1. **SGX-ST CONDITIONAL GRANT OF EXTENSION OF TIME TO (1) PUBLISH THE COMPANY’S ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (“FY2019”); (2) HOLD THE COMPANY’S ANNUAL GENERAL MEETING FOR FY2019; (3) PUBLISH THE COMPANY’S UNAUDITED RESULTS FOR THE FINANCIAL PERIOD ENDING 31 MARCH 2020; (4) ISSUE THE COMPANY’S SUSTAINABILITY REPORT FOR FY2019; AND (5) MEET THE REQUIREMENTS TO EXIT FROM THE SGX-ST FINANCIAL WATCH-LIST**

2. **RECEIPT OF NOTICE FROM THE COMPANY’S AUDITORS OF SUBMISSION OF RESIGNATION APPLICATION**

3. **SUBMISSION OF FURTHER EXTENSION OF TIME APPLICATIONS**

Reference is made to:

(i) the Company’s announcements on SGXNet dated 3 April 2020, 13 April 2020, 25 April 2020 and 12 May 2020 (“12 May Announcement”) in relation to the Company’s applications for an extension of time to hold its annual general meeting for FY2019, to publish its corresponding annual report and sustainability report, and to publish its first quarterly financial statements for the financial year ending 31 December 2020 (“FY2020”); and

(ii) the Company’s announcements on SGXNet dated 28 August 2017, 31 August 2017, 1 December 2017, 28 February 2019, 4 March 2019 and 22 April 2019 in relation to the grant of extensions of time to meet the requirements to exit from the financial watch-list of the Singapore Exchange Securities Trading Limited (“SGX-ST”).

1. **SGX-ST CONDITIONAL GRANT OF EXTENSION OF TIME**

1.1 The Board of Directors (“Board”) of the Company, (and together with its subsidiaries, the “Group”) wishes to announce that in relation to the Company’s extension of time application to the SGX-ST to hold the Company’s annual general meeting (“AGM”) for FY2019, publish the annual report for FY2019, publish its first quarter unaudited financial statements for FY2020 (“1Q2020”), publish the sustainability report for FY2019, (collectively, the "Annual Report-related Extension Application"), and the Company’s extension of time application to meet the exit requirements under Rule 1314 of the Listing Manual (“Financial Criteria Exit Requirements”) ("Financial Watch-list Extension Application"), the SGX-ST had on 18 June 2020, granted the Company the following conditional extensions of time:

(a) a further extension of time from 15 May 2020 to 19 June 2020 to publish its annual report for FY2019;

(b) a further extension of time from 29 June 2020 to 6 July 2020 to hold its AGM for FY2019;

(c) an extension of time from 15 May 2020 to 23 June 2020 to publish its 1Q2020 financial statements;

(d) an extension of time from 31 May 2020 to 19 June 2020 to publish its sustainability report for FY2019; and

(e) a further extension of time from 5 June 2020 to 19 June 2020 to meet the requirements for removal from the financial watch-list of the SGX-ST;

(collectively, the "Waiver").

1.2 The grant of the Waiver by the SGX-ST is subject to the following conditions:

(a) the Company announcing the Waiver granted, the reasons for seeking the Waiver, the conditions as required under Mainboard Listing Rule 107 and if the Waiver conditions have been satisfied. If the Waiver conditions have not been met on the date of the
announcement, the Company must make an update announcement when the conditions have all been met.

(b) submission of a written confirmation from the Company that it is not aware of any information that will have a material bearing on investors’ decision which has yet to be announced by the Company;

(c) the Company convening the annual general meeting by 6 July 2020; and

(d) issuance of the Company’s annual report and sustainability report via SGXNet by 19 June 2020.

Shareholders are to note that the Company will be seeking a further extension as it will not be able to issue its annual report and sustainability report via SGXNet by 19 June 2020, which is one of the conditions as stated in paragraph 1(d) above. For more details, please refer to paragraph 4 of this announcement.

2. **REASONS FOR SEEKING THE WAIVER**

2.1 The reasons for seeking the Annual Report-related Extension Application were:

**Extension of time to publish its annual report**

(a) BDO LLP (“BDO”) had indicated to the Company that there are key audit matters which needed to be resolved and they are set out as follows:

   (i) RCL Kelstar Sdn Bhd (“RCL”) revenue recognition;

   (ii) recoverability of related trade receivables arising from the revenue recognised from (i);

   (iii) going concern assessment of the Group after (i) and (ii) have been resolved; and

   (iv) updated consolidation and annual report.

(b) BDO had written\(^{(1)}\) to the Company indicating that they will require two (2) additional weeks of processing time\(^{(2)}\) to finalise the Company’s audit for FY2019 once the parties have reached a conclusion on the key audit matters under paragraphs (a)(i) to (iv) above;

**Notes:**

(1) For more details, Shareholders are to note that the key audit matters were raised by BDO to the Company on 29 March 2020 and a conference call was held between BDO (Singapore), BDO Malaysia (KL) and the Company in the morning on 30 March 2020. The Company had then updated the Audit Committee of the key matters raised by BDO on the same day.

(2) BDO had written to the Company on 8 May 2020 notifying the Company that the key audit matters previously highlighted on 29 March 2020 have yet to be resolved. BDO (Singapore) would require an additional two (2) weeks of processing time upon receipt of any new information provided by management in relation to the key audit matters.

(c) in relation to paragraph 2.1(a) above, the Company was then still working with BDO and as such, both the Company\(^{(3)}\) and BDO required time to resolve the outstanding key issues;

**Note:**

(3) Shareholders advised to refer to Annex A of this announcement on the actions taken by the Audit Committee and the Board to address the key audit matters.

(d) additionally, on 10 May 2020, the Malaysian Government announced that the movement control order in Malaysia was then extended to 9 June 2020. The movement control measures in Malaysia and in Singapore had affected the Company’s ability to promptly address the matters raised by BDO; and

(e) for the reasons stated above, it was in the interests of the Company to apply and for the SGX-ST to grant the extension of time to publish its annual report.
Extension of time for convening AGM, publishing of 1Q2020 financial statements and publishing of sustainability report

The key reason for the Company seeking extensions of time to convene its AGM, publish its 1Q2020 financial statements and publish its sustainability report was that the issues affecting the completion of the Company’s FY2019 audit (as stated above) had a significant impact on the Company’s ability to meet the existing deadlines for the above stated matters.

2.2 The reasons for seeking the Financial Watch-list Extension Application were:

(a) as provided in the Company’s Annual Report-related Extension Application, the Company was working with BDO and as such, additional time was required to complete and resolve outstanding key issues so as to finalise the audit for FY2019;

(b) in relation to paragraph 2.2(a) above and as set out in the Company’s Annual Report-related Extension Application, the Company had therefore applied for an extension of time to publish its annual report for FY2019 by 19 June 2020. Accordingly, the due date by which the Company was required to meet the Financial Criteria Exit Requirements must be aligned with the Company’s extension of time application to publish its annual report for FY2019 by 19 June 2020 as the Financial Criteria Exit Requirements requires the Company to record consolidated pre-tax profits based on the latest full year consolidated audited accounts; and

(c) for the reasons stated above, it was in the interests of the Shareholders and for SGX-ST to grant the Financial Watch-list Extension Application.

3. NOTICE OF AUDITORS’ RESIGNATION

3.1 The Board also wishes to inform shareholders of the Company ("Shareholders") that the audit for FY2019 has been temporarily put on hold as there is a disagreement between the management of the Company and the Company’s external auditors, BDO on the accounting treatment for the key audit matters relating to an agricultural project of the Company’s Malaysia subsidiary, RCL.

3.2 As announced by the Company in its 12 May Announcement and as stated in the BDO’s application to ACRA to seek consent to resign as auditors, the key audit matters that have yet to be resolved are:

(a) revenue recognition for RCL, the Malaysia subsidiary audited by BDO Malaysia (KL). Please refer to Annex A of this announcement for more information;

(b) recovery of related trade receivables arising from the revenue recognised from (a) above. Please refer to Annex A of this announcement for more information; and

(c) going concern assessment after (a) and (b) have been resolved

3.3 After much discussion and deliberation, and by mutual consent, both the Company and BDO have agreed that BDO will resign as auditors of both the Company and Mirach HP Management Pte Ltd ("MHPM"), the Group’s wholly-owned subsidiary. A new independent auditor will be appointed for both Companies, subject to approval by the relevant authorities and Shareholders at an extraordinary general meeting to be held in due course.

3.4 BDO has informed the Company on 19 June 2020 that they have applied to the Accounting and Corporate Regulatory Authority ("ACRA") to seek ACRA’s consent to resign as the auditors of the Company and MHPM. In the application to ACRA, BDO has stated that the reason for resignation is that the key audit matters have yet to be resolved as there is a disagreement between the management of the Company and BDO on the accounting treatment for the key audit matters relating to an agricultural project of the Company’s Malaysia subsidiary, RCL.

3.5 In addition, the Company has nominated another audit firm to replace BDO as the auditors of the Company. Pursuant to Rule 712(3) of the Listing Manual and Section 205AF of the
Companies Act, the appointment of new auditors must be specifically approved by Shareholders at a general meeting. Accordingly, the Company will be seeking approval from Shareholders for the appointment of new auditors at an extraordinary general meeting of the Company to be convened after BDO obtains approval from ACRA for their resignation. A circular to Shareholders setting out the reasons and rationale for the appointment of the new auditors, together with a notice of extraordinary general meeting will be dispatched to Shareholders in due course after such approval from ACRA is obtained.


4.1 In this regard, the Board would like to inform Shareholders that the Company will not be able to issue its annual report and sustainability report for FY2019 via SGXNet by 19 June 2020, which is a condition of SGX-ST’s grant of the Waiver as stated under paragraph 1.2(d) above.

4.2 Accordingly, the Company has, on 22 June 2020, submitted a further application to the SGX-ST for the following:

(a) FY2019 annual report – a further extension to publish the annual report for FY2019 on SGXNet from 19 June 2020 (being the latest extended date granted by SGX-ST, see above for more details) to 4 December 2020, in accordance with Rule 707(2) of the Listing Manual;

(b) FY2019 AGM – a further extension to hold the Company’s AGM for FY2019 from 6 July 2020 (being the latest extended date granted by SGX-ST, see above for more details) to 21 December 2020, in accordance with Rule 707(1);

(c) 1Q2020 financial statements – a further extension to publish the 1Q2020 financial statements from 23 June 2020 (being the latest extended date granted by SGX-ST, see above for more details) to 11 December 2020, in accordance with Rule 705(2) of the Listing Manual;

(d) Sustainability report – a further extension to publish the sustainability report for FY2019 on SGXNet from 19 June 2020 (being the latest extended date granted by SGX-ST, see above for more details) to 11 December 2020, in accordance with Rule 711A of the Listing Manual;

(e) 2Q2020 financial statements – an extension to publish the 2Q2020 financial statements from 14 August 2020 (being the last date to publish its 2Q2020 results pursuant to Rule 705(2)) to 18 December 2020, in accordance with Rule 705(2) of the Listing Manual; and

(f) 3Q2020 financial statements – an extension to publish the 3Q2020 financial statements from 14 November 2020 (being the last date to publish its 3Q2020 results pursuant to Rule 705(2)) to 24 December 2020, in accordance with Rule 705(2) of the Listing Manual,

(collectively, the “Further Annual Report-related Extension Application”).

4.3 Shareholders are advised to refer to the 12 May Announcement as the main reasons for the Further Annual Report-related Extension Application are similar to, and are as set out in, paragraph 2 of the 12 May Announcement. In view of the developments since 12 May 2020, the Company wishes to inform Shareholders of the following additional reasons:

Further extension of time to publish the annual report for FY2019

(a) the audit for FY2019 has been temporarily put on hold as there is a disagreement between the management of the Company and the Company’s current external auditors, BDO, on the accounting treatment of key audit matters relating to an agricultural project
of the Company’s Malaysia subsidiary, RCL. The key audit matters that have yet to be resolved are as set out in paragraph 3.2 of this announcement.

In this regard, after much discussion and deliberation, and by mutual consent, both the Company and BDO have agreed that BDO will resign as auditors of both the Company and Mirach HP Management Pte Ltd, the Group’s wholly-owned subsidiary. Please refer to paragraph 3.4 above for the reasons given by BDO for its resignation. Hence a further extension is required given that the Company has not finalised its audited financial statements for FY2019 and BDO’s resignation is contingent upon ACRA’s approval.

(b) the Company has nominated another audit firm to replace BDO as the auditors of the Company. Pursuant to Rule 712(3) of the Listing Manual and Section 205AF of the Companies Act, the appointment of new auditors must be specifically approved by Shareholders at a general meeting. As such, a further extension of time is required as the Company will be required to convene an extraordinary general meeting to seek Shareholders’ approval for the appointment of the new auditors, for which the Company estimates will take at least seven (7) weeks after BDO obtains ACRA’s approval from their resignation. Shareholders can refer to paragraph 6 of this announcement for more details on the relevant milestones;

(c) the new auditors will require time to review and audit the Company’s financial statements for FY2019. The Company having consulted the new auditors estimates that the new auditors will require two (2) months to review and audit the Company’s financial statements for FY2019 after approval for their appointment is obtained at an extraordinary general meeting convened by the Company;

Extension of time in relation to the items as set out in paragraphs 4.2(b) to (f)

(d) in relation to the extension sought for holding the FY2019 AGM, as the Company estimates that it will only be able to publish its annual report by 4 December 2020, the Company is seeking an extension until 21 December 2020 to hold its AGM, so as to comply with the requirement of 14 days’ clear notice for the despatch of the Company’s annual report before its FY2019 AGM. Shareholders can refer to paragraph 6 of this announcement for more details on the relevant milestones;

(e) in relation to the extension sought for publishing its sustainability report for FY2019, the Company’s sustainability report will contain disclosures of the financial performance of the Company obtained from its audited financial statements, in its discussion on the Company’s economic performance. As such, the Company will only be able to publish its sustainability report for FY2019 after the Company’s audit for FY2019 is completed;

(f) in relation to the extension sought for the publishing of the Company’s quarterly financial statements for FY2020, the Company is unable to finalise the 1Q2020, 2Q2020 and 3Q2020 unaudited financial statements of the Company prior to the finalisation of the audited financial statements for the FY2019;

(g) the issues affecting the completion of the Company’s FY2019 audit (as stated under paragraphs 4.3(a) to (c) above) have a significant impact on the Company’s ability to meet the existing deadlines for convening its FY2019 AGM, publishing its sustainability report for FY2019, and publishing its 1Q2020, 2Q2020 and 3Q2020 financial statements; and

(h) for the reasons stated above, it will be in the interests of the Shareholders and the Company to apply and for SGX-ST to grant the Further Annual Report-related Extension Application.

5. FURTHER APPLICATION FOR FURTHER EXTENSION OF TIME TO MEET FINANCIAL CRITERIA EXIT REQUIREMENTS

5.1 The Board would also like to inform Shareholders that the Company had applied to the SGX-ST for a further extension of time to meet the Financial Criteria Exit Requirements (“Further Financial Watch-list Extension Application”) to 4 December 2020.
5.2 The reasons for seeking the Further Financial Watch-list Extension Application are:

(a) that with mutual consent, BDO will resign as auditors of the Company and the Company has nominated the new auditors to replace BDO which will be subjected to regulatory requirements and shareholders’ approval. As such, the Company requires a further extension of time given that the Company has not finalised the audited financial statements for FY2019;

(b) the Company requires additional time to prepare the audited financial statements for FY2019, to convene an extraordinary general meeting as well as to prepare the necessary regulatory documents to effect the appointment of new independent auditors;

(c) the incoming auditors will additionally require time to review and audit the Company’s financial statements for FY2019;

(d) the Company’s transformation efforts have been successful thus far, as can be seen by the fact that the audited profit before tax for the financial year ended 31 December 2018 is US$2,237,000 and unaudited profit before tax of the Company for FY2019 (excluding exceptional or non-recurrent income and extraordinary items) of US$647,348. In addition, the Group has reported and maintained consolidated pre-tax profits (excluding exceptional or non-recurrent income and extraordinary items) for two (2) consecutive financial years;

(e) the Company has diversified and expanded into new businesses and has successfully acquired new revenue stream. In this regard, the Company wish to highlight that pursuant to the Company’s recent acquisition of Hu Bei ZeGang Supply-Chain Limited 湖北泽港供应链有限公司 (”ZeGang”) in November 2019, the unaudited profit after tax of ZeGang attributable to the Company for FY2019, was about RMB 2.1 million (approx. S$427,000) and for first quarter 2020, the unaudited profit after tax of ZeGang attributable to the Company was about RMB 263,000 (approx. S$52,000);

   Note (1): Shareholders are to note that the unaudited profit after tax of ZeGang attributable to the Company was not reflected in the unaudited full year FY2019 results of the Company, which was announced on the 28 February 2020. The numbers were not made available to the Company at the relevant time due to the Covid-19 situation.

(f) the Company intends to explore and pursue business opportunities to further enhance the financial performance and improve shareholders’ value which will in turn improve investors’ confidence, thereby improving the Company’s share price and its market capitalisation;

(g) the Company believes that sufficient time should be given for the Company so as to continue with its efforts to transform the Group as well as to materialise the various actions described above, so as to further improve its future prospects, financial performance and shareholders’ value which will in turn, enhance investors’ confidence, the share price and market capitalisation of the Company;

(h) further and in view of the Company’s continuing efforts to transform the Group, it will be in the interests of the shareholders and the Company for its shares to continue to be publicly listed and traded on the Main Board of the SGX-ST; and

(i) for the reasons stated above, it will be in the interests of the Shareholders to apply for the Further Financial Watch-list Extension Application.

6. ESTIMATED TIMELINES

In relation to the Further Annual Report-related Extension Application as well as the Further Financial Watch-list Extension Application, the Company had provided to SGX-ST an estimated timeline. The estimated timelines and milestones that the Company hopes to achieve are as set out below:
<table>
<thead>
<tr>
<th>Estimated timelines</th>
<th>Description of milestones</th>
</tr>
</thead>
<tbody>
<tr>
<td>By 3rd week of September 2020</td>
<td>Finalise and hold extraordinary general meeting to obtain Shareholders’ approval for the change of auditors</td>
</tr>
<tr>
<td>By 3rd week of November 2020</td>
<td>New auditors to audit and finalise the financial statements for FY2019</td>
</tr>
<tr>
<td>By 4 December 2020</td>
<td>Company to finalise and publish annual report for FY2019 on SGX-NET</td>
</tr>
<tr>
<td>By 11 December 2020</td>
<td>Company to finalise and publish both sustainability report and 1Q2020 financial statement on SGX-NET</td>
</tr>
<tr>
<td>By 18 December 2020</td>
<td>Company to finalise and publish 2Q2020 financial statement on SGX-NET</td>
</tr>
<tr>
<td>By 21 December 2020</td>
<td>Company to hold AGM to approve, <em>inter alia</em>, the audited financial statements for FY2019</td>
</tr>
<tr>
<td>By 24 December 2020</td>
<td>Company to finalise and publish 3Q2020 financial statement on SGX-NET</td>
</tr>
</tbody>
</table>

Shareholders are to note that the above timings are estimates only and may be subject to change.

7. FOLLOW UP ANNOUNCEMENT(S) / FURTHER INFORMATION

The Board will update Shareholders on any material developments and the outcome of its applications in due course and the Company will make further announcements as and when there are any subsequent developments.

Shareholders should note that there is no certainty or assurance that the Further Annual Report-related Extension Application and the Further Financial Watch-list Extension Application will be granted by SGX-ST. In the event that SGX-ST does not grant the Company a further extension of time in relation to the Further Financial Watch-list Extension Application, Shareholders are to note that Rule 1315 of the Listing Manual provides that the Exchange may either remove the Company from the Official List, or suspend trading of the listed securities of the Company (without the agreement of the Company) with a view to removing the Company from the Official List.

In the meantime, the Board wishes to advise Shareholders to exercise caution in their dealings in the shares of the Company and to refrain from taking any action in relation thereto, until they have sought their own financial, tax or other professional adviser where appropriate.

By Order of the Board

Mr Chan Shut Li, William
Executive Chairman

24 June 2020
Annex A

For Shareholders’ information, the Company would like to provide the following details:

In relation to the revenue recognition issues

(a) revenue recorded by RCL for FY2019, related expenses and unaudited net profits before
taxation that has been included in the Group’s unaudited financial statements for the FY2019;

(b) quantifying the amounts stated as a proportion of the Group’s revenue, total expenses and
profits before taxation based on the Group’s unaudited financial statements as at 31 Dec 2019;

<table>
<thead>
<tr>
<th>Extracted from the Group’s unaudited financial statements for the FY2019 (as announced on 28 February 2020)</th>
</tr>
</thead>
<tbody>
<tr>
<td>RCL (subsidiary of the Group)</td>
</tr>
<tr>
<td>US$'000</td>
</tr>
<tr>
<td>Revenue</td>
</tr>
<tr>
<td>Subcontractor cost</td>
</tr>
<tr>
<td>Consultancy fees</td>
</tr>
<tr>
<td>Other income</td>
</tr>
<tr>
<td>Staff cost</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
</tr>
<tr>
<td>Other operating expenses</td>
</tr>
<tr>
<td>Profit before tax</td>
</tr>
</tbody>
</table>

(c) the details of the disagreement between BDO and the Company, including the view of BDO versus the Company’s view.

Background of the Key Audit Matters

1. RCL entered into agreement with Kelantan State Economic Development Corporation to jointly carry out the development of multi-storey cropping of the forest estate and to remove the remaining logs in the concession area of approx. 5,500 acres of Land.

2. The Kelantan Forestry Department will issue the Use Permit to authorise the implementation and establishment of forest estate for a period of 50 years.

3. RCL intends to plant and maintain a durian plantation or other approved plant species on the Land.

4. RCL entered into cooperation agreements to appoint Managers as the management companies for the implementation and maintenance of the Project for a period of 50 years.

5. RCL will partake in a profit-sharing model with the business partners for the sale of durians or other approved plant species for each year.

6. RCL will obtain the necessary approvals and license from the relevant authorities and thereafter, the Managers can commence the implementation and maintenance of the Project.

7. The Managers shall have the option to engage RCL for the following Services in relation to the durian plantation:
(a) Plantation management and advisory services (including pre-development activities)
(b) Contractor for construction of plantation infrastructure and amenities

8. Separate purchase orders were issued by the Managers to RCL for services in 7(a) and 7(b).

9. Activities of the Managers shall be subject to the supervision of the Board of Directors of RCL.

In relation to revenue recognition, management is of the view that revenue related to Services\(^{(1)}\) provided to the Managers\(^{(2)}\) should be recognised at a point in time as the Services provided are separate performance obligations from the performance obligation to obtain the Use Permit and the Managers have benefitted from the Services even if the Use Permit has not been issued till date.

For the avoidance of doubt, the Services were provided to the Managers in FY2019 and revenue was accordingly recognised in the unaudited FY2019 financial statements. The revenue recognised in FY2019 in relation to the Services provided to the Managers was approximately US$2,669,000. Shareholders are to note that out of this amount, approximately US$1,235,000 has been collected as of the date of this announcement.

The management of the Company is of view that the same accounting treatment (used by the Group and audited by Ernst & Young LLP in the financial year ended 31 December 2018) should be similarly adopted for the FY2019.

**Notes:**

(1) The term Services are in reference to the plantation management and advisory services (including pre-development activities) provided to the Managers to facilitate the operations and development of the agriculture project in the concession area.

(2) The term Managers refer to business partners that RCL has entered into separate cooperation agreements with, to implement and maintain the agriculture project by engaging in the planting, cultivation and harvesting of approved plant species.

BDO is of view that revenue related to Services provided to the Managers are not separate performance obligations as these Services form part of the overall performance obligation of obtaining the Use Permit and to enable the Managers to implement and maintain the agriculture project. The Managers may not have alternative use for these Services which are specific to the agriculture project and is arguably able to only benefit from these Services when the Use Permit is issued to commence the agriculture project. Accordingly, BDO is of view that revenue should be recognised over time when the Use Permit is issued. As of the date of BDO’s application to ACRA to seek consent to resign as auditors, the Use Permit has not been issued by the relevant Malaysian authorities as the removal of logs in the concession area is still in progress.

As the audit has not yet been completed, the Company is unable to form a view as to the implications to the Company’s financial statements in the event where BDO’s view is adopted.

**In relation to the recovery of related trade receivables**

(d) disclosing the trade receivable balances recorded at RCL and consolidated at the Group level as at 31 December 2019; and

(e) quantifying this amount as a proportion of the Group’s net asset value (“NAV”) and net tangible asset (“NTA”) based on the Group’s unaudited financial statements as at 31 December 2019.
Based on Group’s unaudited financial statements for the FY2019 (as announced on 28 February 2020)

<table>
<thead>
<tr>
<th></th>
<th>RCL (subsidiary of the Group)</th>
<th>Group (on a consolidated basis)</th>
<th>RCL as a proportion of the Group</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$’000</td>
<td>US$’000</td>
<td>%</td>
</tr>
<tr>
<td>Trade receivables (Gross)</td>
<td>4,181</td>
<td>4,823</td>
<td></td>
</tr>
<tr>
<td>Less: Significant financing component</td>
<td>(83)</td>
<td>(83)</td>
<td></td>
</tr>
<tr>
<td>Less: Provision for expected credit loss</td>
<td>-</td>
<td>(226)</td>
<td></td>
</tr>
<tr>
<td>Trade receivables (Net)</td>
<td>4,098</td>
<td>4,514</td>
<td>91%</td>
</tr>
<tr>
<td>Group’s NAV</td>
<td>2,936</td>
<td></td>
<td>140%</td>
</tr>
<tr>
<td>Group’s NTA</td>
<td>3,420</td>
<td></td>
<td>120%</td>
</tr>
</tbody>
</table>

Actions taken by the Audit Committee, management and the Board to address the key matters as set out in paragraph 2.1(a) of this announcement

Shareholders are to note that the Audit Committee, management of the Company and the Board had been actively taking steps to resolve and address the key matters set out in paragraph 2.1(a) of this announcement, which includes but is not limited to the following:

Upon receipt of BDO’s initial email (on 29 March 2020), the Audit Committee convened a meeting on 3 April 2020 via conference call. The Audit Committee had tasked the management of the Company to resolve the accounting issues and was kept updated constantly by management on the progress of the discussions with BDO.

The Audit Committee had also actively made recommendations to management, where appropriate. In this regard, the Audit Committee had conducted further meetings (with management) via conference calls on 8 May 2020, 21 May 2020, 3 June 2020, 4 June 2020 and 9 June 2020. The Board had, in relation to the audit issues, held a meeting via conference call on 9 June 2020.

Since 29 March 2020, management had undertaken numerous discussions with BDO (and BDO (KL)) regarding the differing views on the accounting treatment. As of the date of this announcement, this matter has yet to be resolved.