



HOTEL PROPERTIES LIMITED

(REG. NO. 198000348Z)

Full Year Financial Statements and Dividend Announcement

1(a)(i) Income Statement

	GROUP \$'000	
	Year ended Dec 31, 2019	Year ended Dec 31, 2018
Revenue	556,359	579,473
Cost of sales	(418,645)	(430,669)
Gross profit	137,714	148,804
Other operating income	38,588	15,814
Administrative expenses	(69,325)	(75,056)
Other operating expenses	(16,816)	(4,298)
Finance costs ⁽¹⁾	(38,456)	(27,479)
Share of results of associates and jointly controlled entities	28,898	92,756
Profit before income tax and fair value changes in investment properties	80,603	150,541
Net fair value gain in investment properties	3,945	3,211
Profit before income tax	84,548	153,752
Income tax expense	(29,860)	(29,066)
Profit after income tax	54,688	124,686
Attributable to:		
Shareholders of the Company	57,143	121,323
Non-controlling interests	(2,455)	3,363
	54,688	124,686

1(a)(ii) Notes to the income statement:

	GROUP \$'000	
	Year ended Dec 31, 2019	Year ended Dec 31, 2018
Investment income*	2,324	1,346
Other income including interest income* ⁽²⁾	33,480	8,541
Depreciation and amortisation ⁽³⁾	(72,959)	(62,854)
Net allowance for doubtful trade receivables*	(289)	(742)
Net fair value gain (loss) in held-for-trading investments*	2,648	(294)
Net fair value (loss) gain in investments*	(8,900)	4,041
Net foreign exchange (loss) gain*	(1,145)	1,880
Net adjustment for (under) over provision of tax in respect of prior years	(6,769)	720
Net gain (loss) on disposal of property, plant and equipment*	136	(8)

Note:

- (1) Includes finance costs on lease liabilities arising from adoption of SFRS(I) 16 Leases.
- (2) Other income including interest income increased mainly due to non-recurring income.
- (3) Includes depreciation of right-of-use (ROU) assets arising from adoption of SFRS(I) 16.
- * Included in other operating income (expenses).

1(a)(iii) Statement of Comprehensive Income

	GROUP \$'000	
	Year ended Dec 31, 2019	Year ended Dec 31, 2018
Profit after income tax	54,688	124,686
Other comprehensive income (loss) (net of tax):		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Remeasurement of defined benefit obligation	(504)	226
Decrease in other reserves	(2,531)	-
	(3,035)	226
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange differences on translating foreign operations	9,765	13,081
Increase (Decrease) in other reserves	42	(58)
Share of other comprehensive income (loss) of associates and jointly controlled entities	11,926	(16,073)
	21,733	(3,050)
Total comprehensive income	73,386	121,862
Attributable to:		
Shareholders of the Company	75,916	118,463
Non-controlling interests	(2,530)	3,399
	73,386	121,862

1(b)(i) Statements of Financial Position

	GROUP \$'000		COMPANY \$'000	
	Dec 31, 2019	Dec 31, 2018	Dec 31, 2019	Dec 31, 2018
ASSETS				
Current assets:				
Cash and bank balances	192,257	118,284	102,726	51,296
Held-for-trading investments ⁽¹⁾	3,218	24,103	-	-
Trade and other receivables	64,716	40,210	17,088	2,692
Amount due from associates and jointly controlled entities	117,279	118,200	5,217	5,217
Amount due from subsidiaries	-	-	915,144	779,013
Inventories	12,475	9,612	147	178
Completed properties held for sale	10,424	10,505	-	-
Derivative financial instruments ⁽²⁾	6,159	-	6,159	-
Total current assets	406,528	320,914	1,046,481	838,396
Non-current assets:				
Associates and jointly controlled entities	546,922	519,166	-	-
Subsidiaries	-	-	561,372	528,985
Investments ⁽³⁾	206,455	128,163	-	-
Property, plant and equipment ⁽⁴⁾	1,627,271	1,446,067	223,049	224,396
Investment properties	709,515	705,570	-	-
Derivative financial instruments ⁽²⁾	8,020	16,245	8,020	16,245
Deferred tax assets	3,283	3,391	-	-
Intangible assets	21,017	15,410	-	-
Total non-current assets	3,122,483	2,834,012	792,441	769,626
Total assets	3,529,011	3,154,926	1,838,922	1,608,022
LIABILITIES AND EQUITY				
Current liabilities:				
Short-term borrowings ⁽⁵⁾	156,606	95,663	99,988	49,986
Trade and other payables	144,923	150,186	20,217	29,736
Amount due to subsidiaries	-	-	40,800	44,456
Income tax payable	15,233	18,736	1,925	14
Total current liabilities	316,762	264,585	162,930	124,192
Non-current liabilities:				
Advances from subsidiaries	-	-	282,356	93,031
Long-term borrowings	700,037	616,743	168,498	332,706
Long-term lease liabilities ⁽⁶⁾	92,962	-	-	-
Deferred tax liabilities	20,387	17,330	644	767
Total non-current liabilities	813,386	634,073	451,498	426,504
Share capital and reserves:				
Share capital	724,043	722,593	724,043	722,593
Treasury shares ⁽⁷⁾	(841)	-	(841)	-
Reserves	1,268,564	1,278,765	193,326	185,980
Equity attributable to shareholders of the Company	1,991,766	2,001,358	916,528	908,573
Perpetual capital securities ⁽⁸⁾	307,966	148,753	307,966	148,753
	2,299,732	2,150,111	1,224,494	1,057,326
Non-controlling interests	99,131	106,157	-	-
Total equity	2,398,863	2,256,268	1,224,494	1,057,326
Total liabilities and equity	3,529,011	3,154,926	1,838,922	1,608,022

Note:

- (1) Held-for-trading investments decreased mainly due to disposal during the year.
- (2) Reclassification of amount maturing within 12 months.
- (3) Investments increased mainly due to acquisition during the year.
- (4) Includes ROU assets recognised arising from adoption of SFRS(I) 16.
- (5) Short-term borrowings increased mainly due to reclassification of long-term borrowings due within 12 months.
- (6) Long-term lease liabilities recognised arising from adoption of SFRS(I) 16.
- (7) Treasury shares purchased during the year.
- (8) The Company issued S\$160 million 4.40% subordinated perpetual securities on October 22, 2019.

1(b)(ii) Aggregate Amount of Group's Borrowings and Debt Securities**Amount repayable in one year or less, or on demand**

As at Dec 31, 2019		As at Dec 31, 2018	
Secured	Unsecured	Secured	Unsecured
\$56,618,000	\$99,988,000	\$45,677,000	\$49,986,000

Amount repayable after one year

As at Dec 31, 2019		As at Dec 31, 2018	
Secured	Unsecured	Secured	Unsecured
\$599,542,000	\$100,495,000	\$416,341,000	\$200,402,000

Details of any collateral

The above are secured by legal mortgages on properties of the Company and some subsidiaries, fixed and floating charges on assets of the Company and some subsidiaries and pledge of shares of certain subsidiaries.

1(c) Consolidated Statement of Cash Flows

	Year ended Dec 31, 2019 \$'000	Year ended Dec 31, 2018 \$'000
Cash flows from operating activities:		
Profit before income tax and share of results of associates and jointly controlled entities	55,650	60,996
Adjustments for:		
Amortisation of intangible assets	261	307
Depreciation expense	72,698	62,547
Share-based payment expense	1,000	1,167
Net fair value gain in investment properties	(3,945)	(3,211)
Net fair value (gain) loss in held-for-trading investments	(2,648)	294
Net fair value loss (gain) in investments	8,900	(4,041)
Net (gain) loss on disposal of property, plant and equipment	(136)	8
Finance costs	38,456	27,479
Interest income	(900)	(1,552)
Dividend income	(2,324)	(1,346)
Profit before working capital changes	167,012	142,648
Trade and other payables	(7,980)	16,111
Completed properties held for sale	842	32,045
Trade and other receivables	(12,918)	27,742
Held-for-trading investments	23,533	(24,397)
Inventories	(2,774)	42
Cash generated from operations	167,715	194,191
Dividend received	2,324	1,346
Income tax paid	(36,063)	(40,312)
Net cash from operating activities	133,976	155,225
Cash flows (used in) from investing activities:		
Acquisition of interest in a subsidiary (see Note A below)	(31,286)	-
Acquisition of additional interest in a subsidiary	(7,000)	-
Additional property, plant and equipment	(108,495)	(123,840)
Net additional investments	(90,384)	(30,967)
Deposits placed for investments ⁽¹⁾	(13,858)	-
Net repayment from associates and jointly controlled entities	9,553	280,559
Proceeds from disposal of investments	-	180
Proceeds from disposal of property, plant and equipment	666	783
Net cash (used in) from investing activities	(240,804)	126,715
Cash flows from (used in) financing activities:		
Interest received	900	1,552
Finance costs paid	(36,932)	(28,597)
Repayment of lease liabilities	(920)	-
Dividend paid	(52,114)	(52,079)
Distribution to perpetual capital securities holders	(6,975)	(6,975)
Non-controlling shareholders	7,734	6,518
Additional borrowings ⁽²⁾	264,162	216,985
Repayment of borrowings ⁽²⁾	(153,781)	(514,431)
Purchase of treasury shares	(841)	-
Net proceeds from issue of perpetual capital securities	159,213	-
Net cash from (used in) financing activities	180,446	(377,027)
Net increase (decrease) in cash and cash equivalents	73,618	(95,087)
Cash and cash equivalents at beginning of year	113,992	207,597
Effect of exchange rate changes on cash balances held in foreign currencies	393	1,482
Cash and cash equivalents at end of year	188,003	113,992

Note:

- (1) Included and contributed to the increase in Trade and other receivables in the Group Statement of Financial Position.
(2) Net additional borrowings were utilised mainly for investing activities during the year under review.

1(c) Consolidated Statement of Cash Flows (cont'd)

	Year ended Dec 31, 2019 \$'000	Year ended Dec 31, 2018 \$'000
Note A : Summary of cash outflow arising from acquisition of interest in a subsidiary		
Current assets	2,002	-
Current liabilities	(8,515)	-
Net current liabilities	(6,513)	-
Other non-current assets	77,241	-
Other non-current liabilities	(44,468)	-
	26,260	-
Goodwill ⁽³⁾	5,599	-
Purchase consideration	31,859	-
Cash of subsidiary acquired	(573)	-
Cash outflow arising from acquisition of interest in a subsidiary	31,286	-

Cash and cash equivalents at end of year

The cash and cash equivalents as at Dec 31, 2019, for the purposes of Consolidated Statement of Cash Flows, comprise of cash and bank balances less deposits under pledge to banks of \$4,254,000.

Note:

(3) This attributed to the increase in Intangible assets in the Group Statement of Financial Position.

1(d)(i) Statement of Changes in Equity

	Share capital \$'000	Treasury shares \$'000	Retained profits \$'000	Other reserves* \$'000	Shareholders' equity \$'000	Perpetual capital securities \$'000	Subtotal \$'000	Non-controlling interests \$'000	Total equity \$'000
GROUP									
Balance as at Jan 1, 2018	721,143	-	1,234,307	(14,668)	1,940,782	148,753	2,089,535	95,208	2,184,743
Total comprehensive income (loss) for the year									
Profit for the year	-	-	121,323	-	121,323	-	121,323	3,363	124,686
Other comprehensive income (loss) for the year	-	-	216	(3,076)	(2,860)	-	(2,860)	36	(2,824)
Total	-	-	121,539	(3,076)	118,463	-	118,463	3,399	121,862
Transactions with owners, recognised directly in equity									
Recognition of share-based payments	-	-	-	1,167	1,167	-	1,167	-	1,167
Dividends	-	-	(52,079)	-	(52,079)	-	(52,079)	-	(52,079)
Net movement during the year	-	-	-	-	-	-	-	7,550	7,550
Issue of shares	1,450	-	-	(1,450)	-	-	-	-	-
Total	1,450	-	(52,079)	(283)	(50,912)	-	(50,912)	7,550	(43,362)
Distribution to perpetual capital securities holders	-	-	(6,975)	-	(6,975)	-	(6,975)	-	(6,975)
Balance as at Dec 31, 2018	722,593	-	1,296,792	(18,027)	2,001,358	148,753	2,150,111	106,157	2,256,268
Effect of adoption of SFRS(I) 16	-	-	(22,806)	-	(22,806)	-	(22,806)	(8,192)	(30,998)
Balance as at Jan 1, 2019, as restated	722,593	-	1,273,986	(18,027)	1,978,552	148,753	2,127,305	97,965	2,225,270
Total comprehensive income (loss) for the year									
Profit (Loss) for the year	-	-	57,143	-	57,143	-	57,143	(2,455)	54,688
Other comprehensive income (loss) for the year	-	-	(504)	19,277	18,773	-	18,773	(75)	18,698
Total	-	-	56,639	19,277	75,916	-	75,916	(2,530)	73,386
Transactions with owners, recognised directly in equity									
Recognition of share-based payments	-	-	-	1,000	1,000	-	1,000	-	1,000
Dividends	-	-	(52,114)	-	(52,114)	-	(52,114)	-	(52,114)
Acquisition of additional interest in a subsidiary from non-controlling interests	-	-	-	(3,772)	(3,772)	-	(3,772)	(3,228)	(7,000)
Net movement during the year	-	-	-	-	-	-	-	6,924	6,924
Issue of shares	1,450	-	-	(1,450)	-	-	-	-	-
Total	1,450	-	(52,114)	(4,222)	(54,886)	-	(54,886)	3,696	(51,190)
Purchase of treasury shares	-	(841)	-	-	(841)	-	(841)	-	(841)
Issue of perpetual capital securities	-	-	-	-	-	159,213	159,213	-	159,213
Distribution to perpetual capital securities holders	-	-	(6,975)	-	(6,975)	-	(6,975)	-	(6,975)
Balance as at Dec 31, 2019	724,043	(841)	1,271,536	(2,972)	1,991,766	307,966	2,299,732	99,131	2,398,863

* Includes exchange fluctuation reserve, hedge reserve, option reserve and other capital reserve.

1(d)(i) Statement of Changes in Equity (cont'd)

	Share capital \$'000	Treasury shares \$'000	Retained profits \$'000	Other reserves** \$'000	Shareholders' equity \$'000	Perpetual capital securities \$'000	Total equity \$'000
COMPANY							
Balance as at Jan 1, 2018	721,143	-	174,982	11,520	907,645	148,753	1,056,398
Total comprehensive income for the year							
Profit for the year	-	-	58,745	-	58,745	-	58,745
Other comprehensive income for the year	-	-	-	70	70	-	70
Total	-	-	58,745	70	58,815	-	58,815
Transactions with owners, recognised directly in equity							
Recognition of share-based payments	-	-	-	1,167	1,167	-	1,167
Dividends	-	-	(52,079)	-	(52,079)	-	(52,079)
Issue of shares	1,450	-	-	(1,450)	-	-	-
Total	1,450	-	(52,079)	(283)	(50,912)	-	(50,912)
Distribution to perpetual capital securities holders	-	-	(6,975)	-	(6,975)	-	(6,975)
Balance as at Dec 31, 2018	722,593	-	174,673	11,307	908,573	148,753	1,057,326
Total comprehensive income (loss) for the year							
Profit for the year	-	-	67,081	-	67,081	-	67,081
Other comprehensive loss for the year	-	-	-	(196)	(196)	-	(196)
Total	-	-	67,081	(196)	66,885	-	66,885
Transactions with owners, recognised directly in equity							
Recognition of share-based payments	-	-	-	1,000	1,000	-	1,000
Dividends	-	-	(52,114)	-	(52,114)	-	(52,114)
Issue of shares	1,450	-	-	(1,450)	-	-	-
Total	1,450	-	(52,114)	(450)	(51,114)	-	(51,114)
Purchase of treasury shares	-	(841)	-	-	(841)	-	(841)
Issue of perpetual capital securities	-	-	-	-	-	159,213	159,213
Distribution to perpetual capital securities holders	-	-	(6,975)	-	(6,975)	-	(6,975)
Balance as at Dec 31, 2019	724,043	(841)	182,665	10,661	916,528	307,966	1,224,494

** Includes hedge reserve and option reserve.

1(d)(ii) Details of Any Changes in Company's Issued Share Capital

The Company did not issue any new shares since the end of the previous period reported on.

As at Dec 31, 2019, the number of outstanding share options under the Company's Share Option Scheme was 18,900,000 (as at Dec 31, 2018: 14,225,000), and the number of outstanding performance shares under the Company's Performance Share Plan was 351,900 (as at Dec 31, 2018: 703,800).

1(d)(iii) Total Number of Issued Shares

	Dec 31, 2019	Dec 31, 2018
Total number of issued shares	521,138,351	520,786,451
Treasury shares	(220,300)	-
Total number of issued shares excluding treasury shares	520,918,051	520,786,451

1(d)(iv) Statement Showing All Sales, Transfers, Cancellation and/or Use of Treasury Shares

	Number of treasury shares
As at Jan 1, 2019	-
Purchase of treasury shares	220,300
Sales, transfers, cancellation and/or use of treasury shares	-
As at Dec 31, 2019	220,300

1(d)(v) Statement Showing All Sales, Transfers, Cancellation and/or Use of Subsidiary Holdings

Not applicable. There is no subsidiary holdings as at the end of the current financial year reported on.

2. Audit Statement

The figures have not been audited or reviewed.

3. Auditors' Report

Not applicable.

4. Changes in Accounting Policies

The Group and Company have followed the same accounting policies and methods of computation as in the most recently audited annual financial statements except as explained in paragraph 5 below.

5. Reasons for and Effect of Changes in Accounting Policies

The Group has adopted SFRS(I) 16 *Leases* that is effective for annual periods beginning on or after January 1, 2019. The adoption of SFRS(I) 16 has resulted in a change in the Group's accounting policy on its operating lease arrangements. The Group applied the modified retrospective approach and recognised ROU assets with corresponding lease liabilities under the principles of SFRS(I) 16 on a lease-by-lease basis. The cumulative effect of adopting SFRS(I) 16 is recognised as an adjustment to the opening balance of retained earnings at January 1, 2019, with no restatement of comparative information. ROU assets are included as part of the property, plant and equipment with the corresponding current and non-current lease liabilities included in other payables and long-term lease liabilities respectively. Straight-line operating lease expenses are replaced with depreciation charge of ROU assets and finance costs on lease liabilities in the income statement.

6. Earnings Per Ordinary Share

	Year ended Dec 31, 2019	Year ended Dec 31, 2018
Based on the weighted average number of ordinary shares in issue (excluding treasury shares)	9.37 cents	21.96 cents
On a fully diluted basis	9.35 cents	21.90 cents

Earnings per ordinary share is calculated based on net profit attributable to ordinary shareholders after deducting provision for distribution to perpetual capital securities holders.

7. Net Asset Value

	Dec 31, 2019	Dec 31, 2018
GROUP	\$3.82	\$3.84
COMPANY	\$1.76	\$1.74

Net asset value per ordinary share is calculated based on net assets excluding perpetual capital securities that is attributable to the ordinary shareholders divided by the number of issued shares (excluding treasury shares) of the Company.

8. Review of Performance

For the year ended December 31, 2019, the Group recorded a revenue of \$556.4 million compared to \$579.5 million last year. The decrease was mainly attributable to lower contribution from the property division as the remaining completed condominium units at Tomlinson Heights development were fully sold last year. This was partially offset by better performance by the Group's hotels and resorts, particularly those in Bali, Indonesia.

The Group's share of results of associates and jointly controlled entities decreased from \$92.8 million to \$28.9 million for the year under review mainly due to lower profits from the Holland Park Villas development in London.

Group profit before income tax for the year ended December 31, 2019 was \$84.5 million compared to \$153.8 million last year. After accounting for income tax and non-controlling interests, Group net profit attributable to shareholders for the year ended December 31, 2019 was \$57.1 million compared to \$121.3 million last year.

9. Variance from Previous Forecast or Prospect Statement

Not applicable.

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 COVID-19 outbreak has cast a dark cloud over the global economy, with hospitality being one of the hardest hit industry. Singapore Tourism Board has warned that Singapore may see a 25% to 30% fall in visitor arrivals this year. Global travel demand has also declined as a result of precautionary measures against COVID-19 such as travel bans and trip cancellations. Nevertheless, holding a longer term view, the Group will seize attractive investment opportunities that may arise, which will further enhance the geographical diversification of our hotel portfolio.

In London, the development of Paddington Square and Bankside Yards, a commercial and mixed development respectively, are progressing well, although no income will be recorded until completion of these projects.

11. Dividend

(a) Current Financial Period Reported On

The Board of Directors has recommended a first and final one-tier tax exempt cash dividend of 4 cents per ordinary share, and a one-tier tax exempt special dividend of 6 cents per ordinary share, in respect of the current financial year reported on. Payment of the said dividend is subject to the approval of shareholders at the forthcoming Annual General Meeting.

(b) Corresponding Period of the Immediately Preceding Financial Year

The Company declared a first and final one-tier tax exempt cash dividend of 4 cents per ordinary share, and a one-tier tax exempt special dividend of 6 cents per ordinary share in respect of the immediately preceding financial year.

(c) Date payable

Will be announced at a later date.

(d) Books closure date

Notice will be given at a later date of the date of closure of the transfer books and register of members.

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

Not applicable.

13. Interested Person Transactions ("IPT")

The Group has not obtained a general mandate from shareholders for IPTs.

14. Segmental Revenue and Results

Information by business segment

Year ended December 31, 2019

	Hotels \$'000	Properties \$'000	Others \$'000	Elimination \$'000	Consolidated \$'000
REVENUE					
External sales	527,849	28,504	6		556,359
Inter-segment sales		456		(456)	-
Total revenue	527,849	28,960	6	(456)	556,359
RESULTS					
Earnings before interest and tax	86,480	7,329	(4,548)		89,261
Finance costs					(38,456)
Interest income					900
Share of results of associates and jointly controlled entities	(972)	30,781	(911)		28,898
Profit before fair value changes					80,603
Fair value changes in investment properties		3,945			3,945
Profit before income tax					84,548
Income tax expense					(29,860)
Non-controlling interests					2,455
Profit attributable to shareholders of the Company					57,143

14. Segmental Revenue and Results (cont'd)

Year ended December 31, 2018

	Hotels \$'000	Properties \$'000	Others \$'000	Elimination \$'000	Consolidated \$'000
REVENUE					
External sales	506,830	72,637	6		579,473
Inter-segment sales		421		(421)	-
Total revenue	506,830	73,058	6	(421)	579,473
RESULTS					
Earnings before interest and tax	64,659	14,384	4,669		83,712
Finance costs					(27,479)
Interest income					1,552
Share of results of associates and jointly controlled entities	(1,493)	94,818	(569)		92,756
Profit before fair value changes					150,541
Fair value changes in investment properties		3,211			3,211
Profit before income tax					153,752
Income tax expense					(29,066)
Non-controlling interests					(3,363)
Profit attributable to shareholders of the Company					121,323

15. Review of Performance by Business Segments

Please refer to item 8 above.

16. Breakdown of Sales and Operating Profit

	Latest Financial Year \$'000 Group	Previous Financial Year \$'000 Group	% increase/(decrease) Group
(a) Sales reported for first half year	277,151	310,565	(10.76)
(b) Operating profit after tax before deducting non-controlling interests reported for first half year**	18,926	97,574	(80.60)
(c) Sales reported for second half year	279,208	268,908	3.83
(d) Operating profit after tax before deducting non-controlling interests reported for second half year**	31,817	23,901	33.12

** excludes net fair value gain in investment properties.

17. Breakdown of Total Annual Dividend

	Latest Full Year (\$'000)	Previous Full Year (\$'000)
Ordinary	52,092	52,114
Preference	-	-
Total:	52,092	52,114

The dividend amounts for the latest full year are estimated based on the number of issued shares (excluding treasury shares) as at December 31, 2019. The actual dividend payment can only be determined on books closure date.

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) of the Listing Manual

There are currently no persons occupying managerial positions in the Company or any of its principal subsidiaries who are relatives of a director or chief executive officer or substantial shareholder of the Company.

19. Confirmation pursuant to Rule 720(1) of the Listing Manual

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

20. Cessation of Quarterly Reporting

Following the amendments to the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual (Mainboard Rules) ("Amended Listing Rules") which have taken effect as of February 7, 2020, the Company will not be required to release its unaudited financial statements on a quarterly basis ("Quarterly Reporting").

The Board has, after due deliberations, taking into consideration the management resources required in connection with the Quarterly Reporting, decided to release its unaudited financial statements only on half-yearly basis, with immediate effect. Accordingly, the Company will, in respect of each of the financial years, announce only the unaudited financial statements of the Company for the half year ending June 30, by not later than 45 days after the end of the relevant half financial year, and, for the full financial year ending December 31, by not later than 60 days after the end of the relevant full financial year.

BY ORDER OF THE BOARD

Lo Swee Oi
Company Secretary
February 27, 2020