

STRACO CORPORATION LIMITED
Company Registration No.: 200203482R
(Incorporated in Singapore)

FIRST HALF ENDED 30 JUNE 2020 UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT

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

- 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.**

INCOME STATEMENT

	1H ended		
	30-06-2020	30-06-2019	Change
	S\$'000	S\$'000	%
Revenue	6,226	51,007	(87.8)
Other income	4,173	3,659	14.0
Less:			
Depreciation and amortisation expense	(5,065)	(5,540)	(8.6)
Changes in inventories and purchases of goods	(240)	(1,466)	(83.6)
Consultancy expense	(453)	(456)	(0.7)
Sales and marketing expenses	(475)	(1,023)	(53.6)
Exchange gains	1,328	76	1,647.4
Loss on disposal of property, plant and equipment	(30)	(21)	42.9
Rental expenses	(386)	(1,662)	(76.8)
Property and other taxes	18	(821)	n.m.
Repair and maintenance expenses	(1,570)	(2,000)	(21.5)
Staff cost	(7,945)	(11,579)	(31.4)
Utilities expense	(876)	(1,357)	(35.4)
Other expenses	(1,411)	(2,055)	(31.3)
Operating profit	(6,706)	26,762	n.m.
Finance costs	(1,018)	(1,017)	0.1
(Loss)/ Profit before income tax	(7,724)	25,745	n.m.
Tax expense	350	(7,172)	n.m.
(Loss)/ Profit for the period	(7,374)	18,573	n.m.
(Loss)/ Profit attributable to:			
Owners of the Company	(6,650)	17,512	n.m.
Non-controlling interests	(724)	1,061	n.m.
(Loss)/ Profit for the period	(7,374)	18,573	n.m.

STATEMENT OF COMPREHENSIVE INCOME

	1H ended		
	30-06-2020	30-06-2019	Change
	S\$'000	S\$'000	%
(Loss)/ Profit for the period	(7,374)	18,573	<i>n.m.</i>
Other comprehensive income/ (loss) for the period, net of tax			
Translation differences relating to financial statements of foreign subsidiaries	3,106	(1,724)	<i>n.m.</i>
Other comprehensive income/ (loss) for the period, net of tax	3,106	(1,724)	<i>n.m.</i>
Total comprehensive (loss)/ income for the period	(4,268)	16,849	<i>n.m.</i>
Total comprehensive (loss)/ income attributable to:			
Owners of the Company	(3,656)	15,850	<i>n.m.</i>
Non-controlling interests	(612)	999	<i>n.m.</i>
Total comprehensive (loss)/ income for the period	(4,268)	16,849	<i>n.m.</i>

n.m. – not meaningful

The loss or profit before tax was arrived at after charging or (crediting) the following:

	1H ended	
	30-06-2020	30-06-2019
	S\$'000	S\$'000
Depreciation expenses	5,061	5,235
Amortisation of intangible assets	4	305
Interest income	(2,404)	(2,689)
Interest expense	1,018	1,017
Foreign exchange gains	(1,328)	(76)
Loss on disposal of property, plant and equipment	30	21
Government grant	(141)	(93)

Notes:

1. Depreciation expenses comprise depreciation of property, plant and equipment and depreciation of investment property.
2. Interest income is mainly from fixed deposits placed with financial institutions.
3. Interest expense is mainly attributable to the long-term bank borrowing for the purpose of acquiring the assets of Singapore Flyer, as well as the interest on lease liabilities arising from the adoption of SFRS(I) 16 with effect from 1 January 2019.
4. Foreign exchange gains arise mainly due to the movement of Renminbi against Singapore Dollars.

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	As at	As at	As at
	30-06-2020	31-12-2019	30-06-2020	31-12-2019
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	175,148	175,676	1,937	1,968
Investment property	23,665	24,059	-	-
Investments in subsidiaries	-	-	76,071	76,071
Loans and advances to subsidiaries	-	-	26,750	26,750
Intangible assets	1,491	1,494	-	-
	200,304	201,229	104,758	104,789
Current assets				
Inventories	2,263	2,252	-	-
Trade and other receivables	5,469	4,380	224	53
Loans and receivables from subsidiaries	-	-	417	416
Other current assets	1,464	766	35	28
Fixed deposits pledged	1,000	1,000	-	-
Cash and cash equivalents	186,067	199,452	59,817	49,185
	196,263	207,850	60,493	49,682
Total assets	396,567	409,079	165,251	154,471
Equity attributable to owners of the Company				
Share capital	76,985	76,985	76,985	76,985
Reserves	14,086	11,069	4,388	4,483
Retained earnings	172,048	200,370	61,395	71,533
	263,119	288,424	142,768	153,001
Non-controlling interests	11,288	12,013	-	-
Total equity	274,407	300,437	142,768	153,001
Non-current liabilities				
Borrowings	16,900	13,900	-	-
Lease liabilities	42,925	43,092	-	-
Deferred income	111	150	-	-
Deferred tax liabilities	21,781	22,299	-	-
Provision for reinstatement cost	5,826	5,826	-	-
	87,543	85,267	-	-
Current liabilities				
Trade and other payables	27,416	8,866	21,849	823
Amounts due to subsidiaries	-	-	496	494
Current tax liabilities	157	1,493	138	153
Lease liabilities	1,044	1,016	-	-
Current borrowings	6,000	12,000	-	-
	34,617	23,375	22,483	1,470
Total liabilities	122,160	108,642	22,483	1,470
Total equity and liabilities	396,567	409,079	165,251	154,471

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

	As at 30-06-2020		As at 31-12-2019	
	<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Amount payable in one year or less, or on demand	6,000	-	12,000	-
Amount payable after one year	14,000	2,900	11,000	2,900

Details of any collateral

The borrowings are secured by fixed and floating charges over certain assets of a subsidiary as well as corporate guarantee from the Company.

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.

CONSOLIDATED STATEMENT OF CASH FLOWS	1H ended 30-06-2020	1H ended 30-06-2019
	S\$'000	S\$'000
Cash flows from operating activities		
(Loss)/ Profit before income tax	(7,724)	25,745
Adjustments for:		
Depreciation and amortisation expenses	5,065	5,540
Equity-settled share-based payment transactions	268	296
Loss on disposal of property, plant and equipment	30	21
Government grant utilised	(42)	(33)
Interest income	(2,404)	(2,689)
Interest expense	1,018	1,017
Exchange gains	(1,329)	(77)
Operating (loss)/ profit before working capital changes	(5,118)	29,820
Changes in working capital:		
Trade and other receivables	(568)	(577)
Inventories	13	71
Trade and other payables	(3,100)	(762)
Cash (used in)/ generated from operating activities	(8,773)	28,552
Income taxes paid	(1,541)	(4,486)
Net cash (used in)/ from operating activities	(10,314)	24,066
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,347)	(1,884)
Proceeds from disposal of property, plant and equipment	-	1
Interest received	1,265	2,020
Net cash (used in)/ from investing activities	(2,082)	137
Cash flows from financing activities		
Dividend paid to owners of company	-	(30,244)
Dividend paid to non-controlling interests	(110)	(102)
Repurchase of own shares	(363)	-
Proceeds from exercise of share options	-	2,050
Repayment of borrowings	(3,000)	(6,000)
Repayment of lease liability	(331)	(765)
Interest paid on lease liabilities	(759)	(509)
Interest paid on borrowings	(268)	(523)
Net cash used in financing activities	(4,831)	(36,093)
Net decrease in cash and cash equivalents	(17,227)	(11,890)
Cash and cash equivalents at beginning of the period	199,452	201,695
Effects of exchange rate fluctuations	3,842	(1,371)
Cash and cash equivalents at end of the period	186,067	188,434

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.

(a) Group

(i)

	Share capital	Treasury shares	Capital reserve	Share option reserve	General reserve	Foreign currency translation reserve	Retained earnings	Total attributable to owners of the Company	Non-controlling Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2020	76,985	(3,627)	(1,228)	9,338	16,520	(9,934)	200,370	288,424	12,013	300,437
Changes in equity for the period:										
Purchase of own shares	-	(363)	-	-	-	-	-	(363)	-	(363)
Share-based payment transactions	-	-	-	268	-	-	-	268	-	268
Transfer to general reserve fund	-	-	-	-	118	-	(118)	-	-	-
Dividend payable of 2.50 cents per share	-	-	-	-	-	-	(21,554)	(21,554)	-	(21,554)
Dividend to non-controlling shareholder of a subsidiary	-	-	-	-	-	-	-	-	(113)	(113)
Total comprehensive income/ (loss) for the period	-	-	-	-	-	2,994	(6,650)	(3,656)	(612)	(4,268)
At 30 June 2020	76,985	(3,990)	(1,228)	9,606	16,638	(6,940)	172,048	263,119	11,288	274,407

(ii)

	Share capital	Treasury shares	Capital reserve	Share option reserve	General reserve	Foreign currency translation reserve	Retained earnings	Total attributable to owners of the Company	Non-controlling Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2019	76,985	(4,547)	(1,377)	8,825	16,412	(5,486)	192,632	283,444	11,856	295,300
Changes in equity for the period:										
Share-based payment transactions	-	-	-	296	-	-	-	296	-	296
Treasury shares reissued	-	1,901	149	-	-	-	-	2,050	-	2,050
Transfer to general reserve fund	-	-	-	-	108	-	(108)	-	-	-
Dividend paid of 3.50 cents per share	-	-	-	-	-	-	(30,244)	(30,244)	-	(30,244)
Dividend to non-controlling shareholder of a subsidiary	-	-	-	-	-	-	-	-	(102)	(102)
Total comprehensive income/ (loss) for the period	-	-	-	-	-	(1,662)	17,512	15,850	999	16,849
At 30 June 2019	76,985	(2,646)	(1,228)	9,121	16,520	(7,148)	179,792	271,396	12,753	284,149

(b) Company

(i)

	Share capital	Treasury shares	Capital reserve	Share option reserve	Retained earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2020	76,985	(3,627)	(1,228)	9,338	71,533	153,001
Purchase of own shares	-	(363)	-	-	-	(363)
Share-based payment transactions	-	-	-	268	-	268
Treasury shares re-issued	-	-	-	-	-	-
Dividend payable of 2.50 cents per share	-	-	-	-	(21,554)	(21,554)
Total comprehensive income/ (loss) for the period	-	-	-	-	11,416	11,416
At 30 June 2020	76,985	(3,990)	(1,228)	9,606	61,395	142,768

(ii)

	Share capital	Treasury shares	Capital reserve	Share option reserve	Retained earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2019	76,985	(4,547)	(1,377)	8,825	70,039	149,925
Purchase of own shares	-	-	-	-	-	-
Share-based payment transactions	-	-	-	296	-	296
Treasury shares re-issued	-	1,901	149	-	-	2,050
Dividend paid of 3.50 cents per share	-	-	-	-	(30,244)	(30,244)
Total comprehensive income/ (loss) for the period	-	-	-	-	1,034	1,034
At 30 June 2019	76,985	(2,646)	(1,228)	9,121	40,829	123,061

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 as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

Pursuant to the Share Buy-back Mandate approved by shareholders, the Company purchased a total of 540,000 shares by way of on-market purchases for a total consideration of \$363,000 (including transaction costs) in 1H2020. These shares purchased were made out of the Company's capital and held as treasury shares.

The Company's issued and fully paid up shares as at 30 June 2020 comprised 862,139,580 (30 June 2019: 864,114,280) ordinary shares and 6,790,000 (30 June 2019: 4,815,300) treasury shares.

No share options were exercised and 2,846,000 share options had lapsed or expired in 1H2020. As at 30 June 2020, options to subscribe for 22,844,000 (30 June 2019: 25,690,000) ordinary shares remain outstanding.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 30-06-2020	As at 31-12-2019
Total number of issued shares	868,929,580	868,929,580
Less: Treasury shares	(6,790,000)	(6,250,000)
Total number of issued shares excluding treasury shares	862,139,580	862,679,580

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

Treasury shares	No. of shares	S\$'000
Balance as at 31-12-2019	6,250,000	3,627
No. of shares purchased	540,000	363
Balance as at 30-06-2020	6,790,000	3,990

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The financial statements have not been audited nor reviewed by the Company's auditors.

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

Not applicable.

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

The accounting policies and methods of computation in the preparation of the financial statements for the current reporting period are consistent with those of the audited financial statements for the financial year ended 31 December 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.

An assessment has been made to the amendments and interpretations of the Singapore Financial Reporting Standards (International) ("SFRS(I)") effective from 1 January 2020 and it is not expected to have any significant impact to the Group's financial statements.

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/(losses) per share	1H ended	
	30-06-2020	30-06-2019
(a) Based on the number of ordinary shares in issue (cents)	(0.77)	2.03
(b) On fully diluted basis (cents)	(0.77)	2.03

The calculation of basic losses per share for 1H ended 30 June 2020 is based on the net losses attributable to shareholders for the 1H ended 30 June 2020 divided by the weighted average number of ordinary shares outstanding of 862,159,250.

The calculation of basic earnings per share for 1H ended 30 June 2019 is based on the net profits attributable to shareholders for the 1H ended 30 June 2019 divided by the weighted average number of ordinary shares outstanding of 862,234,114.

The calculation of diluted losses per share for 1H ended 30 June 2020 is based on the net losses attributable to shareholders for the 1H ended 30 June 2020 divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 862,480,087.

The calculation of diluted earnings per share for 1H ended 30 June 2019 is based on the net profits attributable to shareholders for the 1H ended 30 June 2019 divided by the weighted

average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 863,404,112.

- 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	
	30-06-2020	31-12-2019	30-06-2020	31-12-2019
Net asset value per ordinary share (cents) based on number of issued shares excluding treasury shares at the end of:	30.52	33.43	16.56	17.74

Net asset value per ordinary share was calculated based on 862,139,580 ordinary shares issued (excluding treasury shares) as at 30 June 2020 and 862,679,580 ordinary shares issued (excluding treasury shares) as at 31 December 2019.

- 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.

Revenue

In the first half of FY2020, the Group generated sales of \$6.23 million, 87.8% lower than the corresponding period in 1H2019, as the global COVID-19 pandemic adversely impacted on our Group. In accordance with the authorities' directive to curb the spread of the highly infectious coronavirus, our two aquariums in China were temporarily closed for half of the 6 months period, including the Chinese New Year golden week, Qingming and Labour Day holidays. Rides on Singapore Flyer were suspended since late November 2019 due to a minor technical issue involving a spoke cable, as reported in 4Q2019, until 20 March 2020 when it briefly resumed rides for about 2 weeks before being suspended again following the "Circuit Breaker" order.

Overall visitation to all our attractions was approximately 297,000 visitors for the half year, significantly lower than the corresponding period in 1H2019.

Other income increased 14% over corresponding period, mainly due to the amounts received under the Singapore government's job support and wage credit schemes amounting to \$1.29 million, offset by lower interest income and net rental income from sales counters.

Operational Results

Total Expenses (excluding finance cost) for 1H2020 was 17.11 million, a decrease of 39% from 1H2019. Exchange gain of \$1.33 million was recorded in this period, as Renminbi currency strengthened against the Singapore dollar in the current period compared to last year-end exchange rate. The temporary closures of our attractions resulted in significantly lower expenses such as cost of sales of retail and F&B, sales and marketing expenses, utilities expenses, repair and maintenance, and other expenses. Rental expense decreased, mainly

due to the much lower variable land rental payable at Shanghai Ocean Aquarium as revenue was significantly lower than 1H2019. Staff cost decreased 31.4%, as salary reduction in the form of pay cuts, no pay leave in view of the temporary closures, wage freeze and headcount freeze were implemented across all companies in the Group. Property and other taxes were negative, mainly due to the refund of property tax received by Singapore Flyer during the period arising from revision in annual value for 2018 and 2019, while this year's property tax for Singapore Flyer has been waived.

Losses before tax was \$7.72 million for 1H2020, compared to a profit before tax of \$25.75 million recorded in 1H2019. Taking away the exchange gains recorded, losses before tax for this period would have been approximately \$9.05 million.

Balance Sheet items

Trade and other receivables increased 24.9% from \$4.38 million at 31 December 2019 to \$5.47 million at 30 June 2020, mainly to the increase in other receivables arising from the fixed deposits interest receivable recognized in the current period.

Other current assets increased 91.1% from \$0.77 million at 31 December 2019 to \$1.46 million at 30 June 2020, mainly due to increase in prepayments at Singapore Flyer arising from the down payments to the offshore supplier for spoke cable amounting to \$0.39 million and the prepayment of insurance premiums upon the yearly renewal in May 2020.

Reserves increased 27.3% from \$11.07 million at 31 December 2019 to \$14.09 million at 30 June 2020, mainly due to the translation gain of \$2.99 million arising from the stronger RMB currency against SGD at the end of the current period compared to the end of last year; as well as the increase in share option reserves of \$0.27 million during the period arising from share options granted in 2019 and increase general reserve of \$0.12 million arising from the reserve set aside by Lixing Cable Car prior to the distribution of retained profit as dividend during the period; offset by increase in treasury shares of \$0.36 million arising from the share buyback during the current period.

Deferred income decreased 26.0% from \$0.15 million at 31 December 2019 to \$0.11 million at 30 June 2020, due to the periodic recognition of deferred income to profit & loss in the current period.

Trade and other payables increased 209.2% from \$8.87 million at 31 December 2019 to \$27.42 million at 30 June 2020, mainly due to the final dividend of \$21.55 million for FY2019 payable to shareholders upon the approval at the Company's Annual General Meeting ("AGM") held on 19 June 2020; offset by decrease in other payables and accruals as the performance bonus accrued in 2019 were reversed or paid out in the current period, as well as certain expenses such as FY2019 audit fee and directors fee accrued in last year were paid in the current period.

Current tax liabilities decreased 89.5% from \$1.49 million at 31 December 2019 to \$0.16 million at 30 June 2020, mainly due to the payment of 4Q2019 income taxes of China subsidiaries in the current period.

Cash flow Statement

The Group reported net cash of \$10.31 million used in operating activities for 1H2020, compared to \$24.07 million cash generated in 1H2019. Purchase of property, plant and equipment increased, mainly due to the construction cost at Singapore Flyer for the mid-size attraction. Repayment of borrowings in 1H2020 amounted to \$3.0 million, compared to \$6.0 million in 1H2019, as the Group has been granted the deferment of the monthly loan principal

repayment by DBS on the Singapore Flyer from April 2020 till end of the year. No dividend was paid out in the current period, as the AGM for FY2019 was deferred due to Covid-19 and therefore the final dividend in respect of FY2019 which was usually paid in May was delayed and paid on 10 July 2020.

As at 30 June 2020, the Group's cash and cash equivalent balance amounted to \$186.07 million.

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

The Group did not previously disclose to shareholders any forecast or prospect statement with regard to the current period under review, except for the business update provided on 21 May 2020.

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 National Bureau of Statistics of China reported that China's gross domestic product ("GDP") shrank by 1.6% year-on-year during the first half of 2020. Nevertheless, the world's second largest economy has avoided a technical recession as the country's GDP expanded by 3.2% in the second quarter of the year, reversing the first quarter's contraction of 6.8% year-on-year when the economy took a huge hit from the coronavirus outbreak with large-scale shutdowns and quarantine implemented then to contain the epidemic. While the Chinese government has introduced measures such as fiscal spending and cuts in lending rates and banks' reserves requirements to boost the economy, external risks and challenges remain as the evolving huge impact of the Covid-19 pandemic on the global economy continue to put its economic recovery under pressure.

Singapore's economy contracted by 13.2% on a year-on-year basis in the second quarter of 2020, due to the Circuit Breaker ("CB") measures to slow the spread of Covid-19 that were implemented from 7 April to 1 June, as well as weak external demand amidst a global economic downturn caused by the pandemic. On the tourism sector, the government has announced a \$45 million campaign to boost domestic demand for tourism-related products.

As the Covid-19 situation remains uncertain, the Group will continue to monitor and assess the impact on its operations.

11. Dividend

(a) Current Financial Period Reported On

Any interim (final) dividend declared (recommended) for the current financial period reported on? None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None

(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/ recommended for the current 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.

No IPT mandate has been obtained.

14. Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results).

To the best of our knowledge and belief, nothing has come to the attention of the Directors which may render the 1H2020 financial results to be false or misleading in any material aspect.

On behalf of the Board

Wu Hsioh Kwang
Chairman

Lim Song Joo
Director

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

16. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Not applicable.

17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not applicable.

18. A breakdown of sales.

Not applicable.

19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable.

20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Not applicable.

BY ORDER OF THE BOARD,

Lotus Isabella Lim Mei Hua
Company Secretary
13 August 2020