in HY2019 to S\$796,000 in HY2020, mainly due to an increase in (i) depreciation of right-of-use assets; (ii) fair value loss on financial assets at fair value through profit or loss. These increases were offset by the decrease in (i) depreciation of property, plant and equipment; and (ii) loss allowance for trade receivables.

Finance costs

Finance costs increased from S\$30,000 in HY2019 to S\$53,000 in HY2020 as a result of the recognition of a renewal of a lease which falls under SFRS(I) 16 Leases.

Profit before income tax

As a result of the reasons mentioned above, the Group's profit before income tax decreased by S\$2,097,000 or 66.4% from S\$3,160,000 in HY2019 to S\$1,063,000 in HY2020.

Review of financial position

Current assets

Current assets decreased by S\$5,453,000 from S\$35,736,000 as at 31 December 2019 to S\$30,283,000 as at 30 June 2020. The decrease in current assets was mainly due to a decrease in cash and bank balances, trade receivables and other receivables and prepayments of S\$5,902,000, S\$3,093,000 and S\$93,000 respectively. These decreases were partially offset by an increase in inventories of S\$1,692,000 and the investment in financial assets at fair value through profit or loss of S\$1,943,000.

Non-current assets

Non-current assets decreased by S\$188,000 from S\$25,492,000 as at 31 December 2019 to S\$25,304,000 as at 30 June 2020. The decrease in non-current assets were mainly due to a decrease in property, plant and equipment, investment properties, club membership and other receivables and prepayments of S\$218,000, S\$173,000, S\$9,000 and S\$31,000 respectively. The decrease in property, plant and equipment, investment properties and club membership were mainly due to depreciation and amortization charges. These decreases were partially offset by an increase in right-of-use assets amounting to S\$243,000 arising from a lease renewal during the financial period.

Current liabilities

Current liabilities decreased by S\$5,231,000 from S\$11,817,000 as at 31 December 2019 to S\$6,586,000 as at 30 June 2020. The decrease in current liabilities were mainly due to a decrease in trade payables of S\$4,619,000, a decrease in other payables and accruals of S\$833,000 and a decrease in contract liabilities of S\$58,000. These decreases were partially offset by an increase in the current portion of lease liabilities of S\$176,000 and provision for taxation of S\$103,000.

Non-current liabilities

Non-current liabilities increased by S\$160,000 from S\$2,761,000 as at 31 December 2019 to S\$2,921,000 as at 30 June 2020. The increase in non-current liabilities is mainly due to increase in the non-current portion of lease liabilities of S\$159,000 and an increase in deferred taxation of S\$1,000.

Review of cash flow management

Net cash generated from operating activities

In HY2020, the Group generated net cash outflow from operating activities of approximately S\$2,061,000, which was a result of operating cash flows before changes in working capital of approximately S\$1,862,000, net working capital outflows of approximately S\$3,990,000 and interest received of approximately S\$67,000.

Net cash used in investing activities

In HY2020, the Group's net cash outflow for investing activities amounted to approximately S\$2,067,000, mainly due to (i) investment in funds which are recorded as financial assets at fair value through profit or loss of S\$2,002,000; (ii) purchases of property, plant and equipment of S\$83,000 and (iii) dividend income from financial assets at fair value through profit or loss of S\$18,000.

Net cash used in financing activities

In HY2020, the Group's net cash outflow for financing activities amounted to approximately S\$1,774,000, mainly due to (i) dividends payment of S\$1,456,000 and (ii) lease liabilities and interest payments of S\$318,000.

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

There has not been any forecast or prospect statement in relation to the Group's results for HY2020 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.

Subject to, inter alia, market conditions, availability of good location and other relevant business considerations, it is the Group's current intention to continue to expand its retail network in Singapore. The Group also intends to reinforce and strengthen its market position in Singapore by widening the range of products sold under its "CCM" and "CRM" brands.

Renovation works at its headquarters and central warehouse located at 10 Woodlands Loop, Singapore 738388 which began in the second half of 2018 have been completed in the first half of 2020.

The outbreak of COVID-19 has impacted the global economy, including Singapore. We are closely monitoring the development and impact of the COVID-19 situation, and we expect the operating environment in the electrical material sector to be challenging in the second half of 2020. In the meantime, we will continue to provide good value to our customers and explore business opportunities so as to increase our revenue and profit.



11. If a decision regarding dividend has been made:

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

Current financial period reported on

Name of dividend	Interim dividend
Dividend type	Cash
Dividend per ordinary share	0.2 Singapore cents
Total annual dividend	S\$415,982
Tax rate	Tax exempt (one-tier)

Previous corresponding period of the Immediately Preceding Financial Year

Name of dividend	Interim dividend
Dividend type	Cash
Dividend per ordinary share	0.5 Singapore cents
Total annual dividend	S\$1,040,000
Tax rate	Tax exempt (one-tier)

(b) The date the dividend is payable

Interim dividend will be paid on 7 September 2020.

(c) The date on which Registrable Transfers received by the company (up to 5.00 p.m.) will be registered before entitlements to the dividend are determined

Notice is hereby given that the Register of Members and the Transfer Books of the Company will be closed at 5.00p.m. on 26 August 2020 (“**Record Date**”) for the purpose of determining members’ entitlement to the interim dividend.

Duly completed registrable transfers received by the Company’s Share Registrar, M & C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902 up to 5.00 p.m. on 26 August 2020 will be registered to determine shareholders’ entitlements to the Dividends.

12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

The Board has declared an interim one-tier tax exempt dividend of 0.2 Singapore cents per share for HY2020 compared to an interim one-tier tax exempt dividend of 0.5 Singapore cents per share declared in HY2019 reflecting the decline in performance during the financial period.

13. If the group has obtained a general mandate from shareholders for 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 did not obtain any general mandate from the Company's shareholders in respect of interested person transactions.

The Company's Executive Chairman and CEO, Lim Teck Chuan, had provided personal guarantees to the Singapore Housing & Development Board in order that the Group may secure certain lease agreements. Lim Teck Chuan did not receive any benefit in kind, commission or interest from the Group for providing these personal guarantees.

The Company had announced on 21 July 2017 that Lim Teck Chuan had informed the Company of his intention for the business of CCM Australia Pty Ltd ("**CCM Australia**") to be discontinued and consequently for both CCM Ventures Pte. Ltd. ("**CCM Ventures**") and CCM Australia to be struck off. CCM Ventures owns 100% of the issued and paid-up share capital of CCM Australia. Lim Teck Chuan owns an interest of 65.3% in CCM Ventures and is also the sole director of CCM Ventures and a director of CCM Australia. Accordingly, CCM Australia is an associate of Lim Teck Chuan and transactions between the Group and CCM Australia (if any) are interested person transactions within the ambit of Chapter 9 of the Catalist Rules.

As at the date of this announcement CCM Ventures and CCM Australia have been struck off and accordingly, the following documents under (i) to (v) have been terminated as at 30 June 2020.

- (i) the Company, CCM Australia and Lim Teck Chuan had entered into a call option agreement on 26 June 2015 ("**TL Call Option Agreement**") pursuant to which Lim Teck Chuan granted the Company a call option to acquire all the shares that he may from time to time hold in CCM Ventures;
- (ii) the Company and CCM Australia had entered into a call option agreement on 26 June 2015 pursuant to which CCM Australia granted the Company a call option to purchase from CCM Australia the trademark that is used by CCM Australia in Australia;
- (iii) each of CCM Ventures and CCM Australia had provided a non-competition deed in favour of the Company;
- (iv) Lim Teck Chuan had provided an undertaking pursuant to which he would *inter alia* (aa) within two (2) years from 29 July 2015 (being the date of listing of the Company on the Catalist), divest his shareholding in CCM Ventures to persons other than his Associates such that he will no longer be a shareholder of CCM Ventures; and (bb) grant the Company a right of first refusal of any sale of any shares in CCM Ventures by himself; and
- (v) CCM Ventures had provided an undertaking pursuant to which, amongst others, (aa) in the event of any proposed issue by CCM Ventures of any shares to any Associate of Lim Teck Chuan, it shall be a condition precedent to such share issue that the proposed subscriber enters into a call option agreement with the Company on the same terms and conditions as the TL Call Option Agreement; and (bb) CCM Ventures granted the Company a right of first refusal of any sale of any shares in CCM Australia by CCM Ventures.

14. Negative confirmation pursuant to Rule 705(5) (not required for announcement of full year results). This confirmation must be signed by two (2) directors on behalf of the board of directors.

We, Lim Teck Chuan and Lim Teck Seng, being Directors of the Company, hereby confirm on behalf of the board of Directors that, to the best of the Directors' knowledge, nothing has come to the attention of the board of Directors which may render the unaudited consolidated financial statements of the Group for the six (6) months ended 30 June 2020 to be false or misleading in any material aspect.

Lim Teck Chuan
Executive Chairman and Chief Executive Officer

Lim Teck Seng
Executive Director

15. 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)

The Company hereby confirms that it has already procured undertakings from all of its Directors and relevant executive officers in the format as set out in Appendix 7H of the Catalist Rules in accordance with Rule 720(1) of the Catalist Rules.

BY ORDER OF THE BOARD

Lim Teck Chuan
Executive Chairman and Chief Executive Officer

Singapore

14 August 2020

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