



DATAPULSE
TECHNOLOGY

Company Registration No. 198002677D

Datapulse Technology Limited

Half Year Financial Statements and Dividend Announcement

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

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

<u>Consolidated Statement of Profit or Loss</u>	Half Year Ended	Half Year Ended	Change
	31.01.20	31.01.19	
GROUP	\$'000	\$'000	%
		(Restated) **	
<u>Continuing operations</u>			
Revenue	2,370	83	NM
Other income	339	631	(46.3)
	<u>2,709</u>	<u>714</u>	
Staff costs	(1,013)	(397)	NM
Depreciation	(319)	(2)	NM
Finance costs	(468)	-	NM
Hotel operating costs	(915)	-	NM
Other operating expenses	(1,098)	(591)	85.8
Total operating expenses	<u>(3,813)</u>	<u>(990)</u>	
Loss before tax	(1,104)	(276)	
Tax credit	336	-	NM
Loss from continuing operations	(768)	(276)	
<u>Discontinued Operation</u>			
Profit from discontinued operation (net of tax)	-	71	NM
Loss for the period attributable to owners of the Company	(768)	(205)	

** On 30 April 2019, the Group completed the disposal of Wayco Manufacturing (M) Sdn Bhd ("Wayco"). Accordingly, the results of Wayco have been presented as discontinued operation for the period ended 31 January 2019, as if the operation has been discontinued from the start of the previous financial year.

NM: Not meaningful.

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year. (cont'd)

<u>Consolidated Statement of Comprehensive income</u>	Half Year Ended	Half Year Ended	Change
GROUP	31.01.20	31.01.19	%
	\$'000	\$'000	
		(Restated)	
Loss for the period	(768)	(205)	NM
<u>Other comprehensive income</u>			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences relating to financial statements of a foreign subsidiary	(353)	(108)	NM
Other comprehensive income for the period	(353)	(108)	
Total comprehensive income for the period attributable to owners of the Company	(1,121)	(313)	NM

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year. (cont'd)

Notes	Half Year Ended 31.01.20			Half Year Ended 31.01.19 (Restated)			Change %
	Continuing operations	Discontinued operation	Total	Continuing operations	Discontinued operation	Total	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Revenue:							
Hotel operation revenue	1,653	-	1,653	-	-	-	NM
Sale of goods	-	-	-	-	638	638	NM
Gain on disposal of investments	99	-	99	-	-	-	NM
Dividend income from investments	94	-	94	79	-	79	19.0
Interest income on bond investments	85	-	85	4	-	4	NM
Asset management fees	439	-	439	-	-	-	NM
	2,370	-	2,370	83	638	721	
Other income:							
Gain on sale of plant and equipment	-	-	-	2	-	2	NM
Interest income	391	-	391	593	-	593	(34.1)
Sundry income	-	-	-	-	19	19	NM
Fair value (loss)/gain on investments	(52)	-	(52)	36	-	36	NM
	339	-	339	631	19	650	
Depreciation of property, plant and equipment	(319)	-	(319)	(2)	(26)	(28)	NM
Finance costs	(468)	-	(468)	-	(3)	(3)	NM
Other operating expenses include the following items:							
Exchange gain	3	-	3	90	1	91	(96.7)
Operating lease expense	(4)	-	(4)	(73)	-	(73)	(94.5)
Tax credit/(expense)	336	-	336	-	(15)	(15)	NM

NM: Not meaningful.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	GROUP			COMPANY		
	31.01.20 \$'000	31.07.19 \$'000	Change %	31.01.20 \$'000	31.07.19 \$'000	Change %
Non-current assets						
Property, plant and equipment	45,269	43,816	3.3	48	52	(7.7)
Long term investments	9,583	4,928	94.5	-	-	-
Long term deposit	1,142	1,157	(1.3)	-	-	-
Long term receivable	390	390	-	-	-	-
Subsidiaries	-	-	-	16,911	15,311	10.4
	56,384	50,291		16,959	15,363	
Current assets						
Inventories	-	3	NM	-	-	-
Trade and other receivables	1,114	6,105	(81.8)	246	355	(30.7)
Amounts due from subsidiaries	-	-	-	22,980	23,815	(3.5)
Short-term investments ⁽¹⁾	7,074	8,796	(19.6)	7,074	8,796	(19.6)
Cash and bank balances	35,865	38,363	(6.5)	33,612	35,361	(4.9)
	44,053	53,267		63,912	68,327	
Total assets	100,437	103,558		80,871	83,690	
Equity attributable to owners of the Company						
Share capital	32,992	32,992	-	32,992	32,992	-
Reserves	42,641	44,857	(4.9)	44,784	46,357	(3.4)
Total equity	75,633	77,849		77,776	79,349	
Non-current liabilities						
Borrowings	20,439	20,680	(1.2)	-	-	-
Deferred tax liabilities	44	44	-	44	44	-
	20,483	20,724		44	44	
Current liabilities						
Borrowings	1,700	2,709	(37.2)	1,700	2,709	(37.3)
Trade and other payables	1,298	1,288	0.8	366	600	(39.0)
Current tax payable	985	988	(0.3)	985	988	(0.3)
Lease liabilities	338	-	NM	-	-	-
	4,321	4,985		3,051	4,297	
Total liabilities	24,804	25,709		3,095	4,341	
Total equity and liabilities	100,437	103,558		80,871	83,690	

⁽¹⁾ Short-term investments comprised quoted equity investments held for trading purposes and were carried at fair value.

(b)(ii) Aggregate amount of the group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31.01.20		As at 31.07.19	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	1,700	-	2,709

Amount repayable after one year

As at 31.01.20		As at 31.07.19	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
20,439	-	20,680	-

Details of any collateral

Secured borrowings relate to a term loan of a subsidiary which is secured by a fixed charge over certain freehold land and building of the subsidiary and a corporate guarantee from the Company.

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

GROUP	Half Year Ended 31.01.20	Half Year Ended 31.01.19
<u>Operating activities</u>	\$'000	\$'000
Loss for the period	(768)	(205)
Adjustments for:		
Depreciation	319	28
Fair value loss/(gain) on investments	52	(36)
Finance costs	468	3
Gain on sale of plant and equipment	-	(2)
Tax (credit)/expense	(336)	15
Interest income	(391)	(593)
	<hr/>	<hr/>
	(656)	(790)
Changes in working capital:		
Inventories	3	(9)
Trade and other receivables	338	56
Short term investments	1,670	(6,465)
Trade and other payables	9	(1,055)
	<hr/>	<hr/>
Cash generated from/(used in) operations	1,364	(8,263)
Tax received/(paid), net	334	(296)
	<hr/>	<hr/>
Net cash generated from/(used in) operating activities	1,698	(8,559)
<u>Investing activities</u>		
Deposit paid for acquisition of hotel property	-	(4,284)
Deposit received for disposal of subsidiary	-	159
Interest received	391	735
Refundable earnest money paid	-	(869)
Refund of earnest money	-	852
Proceeds from disposal of plant and equipment	-	383
Purchase of property, plant and equipment	(2,253)	(29)
	<hr/>	<hr/>
Net cash used in investing activities	(1,862)	(3,053)
<u>Financing activities</u>		
Dividends paid	(1,095)	(2,191)
Reduction of borrowings	(680)	-
Repayment of lease liabilities	(91)	-
Interest paid	(468)	(3)
Amounts owing from related parties (non-trade)	-	(7)
	<hr/>	<hr/>
Net cash used in financing activities	(2,334)	(2,201)

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

Consolidated Statement of Cash Flows (cont'd)

	Half Year Ended 31.01.20	Half Year Ended 31.01.19
	\$'000	\$'000
GROUP		
Net decrease in cash and cash equivalents	(2,498)	(13,813)
Cash and cash equivalents at beginning of period	38,363	81,061
Effect of exchange rate changes on balances held in foreign currency	-	(8)
Cash and cash equivalents at end of period in the statement of financial position	35,865	67,240

Note

Cash and cash equivalents at end of period comprised the following:

Cash and bank balances	35,865	67,256
Bank overdraft	-	(16)
	35,865	67,240

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Changes in Equity

	Share capital \$'000	Treasury shares \$'000	Revaluation reserve \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Total equity \$'000
GROUP						
At 1 August 2018	32,992	(187)	21	30	48,309	81,165
Loss for the period	-	-	-	-	(205)	(205)
<u>Other comprehensive income</u>						
Foreign currency translation differences relating to financial statements of a foreign subsidiary	-	-	-	(108)	-	(108)
Total comprehensive income for the period	-	-	-	(108)	(205)	(313)
Transactions with owners, recorded directly in equity						
<u>Contributions by and distributions to owners</u>						
Final 1-tier tax-exempt dividend paid of 1 cent per share for FY2018	-	-	-	-	(2,191)	(2,191)
Total transactions with owners	-	-	-	-	(2,191)	(2,191)
At 31 January 2019	32,992	(187)	21	(78)	45,913	78,661

Consolidated Statement of Changes in Equity

	Share capital \$'000	Treasury shares \$'000	Revaluation reserve \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Total equity \$'000
GROUP						
At 1 August 2019	32,992	(187)	-	(1,274)	46,318	77,849
Loss for the period	-	-	-	-	(768)	(768)
<u>Other comprehensive income</u>						
Foreign currency translation differences relating to financial statements of foreign subsidiaries	-	-	-	(353)	-	(353)
Total comprehensive income for the period	-	-	-	(353)	(768)	(1,121)
Transactions with owners, recorded directly in equity						
<u>Contributions by and distributions to owners</u>						
Final 1-tier tax-exempt dividend paid of 0.5 cent per share for FY2019	-	-	-	-	(1,095)	(1,095)
Total transactions with owners	-	-	-	-	(1,095)	(1,095)
At 31 January 2020	32,992	(187)	-	(1,627)	44,455	75,633

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

Statement of Changes in Equity

	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000	Total equity \$'000
COMPANY				
At 1 August 2018	32,992	(187)	48,295	81,100
Loss for the period	-	-	(272)	(272)
Total comprehensive income for the period	-	-	(272)	(272)
<u>Contributions by and distributions to owners</u>				
Final 1-tier tax-exempt dividend paid of 1 cent per share for FY2018	-	-	(2,191)	(2,191)
Total transactions with owners	-	-	(2,191)	(2,191)
At 31 January 2019	32,992	(187)	45,832	78,637

Statement of Changes in Equity

	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000	Total equity \$'000
COMPANY				
At 1 August 2019	32,992	(187)	46,544	79,349
Loss for the period	-	-	(478)	(478)
Total comprehensive income for the period	-	-	(478)	(478)
<u>Contributions by and distributions to owners</u>				
Final 1-tier tax-exempt dividend paid of 0.5 cent per share for FY2019	-	-	(1,095)	(1,095)
Total transactions with owners	-	-	(1,095)	(1,095)
At 31 January 2020	32,992	(187)	44,971	77,776

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

For the half year ended 31 January 2020, there was no change to the share capital of the Company.

As at 31 January 2020, the Company held 829,600 treasury shares (31 January 2019: 829,600).

The Company did not have any outstanding share options and convertibles at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

1(d)(iii) Total number of issued shares excluding treasury shares (a) as at the end of the current financial period and (b) as at the end of the immediately preceding year.

	COMPANY	
	As at 31.01.20	As at 31.07.19
Number of issued ordinary shares, excluding treasury shares, at the end of the period	219,074,844	219,074,844

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfers, disposal, cancellation and / or use of treasury shares as at the end of the current financial period reported on.

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

The figures have not been audited or reviewed.

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

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in paragraph 5, the financial statements have been prepared using the same accounting policies and methods of computation as presented in the audited financial statements for the financial year ended 31 July 2019.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group adopted the new/revised SFRS(I)s that are effective for annual periods beginning on or after 1 January 2019. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s. The following are the new or amended SFRS(I)s, and SFRS(I) Interpretations, that are relevant to the Group:

- SFRS(I) 16 Leases
- SFRS(I) INT 23 Uncertainty Over Income Tax Treatments
- Annual Improvements to SFRS(I)s 2015-2017 Cycle

The adoption of the above SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s did not have any significant impact on the financial statements of the Group except for the following:

Adoption of SFRS(I) 16 Leases

SFRS(I) 16 is effective for financial years beginning on or after 1 January 2019. The Group has applied the modified retrospective approach and will not restate comparative amounts for the financial year prior to adoption.

SFRS(I) 16 has resulted in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The standard allows exemption for short-term leases and leases of low value assets. The Group has applied the practical expedient for recognition exemptions for short-term leases and leases of low-value items.

Right-of-use assets included in property, plant and equipment, are measured using the cost model and are carried at cost less accumulated depreciation and accumulated impairment loss, if any, subsequent to initial recognition. The carrying amount for lease liabilities subsequent to initial recognition would take into account interest on the lease liabilities, lease payments made and any reassessment or lease modifications.

The adoption of SFRS(I) 16 resulted in adjustments to the statement of financial position of the Group as at 1 August 2019 as shown in the table below. On adoption of SFRS(I) 16, the Group chose to measure the right-of-use assets at amounts equal to the lease liabilities, adjusted by the amounts of any prepaid or accrued lease payments relating to those leases recognised in the statement of financial position immediately before 1 August 2019. Accordingly, the adoption of SFRS(I) 16 did not result in any adjustment to the opening balance of retained earnings as at 1 August 2019.

Statement of financial position as at 1 August 2019

	1-Aug-19		
	As previously reported	Effect of SFRS (I) 16	As restated
	\$'000	\$'000	\$'000
Property, plant and equipment - right-of-use assets	-	428	428
Lease liabilities	-	(428)	(428)

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	GROUP					
	Half year ended 31.01.2020			Half year ended 31.01.2019		
	Continuing operations	Discontinued operation	Total	Continuing operations	Discontinued operation	Total
(Loss)/Profit attributable to owners of the Company (\$'000)	(768)	-	(768)	(276)	71	(205)
Weighted average no. of shares used in computation of basic earning per shares (in million)	219.07	219.07	219.07	219.07	219.07	219.07
Earnings per share (cents)						
(a) Based on the weighted average number of shares in issue	(0.35)	-	(0.35)	(0.13)	0.03	(0.09)
(b) On a fully diluted basis	(0.35)	-	(0.35)	(0.13)	0.03	(0.09)

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.

	GROUP		COMPANY	
	As at 31.01.20	As at 31.07.19	As at 31.01.20	As at 31.07.19
Net Asset Value per ordinary share based on issued share capital at the end of the financial period	34.52 cents	35.54 cents	35.50 cents	36.22 cents

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Financial performance for half year ended 31 January 2020 ("1HFY2020")

The Group's revenue for 1HFY2020 was mainly contributed by hotel operation amounting to \$1.7 million and asset management fees of \$0.4 million. Revenue from the half year ended 31 January 2019 ("1HFY2019") does not include revenue from hotel operation as the Group completed the acquisition of the hotel in Seoul, Travelodge Myeongdong City Hall (formerly known as Hotel Aropa) ("TLMC") on 20 March 2019. In 1HFY2020, the hotel has undergone substantial refurbishment and rebranding works, which reduced the available rooms for sale during the period.

Decrease in other income from \$0.6 million to \$0.3 million for 1HFY2020 was mainly due to lower interest income as the Group utilize part of these funds for the acquisition and investments in hospitality-related assets.

Staff costs increased from \$0.4 million in 1HFY2019 to \$1.0 million in 1HFY2020 mainly due to staff costs out of hotel operations.

Depreciation for 1HFY2020 mainly relates to the depreciation charge on the freehold building (TLMC).

The finance costs for 1HFY2020 were attributed to the term loan facility obtained for the acquisition of TLMC.

Hotel operating costs were related to TLMC's operations.

The increase in other operating expenses of \$0.5 million was mainly due to (i) decrease in foreign exchange gain recognized for 1HFY2020 as compared to 1HFY2019 and (ii) other operating expenses relating to TLMC.

Tax credit for 1HFY2020 relates to the favourable outcome of a submission to the Inland Revenue Authority of Singapore (IRAS) in the taxation treatment of past years' claims of capital allowances.

Following the disposal of Wayco on 30 April 2019, the results from Wayco have been presented as discontinued operations in the Group's statement of profit or loss for the period ended 31 January 2019.

All expenses incurred for 1HFY2020 in respect of TLMC were expensed off in the consolidated statement of profit and loss even though the hotel was partly closed off while undergoing substantial refurbishment in the period under review.

As a result of the above, the Group registered a loss of \$0.8 million in 1HFY2020 as compared to a loss of \$0.2 million in 1HFY2019.

Financial Position and Cash flow

The increase in property, plant and equipment as at 31 January 2020 was mainly due to renovation costs and foreign exchange movement.

Long term investments as at 31 January 2020 of \$9.6 million relates to a 15% minority interest in a hotel in Seoul and a 5% minority interest in a hotel in Singapore.

Long term deposit of \$1.1 million as at 31 January 2020 mainly relates to deposit pledged to the bank for the term loan facility.

Long term receivable of \$0.4 million as at 31 January 2020 relates to a shareholder loan to a company in which the Group has a 15% interest.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Financial Position and Cash flow (continued)

The trade and other receivables as at 31 July 2019 were mainly related to the purchase consideration for a 5% share in a hotel investment in Singapore, which was completed on 8 August 2019. Following the completion, it is accounted as part of long term investments as at 31 January 2020.

Short-term investments of \$7.1 million as at 31 January 2020 relates to quoted investments that are held for trading and carried at fair value through profit or loss.

Non-current borrowings relates to the term loan of \$20.4 million as at 31 January 2020 for the acquisition of TLMC.

Current borrowings decreased from \$2.7 million to \$1.7 million due to repayment of short term borrowings during the period.

Trade and other payables as at 31 January 2020 was \$1.3 million, which was similar to that as at 31 July 2019

Current tax payable as at 31 January 2020 was \$1.0 million, which was similar to that as at 31 July 2019.

Net cash generated from operating activities of \$1.7 million for 1HFY2020 was mainly due to the proceeds from disposal of short term investments.

Net cash used in financing activities of \$2.3 million for 1HFY2020 was mainly due to the dividend paid and repayment of borrowings during the period.

The Group's cash and bank balances amounted to \$35.9 million as at 31 January 2020. The decrease of \$2.5 million as compared to 31 July 2019 was mainly due to the dividend paid and the repayment of short term borrowings partially offset by the proceeds received from the disposal of short term investments.

Use of proceeds raised from private placement

The net placement proceeds from the issuance of shares to Lian Beng Group Ltd in FY2015 of \$7.3 million are intended to be used for property related businesses, of which \$1.9 million was utilized for capital expenditure incurred for TLMC during the period.

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

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 Group's hotel operation (TLMC) is located in Seoul, South Korea, where Chinese outbound travellers make up a significant proportion of the international visitor arrivals. In respect of the 2019 Novel Coronavirus (COVID-19) outbreak, it will invariably have an impact on the broader global macro economy and the Group's hotel segment in second half year ending 31 July 2020 ("2HFY2020"). South Korea has raised its alert on the COVID-19 to the highest level on 23 February 2020, and the number of COVID-19 cases in South Korea has spiked to over 6000 cases as of the date of this announcement. Several countries have since imposed travel ban/advisory on travel to South Korea. Travel restrictions and flight suspensions throughout the region have resulted in substantial booking cancellations and lower demand, the occupancy rate and performance of TLMC have been significantly and adversely affected. In the meantime, TLMC has adopted cost management measures and modified its sales strategy to mitigate the impact which includes diversifying the geographical mix of the guests at the hotels by targeting travellers of other nationalities and to focus marketing efforts on domestic travellers. The extent of the impact of the COVID-19 outbreak on the Group's financial performance and operations is uncertain at this stage as much will depend on the severity of the outbreak and the length of time required for its containment. The Group has issued a profit guidance on 21 February 2020 in this respect.

The refurbishment of the hotel rooms of TLMC has been completed while the refurbishment of the public areas is still in progress and is due to be completed in 2HFY2020.

Following the changes in SGX Listing Rules on 7 February 2020, SGX will only apply quarterly reporting requirements for companies associated with higher risks. Under the new approach, a company will have to report its financials on a quarterly basis if:

- It has received a disclaimer of opinion, adverse opinion or qualified opinion from its auditors on its latest financial statements;
- Its auditors have expressed a material uncertainty relating to going concern on its latest financial statements; or
- SGX RegCo has regulatory concerns with the company, for example if it has had material disclosure breaches or where it faces issues that have material financial impact.

There is no requirement to perform quarterly reporting by the Company. The next reporting will be for the full year ending 31 July 2020 unless material information comes to light on which the Company will report accordingly.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared or recommended for the current financial period reported on? None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared or recommended for the corresponding period of the immediately preceding financial year? None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect.

Not applicable.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under [Rule 920\(1\)\(a\)\(ii\)](#). If no IPT mandate has been obtained, a statement to that effect.

The details of interested person transactions for period ended 31 January 2020 are set out below.

Name of Interested Person	Aggregate value of all interested person transactions for period ended 31 January 2020 (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) \$'000	Aggregate value of all hospitality-related transactions for period ended 31 January 2020 which are conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) * \$'000
Travelodge Hotels (Asia) Pte. Ltd. - Provision of hotel management, technical, project management and other services to a subsidiary of the Company	Nil	120

* Shareholders' mandate was renewed and approved at the Annual General Meeting held on 13 November 2019.

14. Negative confirmation pursuant to [Rule 705\(5\)](#).

The directors confirm that, to the best of their knowledge, nothing has come to their attention which may render these interim financial statements to be false or misleading in any material aspect.

15. Confirmation pursuant to [Rule 720\(1\)](#).

We confirm that the Company has procured undertakings to comply with the Listing Manual of the Singapore Exchange Securities Trading Limited from all its Directors and executive officers.

BY ORDER OF THE BOARD

Lee Kam Seng
Executive Director

6 March 2020