# ISDN HOLDINGS LIMITED

# 億仕登控股有限公司

*(Incorporated in the Republic of Singapore with limited liability)*

**(Hong Kong stock code: 1656)**
**(Singapore stock code: I07.SI)**

# ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

## FINANCIAL HIGHLIGHTS

| | For the year ended 31 December | | |
|---|---|---|---|
| | **2020** | 2019 | % Change |
| | **S$'000** | S$'000 | |
| Revenue | **361,864** | 290,985 | 24.4% |
| Gross Profit | **95,573** | 77,425 | 23.4% |
| Profit for the year and attributable to owners of the Company | **15,139** | 7,047 | n.m. |
| Basic earnings per share (Singapore cents) | **3.51** | 1.68 | |

The Board has resolved to declare a final dividend of 0.8 Singapore cents for the year ended 31 December 2020 (2019 final: 0.4 Singapore cents).

## ANNUAL RESULTS

The board (the "**Board**") of directors (the "**Directors**") of ISDN Holdings Limited (the "**Company**") hereby announces the consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2020 (the "**FY2020**"), together with the relevant comparative audited or unaudited figures. The Group's results for FY2020 are unaudited but have been reviewed by the audit committee of the Company (the "**Audit Committee**").

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

For the year ended 31 December 2020

| | *Note* | **2020**<br>**S$'000**<br>**(unaudited)** | 2019<br>S$'000<br>(audited) |
|---|---|---|---|
| **REVENUE** | *5* | **361,864** | 290,985 |
| Cost of sales | | **(266,291)** | (213,560) |
| Gross profit | | **95,573** | 77,425 |
| Other operating income | *6* | **4,344** | 3,356 |
| Distribution costs | | **(25,304)** | (25,588) |
| Administrative expenses | | **(31,235)** | (30,993) |
| Net impairment losses on financial assets | | **(4,623)** | (446) |
| Other operating expenses | | **(6,007)** | (1,287) |
| Finance costs | *7* | **(1,735)** | (2,107) |
| Share of profit / (loss) of associates | | **979** | (138) |
| **PROFIT BEFORE INCOME TAX** | *8* | **31,992** | 20,222 |
| Income tax | *9* | **(9,496)** | (6,030) |
| **PROFIT FOR THE YEAR** | | **22,496** | 14,192 |
| **OTHER COMPREHENSIVE INCOME, NET OF TAX:** | | | |
| Items that may be subsequently reclassified to profit and loss | | | |
| - Net fair value changes on cash flow hedge | | **47** | 100 |
| - Exchange differences on translation | | **3,178** | (2,045) |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | | **25,721** | 12,247 |

| | *Note* | **2020** | 2019 |
|---|---|---|---|
| | | **S$'000** | S$'000 |
| | | **(unaudited)** | (audited) |
| **PROFIT FOR THE YEAR ATTRIBUTABLE TO:** | | | |
| Equity holders of the Company | | **15,139** | 7,047 |
| Non-controlling interests | | **7,357** | 7,145 |
| | | **22,496** | 14,192 |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:** | | | |
| Equity holders of the Company | | **17,897** | 4,854 |
| Non-controlling interests | | **7,824** | 7,393 |
| | | **25,721** | 12,247 |
| **EARNINGS PER SHARE:** | | | |
| Basic and diluted | *11* | **3.51 cents** | 1.68 cents |

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
As at 31 December 2020

| | *Note* | **31 December 2020 S$'000 (unaudited)** | 31 December 2019 S$'000 (audited) |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | | **61,602** | 43,965 |
| Investment properties | | **460** | 479 |
| Land use rights | | **1,214** | 1,199 |
| Goodwill | | **12,227** | 12,227 |
| Associates | | **5,775** | 5,646 |
| Service concession receivables | *12* | **58,541** | 34,261 |
| Other financial assets | | **900** | 900 |
| Deferred tax assets | | **251** | 152 |
| **Total non-current assets** | | **140,970** | 98,829 |
| **Current assets** | | | |
| Inventories | | **55,592** | 53,131 |
| Trade and other receivables | *12* | **102,950** | 111,804 |
| Cash and bank balances | | **58,473** | 37,998 |
| **Total current assets** | | **217,015** | 202,933 |
| **Total Assets** | | **357,985** | 301,762 |

| | Note | 31 December 2020 S$'000 (unaudited) | 31 December 2019 S$'000 (audited) |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **Equity attributable to owners of the Company** | | | |
| Share Capital | *13* | **79,213** | 78,095 |
| Reserves | | **90,807** | 74,650 |
| | | **170,020** | 152,745 |
| Non-controlling interests | | **47,604** | 45,825 |
| **Total equity** | | **217,624** | 198,570 |
| **Non-current liabilities** | | | |
| Bank borrowings | | **9,580** | 7,096 |
| Leases liabilities | | **1,127** | 1,309 |
| Deferred tax liabilities | | **586** | 655 |
| **Total non-current liabilities** | | **11,293** | 9,060 |
| **Current liabilities** | | | |
| Bank borrowings | | **22,128** | 20,186 |
| Leases liabilities | | **1,481** | 1,659 |
| Trade and other payables | *14* | **84,364** | 60,769 |
| Contract liabilities | | **17,053** | 8,913 |
| Current tax liabilities | | **4,042** | 2,605 |
| **Total current liabilities** | | **129,068** | 94,132 |
| **Total liabilities** | | **140,361** | 103,192 |
| **Total Equity and Liabilities** | | **357,985** | 301,762 |

## NOTES

### 1. GENERAL

The Company is a public limited liability company incorporated and domiciled in Singapore and is dual listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The Company's registered office and principal place of business is No. 10 Kaki Bukit Road 1, #01-30 KB Industrial Building, Singapore 416175.

The immediate and ultimate holding company is Assetraise Holdings Limited, a company incorporated in the British Virgin Islands. Assetraise Holdings Limited is beneficially owned by Mr. Teo Cher Koon, the Managing Director and President of the Company and his spouse, Ms. Thang Yee Chin.

The Company's principal activities included the provision of technical consultancy, training services, and management services.

### 2. BASIS OF PREPARATION

The results set out in the announcement do not constitute the Group's annual report for FY2020 but are extracted from that report.

The unaudited consolidated annual financial information for FY2020 has been prepared in accordance with Singapore Financial Reporting Standards (International) ("**SFRS(I)**") issued by the Accounting Standards Council ("**ASC**") and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Hong Kong Listing Rules**").

The unaudited consolidated annual financial information has been prepared on the historical basis, except certain financial assets and liabilities which are carried at fair value. The unaudited consolidated annual financial information is presented in Singapore dollars ("**S$**") and all values are rounded to the nearest thousand (S$000), except otherwise indicated.

The Group has adopted the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting year compared with those of the audited financial statements for the year ended 31 December 2019 (the "**FY2019**").

### 3. ADOPTION OF NEW OR AMENDED SFRS(I)

The Group has adopted all the new and revised SFRS(I)s that are relevant to its operations and effective for annual period beginning on 1 January 2020. The application of the new and revised standards and interpretations has no material effect on the financial statements.

## 4. SEGMENT INFORMATION

The business of the Group is organised into the following business segments:

- Provision of Engineering Solutions — Motion Control
- Other Specialised Engineering Solutions
- Industrial Computing Solutions

Segment results represent the profit earned by each segment without allocation of corporate expenses, rental income, share of profit/(loss) of associates, interest income and finance costs, and income tax. Segment assets/liabilities are all operating assets/liabilities that are employed by a segment in its operating activities and are either directly attributable to the segment or can be allocated to the segment on a reasonable basis. This is the measure reported to management for the purposes of resource allocation and assessment of segment performance. Segment revenue includes transfer between operating segments. Such transfers are accounted for at competitive market prices charged to unaffiliated customers for similar goods. The transfers are eliminated on consolidation. No operating segments have been aggregated to form the reportable segments above.

## (a) Reportable operating segments

| | Engineering Solutions – Motion Control | | Other Specialised Engineering Solutions | | Industrial Computing Solutions | | Others | | Elimination | | Consolidated | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **2020** | 2019 | **2020** | 2019 | **2020** | 2019 | **2020** | 2019 | **2020** | 2019 | **2020** | 2019 |
| | **S$'000** | S$'000 | **S$'000** | S$'000 | **S$'000** | S$'000 | **S$'000** | S$'000 | **S$'000** | S$'000 | **S$'000** | S$'000 |
| **Revenue** | | | | | | | | | | | | |
| External Sales | **264,827** | 220,358 | **63,050** | 59,315 | **8,628** | 6,331 | **25,359** | 4,981 | - | - | **361,864** | 290,985 |
| Inter-segment sales | **7,321** | 5,414 | **1,929** | 1,401 | **465** | 144 | **-** | - | **(9,715)** | (6,959) | - | - |
| | **272,148** | 225,772 | **64,979** | 60,716 | **9,093** | 6,475 | **25,359** | 4,981 | **(9,715)** | (6,959) | **361,864** | 290,985 |
| **Results** | | | | | | | | | | | | |
| Segment results | **32,688** | 21,994 | **4,906** | 2,225 | **2,909** | 560 | **(8,396)** | (2,441) | - | - | **32,107** | 22,338 |
| Share of profit/(loss) of associates | **979** | (138) | - | - | - | - | **-** | - | - | - | **979** | (138) |
| Corporate expenses | | | | | | | | | | | **(180)** | (672) |
| Rental income | | | | | | | | | | | **518** | 490 |
| Interest income | | | | | | | | | | | **303** | 311 |
| Finance costs | | | | | | | | | | | **(1,735)** | (2,107) |
| Profit before income tax | | | | | | | | | | | **31,992** | 20,222 |
| Income tax | | | | | | | | | | | **(9,496)** | (6,030) |
| Profit for the year | | | | | | | | | | | **22,496** | 14,192 |
| **Assets** | | | | | | | | | | | | |
| Segment assets | **134,960** | 131,209 | **48,987** | 33,960 | **4,068** | 3,472 | **100,567** | 83,030 | **(7,532)** | (6,259) | **281,050** | 245,412 |
| Goodwill | **2,178** | 2,178 | **9,508** | 9,508 | - | - | **541** | 541 | - | - | **12,227** | 12,227 |
| Associates | **5,055** | 4,241 | - | - | - | - | **720** | 1,405 | - | - | **5,775** | 5,646 |
| Investment properties | | | | | | | | | | | **460** | 479 |
| Cash and bank balances | | | | | | | | | | | **58,473** | 37,998 |
| Consolidated total assets | | | | | | | | | | | **357,985** | 301,762 |
| **Liabilities** | | | | | | | | | | | | |
| Segment liabilities | **58,918** | 43,547 | **19,604** | 13,168 | **902** | 912 | **24,548** | 13,209 | **(7,532)** | (6,259) | **96,440** | 64,577 |
| Bank borrowings and lease liabilities | | | | | | | | | | | **34,316** | 30,250 |
| Income tax liabilities | | | | | | | | | | | **4,042** | 2,605 |
| Others unallocated corporate liabilities | | | | | | | | | | | **5,563** | 5,760 |
| Consolidated total liabilities | | | | | | | | | | | **140,361** | 103,192 |
| **Other information** | | | | | | | | | | | | |
| Capital expenditure on: | | | | | | | | | | | | |
| - property, plant and equipment | **9,561** | 967 | **274** | 845 | **-** | 7 | **677** | 3,198 | - | - | **10,512** | 5,017 |
| Depreciation of: | | | | | | | | | | | | |
| - property, plant and equipment | **2,391** | 2,354 | **1,374** | 1,358 | **15** | 27 | **255** | 45 | - | - | **4,035** | 3,784 |
| - investment properties | **19** | 18 | - | - | - | - | - | - | - | - | **19** | 18 |
| Other non-cash expenses: | | | | | | | | | | | | |
| - amortisation of land use rights | **34** | 32 | - | - | - | - | - | - | - | - | **34** | 32 |
| - trade receivables written off | **72** | 48 | **146** | 106 | - | - | **316** | - | - | - | **534** | 154 |
| - allowance for inventory obsolescence | **271** | 52 | **184** | 152 | - | - | - | - | - | - | **455** | 204 |
| - allowance for impairment of trade receivables | **97** | 307 | **100** | 55 | **11** | 3 | **4,596** | 465 | **-** | **-** | **4,804** | 830 |
| - property, plant and equipment written off | **-** | 1 | **2** | 1 | - | - | - | - | - | - | **2** | 2 |
| - inventories written off | **325** | 210 | **91** | 67 | - | - | - | - | - | - | **416** | 277 |
| - write back of allowance for inventory obsolescence | **(44)** | (194) | **(173)** | - | - | - | - | - | - | - | **(217)** | (194) |
| - write back of allowance for trade receivables | **(137)** | (36) | **(44)** | (348) | **-** | - | **-** | - | - | - | **(181)** | (384) |

**(b) Geographical information**

The Group operates in five principal geographical areas — Singapore (country of domicile), the People's Republic of China (the "**PRC**"), Hong Kong, Malaysia, and Republic of Indonesia ("**Indonesia**").

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

| | **Revenue from external customers** | | **Non-current assets** | |
|---|---|---|---|---|
| | **2020** | 2019 | **2020** | 2019 |
| | **S$'000** | S$'000 | **S$'000** | S$'000 |
| Singapore | **46,931** | 44,830 | **24,439** | 21,627 |
| The PRC | **244,748** | 194,803 | **26,177** | 23,616 |
| Hong Kong | **5,987** | 6,653 | **1,005** | 1,074 |
| Malaysia | **9,588** | 10,204 | **1,012** | 937 |
| Indonesia | **25,703** | 5,673 | **85,761** | 49,993 |
| Others | **28,907** | 28,822 | **2,576** | 1,582 |
| **Total** | **361,864** | 290,985 | **140,970** | 98,829 |

**(c) Information about major customers**

The Group's revenue from any single external customer is less than 10%.

## 5. REVENUE

| | **2020** | 2019 |
|---|---|---|
| | **S$'000** | S$'000 |
| Industrial automation solutions | **336,719** | 286,102 |
| Construction revenue | **25,145** | 4,883 |
| | **361,864** | 290,985 |

## 6. OTHER OPERATING INCOME

| | **2020** | 2019 |
|---|---|---|
| | **S$'000** | S$'000 |
| Interest income | | |
| - interest on bank deposits | **196** | 200 |
| - interest on loan to an associate | **107** | 111 |
| Total interest income on financial assets at amortised cost | **303** | 311 |
| Commission income | **270** | 610 |
| Gain on disposal of interest in an associate | **23** | 15 |
| Gain on disposal of property, plant and equipment, net | **-** | 20 |
| Government grants | **766** | 153 |
| Operating lease rental income: | | |
| - investment properties | **52** | 56 |
| - sub-let of office/warehouse premises | **466** | 434 |
| Property management income | **377** | 360 |
| Technical service income | **722** | 449 |
| Write back of allowance of inventory obsolescence | **217** | 194 |
| Miscellaneous income | **1,148** | 754 |
| | **4,344** | 3,356 |

## 7. FINANCE COSTS

| | **2020** **S$'000** | 2019 S$'000 |
|---|---|---|
| Interest expense on: | | |
| - bank loans | **1,287** | 1,472 |
| - trust receipts | **102** | 70 |
| - leases liabilities | **150** | 163 |
| - others | **196** | 402 |
| | **1,735** | 2,107 |

## 8. PROFIT BEFORE INCOME TAX

| | **2020** **S$'000** | 2019 S$'000 |
|---|---|---|
| Profit before income tax has been arrived at after charging: | | |
| Amortisation of land use rights | **34** | 32 |
| Depreciation of property, plant and equipment | | |
| - recognised in cost of sales | **500** | 397 |
| - recognised in distribution costs | **414** | 713 |
| - recognised in administrative expenses | **3,121** | 2,674 |
| | **4,035** | 3,784 |
| Depreciation of investment properties | **19** | 18 |
| Other operating expense included: | | |
| - trade receivables written off | **534** | 154 |
| - allowance for inventories obsolescence | **455** | 204 |
| - inventories written off | **416** | 277 |
| - foreign exchange loss, net | **2,979** | 585 |
| - loss on disposal of property, plant and equipment, net | **17** | - |
| - property, plant and equipment written off | **2** | 2 |
| Operating lease rental expenses | **30** | 162 |

## 9. INCOME TAX

| | **2020** **S$'000** | 2019 S$'000 |
|---|---|---|
| Current income tax | | |
| - Singapore | **646** | 328 |
| - The PRC | **8,451** | 4,686 |
| - Outside Singapore and the PRC | **286** | 532 |
| - Under provision in respect of prior year | **242** | 495 |
| | | |
| Deferred taxation | | |
| - Over provision in respect of prior year | **(129)** | (11) |
| | **9,496** | 6.030 |

## 9. INCOME TAX (CONT'D)

The corporate tax rate applicable to the Company and those entities of the Group incorporated in Singapore for the years ended 31 December 2020 and 2019 is 17%. The corporate tax rate applicable to those entities of the Group incorporated in Malaysia for the years ended 31 December 2020 and 2019 is 24%.

In March 2018, the Hong Kong Government introduced a two-tiered profits tax rate regime by enacting the Inland Revenue (Amendment) (No. 3) Ordinance 2018 (the "**Ordinance**"). Under the two-tiered profits tax rate regime, the first Hong Kong Dollar 2 million of assessable profits of qualifying corporations is taxed at 8.25% and the remaining assessable profits at 16.5%. The Ordinance is effective from the year of assessment 2019-2020.

For those entities of the Group operating in the PRC, the PRC income tax is calculated at the applicable tax rate in accordance with the relevant laws and regulations in the PRC. On 16 March 2007, the Enterprise Income Tax Law (the "**new EIT Law**") was passed at the Fifth Session of the Tenth National People's Congress of the PRC, in which the income tax rate for both domestic and foreign-investment enterprise was unified at 25% effective from 1 January 2008 (Order of the President [2007] No. 63).

The remaining entities of the Group operating in jurisdictions other than the above have either no taxable income or are not material.

## 10. DIVIDENDS PAID

| | **2020** | 2019 |
|---|---|---|
| | **S$'000** | S$'000 |
| Paid during the financial year: | | |
| Tax exempt (one-tier) final dividend of 0.4 Singapore cents per share (2019: 0.7 Singapore cents) in respect of the previous year | **1,734** | 2,971 |

On 28 August 2020, a final dividend of 0.4 Singapore cents per ordinary share, which included scrip dividend alternatives offered to the shareholders of the Company (the "**Shareholders**") was paid to the Shareholders as the final dividend in respect of FY2019.

The scrip dividend alternatives were accepted by the shareholders as follows:

| | **2020** | 2019 |
|---|---|---|
| | **S$'000** | S$'000 |
| Dividends: | | |
| Cash | **616** | 1,257 |
| Scrip dividend | **1,118** | 1,714 |
| | **1,734** | 2,971 |

The dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

## 11. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share attributable to owners of the Company is based on the following data:

| | 2020<br>S$'000 | 2019<br>S$'000 |
|---|---|---|
| Earnings for the purpose of basic and diluted earnings per share, being profit for the year attributable to owners of the Company | **15,139** | 7,047 |
| Weighted average number of ordinary shares for the purpose of basic earnings per share | **431,562,974** | 418,804,712 |

The weighted average number of shares takes into account the weighted average effect of changes in treasury shares during the years ended 31 December 2020 and 2019.

## 12. TRADE AND OTHER RECEIVABLES

| | 2020<br>S$'000 | 2019<br>S$'000 |
|---|---|---|
| Non-current: | | |
| Service concession receivables | **58,541** | 34,261 |
| Current: | | |
| Trade receivables, net of impairment | | |
| - note receivables | **11,597** | 10,607 |
| - third parties | **66,952** | 59,143 |
| - associates | **2,425** | 2,342 |
| - related parties | **4,425** | 1,695 |
| | **85,399** | 73,787 |
| Other receivables: | | |
| Funding to investee company | **401** | 5,788 |
| Advances to | | |
| - suppliers | **4,304** | 12,192 |
| - associates | **144** | 115 |
| - related parties | **59** | 177 |
| Deposits | **517** | 579 |
| Loan to associates | **65** | 3,659 |
| Promissory note due | **765** | 1,158 |
| Amounts owing from non-controlling interest | **6,541** | 7,485 |
| Sundry debtors | **3,770** | 5,875 |
| | **16,566** | 37,028 |
| Prepayment | **985** | 989 |
| | **102,950** | 111,804 |
| | **161,491** | 146,065 |

## 12. TRADE AND OTHER RECEIVABLES (CONT'D)

The aging analysis of trade receivables based on invoice date is as follows:

| | **2020** | 2019 |
|---|---|---|
| | **S$'000** | S$'000 |
| Within 30 days | **38,059** | 39,700 |
| 31 - 90 days | **26,800** | 18,611 |
| Over 90 days | **20,540** | 15,476 |
| | **85,399** | 73,787 |

Trade receivables are non-interest bearing and are usually due within 30 - 90 days term. Included in trade receivables as at 31 December 2020 were trade receivables from third parties amounting to S$542,000 (2019: S$684,000), under account receivables bulk factoring arrangement via a bank facility agreement entered by a subsidiary of the Company to sell its trade receivables to banks. These factored trade receivables were included in trade receivables as the subsidiary still retained the risk and rewards associated with the delay and default in payment by customers.

## 13. SHARE CAPITAL

| | **Issued and fully paid** | | | |
|---|---|---|---|---|
| | **No. of ordinary shares** | | **Amount** | |
| | **2020** | 2019 | **2020** | 2019 |
| | | | **S$'000** | S$'000 |
| At the beginning of year | **429,572,849** | 394,689,186 | **78,095** | 70,984 |
| Subscription shares issued | **-** | 26,987,295 | **-** | 5,397 |
| Shares issued-in-lieu of cash for dividend | **5,765,045** | 7,896,368 | **1,118** | 1,714 |
| At the end of year | **435,337,894** | 429,572,849 | **79,213** | 78,095 |

Shares do not have any par value. The holders of shares are entitled to receive dividends as and when declared by the Company. All shares carry one vote per share without restrictions and rank equally with respect to the Company's residual assets.

## 14. TRADE AND OTHER PAYABLES

| | **2020** | 2019 |
|---|---|---|
| | **S$'000** | S$'000 |
| Trade payables | | |
| - third parties | **29,618** | 25,168 |
| - associates | **34** | 97 |
| - related parties | **10,180** | 9,729 |
| | **39,832** | 34,994 |
| Accrued operating expenses | **6,131** | 4,701 |
| Accrued salaries and bonuses | **12,828** | 13,186 |
| Amount owing to an associate | **23** | 27 |
| Amount owing to non-controlling interests | **1,285** | 2,032 |
| Derivatives | **-** | 1 |
| Other payables | **24,265** | 5,828 |
| | **84,364** | 60,769 |

## 14. TRADE AND OTHER PAYABLES (CONT'D)

The aging analysis of trade payables based on invoice date is as follows:

| | **2020** | 2019 |
|---|---|---|
| | **S$'000** | S$'000 |
| Within 30 days | **26,447** | 22,264 |
| 31 - 90 days | **12,133** | 11,973 |
| Over 90 days | **1,252** | 757 |
| | **39,832** | 34,994 |

Trade payables are non-interest bearing and are usually settled within 30 – 90 days term.

## 15. EVENT AFTER THE REPORTING PERIOD

No major subsequent event has occurred since the end of the financial year ended 31 December 2020 up to the date of this announcement.

## MANAGEMENT DISCUSSION AND ANALYSIS REVIEW

The Group's total revenue rose 24.4% year-on-year ("**YoY**") from S$291.0 million in FY2019 to S$361.9 million in FY2020. This huge increase in revenue was backed by the PRC continued solid demand for its core industrial automation solutions, growing demand from Southeast Asia including Singapore, Malaysia, and Vietnam as well as recognised construction revenue for the mini-hydropower plants in Indonesia.

Gross profit grew 23.4% YoY to S$95.6 million for FY2020 with gross profit margin dipping slightly from 26.6% to 26.4%. The gross profit margin would have been 27.8% if gross profit margins from the mini-hydropower plants were excluded.

Our business focus continues to be predominantly in the PRC, contributing approximately 67.6% in FY2020 (FY2019: 66.9%), with Singapore, Hong Kong, Malaysia as other major contributors to our revenue, accounting for 13.0%, 1.7% and 2.6% respectively for FY2020 (FY2019: 15.4%, 2.3% and 3.5% respectively). Contributions from Indonesia grew from 1.9% in FY2019 to 7.1% in FY2020 .

By delivering effective industrial automation solutions to meet increasing demand spurred by the ongoing pandemic and the reconfiguration in the global industrial supply chain, the Group continues to benefit from the inevitable effects of the coronavirus disease 2019 ("**COVID-19**") and the Washington-Beijing trade spat.

The Group's modest investment to enter the disinfectant market has reaped early fruits, clinching flagship deals within the first year. These deals include supplying disinfectants to the dormitories of Centurion Corporation and a pilot project with a local bus transport company.

The Group's energy business is also slated for commercialisation in FY2021.

## FUTURE PROSPECTS

While the COVID-19 pandemic has upended the global economy, it has provided impetus for Asia's businesses to digitise and quicken their transition to Industry 4.0 automation. The benefits of industrial automation for businesses can include higher productivity, higher performance or precision in industrial output, and lower dependence on labour (and therefore lower risk impact from health pandemics). According to Mordor Intelligence[1], the China Factory Automation and Industrial Controls Market is forecasted to grow at a compound annual growth rate of 9.8% to 2025. China's motion control market is also expected to grow at a steady pace between 2021 and 2026[2], alongside increased demand for machine tools, robotics, and semiconductors with the support from strategies like "Made in China 2025".

In addition to Industry 4.0 adoption, the Group notes that the long-term strategic competition between China and the United States continues to erode bilateral trade between the two nations[3], resulting in a significant reconfiguration of regional supply chains favouring Asia-based suppliers and, in particular, Southeast Asia as a relatively trade-neutral supply ecosystem[4].

Given the twin market drivers of Industry 4.0 and geopolitical competition described above, the Group believes it remains well positioned to benefit from overall market growth in its core industrial automation market.

In addition to its core business, the Group has two growth investments in clean economy industries. ISDN's emerging disinfectant business addresses Asia's growing post-pandemic need for ecologically friendly commercial disinfectants. ISDN's hydropower business addresses the long-term shift towards clean energy in Asia.

## FINANCIAL REVIEW

### Revenue and Gross Profit Margin

| | **FY2020 S$'000** | FY2019 S$'000 | % change +/(-) |
|---|---|---|---|
| **Industrial automation solutions** | | | |
| Revenue | **336,719** | 286,102 | 17.7% |
| Gross profit | **93,711** | 77,063 | 21.6% |
| Gross profit margin | **27.8%** | 26.9% | 0.9 ppt |
| **Construction revenue** | | | |
| Revenue | **25,145** | 4,883 | n.m. |
| Gross profit | **1,862** | 362 | n.m. |
| Gross profit margin | **7.4%** | 7.4% | 0.0 ppt |
| **TOTAL** | | | |
| Revenue | **361,864** | 290,985 | 24.4% |
| Gross profit | **95,573** | 77,425 | 23.4% |
| Gross profit margin | **26.4%** | 26.6% | (0.2) ppt |

n.m.: not meaningful

[1] China Factory Automation and Industrial Controls Market
https://www.mordorintelligence.com/industry-reports/china-factory-automation-and-industrial-controls-market-industry
[2] Assessment of China's Motion Controller Industry, 2019-2026
https://www.businesswire.com/news/home/20200603005453/en/Assessment-Chinas-Motion-Controller-Industry-2019-2026-Size
[3] China failed to buy agreed amounts of U.S goods under 'phase one' trade deal, data shows
https://www.cnbc.com/2021/01/22/china-failed-to-buy-agreed-amounts-of-us-goods-in-phase-one-trade-deal-data.html
[4] Supply Chain Reconfiguration Amidst US-China Trade Tensions
https://www.mti.gov.sg/Resources/feature-articles/2020/Supply-Chain-Reconfiguration-Amidst-US-China-Trade-Tensions

**Revenue and Gross Profit Margin (Cont'd)**

The Group's revenue of S$361.9 million for FY2020 was higher by approximately S$70.9 million or 24.4% as compared to FY2019. This was attributable to the growing demand for the Group's core industrial automation solutions in Southeast Asia, including Singapore, Malaysia, and Vietnam, because Southeast Asia has derived benefits from the reconfiguring of global industrial supply chains. In addition, we recorded construction revenue of approximately S$25.1 million from the construction of mini-hydropower plants in Indonesia.

Gross profit of S$95.6 million was S$18.1 million, or 23.4% higher in FY2020 as compared to FY2019. Overall, the gross profit margin declined slightly in FY2020 as compared to FY2019 by 0.2 percentage point from 26.6% to 26.4%. Excluding the gross profit arising from the construction of mini-hydropower plants under the service concession arrangements, the Group managed to maintain its gross profit margin at 27.8% in FY2020 which is higher than the corresponding period last year by 0.9 percentage point.

**Other operating income**

Other operating income increased by S$1.0 million, or 29.4% to S$4.3 million for FY2020. The increase was mainly due to the increase in government grant of S$0.6 million, increase in miscellaneous income of S$0.4 million and increase in technical services income of S$0.3 million; partially offset by decrease in commission income of S$0.3 million.

**Distribution costs**

Distribution costs decreased by S$0.3 million, or 1.1% to S$25.3 million for FY2020. The decrease was mainly due to decrease in sales and marketing expenses of S$0.8 million and decrease in travelling expenses of S$0.8 million; partially offset by increase in staff and related costs of S$1.3 million from higher staff commission to sales personnel which is in line with the increase in revenue.

**Net impairment losses on financial assets**

Net impairment losses on financial assets increased by S$4.2 million for FY2020. The increase was mainly due to the impairment loss for funding to investee companies. The Group has proceeded with arbitration against the investee companies in Singapore for recovery of debts from them and its guarantor. The arbitration is on-going and the outcome of this arbitration could not be anticipated fully up to the date of this announcement. The Group continues to progress its case in arbitration towards a favourable recovery of amounts due. However, out of prudence it has reserved for the full receivable amount.

**Other operating expenses**

Other operating expenses increased by S$4.7 million to S$6.0 million for FY2020. The increase was mainly due to higher net unrealised foreign exchange loss amounting to S$2.4 million, an increase in bad debts written off of S$0.4 million, an increase in inventories written off of S$0.1 million, an increase in allowance for inventory obsolescence of S$0.3 million, and a reserve of S$1.5 million for legal compensation risk related to a previously announced litigation against our former General Manager (refer to the Group's announcement dated 29 October 2018, 12 November 2018, 1 February 2019 and 28 February 2019). The Group continues to progress its case towards a favourable settlement, however out of prudence it has reserved for the full amount of compensation risk.

**Finance costs**

Finance costs decreased by S$0.4 million or 17.7% for FY2020, which was mainly due to lower interest rate.

**Income tax expense**

Income tax expense increased by S$3.5 million, or 57.5% to S$9.5 million, the increase was mainly due to higher taxable profits for FY2020.

**Property, plant and equipment**

Property, plant and equipment increased by S$17.6 million, or 40.1% as at 31 December 2020. The increase was mainly due to additional construction costs incurred of S$12.7 million for the construction of hydropower plant in Indonesia, acquisition of a leasehold property in Singapore amounting to S$5.0 million, purchase of plant and machinery of S$1.6 million, purchase of motor vehicles of S$0.7 million and recognition of right-of-use assets of S$1.6 million. This was partially offset by the depreciation charge of S$4.0 million.

The acquisition of leasehold property relates to the Group's strategic decision to consolidate the majority of its 7 Singapore offices into a single larger workspace to promote better synergies and efficiencies between Group companies.

**Associates**

Interests in associates increased by S$0.1 million, or 2.3% as at 31 December 2020 mainly due to share of profit of associates of S$1.0 million in FY2020; partially offset by disposal of interest in SPHP Co., Pte. Ltd. ("**SPHP**") amounting to S$0.7 million and declaration of dividend from associates of S$0.2 million.

**Service concession receivables**

Service concession receivables increased by S$24.3 million, or 70.9% to S$58.5 million as at 31 December 2020. This was mainly due to recognition of construction revenue of S$25.1 million from the construction of mini-hydropower plants under the service concession arrangement; partially offset by the foreign exchange revaluation losses of S$0.8 million. Service concessions receivables are classified as long-term contract assets which will be collected across the tenure of the various operational concessions in tandem with agreed power supply agreements.

**Inventories**

Inventories increased by S$2.5 million or 4.6% to S$55.6 million as at 31 December 2020. This was primarily due to the growth of revenue in FY2020 as compared to FY2019.

**Trade and other receivables**

Trade and other receivables decreased by S$8.9 million or 7.9% to S$103.0 million as at 31 December 2020, which was mainly due to decrease in advances to trade suppliers of S$8.0 million, receipt of repayment of loan from SPHP of S$3.5 million, repayment of loan from investee company of S$1.6 million and decrease in sundry receivables of S$2.5 million. This was partially offset by the allowance of S$4.0 million for impairment funding to investee companies and for non-payment of the promissory note. There was an increase in trade receivables from third parties, related parties and notes receivable of S$11.6 million arising from the increase in revenue.

**Trade and other payables**

Trade and other payables increased by S$23.6 million or 38.8% to S$84.4 million as at 31 December 2020. The increase was mainly due to increase in trade payables of S$4.8 million arose from increase in trade purchase during the financial period, increase in accrual of construction cost relating to construction of mini-hydropower plants of S$17.6 million, increase in accrued operating expenses of S$1.4 million and dividend payables to non-controlling interests of S$0.8 million. This was partly offset by the decrease in amounts due to non-controlling interests of S$0.7 million and decrease in accrued staff costs of S$0.4 million.

**Contract liabilities**

The increase in contract liabilities of S$8.1 million or 91.3% to S$17.1 million was mainly due to advances received from customers for sales of goods largely from our China subsidiaries to mitigate credit risk exposure on sales. Contract liabilities are recognised as revenue when the performance obligation of transferring the goods is satisfied at a point in time.

**Bank borrowings (current and non-current)**

Bank borrowings increased by S$4.4 million or 16.2% to S$31.7 million as at 31 December 2020. The increase was primarily due to proceeds of bank borrowings of S$27.7 million offset by repayment of bank borrowings of S$23.3 million.

## MATERIAL ACQUISITION AND DISPOSAL AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

On 2 June 2020, an indirect wholly owned subsidiary of the Company had disposed of 330,000 ordinary shares representing 33% of the entire issued and paid-up share capital in SPHP. For more information, please refer to the Company's announcement entitled "Disposal of 33% of the entire issued and paid-up share capital of SPHP Co., PTE. LTD." dated 3 June 2020.

On 1 December 2020, a wholly-owned subsidiary of the Company had incorporated a new wholly-owned indirect subsidiary, Servo Dynamics Philippines, Inc. with an issued and paid-up share capital of US$210,000 for 100,000 ordinary shares. For more information, please refer to the Company's announcement entitled "Incorporation of a wholly-owned indirect subsidiary" dated 8 December 2020.

On 16 December 2020, a wholly-owned subsidiary of the Company had subscribed for 16,543 ordinary shares in the share capital of Aenergy Holdings Company Limited. For more information, please refer to Company's announcements entitled "Discloseable Transaction - Subscription of shares in Aenergy Holdings Company Limited" and "Supplemental Announcement in relation to Discloseable Transaction Subscription of shares in Aenergy Holdings Company Limited" dated 16 December 2020 and 31 December 2020, respectively.

## LIQUIDITY AND FINANCIAL RESOURCES

During FY2020, the Group's working capital was financed by both internal resources and bank borrowings. As at 31 December 2020, cash and bank balances amounted to approximately S$58.5 million, which increased by approximately 53.9% as compared to S$38.0 million as at 31 December 2019. The quick ratio of the Group was approximately 1.3 times (31 December 2019: 1.6 times).

As at 31 December 2020, the Group has long and short-term bank borrowings of approximately S$31.7 million. Among the borrowings, the bank borrowings due within one year amounted to approximately S$22.1 million (31 December 2019: S$20.2 million) while the bank borrowings due after one year amounted to approximately S$9.6 million (31 December 2019: S$7.1 million).

As at 31 December 2020, the weighted average effective interest rates on bank borrowings is 4.8% (31 December 2019: 6.62%) per annum. The Group does not have fixed rate bank borrowings as at 31 December 2020 and 31 December 2019. Together with the obligation under finance leases of approximately S$0.2 million (31 December 2019: S$0.2 million), the Group's total borrowings amounted to S$31.9 million (31 December 2019: S$27.5 million).

## GEARING RATIO

During FY2020, the gearing ratio of the Group was about 18.8% (2019: 18.0%) which was calculated on the Group's total borrowing (including total borrowing and finance lease but excluding trade and other payables) to total shareholders' equity (excluding non-controlling interests).

The increase in gearing ratio was mainly due to the increase in bank borrowings.

## TREASURY POLICIES

The Group has adopted a prudent treasury policy and thus maintained a healthy liquidity position throughout FY2020. The Group strives to reduce credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time. In the event of capital need, the Group may borrow funds from banks in the currency that coincident with the functional currency of the subsidiary as a natural hedge against foreign exchange fluctuation. During FY2020, the Group did not enter into any hedges in respect of the interest rate risk we are exposed to.

## FOREIGN EXCHANGE EXPOSURE

The Group's foreign currency transactions are mainly denominated in RMB and United States dollars. The Group has currency exposure as certain sourced parts and components incurred in the Mainland China were denominated in RMB. Certain of the subsidiaries of the Company have their assets and liabilities denominated in RMB and other currencies. The Group is subject to foreign exchange rate risk arising from future commercial transactions and recognised assets and liabilities which are denominated in RMB. During FY2020, the Group has entered into financial instruments to hedge its exposure to foreign currency risk.

## CAPITAL EXPENDITURES

During FY2020, the Group's capital expenditure consists of additions to property, plant and equipment and construction in process amounting to approximately S$10,512,000 (2019: S$5,017,000).

## EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2020, there were 950 (2019: 881) employees in the Group. Staff remuneration packages are determined in consideration of market conditions and the performance of the individuals concerned, and are subject to review from time to time. The Group also provides other staff benefits including medical and life insurance.

The Company adopted ISDN share option scheme 2016 and ISDN performance share plan as incentives to the Directors and other eligible participants. The Group also provides and arranges on-the-job training for the employees.

## SIGNIFICANT INVESTMENT HELD

Except for investments in subsidiaries and associates, the Group did not hold any significant investment in equity interest in any other company during FY2020.

## RISK MANAGEMENT

### Contingent Liabilities

The Group did not have any significant contingent liabilities or outstanding guarantees in respect of payment obligations to any third parties as at 31 December 2020.

### Charge on the Group's Assets

As at 31 December 2020, the Group's cash and cash equivalents, net book value of property, plant and equipment and land use rights of approximately S$2.9 million, S$23.8 million and S$1.2 million respectively (2019: S$3.1 million, S$18.6 million and S$1.2 million) were pledged to banks to secure general banking facilities granted to the Group.

## PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES AND CANCELLATION OF TREASURY SHARES

During FY2020 and up to the date of this announcement, the Company did not redeem any of its securities listed on the Main Board of the Stock Exchange and SGX-ST, neither did the Company nor any of its subsidiaries purchase or sell any of the Company's listed securities.

## PROPOSED FINAL DIVIDEND

The Board have recommended the payment of a final dividend of 0.8 Singapore cents (equivalent to 4.67 Hong Kong cents) per ordinary share for FY2020. The proposed dividend payment is subject to approval by the Shareholders at the annual general meeting to be held on Friday, 30 April 2021 (the "**AGM**") at 9:30 a.m. (Singapore Time). Upon Shareholders' approval at the upcoming AGM, the proposed final dividend will be paid on or about 27 August 2021 to the Shareholders whose names shall appear on the register of members of the Company on Wednesday, 7 July 2021.

The Directors propose that the Shareholders be given the option to receive the final dividend in new shares in lieu of cash. The scrip dividend proposal is subject to: (1) the approval of the proposed final dividend at the AGM; and (2) SGX-ST and the Stock Exchange granting the listing of and permission to deal in the new shares to be issued pursuant to this proposal.

A circular containing details of the scrip dividend proposal will be despatched to the Shareholders together with the form of election for scrip dividend on or about Friday, 16 July 2021. It is expected that the final dividend warrants and share certificates for the scrip dividend will be despatched to the Shareholders on or about Friday, 27 August 2021.

## CLOSURE OF REGISTER OF MEMBERS

<u>For determining the entitlement to attend and vote at the AGM</u>

*For Hong Kong Shareholders*
The Hong Kong Branch Share Register will be closed from Tuesday, 27 April 2021 to Friday, 30 April 2021 both days inclusive. During this period, no transfer of shares in the capital of the Company will be registered. In order to be entitled to attend and vote at the AGM, the non-registered Hong Kong Shareholders must lodge all completed transfer forms accompanied by the relevant share certificates with the Company's Hong Kong Branch Share Registrar and Transfer Office, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong for registration not later than 4:30 p.m. on Monday, 26 April 2021.

*For Singapore Shareholders*
The share transfer books and the Singapore Principal Share Register will be closed at 5:00 p.m. on Tuesday, 27 April 2021 for the purpose of determining the entitlement of Singapore Shareholders to attend and vote at the AGM. Duly completed registrable transfers received by the Company's Singapore Principal Share Registrar and Transfer Office, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 up to 5:00 p.m. on Monday, 26 April 2021 shall be registered to determine Shareholders' entitlements to attend and vote at the AGM.

## CLOSURE OF REGISTER OF MEMBERS (CONT'D)

For determining the entitlement to the Proposed Final Dividend

*For Hong Kong Shareholders*
The Hong Kong Branch Share Register will be closed from Thursday, 8 July 2021 to Friday, 9 July 2021, both days inclusive. During this period, no transfer of shares will be registered. In order to qualify for the Final Dividend, Shareholders who wish to hold their shares on the Hong Kong Register of Members of the Company must lodge all completed transfer forms accompanied by the relevant share certificates with the Company's Hong Kong Branch Share Registrar and Transfer Office, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 7 July 2021.

*For Singapore Shareholders*
For the avoidance of doubt, where the registered holder is The Central Depository (Pte) Limited ("**CDP**"), the Final Dividend shall be paid to the CDP and credited to the depositors' securities accounts with the CDP in proportion to the number of shares standing to the credit of each depositor's securities account with the CDP as at 5:00 p.m. on Wednesday, 7 July 2021. Duly completed registrable transfers received by the Company's Singapore Principal Share Registrar and Transfer Office, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 up to 5:00 p.m. on Wednesday, 7 July 2021 shall be registered to determine Shareholders' entitlements to the Final Dividend.

## CORPORATE GOVERNANCE

The Group has applied the principles and the extent of compliance with the guidelines as set out in the Singapore Revised Code of Corporate Governance 2018 (the "**Code**") and the applicable code provisions of the Corporate Governance Code (the "**HK CG Code**") as set out in Appendix 14 to the Hong Kong Listing Rules to provide the structure through which the objectives of protection of Shareholders' interest and enhancement of long term Shareholders' value are met. In the event of any conflict between the Code and the HK CG Code, the Group will comply with the more onerous provisions. Throughout FY2020, the Group has complied with the Code and the HK CG Code.

## COMPLIANCE WITH SINGAPORE LISTING MANUAL AND HONG KONG MODEL CODE

In compliance with Rules 1207(19) of the Listing Manual (the "**Singapore Listing Manual**") of the SGX-ST and the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Hong Kong Listing Rules (the "**Model Code**"), the Company has adopted its own internal compliance code pursuant to the SGX-ST's and the Model Code's best practices on dealings in securities and these are applicable to all officers in relation to their dealings in the Company's securities. In furtherance, specific enquiry has been made with all the Directors and the Directors have confirmed that they have complied with the Model Code during FY2020.

The Company and its officers are not allowed to deal in the shares during the period commencing 30 days immediately before the announcement of the Company's half-year results and 60 days immediately before the announcement of the Company's full year results, and ending on the date of the announcement of the relevant results.

The Directors, management and executives of the Group are also expected to observe relevant insider trading laws at all times, even when dealing in securities within permitted trading period or they are in possession of unpublished price-sensitive information of the Company and they are not to deal in the Company's securities on short-term considerations.

## CHANGE OF AUTHORISED REPRESENTATIVE

The Board wishes to announce Ms. Gn Jong Yuh Gwendolyn ("**Ms. Gn**") had tendered her notification for cessation to act as the authorised representative of the Company (the "**Authorised Representative**") for the purpose of Rule 3.05 of the Hong Kong Listing Rules on the Stock Exchange with effect from 1 March 2021 (the "**Cessation**"). The Board further announces that Ms. Tung Wing Yee Winnie ("**Ms. Tung**"), a joint company secretary of the Company, has been appointed as the Authorised Representative under Rule 3.05 of the Hong Kong Listing Rules in place of Ms. Gn, with effect from 1 March 2021 (the "**Appointment**").

Ms. Gn confirmed that she has no disagreement with the Board and there was no matter relating to her Cessation that need to be brought to the attention of the shareholders of the Company and the Stock Exchange.

The Board would like to take this opportunity to express its gratitude to Ms. Gn for her valuable contribution to the Company during her tenure of service and welcome Ms. Tung on her Appointment.

## AUDIT COMMITTEE

The Audit Committee with written terms of reference which deal clearly with its authority and duties, which was revised on 1 January 2019. Amongst the Audit Committee's principal duties is to review and supervise the Company's financial reporting process and internal controls.

The Audit Committee comprises three independent non-executive Directors, namely Mr. Lim Siang Kai, Mr. Soh Beng Keng and Mr. Tan Soon Liang. Mr. Lim Siang Kai is the chairman of the Audit Committee.

The financial information in this announcement has not been audited or reviewed by the auditor of the Company (the "**Independent Auditor**"), but the Audit Committee has reviewed the unaudited consolidated results of the Group for the FY2020 and is of the opinion that such results complied with the applicable accounting standards, the requirements under Singapore Listing Manual and the Hong Kong Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

## SCOPE OF WORK OF THE INDEPENDENT AUDITOR

The figures in respect of the preliminary announcement of the Group's results for FY2020 have been compared by the Independent Auditor, Moore Stephens LLP, to the amounts set out in the Group's draft consolidated financial statements for FY2020 and the amounts were found to be in agreement. The work performed by the Independent Auditor in this respect was limited and did not constitute an audit, review or other assurance engagement and consequently no assurance has been expressed by the Independent Auditor on this announcement.

## PUBLICATION OF FINANCIAL INFORMATION

The annual results announcement for FY2020 is published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.isdnholdings.com). The annual report of the Company for FY2020 containing, among others, the financial information of the Group will be despatched to the Shareholders and published on the above websites in due course.

By order of the Board
**ISDN HOLDINGS LIMITED**
**Mr. Teo Cher Koon**
*President and Managing Director*

Singapore, 1 March 2021

*As at the date of this announcement, the Board comprises Mr. Teo Cher Koon and Mr. Kong Deyang as executive Directors; Mr. Toh Hsiang-Wen Keith as non-executive Director; and Mr. Lim Siang Kai (Chairman), Mr. Soh Beng Keng and Mr. Tan Soon Liang as independent non-executive Directors.*