

**SINCAP GROUP LIMITED**

(Incorporated in the Republic of Singapore)  
Co. Reg. No.201005161G

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**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020**


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*This document has been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd. ("the Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*

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**PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FINANCIAL RESULTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE ("HY") 2020**

**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**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	<b>Group</b>		
	<b>Unaudited HY 2020 RMB'000</b>	<b>Unaudited HY 2019 RMB'000</b>	<b>% Change Increase/ (Decrease)</b>
<b>Revenue</b>	25,110	226,625	(89)
Cost of Sales	(23,808)	(214,845)	(89)
<b>Gross Profit</b>	1,302	11,780	(89)
Other Income	-	11	(100)
Administrative Expenses	(653)	(5,136)	(87)
Finance Costs	(86)	(1,334)	(94)
<b>Profit before income tax</b>	563	5,321	(89)
Income Tax Expense	(28)	(1,456)	(98)
<b>Profit for the year</b>	535	3,865	(86)
<b>Other comprehensive income:</b>			
Items that are or may be reclassified subsequently to profit and loss:			
Currency translation differences arising on consolidation	1,355	(22)	n.m.
<b>Total comprehensive income for the year</b>	1,890	3,843	(51)
<b>Profit attributable to:</b>			
Equity holders of the Company	534	3,863	(86)
Non-controlling interests	1	2	(50)
	535	3,865	(86)
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Company	1,889	3,841	(51)
Non-controlling interests	1	2	(29)
	1,890	3,843	(51)

1(a)(ii) Profit, net of tax, is arrived at after (charging)/crediting the following:

	Group		
	Unaudited HY 2020 RMB'000	Unaudited HY 2019 RMB'000	% Change Increase/ (Decrease)
After (charging)/ crediting:			
Depreciation of plant and equipment	(104)	(100)	4
Foreign exchange gain/(loss)	1,607	(650)	n.m.
Interest expenses	(86)	(1,334)	(94)

n.m.: denotes 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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	Unaudited 30.06.2020 RMB'000	Audited 31.12.2019 RMB'000	Unaudited 30.06.2020 RMB'000	Audited 31.12.2019 RMB'000
<b>ASSETS</b>				
<b><u>Non-Current Assets</u></b>				
Property, Plant and Equipment	370	469	370	469
Goodwill	14,139	14,725	-	-
Investments in subsidiaries	-	-	140,366	138,543
<b>Total Non-Current Assets</b>	<u>14,509</u>	<u>15,194</u>	<u>140,736</u>	<u>139,012</u>
<b><u>Current Assets</u></b>				
Trade and other receivables	231,089	252,070	62,536	70,374
Bank and cash balances	1,526	8,426	636	262
	<u>232,615</u>	<u>260,496</u>	<u>63,172</u>	<u>70,636</u>
<b>Total Current Assets</b>	<u>232,615</u>	<u>260,496</u>	<u>63,172</u>	<u>70,636</u>
<b>Total Assets</b>	<u>247,124</u>	<u>275,690</u>	<u>203,908</u>	<u>209,648</u>
<b>EQUITY AND LIABILITIES</b>				
<b><u>Equity</u></b>				
Share capital	203,930	203,930	203,930	203,930
Accumulated profits/(losses)	14,914	14,380	(44,170)	(42,129)
Currency translation reserve	3,917	2,563	9,511	7,291
<b>Equity, attributable to equity holders of the Company</b>	<u>222,761</u>	<u>220,873</u>	<u>169,271</u>	<u>169,092</u>
Non-controlling interests	47	45	-	-
<b>Total Equity</b>	<u>222,808</u>	<u>220,918</u>	<u>169,271</u>	<u>169,092</u>
<b><u>Non-Current Liabilities</u></b>				
Borrowings	6,146	13,224	6,146	13,224
<b>Total Non-Current Liabilities</b>	<u>6,146</u>	<u>13,224</u>	<u>6,146</u>	<u>13,224</u>
<b><u>Current Liabilities</u></b>				
Trade and other payables	15,713	39,136	27,876	26,710
Borrowings	542	549	542	549
Income tax payable	1,915	1,863	73	73
	<u>18,170</u>	<u>41,548</u>	<u>28,491</u>	<u>27,332</u>
<b>Total Current Liabilities</b>	<u>18,170</u>	<u>41,548</u>	<u>28,491</u>	<u>27,332</u>
<b>Total Liabilities</b>	<u>24,316</u>	<u>54,772</u>	<u>34,637</u>	<u>40,556</u>
<b>Total Equity and Liabilities</b>	<u>247,124</u>	<u>275,690</u>	<u>203,908</u>	<u>209,648</u>

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 period reported on with comparative figures as at the end of the immediately preceding financial year

	<b>Group</b>	
	<b>Unaudited 30.06.2020 RMB'000</b>	<b>Audited 31.12.2019 RMB'000</b>
<b>Payable in one year or less, or on demand</b>		
<b>Secured</b>		
Obligation under finance leases (a)	211	211
<b>Unsecured</b>		
Term loan	331	338
	542	549
<b>Payable after one year</b>		
<b>Secured</b>		
Obligation under finance leases (a)	183	296
Convertible bonds	5,963	12,928
	6,146	13,224
<b>TOTAL</b>	6,688	13,773

#### Details of any collateral

- a) The obligations under finance leases are secured by charges of the lessors (banks) over the leased assets of the Group.

#### Note on the Bonds:

The unsecured Bonds refer to the bond issued by the Company as consideration for its purchase of 48.97% of the issued and paid-up share capital of Orion Energy Resources Pte. Ltd. Please refer to the Appendix to the Company's 2018 Annual Report for further details relating to the Bonds. As at 30 June 2020, the Company had redeemed RMB58.0 million, which is approximately S\$11.4 million of the Bond through cash payment. There has been no redemption of the Bond in new ordinary shares of the Company since the date of their issue.

**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**

	<b>Group</b>	
	<b>Unaudited HY 2020 RMB'000</b>	<b>Audited HY 2019 RMB'000</b>
<b><u>Cash flows from operating activities</u></b>		
Profit before tax	563	5,321
Adjustments for:		
Interest expense	86	1,334
Depreciation of property, plant and equipment	104	100
Operating cash flows before working capital changes	753	6,755
Receivables	24,131	4,488
Payables	(23,876)	15,112
Currency translation adjustments	(683)	1,174
Cash used in operations	325	27,529
Income tax paid	-	(618)
Net cash generated from operating activities	325	26,911
<b><u>Cash flows from financing activities</u></b>		
Interest paid	(86)	(13)
Repayment of lease liability	(102)	(90)
Repayment of bonds	(7,119)	(37,807)
Net cash flows used in financing activities	(7,307)	(37,910)
<b>Net decrease in cash and cash equivalents</b>	(6,982)	(10,999)
Cash and cash equivalents, beginning balance	8,426	13,000
Effects of exchange rate changes on cash and cash equivalents	82	(174)
<b>Cash and cash equivalents, ending balance</b>	1,526	1,827

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	Accumulated (losses)/profits	Translation reserve	Attributable to equity holders of the Company	Non- controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>As at 1 January 2020</b>	203,930	14,380	2,563	220,873	45	220,918
Profit for the year	-	534	-	534	1	535
<i>Other comprehensive income/(loss)</i>						
Currency translation differences arising on consolidation	-	-	1,354	1,354	1	1,355
Total comprehensive income for the financial year	-	534	1,354	1,888	2	1,890
<b>As at 30 June 2020</b>	203,930	14,914	3,917	222,761	47	222,808
<b>As at 1 January 2019</b>	203,930	12,113	(1,743)	214,300	41	214,341
Profit for the year	-	2,267	-	2,267	3	2,270
<i>Other comprehensive income/(loss)</i>						
Currency translation differences arising on consolidation	-	-	4,306	4,306	1	4,307
Total comprehensive income for the financial year	-	2,267	4,306	6,573	4	6,577
<b>As at 31 December 2019</b>	203,930	14,380	2,563	220,873	45	220,918

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 (continued)

**Company**

	Share capital	Accumulated losses	Currency translation reserve	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000
<b>As at 1 January 2020</b>	203,930	(42,129)	7,291	169,092
Loss for the period	-	(2,041)	-	(2,041)
Other comprehensive loss				
Currency translation differences arising from translation into the presentation currency	-	-	2,220	2,220
Total comprehensive income for the year	-	(2,041)	2,220	179
<b>As at 30 June 2020</b>	<b>203,930</b>	<b>(44,170)</b>	<b>9,511</b>	<b>169,271</b>
<b>As at 1 January 2019</b>	203,930	(35,284)	5,048	173,694
Profit for the period	-	(6,845)	-	(6,845)
Other comprehensive income				
Currency translation differences arising from translation into the presentation currency	-	-	2,243	2,243
Total comprehensive loss for the year	-	(6,845)	2,243	(4,602)
<b>As at 31 December 2019</b>	<b>203,930</b>	<b>(42,129)</b>	<b>7,291</b>	<b>169,092</b>

1(d)(ii) Details of any changes in the company's share capital arising from rights issues, bonus shares, shares buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issues 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 of the issuers, 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 was no change in the Company's share capital since the year ended 31 December 2019 and the Company has no outstanding convertibles as at 30 June 2020 (as at 31 December 2020: Nil) (as at 30 June 2019: Nil). The Company has no treasury shares or subsidiary holdings as at 30 June 2020 (as at 31 December 2019: Nil) (as at 30 June 2019: Nil).

On 19 December 2018, the Company issued a bond denominated in Singapore Dollars with a principal amount of S\$12.0 million as the consideration for the acquisition of additional interest in Orion Energy Resources Pte. Ltd ("Bond"). The Bond will mature on 19 December 2021, but may be redeemed before maturity at the Company's option. Please refer to the Company's announcement dated 27 November 2018 and 19 December 2018. Please refer to the Appendix to the Company's 2018 Annual Report for further details relating to the Bonds.

There were no treasury shares as at 30 June 2020 and 31 December 2019 respectively.

**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**

	<u>Company</u>	
	30.06.2020	31.12.2019
Number of ordinary shares in issue	<u>1,701,000,410</u>	<u>1,701,000,410</u>

The Company did not hold any treasury shares as at 30 June 2020 and 31 December 2019.

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

Not applicable. The Company did not have any treasury shares during and as at 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 neither 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 matter)**

Not applicable. The figures have neither been audited nor reviewed by the Company's auditors.

**3A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: (a) updates on the efforts taken to resolve each outstanding audit issue. (b) confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

a) Please refer to the following updates on the qualified opinion that rendered in the latest audited financial statements:

1. *Trade Receivables*

Artwell has committed to a fixed minimum monthly repayment of US\$1 million under a repayment schedule starting 28 March 2020 (the "Repayment Schedule") until the outstanding trade receivables balances (the "Outstanding Amount") is settled in full. The outstanding amount bears an interest of 7.5% per annum. Artwell has managed to meet the minimum repayment amount committed to under the Repayment Schedule since March 2020. Artwell has repaid US\$4.6 million since March 2020, the amount that remains outstanding as at 30 June 2020 is US\$27.7 million. At present, there is no indication of default by Artwell.

2. *Valuation of Bond*

In order to satisfy the auditor as to the valuation and carrying value of the Bond at initial recognition and as at 31 December 2019, there is a need to engage professional valuer service. The Company has decided that it would not be economically beneficial to the Company to perform the valuation, given that substantial amount of the Bond had been redeemed in FY2019 and HY2020 via cash and the Company intends to resolve this issue by fully redeeming the Bond in cash.

b) The board confirms that the impact of all outstanding audit issues has been adequately disclosed.

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

The Group and the Company have applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting financial year as in the audited financial statements for the financial year ended 31 December 2019, except for the adoption of the amendments and interpretations of the Singapore Financial Reporting Standards (International) ("SFRS(I)") which are effective for annual financial periods beginning on or after 1 January 2020.

#### 5. If there are any changes in the accounting policies and methods of computation, including any required by the accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group and the Company have adopted all the amendments and interpretations of the Singapore Financial Reporting Standards (International) ("SFRS(I)") which are effective for annual financial periods beginning on or after 1 January 2020, as mentioned in Paragraph 4 above. The adoption has no material financial impact on the financial statements of the Group and the Company for the current financial year reported on and prior reporting periods.

#### 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

	<b>Unaudited HY 2020</b>	<b>Unaudited HY 2019</b>
<u>Earnings per share ( "EPS" ) (RMB cents)</u>		
on weighted average number of ordinary shares	0.03	0.23
on fully diluted basis	0.03	0.23
<u>Net profit attributable to shareholders (RMB'000) used to compute</u>		
basic EPS	534	3,863
diluted EPS	534	3,863
<u>Weighted average number of ordinary shares in issue used to compute</u>		
basic EPS	1,701,000,410	1,701,000,410 <sup>(1)</sup>
diluted EPS	1,701,000,410	1,701,000,410 <sup>(1)</sup>

**Note:**

- (1) The calculation for the basic and diluted EPS is based on the weighted average number of ordinary shares in issue during the respective financial periods.
- (2) The basic and diluted EPS and LPS for HY2020 and HY2019 respectively were the same as there were no potentially dilutive securities in issue for the respective financial period.



**7. Net asset value per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of: (a) current financial period reported on; and (b) immediate preceding financial year**

	<u>Group</u>		<u>Company</u>	
	<b>Unaudited 30.06.2020</b>	<b>Audited 31.12.2019</b>	<b>Unaudited 30.06.2020</b>	<b>Audited 31.12.2019</b>
Net asset value per ordinary share based on existing issued share capital as at the end of period (RMB cents)	13.10	12.98	9.95	9.94
Net asset value as at the end of the period (RMB'000)	222,761	220,874	169,271	169,092
Number of ordinary shares in issue at the end of the period	1,701,000,410	1,701,000,410	1,701,000,410	1,701,000,410

**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**

**8(a). REVIEW OF CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

**Revenue**

The Group's revenue decreased by RMB201.5 mil or 89%, from RMB226.6 mil in HY2019 to RMB25.1 mil in HY2020, which was mainly due to the outbreak of coronavirus (Covid-19) pandemic. The pandemic has restricted the supply chains of coal to China, making it harder for shippers to find vessels to deliver coal to China. Uploading cargoes at China's ports and transporting them to end-user also face severe disruption. Besides, the customers are delaying the shipment as there are less demand in production due to Covid-19.

**Gross profit and gross profit margin**

The Group recorded a gross profit of RMB1.3 mil, a significant decrease by 89% as compared to HY2019 results of RMB11.7mil. The decrease in gross profit is in line to the decrease in revenue.

Consequently, the Group's overall gross profit margin of 5.2% for HY2020 remain the same level as recorded in HY2019 of 5.2%. For HY2020, most of contracts year to date are on spot basis which is closer to market price.

**Other income**

The Group's other income in HY2019 was mainly derived from government grant, while there is none in HY2020.

**Other items of expenses**

Administrative expenses decreased by 89%, from HY2019 results of RMB5.1 mil to RMB0.7 mil in HY2020. The decrease is mainly due to decrease in professional fees incurred and also reduced business activities due to the pandemic.

Finance costs of 0.1mil in HY2020 decreased by 94%, as compared to HY2019 results of 1.3mil. The decrease is due to reduce in interest expense relating to large proportion of the Bond had been redeemed as at FY2019.

#### **Income tax**

The Group incurred income tax expenses of RMB0.02mil in HY2020, a decrease of 98% from HY2019 tax expenses of RMB1.4 mil due to much lower profits from its operating subsidiary, Orion.

### **8(b). REVIEW OF THE STATEMENTS OF FINANCIAL POSITION**

The Group recorded positive working capital of RMB214.4 million as at 30 June 2020, as compared to RMB218.9 million as at 31 December 2019.

The Group's equity attributable to holders of the Company increased by RMB1.9 million, from RMB220.9 million as at 31 December 2019 to RMB222.8 million as at 30 June 2020. The increase was mainly due to increase in currency translation reserve.

#### **Non-current assets**

Non-current assets decreased by RMB0.7 million, from RMB15.2 million as at 31 December 2019 to RMB14.5 million as at 30 June 2020 due to depreciation.

#### **Current assets**

Current assets decreased by RMB27.9 million from RMB260.5 million as at 31 December 2019 to RMB232.6 million as at 30 June 2020. This was mainly due to decrease in trade receivables by RMB21.0 million and decrease in bank and cash balances of RMB6.9 million as a result of Bond repayments.

#### **Non-current liabilities**

Non-current liabilities decreased by RM7.1 million, from RMB13.2 million as at 31 December 2019 to RMB6.1 million as at 30 June 2020, mainly due to Bond repayments.

#### **Current liabilities**

Current liabilities decreased by RMB23.4 million, from RMB41.5 million as at 31 December 2019 to RMB18.1 million as at 30 June 2020. The decrease was mainly due to decrease of RMB23.4 million in trade and other payables which is in line with the decrease of thermal coal purchase.

### **8(c). REVIEW OF THE STATEMENT OF CASH FLOWS**

In HY2020, the net cash generated from operating activities before changes in working capital was RMB0.7 million. The net working capital inflow of RMB0.3 million was mainly due to (i) an increase of RMB24.1 million in trade and other receivables, due to repayments from customers and (ii) a decrease of RMB23.8 million in trade and other payables, due to payments made to suppliers. This resulted in net cash generated from operating activities of RMB0.3 million.

In HY2020, the net cash used in financing activities amounted to RMB7.3 million, mainly due to Bond repayments.

As a result of the above, cash and cash equivalents stood at RMB1.5 million as at 30 June 2020.

### **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 a prospect statement had been previously disclosed to shareholder.

**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 Group's revenue and profit after tax decreased drastically by 89% to RMB25.1 million and RMB0.5 million respectively in HY2020 due to the coronavirus (Covid-19) pandemic.

The pandemic hit China in February 2020, and subsequently worldwide, disrupted the supply chains of coal to China. Due to the pandemic, there is also less demand in the production, customers had requested to put on hold some of the shipments and delayed to second half of the year, while monitoring the Covid-19 situation due to fear of second outbreak. However, the Group expects a consistent flow of revenue contribution as the Group has signed contracts with customer to supply for the next 12 months. In addition, to further address the uncertainties of the Covid-19 pandemic, the Group will continue to look for the right opportunities to diversify its business and revenue streams. This could happen through further acquisitions, investments or the starting of new businesses. It is important that the Group stays diversified so that it will be able to ride any potential storm that comes its way

A subsidiary of the Group, Orion Energy Resources Pte Ltd ("Orion") had noticed slow repayment from one of its major customers, Artwell Minerals Resources Pte Ltd ("Artwell"). Mr Chu Min Fang, the brother of Mr Chu Ming Kin (Chairman and Chief Executive Officer), owns the entire shareholding in Artwell. Accordingly, Artwell is an interested person of the Group, pursuant to Catalist Listing Rule 904.

As at 30 June 2020, the outstanding balance of Artwell is sitting at RMB195.7 million (equivalent to USD27.7 million) (as at December 2019: RMB225.3 million (equivalent to USD32.3 million)). The debt balance is wholly related to trade transactions (sales of coals) in the Company's ordinary course of business and thus is not secured as with debts with other unrelated customers.

The Group has stopped further dealings with Artwell for FY2020. Amounts due from Artwell will be collected in accordance with a repayment schedule starting 28 March 2020. Up till July 2020, the Company has been receiving payment from Artwell consistently and timely as per the repayment schedule.

At present, there is no indication that Artwell's ability to repay its debts has been adversely affected by Covid-19. Nevertheless, the Company is closely monitoring the development of the Covid-19 situation and has been in close contact with both the management and board of Artwell, in order to be responsive and will make any material announcements on material developments accordingly.

**11. Dividend**

**(a) Current financial period reported on any dividend declared for the current financial period reported on?**

Nil

**(b) Corresponding period of the immediately preceding financial year any dividend declared for the corresponding period of the immediately preceding financial year?**

Nil

**(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 interim dividend has been declared or recommended for HY2020 as the Board of Directors of the Company deems it appropriate to retain the cash for the Group's working capital expenditure and for the Group's future growth.

**13. Aggregate value of all Interested Person Transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual Section B: Rules of Catalist**

Particulars of interested person transactions ("IPTs") for the period 1 January 2020 to 30 June 2020

	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) RMB'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) RMB'000
<b>Sales:</b> Artwell Minerals Resources Company Limited	Nil	Nil

**14. Negative confirmation pursuant to Rule 705(5)**

We, Chu Ming Kin and Chia Soon Hin William, being the Directors of the Company, do hereby confirm, on behalf of the Board of Directors of the Company (the "Board") that, to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited financial results for the financial period 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) of the Listing Manual.**

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

**BY ORDER OF THE BOARD**

**Chu Ming Kin**  
*Executive Chairman and  
Chief Executive Officer*

14 August 2020