

Unaudited Half-Year Financial Statements and Dividend Announcement for the Financial Period Ended 30 June 2020
PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENT

1(a) A Statement of Comprehensive Income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

The Group

	Six Months Period Ended		
	30-Jun-20 (Unaudited) S\$ '000	30-Jun-19 (Unaudited) S\$ '000	Increase/ (Decrease) %
Revenue	5,205	11,844	(56.1)
Cost of sales	(3,342)	(9,169)	(63.6)
Gross profit	1,863	2,675	(30.4)
Other income	947	161	488.2
Selling and distribution expenses	(29)	(44)	(34.1)
Administrative expenses	(2,836)	(2,391)	18.6
Other operating expenses	(34)	(35)	(2.9)
Finance Expenses	(2)	(4)	(50.0)
(Loss) / Profit before income tax	(91)	362	(125.1)
Income tax expense	-	(35)	(100.0)
Net (loss) / profit	(91)	327	(127.8)
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Net fair value losses on equity instruments	(4)	(1)	300.0
at fair value through other comprehensive income			
Other comprehensive loss, net of tax	(4)	(1)	300.0
Total comprehensive (loss) / income	(95)	326	(129.1)
(Loss) / Profit attributable to :			
Equity holders of the Company	(91)	327	(127.8)
Total comprehensive (loss) / income attributable to:			
Equity holders of the Company	(95)	326	(129.1)
Earnings per share (Singapore cents)			
Basic	(0.05)	0.17	
Diluted	(0.05)	0.17	

Profit / (loss) before income tax is arrived at after charging / (crediting) the following items:

The Group	Six Months Period Ended		Increase/ (Decrease) %
	30-Jun-20 (Unaudited) S\$ '000	30-Jun-19 (Unaudited) S\$ '000	
Interest income	(128)	(137)	(6.6)
Depreciation of property, plant and equipment	186	147	26.5
Gain on disposal of property, plant and equipment	-	(1)	-

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	
	30-Jun-20 (Unaudited)	31-Dec-19 (Audited)	30-Jun-20 (Unaudited)	31-Dec-19 (Audited)
	S\$ '000	S\$ '000	S\$ '000	S\$ '000
<u>ASSETS</u>				
<u>Non-current Assets</u>				
Property, plant and equipment	767	881	203	244
Investments in subsidiaries	-	-	28,450	28,450
Investment securities	18	22	-	-
	<u>785</u>	<u>903</u>	<u>28,653</u>	<u>28,694</u>
<u>Current Assets</u>				
Inventories	7	13	-	-
Trade and other receivables	2,665	1,874	42	26
Contract assets	1,325	1,365	-	-
Cash and bank balances	20,344	23,505	1,227	1,531
	<u>24,341</u>	<u>26,757</u>	<u>1,269</u>	<u>1,557</u>
Total Assets	<u>25,126</u>	<u>27,660</u>	<u>29,922</u>	<u>30,251</u>
<u>LIABILITIES</u>				
<u>Non-current Liabilities</u>				
Lease liabilities	-	39	-	22
<u>Current Liabilities</u>				
Trade and other payables	4,344	6,130	1,309	1,084
Contract liabilities	939	1,469	-	-
Lease liabilities	119	170	48	51
Current income tax liabilities	51	84	-	-
	<u>5,453</u>	<u>7,853</u>	<u>1,357</u>	<u>1,135</u>
Total Liabilities	<u>5,453</u>	<u>7,892</u>	<u>1,357</u>	<u>1,157</u>
Net Assets	<u>19,673</u>	<u>19,768</u>	<u>28,565</u>	<u>29,094</u>
<u>EQUITY</u>				
Share capital	4,477	4,477	40,072	40,072
Treasury shares	(630)	(630)	(630)	(630)
Other reserves	(265)	(261)	-	-
Retained profits / (accumulated losses)	16,091	16,182	(10,877)	(10,348)
Total Equity	<u>19,673</u>	<u>19,768</u>	<u>28,565</u>	<u>29,094</u>

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

	30-Jun-20 (Unaudited)		31-Dec-19 (Audited)	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand	51	68	68	102
Amount repayable after one year	-	-	22	17
	<u>51</u>	<u>68</u>	<u>90</u>	<u>119</u>

Details of collateral:

1. The Group has motor vehicles and right-of-use asset acquired under leases with aggregate carrying amount of approximately S\$302,000 (31 Dec 2019: S\$511,000).

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.

The Group	Six Months Period Ended	
	30-Jun-20 (Unaudited) S\$'000	30-Jun-19 (Unaudited) S\$'000
Cash flows from operating activities		
Net (loss) / profit	(91)	327
Adjustments for:		
Income tax expense	-	35
Depreciation of property, plant and equipment	186	147
Interest expenses	2	4
Interest income	(128)	(137)
Gain on disposal of PPE	-	(1)
Operating (loss) / profit before working capital changes	(31)	375
Change in working capital:		
Inventories	6	(15)
Trade and other receivables, contract assets	(746)	(1,162)
Trade and other payables, contract liabilities	(2,316)	749
Cash used in operations	(3,087)	(53)
Income tax paid	(33)	(86)
Net cash used in operating activities	(3,120)	(139)
Cash flows from investing activities		
Additions to property, plant & equipment	(72)	(144)
Proceed on disposal of PPE	-	1
Interest received	123	163
Net cash generated by investing activities	51	20
Cash flows from financing activities		
Repayment of lease liabilities	(90)	(38)
Interest paid	(2)	(4)
Dividends paid to equity holders of the Company	-	(190)
Net cash used in financing activities	(92)	(232)
Net Decrease in cash and cash equivalents	(3,161)	(351)
Cash and cash equivalents at beginning of the period	22,390	19,728
Cash and cash equivalents at end of the period	19,229	19,377

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.

Non-cash transaction:

During the financial period ended 30 June 2020, the Group acquired property, plant and equipment with an aggregate cost of S\$72,000 (30 June 2019: S\$174,000), of which none (30 June 2018: S\$30,000) was acquired under leases and all of S\$72,000 (30 June 2019: S\$144,000) via cash payment.

Reconciliation of liabilities arising from financing activities

	1-Jan-20	Principal & Interest	Acquisition	Interest Expense	30-Jun-20
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Lease liabilities	209	(92)	0	2	119
	1-Jan-19	Principal & Interest	Acquisition	Interest Expense	30-Jun-19
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Lease liabilities	145	(42)	30	4	137

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Six Months As At	
The Group	30-Jun-20 (Unaudited)	30-Jun-19 (Unaudited)
	S\$'000	S\$'000
Short-term bank deposits	10,635	12,631
Cash and bank balances	9,709	7,856
	20,344	20,487
Less: Fixed deposits pledged to banks	(1,115)	(1,110)
	19,229	19,377

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.

The Group (Unaudited)	Attributable to equity holders of the Company				
	Share Capital	Treasury	Other	Retained	Total
	S\$'000	Shares	Reserves	Profits	Equity
		S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2020	4,477	(630)	(261)	16,182	19,768
Loss for the period	-	-	-	(91)	(91)
<u>Other comprehensive income</u>					
Net fair value losses on equity securities at fair value through OCI	-	-	(4)	-	(4)
Total comprehensive loss for the period	-	-	(4)	(91)	(95)
<u>Contribution by and distributions to owners</u>					
Dividends	-	-	-	-	-
Total contributions by and distributions to owners representing total transactions with owners in their capacity as owners	-	-	-	-	-
At 30 June 2020	4,477	(630)	(265)	16,091	19,673
At 1 January 2019	4,477	(630)	(257)	15,982	19,572
Profit for the period	-	-	-	327	327
<u>Other comprehensive income</u>					
Net fair value losses on equity securities at fair value through OCI	-	-	(1)	-	(1)
Total comprehensive income for the period	-	-	(1)	327	326
<u>Contribution by and distributions to owners</u>					
Dividends	-	-	-	(190)	(190)
Total contributions by and distributions to owners representing total transactions with owners in their capacity as owners	-	-	-	(190)	(190)
At 30 June 2019	4,477	(630)	(258)	16,119	19,708

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.

The Company (Unaudited)	Attributable to equity holders of the Company				
	Share Capital	Treasury Shares	Other Reserves	(Accumulated Losses)	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2020	40,072	(630)	-	(10,348)	29,094
Total comprehensive loss for the period	-	-	-	(529)	(529)
Dividends	-	-	-	-	-
At 30 June 2020	40,072	(630)	-	(10,877)	28,565
At 1 January 2019	40,072	(630)	-	(10,612)	28,830
Total comprehensive income for the period	-	-	-	22	22
Dividends	-	-	-	(190)	(190)
At 30 June 2019	40,072	(630)	-	(10,780)	28,662

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 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.

Ordinary Shares

There was no change in the Company's share capital from 31 December 2019 to 30 June 2020.

	Number of shares	Share capital
Ordinary shares (excluding treasury shares) as at 31 December 2019 and 30 June 2020	189,823,497	S\$ 39,442,252

Outstanding Convertibles

There were no outstanding convertibles as at 30 June 2020 and 30 June 2019.

Treasury Shares

The Company has 6,300,000 treasury shares as at 30 June 2020 and 30 June 2019, which represented 3.3% of the Company's ordinary shares (excluding treasury shares) of 189,823,497 as at 30 June 2020 and 30 June 2019 respectively.

Subsidiary Holdings

There were no subsidiary holdings as at 30 June 2020 and 30 June 2019.

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 immediately preceding year.

	<u>Company</u>	
	<u>30 Jun 2020</u>	<u>31 Dec 2019</u>
Total number of issued shares (excluding treasury shares)	<u>189,823,497</u>	<u>189,823,497</u>

The Company holds 6,300,000 treasury shares as at 30 June 2020 and 31 December 2019.

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. There were no sales, transfers, cancellations and/or use of treasury shares during and as at the end of the financial period reported on.

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. There were no subsidiary holdings during and as the end of the current financial period reported on.

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 modifications or emphasis of a matter).

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion (This is not required for any audit issue that is a material uncertainty relating to going concern):

(a) Updates on the efforts taken to resolve each outstanding audit issue.

Not Applicable.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

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 in note 5 below, the Group has applied the same accounting policies and methods of computation as those used in the most recently 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.

The Group has adopted the applicable including SFRS(I)16 (Amendments) Covid-19 Related Rent Concessions, Singapore Financial Reporting Standards (International) ("SFRS(I)s") that are effective for annual periods beginning on 1 January 2020.

The adoption of this amendment SFRS(I)s did not result in any change in the Group's accounting policies or any significant impact on the 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.

	Six months ended	
	30-Jun-20 (Unaudited)	30-Jun-19 (Unaudited)
Earnings per ordinary share of the Group based on weighted average number of ordinary shares in issue:		
(a) Basic (Singapore cents)	(0.05)	0.17
(b) Fully diluted (Singapore cents)	(0.05)	0.17
Earnings per share was calculated based on weighted average number of ordinary shares in issue ('000):		
(a) Basic	189,823	189,823
(b) Fully diluted	189,823	189,823

Basic and diluted earnings per share of the Group were the same for the six-month ended 30 June 2020 and 30 June 2019 as there were no potentially dilutive securities in issue as at 30 June 2020 and 30 June 2019.

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.

	The Group		The Company	
	30-Jun-20 (Unaudited)	31-Dec-19 (Audited)	30-Jun-20 (Unaudited)	31-Dec-19 (Audited)
Net asset value per ordinary share (Singapore cents/share)	10.36	10.41	15.05	15.33

The calculation of net asset value per ordinary share is based on 189,823,497 issued ordinary shares (excluding treasury shares) as at 30 June 2020 and 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

Six months ended 30 June 2020 ("HY2020") vs Six months ended 30 June 2019 ("HY2019")

REVIEW OF RESULTS OF OPERATIONS

i) Revenue

	GROUP					
	Six Months Ended 30 June					
	2020		2019		(Decrease)	
	S\$'000	%	S\$'000	%	S\$'000	%
Mechanical Engineering	875	16.8	6,524	55.1	(5,649)	(86.6)
Electrical Engineering	363	7.0	558	4.7	(195)	(34.9)
Facilities Management	3,967	76.2	4,762	40.2	(795)	(16.7)
Total	5,205	100.0	11,844	100.0	(6,639)	(56.1)

ii) Gross Profit

	GROUP					
	Six Months Ended 30 June					
	2020		2019		Increase/ (decrease)	
	S\$'000	%	S\$'000	%	S\$'000	%
Mechanical Engineering	553	29.7	1,131	42.3	(578)	(51.1)
Electrical Engineering	82	4.4	30	1.1	52	173.3
Facilities Management	1,228	65.9	1,514	56.6	(286)	(18.9)
Total	1,863	100.0	2,675	100.0	(812)	(30.4)

iii) Gross Profit Margin

iii) Gross Profit Margin	30 June	30 June	Increase/
	2020	2019	(decrease)
	%	%	%
Mechanical Engineering	63.2	17.3	45.9
Electrical Engineering	22.6	5.4	17.2
Facilities Management	31.0	31.8	(0.8)
Total	35.8	22.6	13.2

Total revenue decreased mainly attributable to the decrease in revenue from the mechanical engineering segment. Revenue from the mechanical engineering segment decreased mainly attributable to projects completed in the financial year ended 31 December 2019 and a new project being at the design and planning phase. Revenue from the electrical engineering segment decreased mainly due to projects completed in June 2019 and the Group's new projects being delayed as a result of the circuit breaker measures imposed by the Singapore Government to curb the spread of the Covid-19 pandemic ("Circuit Breaker").

Revenue contribution from the facilities management segment decreased as a result of the stoppage of activities other than the rendering of essential services to clients during the Circuit Breaker.

The decrease in cost of sales was in line with the decrease in revenue. Gross profit decreased mainly due to a decrease in gross profit from the mechanical engineering segment and facilities management segment.

The gross profit margin increased from 22.6% in HY2019 to 35.8% in HY2020 mainly due to higher gross profit margin from the mechanical and electrical engineering segments. The gross profit margin was higher in HY2020 for the mechanical engineering segment due to the cost of the project being at the design and planning phase comprising more preliminary costs such as manpower which is presented as operating expenses instead of subcontract costs which shown as cost of sales. The increase in gross profit margin for the electrical engineering segment from 5.4% in HY2019 to 22.6% in HY2020 was mainly due to new projects carried out in HY2020.

iv) Other Income

Other income increased mainly due to government support such as job support scheme and levy rebates to ease the financial burden on companies due to the Covid-19 pandemic, offset by a decrease in interest income of S\$9,000 due to less time deposits being placed.

v) Selling and distribution expenses

Selling and distribution expenses decreased mainly due to a decrease in marketing entertainment expenses as the business activities were suspended during the Circuit Breaker, offset by an increase of expenses for license renewal.

vi) Administrative Expenses

Administrative expenses increased mainly due to an increase in staff cost for the new projects commenced in early 2020. The staff cost increased by S\$0.3 million as a result of an increase in hiring. In addition, there was an increase in rental expenses of worker quarters of S\$54,000 as a result of the Covid-19 pandemic. The depreciation expense increased as a result of the right-of-use-of-asset recognised in 31 December 2019 and purchase of vehicle as a replacement of expired COE vehicle.

vii) Income Tax Expense

No provision for income tax is made as the Group incurred a loss for six months period ended 30 June 2020

8(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 STATEMENT OF FINANCIAL POSITION

Total assets as at 30 June 2020 have decreased as compared to 31 December 2019, and are mainly attributable to the following :-

- 1. Property, plant and equipment ("PPE")** decreased by 12.9%, mainly due to increased depreciation expenses on PPE offset by a purchase of motor vehicle for a new project.
- 2. Trade and other receivables** increased by 42.2%, mainly due to an increase in trade receivables turnover days. The trade receivables turnover days increased from 37 days to 91 days as at end of HY2020 as customers take a longer period to pay as a result of Circuit Breaker.
- 3. Cash and bank balances** decreased mainly due to a payment of S\$1.2 million for advance mobilization payment to subcontractor and a decline in revenue collection.

Total liabilities as at 30 June 2020 have decreased as compared to 31 December 2019, and are mainly attributable to the following :-

1. **Trade and other payables** decreased due to prompt payment of purchased materials and to subcontractors, as suppliers not willing to give credit terms during Circuit Breaker.
2. **Contract liabilities** decreased due to contract liabilities having been reclassified to trade payables at the point at which said contract liabilities were invoiced by suppliers/sub-contractors.
3. **Lease liabilities (for current and non-current) decreased due to repayment of leases.**

As at 30 June 2020, the Group's has a working capital of S\$18.9 million.

REVIEW OF STATEMENT OF CASH FLOWS

The Group had a negative operating cash flow before changes in working capital of S\$31,000. The increase in trade and other receivables and contract assets of S\$0.7 million, as well as a decrease in trade and other payables and contract liabilities of S\$2.3 million, resulted in net cash used in operating activities of S\$3.1 million.

The net cash generated from investing activities amounting to S\$51,000 was mainly due to interest income, offset by the purchase of property, plant and equipment.

The net cash used in financing activities amounting to S\$92,000 was mainly due to the repayment of lease liabilities.

As at 30 June 2020, the Group had cash and cash equivalents of S\$19.2 million after excluding fixed deposits of S\$1.1 million pledged to banks for banking facilities.

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

Not applicable. No forecast or prospect statement had been previously disclosed to shareholders for the current reporting period.

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.

At the date of this announcement, the Group has approximately S\$137.3 million worth of contracts on hand, with completion dates ranging from financial years 2020 to 2026. The Group expects the industry to remain challenging in the next 12 months.

The Covid-19 global pandemic resulted in restrictions measures across the world. The Group has experienced a shortage of manpower supply in the construction sector due to travel restrictions imposed on workers returning to Singapore. However, the Group does not anticipate this shortage to materially impact its current operations and will keep an active look out for alternative sources of manpower. A slowdown in projects progress and consequently, reduced revenue, led to net losses for six months financial period ended 30 June 2020.

The Group has spent more on items relating to social distancing so as to mitigate the impact on the operations while complying with all safety measures set by the relevant authorities. The Company has engaged cloud hosting to facilitate remote access of software, activated the VPN (virtual private network) use for staff and invested in laptops for each employee, with the objective of encourage staff to stay safe and healthy while working remotely from home. In addition, the Group also incurred additional expenses to rent vehicles, purchased a mini bus to ferry its workers and arranged alternative accommodation for its workers.

11. If a decision regarding dividend has been made:-

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

No dividends have been declared or recommended for the current reporting period.

(b)(i) Amount per share (cents)

Not applicable.

(b)(ii) Previous corresponding period (cents)

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

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

Not applicable.

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

No dividend has been declared or recommended for HY2020. It is not the practice of the Company to declare or recommend dividend in the first half of the year.

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.

There were no Interested Party Transactions of S\$100,000 and above during the current financial period reported on. The Group does not have a general mandate from shareholders for IPT.

14. CONFIRMATION PURSUANT TO THE RULE 705(5) OF THE LISTING MANUAL

We, Messrs Foo Suay Wei and Wong Loke Tan, being two directors of Koyo International Limited (the "Company"), do hereby confirm on behalf of the Board of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of the Company which would render the unaudited financial results for the half year ended 30 June 2020 to be false or misleading in any material aspect.

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 confirms that it has procured undertakings from all its directors and executive officers in the required format.

16. DISCLOSURE OF ACQUISITION (INCLUDING INCORPORATIONS) AND SALE OF SHARES UNDER CATALIST RULE 706A

During HY2020, the Company did not acquire any shares resulting in any company becoming a subsidiary or associated company or increasing its shareholding percentage in any subsidiary. Additionally, the Company did not dispose any shares resulting in a company ceasing to be a subsidiary or associated company or decreasing its shareholding percentage in any subsidiary.

On behalf of the Board



Foo Suay Wei
Executive Director



Wong Loke Tan
Chairman

BY ORDER OF THE BOARD

13 August 2020

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst.

This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms. Gillian Goh, Director, Head of Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg)