



## Sakae Holdings Ltd.

### Second Quarter and Six months Financial Statement And Dividend Announcement

The Company is mandatorily required pursuant to the requirements of the Singapore Exchange Securities Trading Limited (“SGX-ST”) to continue with quarterly reporting of its financial statements with effect from 7 February 2020 in view of the modified opinion issued by the Company’s statutory auditors in its annual report for the financial year ended 30 June 2019.

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

- 1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

#### Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Group					
	Quarter ended			6 months ended		
	31 December		Increase / (Decrease)	31 December		Increase / (Decrease)
	2019 (2QFY2020)	2018 (2QFY2019)		2019 (1HFY2020)	2018 (1HFY2019)	
S\$'000	S\$'000 (Restated)	%	S\$'000	S\$'000 (Restated)	%	
Revenue	9,203	11,219	(18.0)	18,618	21,627	(13.9)
Cost of sales	(3,435)	(4,203)	(18.3)	(6,504)	(7,625)	(14.7)
Gross profit	5,768	7,016	(17.8)	12,114	14,002	(13.5)
Other operating income	1,005	980	2.6	1,924	1,918	0.3
Administrative expenses	(4,576)	(5,362)	(14.7)	(9,335)	(10,646)	(12.3)
Other operating expenses	(2,752)	(3,205)	(14.1)	(5,673)	(6,271)	(9.5)
Finance cost	(313)	(383)	(18.3)	(729)	(709)	2.8
Loss before income tax	(868)	(954)	(9.0)	(1,699)	(1,706)	(0.4)
Income tax	134	(48)	N.M.	134	(48)	N.M.
Loss after income tax	(734)	(1,002)	(26.7)	(1,565)	(1,754)	(10.8)
Attributable to:						
Equity holders of the company	(734)	(1,031)	(28.8)	(1,565)	(1,783)	(12.2)
Non-controlling interest	-	29	N.M.	-	29	N.M.
	(734)	(1,002)	(26.7)	(1,565)	(1,754)	(10.8)

N.M. - Not Meaningful

**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 Profit or Loss and Other Comprehensive Income (cont'd)**

	Group					
	Quarter ended			6 months ended		
	31 December		Increase / (Decrease)	31 December		Increase / (Decrease)
	2019 (2QFY2020)	2018 (2QFY2019)		2019 (1HFY2020)	2018 (1HFY2019)	
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
	(Restated)		(Restated)			
Net loss for the period	(734)	(1,002)	(26.7)	(1,565)	(1,754)	(10.8)
Other comprehensive (loss) income:						
Currency translation differences	(2)	172	N.M.	(2)	104	N.M.
<b>Total comprehensive loss for the period</b>	<b>(736)</b>	<b>(830)</b>	<b>(11.3)</b>	<b>(1,567)</b>	<b>(1,650)</b>	<b>(5.0)</b>
Attributable to:						
Equity holders of the Company	(736)	(859)	(14.3)	(1,567)	(1,679)	(6.7)
Non-controlling interests	-	29	N.M.	-	29	N.M.
<b>Total comprehensive loss for the period</b>	<b>(736)</b>	<b>(830)</b>	<b>(11.3)</b>	<b>(1,567)</b>	<b>(1,650)</b>	<b>(5.0)</b>

N.M. - Not Meaningful

Loss before income tax is determined after charging (crediting) the following:

	Group					
	Quarter ended			6 months ended		
	31 December		Increase / (Decrease)	31 December		Increase / (Decrease)
	2019 (2QFY2020)	2018 (2QFY2019)		2019 (1HFY2020)	2018 (1HFY2019)	
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
	(Restated)		(Restated)			
Depreciation on property, plant and equipment	539	643	(16.2)	1,092	1,401	(22.1)
Depreciation on investment property	6	6	-	12	12	-
(Gain) Loss on disposal of plant and equipment (net)	(1)	6	N.M.	(2)	10	N.M.
Write off of plant and equipment	6	-	N.M.	12	-	N.M.
Interest expense	313	383	(18.3)	729	709	2.8
Interest income	(1)	(14)	(92.9)	(1)	(5)	(80.0)
Income tax (credit) expense	(134)	12	N.M.	(134)	48	N.M.

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.**

	<b>Group</b>		<b>Company</b>	
	<b>31/12/2019</b>	<b>30/06/2019</b>	<b>31/12/2019</b>	<b>30/06/2019</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b><u>ASSETS</u></b>				
<b>Current assets:</b>				
Cash and cash equivalents	4,311	1,169	2,923	316
Trade receivables	1,625	1,304	178	188
Other receivables and prepayments	9,615	9,591	1,454	2,847
Inventories	1,191	938	50	67
Equity investments at fair value through profit or loss	351	377	-	25
Income tax recoverable	86	1,015	-	-
<b>Total current assets</b>	<b>17,179</b>	<b>14,394</b>	<b>4,605</b>	<b>3,443</b>
<b>Non-current assets:</b>				
Subsidiaries	-	-	10	10
Due from subsidiaries	-	-	15,459	14,417
Equity investments at fair value through profit or loss	2,320	10,468	-	6,792
Joint venture	350	350	-	-
Property, plant and equipment	68,744	69,384	63,034	63,856
Investment properties	2,806	2,810	-	-
Goodwill	719	720	-	-
<b>Total non-current assets</b>	<b>74,939</b>	<b>83,732</b>	<b>78,503</b>	<b>85,075</b>
<b>Total assets</b>	<b>92,118</b>	<b>98,126</b>	<b>83,108</b>	<b>88,518</b>
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>				
<b>Current liabilities:</b>				
Bank loans	45,673	50,001	45,527	48,930
Trade payables	3,939	4,008	1,694	1,604
Other payables and accruals	2,296	2,333	757	1,180
Provisions	526	550	131	131
Due to subsidiaries	-	-	6,407	7,041
Income tax payable	669	684	-	-
<b>Total current liabilities</b>	<b>53,103</b>	<b>57,576</b>	<b>54,516</b>	<b>58,886</b>
<b>Non-current liabilities:</b>				
Deferred tax liabilities	8,813	8,813	8,376	8,376
<b>Total non-current liabilities</b>	<b>8,813</b>	<b>8,813</b>	<b>8,376</b>	<b>8,376</b>
<b>Capital and reserves:</b>				
Share capital	10,736	10,736	10,736	10,736
Treasury shares	(892)	(892)	(892)	(892)
Reserves	20,335	21,870	10,372	11,412
Equity attributable to equity holders of the company	30,179	31,714	20,216	21,256
Non-controlling interests	23	23	-	-
<b>Total equity</b>	<b>30,202</b>	<b>31,737</b>	<b>20,216</b>	<b>21,256</b>
<b>Total liabilities and equity</b>	<b>92,118</b>	<b>98,126</b>	<b>83,108</b>	<b>88,518</b>

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

**Amount repayable in one year or less, or on demand**

<b>As at 31/12/2019</b>		<b>As at 30/06/2019</b>	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
45,286	387	48,165	1,836

**Amount repayable after one year**

<b>As at 31/12/2019</b>		<b>As at 30/06/2019</b>	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	-

**Details of any collateral**

The Group obtained loan facilities to finance the construction of its headquarters which was mortgaged to the lending bank as a form of collateral and short term loans for working capital.

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

Please see next page.

	Group			
	Quarter ended		6 months ended	
	31 December		31 December	
	2019 (2QFY2020)	2018 (2QFY2019)	2019 (1HFY2020)	2018 (1HFY2019)
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Operating activities</b>				
Loss before income tax	(868)	(954)	(1,699)	(1,706)
Adjustments for:				
Depreciation of property, plant and equipment	539	643	1,092	1,401
Depreciation of investment property	6	6	12	12
(Gain) Loss on disposal of property, plant and equipment	(1)	6	(2)	10
Write-off of property, plant and equipment	6	-	12	-
Loss on disposal of held for trading investments	-	25	-	25
Dividend income from held for trading investments	(3)	(6)	(5)	(43)
Fair value loss on held for trading investments	-	-	-	9
Unrealised foreign exchange loss	38	2	103	2
Interest expense	313	383	729	709
Interest income	(1)	(14)	(1)	(5)
Operating cash flows before movements in working capital	29	91	241	414
Trade receivables	24	(1,740)	(321)	(940)
Other receivables and prepayments	(183)	449	(24)	451
Inventories	(290)	(775)	(253)	(797)
Trade payables	688	1,979	725	1,287
Other payables and accruals	(187)	509	(351)	(876)
Cash from (used) in operations	81	513	17	(461)
Interest paid	(313)	(383)	(729)	(709)
Interest received	1	14	1	5
Income taxes and withholding taxes (paid) refund	134	(12)	134	(48)
Net cash (used in) from operating activities	(97)	132	(577)	(1,213)
<b>Investing activities</b>				
Purchase of property, plant and equipment	(111)	-	(111)	-
Proceeds from disposal of property, plant and equipment	-	109	-	109
Purchase of intangible asset	-	54	-	54
Proceeds from liquidation of equity investments at FVTPL	-	-	8,148	-
Dividend income from equity investments	3	5	5	43
Proceeds from disposal of held for trading investments	-	435	-	541
Net cash (used in) from investing activities	(108)	603	8,042	747
<b>Financing activity</b>				
Repayment of bank loans	(3,522)	(933)	(4,328)	(2,075)
Net cash used in financing activity	(3,522)	(933)	(4,328)	(2,075)
Net (decrease) increase in cash and cash equivalents	(3,727)	(198)	3,137	(2,541)
Cash and cash equivalents at beginning of period	8,036	1,810	1,169	4,148
Effects on exchange rate changes on the balance of cash held in foreign currencies	2	1	5	6
<b>Cash and cash equivalents at end of period</b>	<b>4,311</b>	<b>1,613</b>	<b>4,311</b>	<b>1,613</b>

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.

	Issued capital	Treasury shares	Capital reserve	Currency translation reserve	Revaluation reserve	Accumulated profits	Attributable to equity holders of the company	Non-controlling interests	Total
	S\$'000	S\$'000		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Group</b>									
Balance at July 1, 2018	10,736	(892)	166	(854)	43,035	(10,499)	41,692	1,346	43,038
Profit for the period						(802)	(802)	-	(802)
Other comprehensive (loss) income for the period	-	-	-	(68)	-	-	(68)	58	(10)
Balance at September 30, 2018 (Restated)	10,736	(892)	166	(922)	43,035	(11,301)	40,822	1,404	42,226
Balance at October 1, 2018	10,736	(892)	166	(922)	43,035	(11,301)	40,822	1,404	42,226
Loss for the period						(1,031)	(1,031)	29	(1,002)
Other comprehensive income for the period	-	-	-	172	-	-	172	-	172
Balance at December 31, 2018 (Restated)	10,736	(892)	166	(750)	43,035	(12,332)	39,963	1,433	41,396
Balance at July 1, 2019	10,736	(892)	166	(738)	45,462	(23,020)	31,714	23	31,737
Loss for the period	-	-	-	-	-	(831)	(831)	-	(831)
Other comprehensive income for the period	-	-	-	28	4	-	32	-	32
Balance at September 30, 2019	10,736	(892)	166	(710)	45,466	(23,851)	30,915	23	30,938
Balance at October 1, 2019	10,736	(892)	166	(710)	45,466	(23,851)	30,915	23	30,938
Loss for the period	-	-	-	-	-	(734)	(734)	-	(734)
Other comprehensive income (loss) for the period	-	-	-	2	(4)	-	(2)	-	(2)
Balance at December 31, 2019	10,736	(892)	166	(708)	45,462	(24,585)	30,179	23	30,202
<b>Company</b>									
Balance at July 1, 2018	10,736	(892)	-	-	42,196	(23,898)	28,142	-	28,142
Loss for the period	-	-	-	-	-	(627)	(627)	-	(627)
Balance at September 30, 2018	10,736	(892)	-	-	42,196	(24,525)	27,515	-	27,515
Balance at October 1, 2018	10,736	(892)	-	-	42,196	(24,525)	27,515	-	27,515
Loss for the period	-	-	-	-	-	(890)	(890)	-	(890)
Balance at December 31, 2018	10,736	(892)	-	-	42,196	(25,415)	26,625	-	26,625
Balance at July 1, 2019	10,736	(892)	-	-	45,696	(34,284)	21,256	-	21,256
Profit for the period	-	-	-	-	-	149	149	-	149
Balance at September 30, 2019	10,736	(892)	-	-	45,696	(34,135)	21,405	-	21,405
Balance at October 1, 2019	10,736	(892)	-	-	45,696	(34,135)	21,405	-	21,405
Loss for the period	-	-	-	-	-	(1,189)	(1,189)	-	(1,189)
Balance at December 31, 2019	10,736	(892)	-	-	45,696	(35,324)	20,216	-	20,216

- 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.**

Treasury shares

The changes in the Company's Treasury shares are set out below.

	31 December 2019		30 June 2019	
	No. of shares ('000)	(\$'000)	No. of shares ('000)	(\$'000)
At beginning and end of period/year	2,528	892	2,528	892

- 1(d)(iii) To show the number of shares held as treasury shares, if any, against 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.**

	31/12/2019	30/06/2019
Number of shares held as treasury shares	2,528,000	2,528,000
Total no. of issued shares (excluding treasury shares)	139,472,000	139,472,000

- 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.**

Not applicable.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holding as at end of the current financial period reported on.**

During the financial period, there was no transaction pertaining to subsidiary holdings.

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

The figures have not been audited or reviewed by the Company's auditors.

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

Not applicable as the figures have not been audited or reviewed by the 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.**

The auditors have issued a disclaimer opinion on the Group's financial statements for the financial year ended 30 June 2019 due to the following outstanding audit issues (please refer to page 33 to 35 of the Company's 2019 Annual Report for more information):-

(i) Matters concerning GREIH & GCM

The Company will provide the necessary update upon notification of any material development by the Liquidators of GREIH, concerning the recovery process pursuant to the legal proceedings.

(ii) Matters concerning sugar trade business

Investigations are still on-going and in light of the same, the Company will provide further updates as and when it is appropriate to do so.

(iii) Matters concerning Cocosa Export

The Company has appointed a Special Auditor and will provide further updates as and when it is appropriate to do so.

(iv) Matters concerning the differences arising from the intragroup balances

The Management is in the process of resolving the differences with its statutory auditor.

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

The Board confirms that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

**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 Company has followed the same accounting policies and methods of computation in the financial statements for the current period with those adopted in the most recent audited financial statements for the financial year ended 30 June 2019, except for the adoption of SFRS(I) 16 Leases which became effective on or after 1 January 2019 and applicable to the Group from 1 July 2019. The adoption of SFRS(I) 16 has no significant impact to the Group's financial statements in the prior and current years.

**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.**

Not applicable.

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.**

	Quarter ended 31 December 2019 (2QFY2020)	Quarter ended 31 December 2018 (2QFY2019)	6 months ended 31 December 2019 (1HFY2020)	6 months ended 31 December 2018 (1HFY2019)
Earnings per ordinary share for the period				
(a) Based on weighted average number of ordinary shares in issue (cents)	(0.53)	(0.72)	(1.12)	(1.26)
(b) On a fully diluted basis (cents)	(0.53)	(0.72)	(1.12)	(1.26)

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares at the end of the:-**

- (a) current financial period reported on; and  
(b) immediately preceding financial year.

	Group		Company	
	31/12/2019	30/06/2019	31/12/2019	30/06/2019
Net asset value per ordinary share based on issued share capital as at the end of period (cents)	21.64	22.74	14.49	15.24

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.

Financial performance (2QFY2020 vs 2QFY2019)

Group revenue for the quarter ended 31 December 2019 ("2QFY2020") totalled \$9.2 million, a decrease of 18.0% as compared to \$11.2 million in the corresponding period of the previous year ("2QFY2019"). Group revenue decreased as a result of streamlining Group operations, resulting in reduction of revenue, with a corresponding decrease in the cost of sales and labour costs. Gross profit margin has increased by 0.2%, from 62.5% in 1QFY2019 to 62.7% in 1QFY2020, due to the effective management of operations.

Streamlining the Group's operations has also resulted in a decrease in administrative expenses of 14.7%, from \$5.4 million in 2QFY2019 to \$4.6 million in 2QFY2020. Labour costs also decreased significantly by 16.3%, from \$4.3 million in 2QFY2019 to \$3.6 million in 2QFY2020. Other administrative expenses including depreciation charges and other expenses also decreased.

Other operating expenses decreased by 14.1%, from \$3.2 million in 2QFY2019 to \$2.8 million in 2QFY2020, mainly due to a decrease in rental expenses as a result of a reduced number of outlets.

For 2QFY2020, Group loss before tax was \$0.9 million (as compared to Group loss before tax of \$1.0 million for 2QFY2019). Group net loss after tax was \$0.7 million (as compared to Group net loss after tax of \$1.0 million for 2QFY2019).

#### Financial performance (1HFY2020 vs 1HFY2019)

Group revenue for the first half-year ended 31 December 2019 (“1HFY2020”) totalled \$18.6 million, a decrease of 13.9% as compared to \$21.6 million in the corresponding period of the previous year (“1HFY2019”). Group revenue decreased as a result of streamlining Group operations, resulting in reduction of revenue, with a corresponding decrease in the cost of sales and labour costs. Gross profit margin has increased by 0.4%, from 64.7% in 1HFY2019 to 65.1% in 1HFY2020, due to the effective management of operations.

Streamlining the Group’s operations has also resulted in a decrease in administrative expenses by 12.3%, from \$10.6 million in 1HFY2019 to \$9.3 million in 1HFY2020. Labour costs also decreased significantly by 13.1%, from \$8.4 million in 1HFY2019 to \$7.3 million in 1HFY2020. Other administrative expenses including depreciation charges and other expenses also decreased.

Other operating expenses decreased by 9.5%, from \$6.3 million in 1HFY2019 to \$5.7 million in 1HFY2020, mainly due to a decrease in rental expenses as a result of reduced outlets.

For 1HYF2020, Group loss before tax was \$1.7 million (as compared to Group loss before tax of \$1.7 million for 1HYF2019). Group net loss after tax was \$1.6 million (as compared to Group net loss after tax of \$1.8 million for 1HFY2019).

#### Financial position of the Group

Group and Company cash and bank balances as at 31 December 2019 (“HY2020”) stood at \$4.3 million and \$2.9 million respectively as compared to \$1.2 million and \$0.3 million respectively as at 30 June 2019 (“FY2019”). The Group has received a net return of \$8.1 million in relation to the partial return of capital from its investments in GREIH and GCM. In addition, the Group has reduced the bank borrowings of \$4.3 million in HY2020. The Group continues to be cautious and will take reasonable steps to manage its cash flow effectively.

Total trade payables decreased by 1.7%, from \$4.0 million in FY2019 to \$3.9 million in HY2020. Other payables and accruals as well as provisions of the Group have decreased by 2.1%, from \$2.9 million in FY2019 to \$2.8 million in HY2020, following the streamlining of its Food & Beverage businesses.

Total Group and Company bank loan balances have decreased due to the repayment of term loans over the period.

Shareholders’ equity for the Group and Company stood at \$30.2 million and \$20.2 million respectively as at HY2020, as compared with \$31.7 million and \$21.3 million respectively as at FY2019.

#### Cash flow of the Group

The Group had negative operating cash flows of \$0.6 million in 1HFY2020, which has improved from negative of \$1.2 million as at 1HFY2019. The Group continues to be cautious to manage its operating costs effectively.

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

No forecast or prospect statement has been issued previously.

**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.**

With the current uncertain global economic climate not showing clear signs of resolution in the near future, combined with the rising business costs with perennial acute labour shortage amidst intense competition within the Food & Beverage industry, the Group expects operating conditions to continue to be challenging as food, labour, rental and utilities costs continue to rise in the foreseeable next 12 months. The Group will continue to work hard to manage the challenging operating conditions in the Food & Beverage industry.

In addition, unforeseen circumstances such as the 2019 Novel Coronavirus is predicted to impact the Food & Beverage businesses significantly. The Group will remain cautious in managing the business operating costs and improve operational efficiency. The Group has and will continue to adopt measures according to the guidelines from the Ministry of Health and other government agencies, to safeguard our employees and customers against the virus.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

No.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

**(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 or recommended for current financial period in order to conserve cash for future operations in view of the prevailing business conditions of the Group.

**13. Disclosure of interested person transactions**

No general mandate has been obtained from shareholders for IPTs.

**14. Confirmation Pursuant to Rule 705(5) of the Listing Manual**

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited financial results of the Company for the six months ended 31 December 2019 presented in this announcement, to be false or misleading in any material respect.

**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 confirmed that it has procured undertakings from all its directors and executive officer (in the format set out in Appendix 7.7) under Rule 720(1).

**BY ORDER OF THE BOARD**

Douglas Foo Peow Yong  
Executive Chairman

14 February 2020