

NEWS RELEASE

To : All Shareholders

The Board of Directors of United Overseas Insurance Limited wishes to make the following condensed interim financial statements:

1. **Unaudited income statement for first half year ended 30 June 2021**

	Note	1st Half 2021 \$'000	1st Half 2020 \$'000	Incr/ (Decr) %
(a) Gross premium written		57,236	56,561	1.2
Net earned premium		19,914	19,880	0.2
Net claims incurred		(6,414)	(6,452)	(0.6)
Net commission		1,744	2,629	(33.7)
Management expenses :				
Staff cost		(4,444)	(4,210)	5.6
Depreciation		(929)	(699)	32.9
Foreign exchange gains		22	292	(92.5)
Other operating expenses		(1,736)	(1,912)	(9.2)
Underwriting profit		8,157	9,528	(14.4)
Gross dividends from investments		1,970	898	119.4
Interest income from investments		4,075	4,676	(12.9)
Interest on fixed deposits and bank balances		29	218	(86.7)
Net write-back of expected credit loss on investments		13	48	(72.9)
Amortisation of premium on investments		(481)	(340)	41.5
Rental income from investment property		417	476	(12.4)
Miscellaneous income		77	56	37.5
Net fair value gains/(losses) on mandatorily measured at fair value through profit or loss ("FVTPL") investments - unrealised		349	(199)	(275.4)
Net losses on disposal of fair value through other comprehensive income ("FVOCI") investments	9(e)	(652)	(738)	(11.7)
Net fair value gains/(losses) on financial derivatives - realised		1,828	(15,625)	111.7
Net fair value (losses)/gains on financial derivatives - unrealised		(6,056)	5,636	(207.5)
Exchange gains		5,399	7,011	(23.0)
		1,171	(2,978)	
Management expenses not charged to insurance revenue account:				
Depreciation on property		-	(164)	(100.0)
Management fees		(694)	(648)	7.1
Other operating expenses		(656)	(700)	(6.3)
Non-underwriting income		5,618	605	828.6
Profit before tax		13,775	10,133	35.9
Tax expense	9(d)	(2,183)	(1,571)	39.0
Profit after tax		11,592	8,562	35.4
Profit attributable to equity holders of the Company		11,592	8,562	35.4

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1. Unaudited income statement for first half year ended 30 June 2021 (cont'd)

	1st Half 2021 \$'000	1st Half 2020 \$'000	Incr/ (Decr) %
(b) Annualised earnings per share : Basic and diluted (cents)	<u>37.91</u>	<u>28.00</u>	35.4

2. Unaudited statement of comprehensive income for first half year ended 30 June 2021

Net profit	11,592	8,562	35.4
Other comprehensive income :			
Items that will not be reclassified to profit or loss :			
Net fair value gains/(losses) on equity securities at FVOCI	21,915	(17,391)	(226.0)
Tax related to the above	(3,467)	3,141	(210.4)
	<u>18,448</u>	<u>(14,250)</u>	(229.5)
Items that may be reclassified subsequently to profit or loss :			
Debt securities at FVOCI			
Changes in fair value	(4,025)	2,576	(256.3)
Transfer to profit or loss on disposal	652	738	(11.7)
Changes in allowance for expected credit losses	(13)	(48)	(72.9)
Tax related to the above	574	(562)	(202.1)
	<u>(2,812)</u>	<u>2,704</u>	(204.0)
Other comprehensive income/(loss) for first half year ended 30 June, net of tax	<u>15,636</u>	<u>(11,546)</u>	(235.4)
Total comprehensive income/(loss) for first half year ended 30 June, net of tax	<u>27,228</u>	<u>(2,984)</u>	NM
Total comprehensive income/(loss) attributable to equity holders of the Company	<u>27,228</u>	<u>(2,984)</u>	NM

Note : NM = Not Meaningful

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3. Unaudited statement of financial position

	Note	<u>30-Jun-21</u> \$'000	<u>31-Dec-20</u> \$'000
(a) Share capital - Issued and fully paid		91,733	91,733
Reserves		<u>352,250</u>	<u>332,666</u>
		443,983	424,399
Liabilities			
Insurance creditors		15,276	10,254
Non-trade creditors and accrued liabilities		7,453	7,288
Lease liabilities		545	1,159
Amount owing to related companies		1,310	1,465
Derivative financial liabilities		797	1,290
Tax payable		7,330	8,605
Deferred tax liabilities		10,033	9,049
Deferred acquisition cost - reinsurers' share		9,835	8,787
Gross technical balances			
- Reserve for unexpired risks		58,022	49,040
- Reserve for outstanding claims		<u>109,577</u>	<u>116,546</u>
		220,178	213,483
		<u>664,161</u>	<u>637,882</u>
Assets			
Bank balances and fixed deposits		46,527	59,742
Insurance debtors		17,901	9,913
Non-trade debtors and accrued interest receivables		4,892	4,786
Derivative financial assets		290	6,839
Associated company		1	1
Investments	9(e)	436,621	398,142
Investment property	9(e)	27,591	27,591
Fixed assets		26,056	24,866
Right-of-use assets		576	1,231
Deferred acquisition cost - gross		7,740	7,025
Reinsurers' share of technical balances			
- Reserve for unexpired risks		34,850	29,479
- Reserve for outstanding claims		<u>61,116</u>	<u>68,267</u>
		664,161	<u>637,882</u>
(b) Net asset value per share (S\$)		7.26	6.94
Number of shares issued ('000)		61,155	61,155

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4. Unaudited statement of changes in equity

	Share capital \$'000	General reserve \$'000	Revaluation on investment reserve \$'000	Retained profits \$'000	Total \$'000
Balance at 1 January 2021	91,733	22,880	43,607	266,179	424,399
Profit net of tax	-	-	-	11,592	11,592
Other comprehensive income for first half year ended 30 June, net of tax	-	-	15,636	-	15,636
Total comprehensive income for first half year ended 30 June	-	-	15,636	11,592	27,228
Transfer of fair value reserves of equity securities at FVOCI upon disposal, net of tax	-	-	(9,320)	9,320	-
Dividend for Year 2020	-	-	-	(7,644)	(7,644)
Balance at 30 June 2021	91,733	22,880	49,923	279,447	443,983
Balance at 1 January 2020	91,733	22,880	47,363	256,296	418,272
Profit net of tax	-	-	-	8,562	8,562
Other comprehensive loss for first half year ended 30 June, net of tax	-	-	(11,546)	-	(11,546)
Total comprehensive (loss)/income for first half year ended 30 June	-	-	(11,546)	8,562	(2,984)
Transfer of fair value reserves of equity securities at FVOCI upon disposal, net of tax	-	-	(458)	458	-
Dividend for Year 2019	-	-	-	(9,479)	(9,479)
Balance at 30 June 2020	91,733	22,880	35,359	255,837	405,809

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5. Unaudited statement of cash flows

	Note	1st Half <u>2021</u> \$'000	1st Half <u>2020</u> \$'000
Cash flows from operating activities			
Profit before tax		13,775	10,133
Adjustments for:			
Movement in net reserve for unexpired risks		3,611	1,338
Movement in net deferred acquisition costs		333	351
Movement in net outstanding claims		182	790
Depreciation		929	863
Interest paid		9	24
Net fair value losses/(gains) on forward contracts-unrealised		6,056	(5,636)
Net fair value (gains)/losses on mandatorily measured at FVTPL investments - unrealised		(349)	199
Net losses on disposal of FVOCI investments	9(e)	652	738
Amortisation of premium on investments		481	340
Net write-back of expected credit loss on debts securities at FVOCI		(13)	(48)
Gross dividend from investments		(1,970)	(898)
Interest income from investments		(4,075)	(4,676)
Interest on fixed deposits and bank balances		(29)	(218)
Exchange gains		(5,456)	(6,953)
Operating profit before working capital changes		14,136	(3,653)
Changes in working capital:			
Trade and other receivables		(8,084)	1,784
Trade and other payables		5,187	16,517
Amount owing to related companies		(155)	741
Cash generated from operations		11,084	15,389
Tax paid		(5,367)	(139)
Interest paid		(9)	(24)
Net cash flows from operating activities		5,708	15,226
Cash flows from investing activities			
Proceeds from disposal of investments	9(e)	176,362	122,653
Purchase of investments		(191,618)	(116,969)
Purchase of investments property		-	(28,973)
Purchase of fixed assets - property	9(f)	-	(24,582)
Purchase of fixed assets	9(f)	(1,464)	(113)
Proceeds from long-term fixed deposits		937	101
Gross dividend from investments		1,983	952
Interest income from investments		4,050	4,610
Interest on fixed deposits and bank balances		31	269
Net cash flows used in investing activities		(9,719)	(42,052)

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5. Unaudited statement of cash flows (cont'd)

	1st Half	1st Half
	2021	2020
	\$'000	\$'000
Cash flows from financing activity		
Leases paid	(623)	(498)
Dividend paid	(7,644)	(9,479)
Cash flows used in financing activity	(8,267)	(9,977)
Net decrease in cash and cash equivalents	(12,278)	(36,803)
Cash and cash equivalents at beginning of period	57,288	90,532
Cash and cash equivalents at end of period	45,010	53,729

For the purpose of statement of cash flows, cash and cash equivalents comprise the following :

	1st Half	1st Half
	2021	2020
	\$'000	\$'000
Cash and bank balances	25,964	17,166
Fixed deposits placement with maturity less than 3 months	19,046	36,563
Cash and cash equivalents	45,010	53,729
Fixed deposits placement with maturity more than 3 months	1,517	2,332
	46,527	56,061

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6. Segment information

	<u>SIF</u>	<u>OIF</u>	<u>SHF</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000
<u>For first half year ended 30 June 2021</u>				
Gross premium written	38,088	19,148	-	57,236
Net earned premium	13,230	6,684	-	19,914
Net claims incurred	(3,585)	(2,829)	-	(6,414)
Net commission	3,018	(1,274)	-	1,744
Management expenses	(6,117)	(970)	-	(7,087)
Underwriting profit	6,546	1,611	-	8,157
Gross dividends from investments	701	143	1,126	1,970
Interest income from investments	2,202	475	1,398	4,075
Interest on fixed deposits and bank balances	15	11	3	29
Net fair value losses on financial derivatives	(2,252)	(495)	(1,481)	(4,228)
Net fair value gains on mandatorily measured at FVTPL investments - unrealised	175	174	-	349
Net losses on disposal of FVOCI investments	(333)	(151)	(168)	(652)
Exchange gains	2,857	646	1,896	5,399
Miscellaneous (expenses)/income	(154)	(58)	238	26
Management expenses not charged to insurance revenue account - net	(405)	(91)	(854)	(1,350)
Profit before tax	9,352	2,265	2,158	13,775
Tax expense	(1,590)	(226)	(367)	(2,183)
Profit after tax	7,762	2,039	1,791	11,592
Segment total assets as at 30 June 2021	331,790	82,974	249,397	664,161
Segment total liabilities as at 30 June 2021	160,452	47,900	11,826	220,178
<u>For first half year ended 30 June 2020</u>				
Gross premium written	39,332	17,229	-	56,561
Net earned premium	13,276	6,604	-	19,880
Net claims incurred	(3,902)	(2,550)	-	(6,452)
Net commission	3,867	(1,238)	-	2,629
Management expenses	(6,083)	(446)	-	(6,529)
Underwriting profit	7,158	2,370	-	9,528
Gross dividends from investments	482	106	310	898
Interest income from investments	2,520	538	1,618	4,676
Interest on fixed deposits and bank balances	131	47	40	218
Net fair value losses on financial derivatives	(5,387)	(1,351)	(3,251)	(9,989)
Net fair value losses on mandatorily measured at FVTPL investments - unrealised	(100)	(99)	-	(199)
Net losses on disposal of FVOCI investments	(278)	(114)	(346)	(738)
Exchange gains	3,793	800	2,418	7,011
Miscellaneous (expenses)/income	(110)	(29)	379	240
Management expenses not charged to insurance revenue account - net	(400)	(93)	(1,019)	(1,512)
Profit before tax	7,809	2,175	149	10,133
Tax expense	(1,328)	(218)	(25)	(1,571)
Profit after tax	6,481	1,957	124	8,562
Segment total assets as at 30 June 2020	338,061	86,878	228,052	652,991
Segment total liabilities as at 30 June 2020	177,698	52,078	17,406	247,182

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6. Segment information (cont'd)

The Company is principally engaged in the business of underwriting general insurance. As the company has different operating segments, its businesses are segregated into separate fund accounts in accordance with the requirements of the Singapore Insurance Act (Chapter 142).

As required under the Singapore Insurance Act, the Company has established and maintained a Singapore Insurance Fund (SIF) for insurance business relating to Singapore policies and an Offshore Insurance Fund (OIF) for insurance business relating to offshore policies. Shareholders' Fund (SHF) relates to the Company's investment activities of its non-insurance funds.

The segment information has been prepared in accordance with the Company's accounting policy and Singapore Financial Reporting Standards (International) (SFRS(I)).

Geographical information

Geographical information of the Company's revenue derived from external customers based on location of insurance risks and non-current assets are as follows:

	Gross premium written for		Non-current assets as at	
	1st Half <u>2021</u> \$'000	1st Half <u>2020</u> \$'000	1st Half <u>2021</u> \$'000	1st Half <u>2020</u> \$'000
Singapore	40,216	41,057	26,632	27,213
Asean	12,746	12,067	-	-
Others	4,274	3,437	-	-
	<u>57,236</u>	<u>56,561</u>	<u>26,632</u>	<u>27,213</u>

The Company's non-current assets presented above consist of fixed assets (including property for its own occupancy) and right-of-use assets.

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7. Review of performance

Highlights and Performance Indicators

Selected Financial Items	1st Half 2021 \$'000	1st Half 2020 \$'000	Incr/ (Decr) %
Gross premium written	57,236	56,561	+1.2
Net earned premium	19,914	19,880	+0.2
Net claims incurred	(6,414)	(6,452)	-0.6
Net commission	1,744	2,629	-33.7
Management expenses	(7,087)	(6,529)	+8.5
Underwriting profit	8,157	9,528	-14.4
Non-underwriting income	5,618	605	+828.6
Profit before tax	13,775	10,133	+35.9
Profit after tax	11,592	8,562	+35.4
Other comprehensive income/(loss), net of tax	15,636	(11,546)	+235.4
Total comprehensive income/(loss)	27,228	(2,984)	NM
Net asset value per share (\$)	7.26	6.64	+9.3

Note : NM = Not Meaningful

Financial Ratios	1st Half 2021 %	1st Half 2020 %	Incr/ (Decr) % - point
Net incurred loss ratio ⁽¹⁾	32.2	32.5	-0.3
Net commission ratio ⁽²⁾	(8.8)	(13.2)	+4.4
Management expenses ratio ⁽³⁾	35.6	32.8	+2.8
Underwriting profit ratio ⁽⁴⁾	41.0	47.9	-6.9

Note :

- (1) Net incurred loss ratio is computed by dividing net claims incurred by net earned premium.
- (2) Net commission ratio is computed by dividing net commission by net earned premium. When this ratio is in negative, net commission is an income to the Company.
- (3) Management expenses ratio is computed by dividing management expenses for insurance operations by net earned premium.
- (4) Underwriting profit ratio is computed by dividing net underwriting profit by net earned premium.

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7. **Review of performance (cont'd)**

Highlights and Performance Indicators (cont'd)

1st Half 2021 ("1H2021") versus 1st Half 2020 ("1H2020")

Gross premium increased by \$0.7 million or 1.2% to \$57.2 million. The increase was mainly in all classes of insurance except for other accident and marine. Net earned premium increased by \$34,000 or 0.2% to \$19.9 million and net claims incurred decreased by \$38,000 or 0.6%. Net commission income decreased by \$0.9 million due to lower profit commission recoverable from reinsurers in the current period. Management expenses increased by 8.5% to \$7.1 million due to smaller amount of funds received from the government's Jobs Support Scheme in 1H2021 as compared to 1H2020 and expenses and depreciation related to the recently acquired property. Consequently, underwriting profit decreased by 14.4% to \$8.2 million and underwriting profit ratio decreased by 6.9 percentage point to 41.0%.

Non-underwriting income rose to \$5.6 million as compared to \$0.6 million in the corresponding period last year. The increase was due mainly to exchange gains and higher dividend income received in 1H2021.

Consequently, overall net profit before tax increased by 35.9% to \$13.8 million.

Other comprehensive income, net of tax, which affects the balance sheet and not the profit before tax had recorded an unrealised gain of \$15.6 million instead of an unrealised loss of \$11.5 million in the corresponding period last year. This was due mainly to the rebound of global financial markets and healthy returns from the equity markets offset by some losses in the fixed income markets.

Overall, total comprehensive income increased by \$30.2 million when compared to the corresponding period last year due mainly to reasons as mentioned earlier.

8. **Prospects for the next reporting period and the next 12 months**

In view of the heightened uncertainties in the economic environment characterised by downside risks arising from the COVID-19 pandemic, premium growth will still be challenging. Claims experience will continue to be under pressure given the prevailing adverse business conditions and severe weather conditions brought about by climate change. Underwriting profit is expected to remain at a satisfactory level due to the Company's judicious underwriting prudence, new cross-selling initiatives with the parent bank and business development efforts with insurance intermediaries.

In the midst of global uncertainties, the Company's investment strategies remain focused on achieving a reasonable return while actively managing the risks and volatility associated with its investment portfolio.

9. **Notes to the Condensed Interim Financial Statements**

(a) Review

The unaudited statement of financial position of United Overseas Insurance Limited as at 30 June 2021 and the related unaudited income statement, unaudited statement of comprehensive income, unaudited statement of changes in equity and unaudited statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

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9. Notes to the Condensed Interim Financial Statements (cont'd)

(b) Corporate Information

United Overseas Insurance Limited (the Company) is a limited liability company domiciled and incorporated in Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST). These interim financial statements as at and for the first half year ended 30 June 2021 are for the Company. The principal activities of the Company is the underwriting of general insurance business.

(c) Basis of Preparation

The condensed interim financial statements for the first half year ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance of the Company since the last annual financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 9(c)(i).

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

(i) **New and amended standards adopted by the Company**

A number of amendments to standards have become applicable for the current reporting period. The Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

(ii) **Use of judgements and estimates**

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense.

The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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9. Notes to the Condensed Interim Financial Statements (cont'd)

(c) Basis of Preparation (cont'd)

(ii) Use of judgements and estimates (cont'd)

In applying Company's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the condensed interim financial statements.

Insurance Risks

The claims reserve estimation process involves estimation of case reserves, additional reserves for claims incurred but not reported and expected future movements in the estimated ultimate liabilities associated with outstanding reported claims incurred but not enough reported. They are periodically reviewed together with certifying actuary's yearly assessment.

The best estimates for premium liabilities have been determined such that the total liability reserve would be adequate to pay for future claims and expenses in servicing the unexpired policies as of the valuation date.

The principal assumption underlying the actuarial estimate of the claim liabilities is that the past claims development experience of the Company is indicative of likely future claims development, both in terms of expected amounts and variability around those expected amounts. In estimating the required claims reserve, the actuary also considers business strategy, trends in claims frequency and severity, rate of settlement, and the impact of changes in the underwriting and claims handling policies of the Company.

Impairment Losses on Financial Assets

The measurement of impairment losses under SFRS(I) 9 across relevant financial assets requires judgement, in particular for the estimation of the amount and timing of future cash flows when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by the outcome of modelled ECL scenarios and the relevant input used.

Revaluation of owner-occupied and investment property

The Company carries its investment property at fair value, with changes in fair value being recognised in profit or loss. In addition, it measures the owner-occupied property at fair value less accumulated depreciation and impairment allowance.

The Company engaged real estate valuation experts to assess fair value as at 31 December 2020. The fair value of the owner-occupied and investment property are determined by independent real estate valuation experts using the market comparable.

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9. Notes to the Condensed Interim Financial Statements (cont'd)

(d) Taxation

The Company calculates the period income tax expense using the tax rate that would be applicable to the period concerned. The major components of income tax expense in the condensed interim income statement are:

	1st Half 2021	1st Half 2020
	\$'000	\$'000
Current income tax expense	2,183	1,571
Deferred income tax expense	-	-
	2,183	1,571

(e) Investments

Financial instruments as at 30 June 2021

	1st Half 2021	Full Year 2020
	\$'000	\$'000
Unit trusts	5,678	5,329
Debt securities	272,834	262,867
Equity securities	158,109	129,946
Investment property	27,591	27,591
	464,212	425,733

During the interim period, the Company disposed certain investments for cash and realised the capital appreciation. These investments had a fair value \$176,362,000 (30 June 2020: \$122,653,000) at the date of disposal.

The net gain on disposal of the above investments was \$10,577,000 (30 June 2020: loss on disposal of \$185,000).

(i) Fair value measurement

The Company categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- (a) Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- (b) Level 2 – Input other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- (c) Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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9. **Notes to the Condensed Interim Financial Statements (cont'd)**

(e) **Investments (cont'd)**

(i) **Fair value measurement (cont'd)**

The following table presented the investments measured at fair value:

	Level 1 (\$'000)	Level 2 (\$'000)	Level 3 (\$'000)	Total (\$'000)
30 June 2021				
Mandatorily measured at FVTPL				
- Unit trusts	5,678	-	-	5,678
At FVOCI				
- Debt securities	272,834	-	-	272,834
- Equity securities	158,109	-	-	158,109
Investment property	-	-	27,591	27,591
	436,621	-	27,591	464,212
31 December 2020				
Mandatorily measured at FVTPL				
- Unit trusts	5,329	-	-	5,329
At FVOCI				
- Debt securities	262,867	-	-	262,867
- Equity securities	129,946	-	-	129,946
Investment property	-	-	27,591	27,591
	398,142	-	27,591	425,733

(f) **Property, plant and equipment**

During the first half year ended 30 June 2021, the Company acquired assets amounting to \$1,464,000 (31 December 2020: \$25,287,000) and disposed of assets amounting to \$129,000 (31 December 2020: nil).

(g) **Subsequent events**

There are no known subsequent events which have led to adjustments to this set of condensed interim financial statements.

10. **Dividend**

The Directors are pleased to declare an interim dividend of 8.5 cents (2020 : 8.5 cents) per share (one-tier tax-exempt) in respect of the current financial year. The total interim dividend would amount to \$5.2 million. The dividend will be paid on 23 August 2021.

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11. Closure of books

Notice is hereby given that the Share Transfer Books and the Register of Members of the Company will be closed on 12 August 2021, for determining shareholders' entitlements to the interim dividend. Registrable transfers received by the Company's Registrar, Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623, up to 5.00 pm on 11 August 2021 ("Record Date") will be registered for the interim dividend. In respect of ordinary shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), entitlements to the interim dividend will be computed based on the shareholding position after settlement of all trades on Record Date. The interim dividend will be paid by the Company to CDP which will, in turn, distribute the dividend to holders of the securities accounts.

12. Borrowings, contingent liabilities and loan capital

The Company has maintained strong liquidity for its business operations and has no borrowings, contingent liabilities and loan capital as at 30 June 2021 (30 June 2020: nil).

13. Interested person transactions

The Company has not obtained a general mandate from shareholders for interested person transactions.

14. Confirmation by directors

The Board of Directors of the Company hereby confirm that, to the best of its knowledge, nothing has come to its attention which may render the unaudited financial results for first half year ended 30 June 2021 to be false or misleading in any material aspect.

15. Undertakings from all its directors and executive officers

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) of the SGX-ST Listing Manual.

BY ORDER OF THE BOARD

MRS VIVIEN CHAN
SECRETARY

Dated this 29 July 2021