



CREDIT BUREAU ASIA LIMITED
(Company Registration Number: 201909251G)
(Incorporated in the Republic of Singapore)

**ANNUAL GENERAL MEETING TO BE HELD ON 26 APRIL 2021
RESPONSES TO QUESTIONS FROM SHAREHOLDERS**

The Board of Directors (the "Board") of Credit Bureau Asia Limited (the "Company") would like to thank shareholders for submitting their questions in advance of the Annual General Meeting to be held by way of electronic means on Monday, 26 April 2021 at 9.00 am (Singapore time).

The following are the Company's responses to the corresponding questions from shareholders:

Question 1:

Who are the main competitors in Singapore and Malaysia respectively that may weaken its defensive business model? How much market share does the Company currently estimate to have in Singapore and Malaysia respectively? Does the Board have any plans to acquire these competitors?

Company's reply:

Appendix D of the Company IPO Prospectus highlighted the key competitors in the Singapore and Malaysia markets, as well as the relevant market share where available. Page 54 of the IPO Prospectus also mentioned that approximately half of the IPO proceeds will go towards strategic investments, regional expansion and acquisitions.

Question 2:

Does the Company have FI Data Business in Malaysia (with subscribing members)?

Company's reply:

The Company has exited temporarily from the FI Data Business in Malaysia with the sale of its stake in Credit Bureau Malaysia Sdn Bhd in June 2020.

Question 3:

Why was there "impairment losses" of S\$2.38m on Credit Bureau Malaysia Sdn Bhd ("CBM") in 2019? Does it mean the Board and Management are no longer interested in the "Provision of credit reference services, credit rating and such services related to a credit bureau" in Malaysia?

Company's reply:

The investment in CBM has been fully impaired since 2014. There is no impairment loss made in 2019. The S\$2.38 million shown in the note 15 is the accumulated impairment loss. The Company had disposed its entire stake in CBM as it has been loss-making for many years, and the management is of the view that CBM was not likely to turn a profit in the near future based on its current business plans. The Company will continue to monitor the situation in Malaysia and will consider re-entering when the FI Data Business environment is more conducive.

Question 4:

I refer to page 115 of the Annual Report about “Geographical information”, particularly about Malaysia. It was noted that Malaysia segment has turned around from a loss before tax of S\$745K in 2019 to a profit before tax of S\$446K in 2020, without increasing revenue. Is such profitability sustainable?

Company’s reply:

The profit in 2020 included a one-off gain of S\$1.1 million on disposal of CBM shares. Profit contribution from Malaysia in 2020 would be largely the same as 2019 excluding the one-off gain.

Question 5:

Why were there no revenue generated from Cambodia and Myanmar segments respectively? Despite having no revenue, how did Cambodia segment manage to generate a profit before tax of S\$1.15m in 2020?

Company’s reply:

The Company has less than 50% shareholding in the Cambodia and Myanmar joint ventures, and as such, the Company does not consolidate the revenue from the afore-mentioned joint ventures, but only take in its share of the results based on Equity Method of Accounting.

Question 6:

Given the unrest situation in Myanmar, how will it impact Myanmar Credit Bureau Ltd’s (“MMCB”) FI Data Business in Myanmar?

Company’s reply:

It was mentioned in our FY2020 results announcement on the 24 February 2021 that as MNCB only commenced operations on 30 December 2020, we do not anticipate MNCB to have any material impact on the Company for the financial year ending 31 December 2021. In respect of the developing situation in Myanmar, we are closely monitoring it.

Question 7:

Myanmar Credit Bureau Ltd (“MNCB”), who are the remaining joint venture partner(s)?
Credit Bureau (Cambodia) Co. Ltd. (“CBC”), who are the remaining joint venture partner(s)?
Credit Bureau (Singapore) Pte Ltd (“CBS”), who are the remaining joint venture partner(s)?

Company’s reply:

Please refer to page 9 of the Annual Report. MB Investment Limited owns the other 60% of MNCB. Credit Bureau Holding (Cambodia) Limited owns the other 51% of CBC. Please also refer to <https://www.creditbureau.com.kh/about-us/shareholders/>. The council of the association of banks in Singapore owns the other 25% of CBS.
Please also refer to https://www.creditbureau.com.sg/about_cbs_shareholders.html

Question 8:

Refer to page 109 of the Annual Report about “Revenue”. What is the amount breakdown of “Others” revenue (e.g. sale of customised reports/ provision of telemarketing services/ seminar revenue/ publication revenue/ etc)?

Company’s reply:

Please refer to page 5 of the Annual Report. The Company does not give a further breakdown beyond this.

Question 9:

Refer to page 116 of the Annual Report about "Commitment". How will the "Commitment" trend be like over the next 2-3 years? How will they be funded?

Company's reply:

We expect the commitment will likely be higher over the next 2-3 years as the group is expanding. As disclosed on page 54 of our IPO Prospectus, S\$11.8 million and S\$7.1 million of IPO proceeds will be set aside for external growth and organic growth initiatives respectively.

Question 10:

Refer to page 39 of the Annual Report about "Dividend policy". It was stated that "The Company does not have a fixed dividend policy." While "the Board intends to recommend dividends of at least 90.0% of net profit after tax attributable to our Shareholders for FY2021 and FY2022", does the Board also believe a dividend payout ratio of at least 90.0% is still reasonably achievable in FY2023 and thereafter?

Company's reply:

Beyond FY2021 and FY2022, dividend payout will depend on the Company's growth and profitability as well as expansion plans then. Barring any unforeseen circumstances, the Company is expected to continue its growth trajectory.

Question 11:

What is the management doing to maintain market leadership? What does it see as its biggest threat(s) in this respect?

Company's reply:

To ensure market leadership, the management will ensure that the Company continues to provide competitive products and services which exceed customers' expectations in terms of data quality, data comprehensiveness, data coverage, etc. Regarding threats, please refer to risk factors on page 29 of the IPO Prospectus.

BY ORDER OF THE BOARD

Koo Chiang
Executive Chairman and CEO

21 April 2021

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