

Unaudited Full Year Financial Statements and Dividend Announcement for the financial year ended 31 December 2020

Natural Cool Holdings Limited. (Registration Number: 200509967G)

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULT

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group		Increase/ (Decrease) %
	Year Ended 31 Dec		
	2020 Unaudited S\$'000	2019 Audited S\$'000	
Revenue	120,208	143,654	(16.3)
Cost of sales	(101,821)	(121,952)	(16.5)
Gross profit	18,387	21,702	(15.3)
Other income	3,040	317	NM
Distribution expenses	(1,924)	(2,654)	(27.5)
Administrative expenses	(15,977)	(19,287)	(17.2)
(Impairment loss)/Reversal of impairment loss on trade receivables and contract assets	(706)	17	NM
Other expenses	(712)	(858)	(17.0)
Results from operating activities	2,108	(763)	NM
Finance costs	(1,059)	(1,411)	(24.9)
Profit/(Loss) before tax	1,049	(2,174)	NM
Tax credit/(expense)	65	(462)	NM
Profit/(Loss) for the year	1,114	(2,636)	NM
Profit/(Loss) attributable to:			
Owners of the Company	1,271	(1,980)	NM
Non-controlling interests	(157)	(656)	NM
Profit/(Loss) for the year	1,114	(2,636)	NM
Other comprehensive income/(loss)			
Item that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences from translation of foreign operations	(6)	(2)	NM
Other comprehensive loss for the year	(6)	(2)	NM
Total comprehensive income/(loss) for the year	1,108	(2,638)	NM
Total comprehensive income/(loss) attributable to:			
Owners of the Company	1,268	(1,981)	NM
Non-controlling interests	(160)	(657)	NM
Total comprehensive income/(loss) for the year	1,108	(2,638)	NM

NM denotes not meaningful

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1 (a) (ii) Other notes:

Profit/(loss) from operations is arrived at after charging/(crediting) the following items:

	Group	
	Year Ended 31 Dec	
	2020	2019
	Unaudited	Audited
	S\$'000	S\$'000
Amortisation of intangible assets	116	176
Depreciation for property, plant and equipment	6,469	6,417
Loss on disposal of property, plant and equipment	16	112
Changes in fair value of financial assets through profit or loss (FVTPL)	-	688
Interest income	(17)	(1)
Interest expenses	1,059	1,411
Loss on foreign exchange - net	52	35
Property, plant and equipment written-off	4	9

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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.

STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	Unaudited	Audited	Unaudited	Audited
	S\$'000	S\$'000	S\$'000	S\$'000
Assets				
Property, plant and equipment	60,528	65,614	19	20
Intangible assets and goodwill	2,018	1,982	104	-
Subsidiaries	-	-	7,932	7,932
Other investments	600	600	600	600
Other receivables	1,940	762	2,507	830
Non-current assets	65,086	68,958	11,162	9,382
Inventories	8,036	10,752	-	-
Contract assets	966	1,737	-	-
Trade and other receivables	17,320	24,932	1,447	1,192
Cash and cash equivalents	10,744	7,463	2,602	220
Current assets	37,066	44,884	4,049	1,412
Total assets	102,152	113,842	15,211	10,794
Equity				
Share capital	36,412	36,412	36,412	36,412
Reserves	(3,041)	(3,038)	300	300
Accumulated losses	(13,131)	(14,402)	(31,365)	(31,927)
Equity attributable to owners of the Company	20,240	18,972	5,347	4,785
Non-controlling interests	(288)	(128)	-	-
Total equity	19,952	18,844	5,347	4,785
Liabilities				
Loans and borrowings	47,139	47,996	4,498	-
Deferred tax liabilities	266	361	-	-
Provisions	540	502	-	-
Non-current liabilities	47,945	48,859	4,498	-
Loans and borrowings	6,045	13,637	502	-
Contract liabilities	12,634	12,589	-	-
Trade and other payables	15,400	19,404	4,864	6,009
Current tax liabilities	176	509	-	-
Current liabilities	34,255	46,139	5,366	6,009
Total liabilities	82,200	94,998	9,864	6,009
Total equity and liabilities	102,152	113,842	15,211	10,794

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1 (b) (ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	S\$'000	S\$'000	S\$'000	S\$'000
<i>Amount repayable in one year or less, or on demand</i>				
Bank loans (Unsecured)	-	73	-	-
Bank loans (Secured)	1,446	886	502	-
Lease liabilities	4,599	6,050	-	-
Bills payable	-	6,628	-	-
Loans and borrowings (current)	<u>6,045</u>	<u>13,637</u>	<u>502</u>	<u>-</u>
<i>Amount repayable after one year</i>				
Bank loans (Secured)	22,263	18,276	4,498	-
Lease liabilities	24,876	29,720	-	-
Loans and borrowings (non-current)	<u>47,139</u>	<u>47,996</u>	<u>4,498</u>	<u>-</u>
Total loans and borrowings	<u>53,184</u>	<u>61,633</u>	<u>5,000</u>	<u>-</u>

Details of collateral:

The borrowings are secured on:-

- (i) leasehold properties amounted to S\$22,877,000 as at 31 December 2020 (31 December 2019: S\$23,643,000); and
- (ii) corporate guarantees by Natural Cool Holdings Limited and Natural Cool Airconditioning & Engineering Pte Ltd.

The lease liabilities relating to hire purchases are secured by motor vehicles and equipment under the leases.

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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

	Group	
	2020 Unaudited S\$'000	2019 Audited S\$'000
Cash flows from operating activities		
Profit/(loss) for the year	1,114	(2,636)
Adjustments for:		
Amortisation of intangible assets	116	176
Depreciation of property, plant and equipment	6,469	6,417
Loss on disposal of property, plant and equipment	16	112
Change in fair value of financial asset at FVTPL	-	688
Interest expenses	1,059	1,411
Interest income	(17)	(1)
Property, plant and equipment written-off	4	9
Tax (credit)/expense	(65)	462
	8,696	6,638
Changes in:		
Inventories	2,716	1,204
Trade and other receivables	6,434	(5,821)
Contract assets	771	295
Trade and other payables	(4,004)	2,099
Provisions	-	(152)
Contract liabilities	45	(633)
Cash generated from operations	14,658	3,630
Tax paid	(363)	(181)
Net cash from operating activities	14,295	3,449
Cash flows from investing activities		
Acquisition of business	-	(980)
Interest received	17	1
Investment in other investment	-	(600)
Proceeds from disposal of property, plant and equipment	93	399
Purchase of intangible assets	(152)	(3)
Purchase of property, plant and equipment	(1,028)	(1,732)
Net cash used in investing activities	(1,070)	(2,915)
Cash flows from financing activities		
Interest paid	(1,021)	(1,411)
Proceeds from borrowings	6,000	668
Repayment of borrowings	(1,526)	(864)
Changes in bills payable	(6,628)	3,147
Payment of lease liabilities	(6,766)	(6,386)
Capital injection by non-controlling interest of subsidiaries	-	20
Net cash used in financing activities	(9,941)	(4,826)
Net increase/(decrease) in cash and cash equivalents	3,284	(4,292)
Cash and cash equivalents at beginning of year	7,463	11,757
Effect of foreign exchange fluctuations on cash held	(3)	(2)
Cash and cash equivalents at end of year	10,744	7,463

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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	Capital reserve	Translation reserve	Accumulated losses	Total equity attributable to owners of the Company	Non- controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group							
At 1 January 2019	36,412	(3,078)	41	(12,422)	20,953	509	21,462
Total comprehensive loss for the year							
Loss for the year	-	-	-	(1,980)	(1,980)	(656)	(2,636)
Other comprehensive loss							
Foreign currency translation differences from translation of foreign operations	-	-	(1)	-	(1)	(1)	(2)
Total comprehensive loss for the year	-	-	(1)	(1,980)	(1,981)	(657)	(2,638)
Transaction with owner, recognised directly in equity							
Capital injection by non-controlling interest of a subsidiary	-	-	-	-	-	20	20
Total transaction with owner	-	-	-	-	-	20	20
At 31 December 2019	36,412	(3,078)	40	(14,402)	18,972	(128)	18,844

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Share capital	Capital reserve	Translation reserve	Accumulated losses	Total equity attributable to owners of the Company	Non- controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group							
At 1 January 2020	36,412	(3,078)	40	(14,402)	18,972	(128)	18,844
Total comprehensive profit for the year							
Profit/(Loss) for the year	-	-	-	1,271	1,271	(157)	1,114
Other comprehensive loss							
Foreign currency translation differences from translation of foreign operations	-	-	(3)	-	(3)	(3)	(6)
Total comprehensive (loss)/income for the year	-	-	(3)	1,271	1,268	(160)	1,108
At 31 December 2020	36,412	(3,078)	37	(13,131)	20,240	(288)	19,952

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STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Share capital	Capital reserve	Accumulated losses	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000
Company				
At 1 January 2019	36,412	300	(29,508)	7,204
Total comprehensive loss for the year				
Loss for the year	-	-	(2,419)	(2,419)
At 31 December 2019	<u>36,412</u>	<u>300</u>	<u>(31,927)</u>	<u>4,785</u>
Company				
At 1 January 2020	36,412	300	(31,927)	4,785
Total comprehensive income for the year				
Profit for the year	-	-	562	562
At 31 December 2020	<u>36,412</u>	<u>300</u>	<u>(31,365)</u>	<u>5,347</u>

1. **(d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.**

There is no change in the Company's share capital since 30 June 2020 to 31 December 2020.

The Company did not have any outstanding options or convertibles as at 31 December 2020 and 31 December 2019.

There were also no treasury shares or subsidiary holdings as at 31 December 2020 and 31 December 2019.

(d) (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total numbers of issued shares (excluding treasury shares) were 250,447,985 as at 31 December 2020 and 31 December 2019.

There were no treasury shares as at 31 December 2020 and 31 December 2019.

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

Not applicable. There were no treasury shares during and as at the end of the current financial period reported on.

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(d) (v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. There were no subsidiary holdings during and 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 neither been audited nor reviewed by the auditors.

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

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable. The latest audited financial statements as at 31 December 2019 have an unmodified opinion.

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 below, the Group has applied the same accounting policies and methods of computation adopted in the financial statements for the current reporting period as those of the most recent audited financial statements for the financial year ended 31 December 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 has adopted all the applicable new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") and Interpretations of SFRS(I) ("INT SFRS(I)") that are relevant to its operations and effective for annual periods beginning on 1 January 2020. The adoption of these new and revised SFRS(I) and INT SFRS(I) did not result in any substantial change to the Group's accounting policies and has no material impact on the financial statements for the current financial reporting period.

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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:**

- (a) based on the weighted average number of ordinary shares on issue; and
(b) on a fully diluted basis (detailing any adjustments made to the earnings).

	Group	
	Year Ended 31 December	
	2020	2019
Net profit/(loss) attributable to shareholders (S\$'000)	<u>1,271</u>	<u>(1,980)</u>
Weighted average number of ordinary share in issue (No. of shares) - basic	250,447,985	250,447,985
Earnings/(Loss) per share (Singapore cents) – basic and diluted	0.51	(0.79)

The Company does not have any potential dilutive ordinary shares in existence for the current financial year and previous financial year.

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year:**

	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Net assets attributable to shareholders (S\$'000)	<u>20,240</u>	<u>18,972</u>	<u>5,347</u>	<u>4,785</u>
Net asset value per share as at the end of the financial year (Singapore cents) ¹	<u>8.08</u>	<u>7.58</u>	<u>2.13</u>	<u>1.91</u>

Note 1: The total numbers of issued shares (excluding treasury shares) were 250,447,985 as at 31 December 2020 and 31 December 2019.

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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.**

Review of Income Statement

The Group's businesses have been heavily affected by the global pandemic, the Covid-19 outbreak. With this outbreak, Singapore entered into the mandatory "Circuit Breaker" period from 7 April 2020 to 1 June 2020. During the "Circuit Breaker" period, many of our Group's business activities had been slowed down and caused the Group's revenue to drop significantly.

The Group generated a revenue of S\$120.2 million for the financial year ended 31 December 2020 ("FY2020"), a decrease of S\$23.5 million, or 16.3% as compared to S\$143.7 million in the last financial year ended 31 December 2019 ("FY2019").

Our Aircon Division reported a decrease in revenue of S\$24.4 million, or 18.2% as compared to FY2019. The decreases were mainly due to decrease in revenue from the trading department of S\$11.3 million, servicing department of S\$7.3 million, commercial installation department of S\$2.1 million, and our regional sales unit of S\$2.1 million. Our Paint Division also recorded a decrease in revenue of S\$1.4 million, or 30.5% compared to FY2019. Our Food Division recorded revenue of S\$3.2 million representing the division's maiden full year contribution to the Group's revenue as the investment was just completed in July 2019 and contributed only S\$0.9 million in the 6 months in FY2019.

Gross profit margins were 15.3% in FY2020, 0.2 percentage points higher than FY2019. Gross profit margins improved at our Aircon Division's servicing department and commercial installation department, Investment Division, Paint Division, and our Food Division. However, the increase was offset by the decline in gross profit margin in our Aircon Division's trading department.

Other income increased by S\$2.7 million in FY2020 mainly contributed from the government grants received, such as Job Support Scheme, property tax rebates, cash grant related to rental relief, and foreign worker levy rebates as part of Singapore's budget measures to help companies deal with the Covid-19 pandemic.

Distribution expenses decreased by S\$0.7 million or 27.5% in FY2020 mainly due to lower entertainment and traveling expenses incurred as a result of our cost saving measures implemented starting from the second half of FY2019, and fewer travelling expenses in FY2020 as a result of the Group wide travel restriction due to Covid-19 pandemic.

Administrative expenses decreased by S\$3.3 million or 17.2% in FY2020 mainly due to lower payroll expenses of S\$2.6 million as a result of the cost saving measures adopted in order to ease the Covid-19 pandemic impact. Furthermore, the lower rental expenses and professional fees have also saved us another S\$0.6 million.

The impairment loss of S\$0.7 million is related to the unrecoverable debts.

Finance costs decreased by S\$0.4 million or 24.9% in FY2020 mainly due to lower interest expenses after refinancing the bank loans on some of our properties earlier in the year amounted to S\$0.3 million. Furthermore, we also incurred lower interest charge of S\$0.1 million on our lease liabilities for the property located at 29 Tai Seng Avenue.

Arising from the above, the Group reported a profit after tax of S\$1.1 million in FY2020 including the losses attributable to non-controlling interests of S\$0.2 million.

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financial year ended 31 December 2020**

Review of Statements of Financial Position

Property, plant and equipment decreased by S\$5.1 million in FY2020 mainly due to the S\$6.5 million depreciation charge for the year. Furthermore, we purchased motor vehicle for S\$0.3 million, machineries for S\$0.3 million, incurred buildings renovation works for S\$0.2 million, and others for S\$0.2 million. We also recognised the right-of-use assets of S\$0.5 million for the lease contracts on stores operated by our Food Division. On the other hand, we recorded disposal of motor vehicles of S\$0.1 million in FY2020.

Inventories decreased by S\$2.7 million due to better inventory management in reducing the stocks on hand.

Contract assets decreased by S\$0.8 million as the level of contract activities were lower in FY2020 and some projects were completed during the year.

Trade and other receivables (current and non-current) decreased by S\$6.4 million because of lower project billings in the later months of FY2020 compared to FY2019. Non-current receivables comprise a keyman insurance policy of S\$0.8 million and the security deposits paid for the new master lease agreement (29 Tai Seng) of S\$1.1 million.

Loans and borrowings (current and non-current) decreased by S\$8.5 million as a result of the repayments of loan liabilities and lease liabilities of S\$1.5 million and S\$6.8 million, respectively. This was offset by the drawdown of the new loan facilities amounted to S\$6.0 million and new lease liabilities recognised relating to the lease contracts of S\$0.4 million. Furthermore, we have also fully paid off the bills payable of S\$6.6 million.

Trade and other payables decreased by S\$4.0 million in FY2020 mainly as a result of the repayment of liabilities related to the projects under our Aircon Division where we have collected monies from customers. Furthermore, we also made lower purchases in the later months of FY2020 as compared to FY2019.

Review of Statement of Cash Flows

In FY2020, we recorded a net cash inflow of S\$8.7 million before changes in working capital.

We recorded working capital inflows of S\$6.0 million mainly attributed to the decrease in trade and other receivables of S\$6.4 million, inventories of S\$2.7 million, contract assets of S\$0.8 million, and trade and other payables of S\$4.0 million, but these were offset by an increase in contract liabilities of S\$0.1 million.

The decreases in trade and other receivables and trade and other payables are generally due to the collections from project billings and payments to the suppliers.

We have also made tax payments to Inland Revenue of Singapore amounted to S\$0.4 million.

We recorded net cash used in investing activities of S\$1.1 million mainly due to the purchase of plant and equipment and intangible assets (computer software) of S\$1.0 million and S\$0.2 million, respectively. These were offset by the proceeds received from the disposal of plant and equipment of S\$0.1 million.

We recorded net cash used in financing activities of S\$9.9 million mainly due to the payment of lease liabilities, interest, loan repayments, and bills payable. These were offset by the drawdown of the new loan facilities amounted to S\$6.0 million.

As a result, our cash and cash equivalents increased by S\$3.3 million in FY2020.

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

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

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 global Covid-19 pandemic outbreak continues to impact many economies and markets, including our main market in Singapore which recorded a contraction in economic activity in 2020. Notwithstanding the Singapore government's substantial support provided in its 2020 and 2021 budgets, we expect demand for all our products and services to remain uncertain for the next 12 months.

Many countries are experiencing second or even third waves of Covid-19 infections, and many borders remain closed. Although Singapore has largely avoided a second wave, any reversion to Circuit Breaker-like measures implemented in April 2020 will have an adverse impact on our operations in Singapore. Similarly, any further extension of the current state of emergency and the continued Movement Control Order measures will also continue to have an adverse impact on our operations in Malaysia.

Despite these uncertainties in demand, we expect to see a continued rise in the cost of labour, particularly in respect of our migrant workforce. This is due to the closure of international borders resulting in difficulties in recruiting qualified staff to perform work, and leading to an increase in domestic wages as businesses compete for a reduced pool of migrant workers.

In order for the Group to maintain a sustained and profitable growth, the Company will continue to grow its capabilities in its human resources, increase its digitalization efforts, focus on new product development, and look for other investment and/or acquisition opportunities.

11. Dividend
If a decision regarding dividend has been made:
(a) Whether an interim (final) dividend has been declared (recommended); and

Yes.

The Directors are pleased to recommend a tax exempt one-tier final dividend of S\$0.0015 per ordinary share in respect of FY2020 for approval by shareholders at the forthcoming annual general meeting ("AGM") to be convened.

Name of Dividend	First and Final
Dividend Type	Cash
Dividend Amount	S\$0.0015 per ordinary share
Tax Rate	Tax-exempt (one-tier)

(b)(i) Amount per share:

The amount is S\$0.0015 per ordinary share.

(b)(ii) Previous corresponding period:

Nil.

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- (c) **Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated)**

The first and final dividend is tax exempt (one-tier).

- (d) **The date the dividend is payable**

It is subjected to the shareholders' approval at the forthcoming AGM. The payment details will be announced in due course.

- (e) **The date on which Registrable Transfers received by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.**

The details will be announced in due course.

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

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 Company has not obtained a general mandate from shareholders for IPT. There were no IPTs of S\$100,000 and above being entered into by the Group during FY2020.

14. **Confirmation that the Issuer has procured undertakings from all its directors and executive officers under Rule 720(1) of the Catalist Rules.**

The Company confirms that it has procured all the required undertakings from all its directors and executive officers in the format set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

15. **Disclosures on Incorporation, Acquisition and Realisation of Shares pursuant to Rule 706A of the Catalist Rules**

During FY2020, the Company did not incorporate or acquire any shares resulting in any company becoming a subsidiary or associated company or increasing its shareholding percentage in any subsidiary. Additionally, the Company did not dispose any shares resulting in a company ceasing to be a subsidiary or associated company or decreasing its shareholding percentage in any subsidiary.

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**PART II-ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**
16. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.
Operating segment

FY2020	Aircon	Investment	Paint	Food & Beverages	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue and expenses					
External revenue	109,863	3,979	3,138	3,228	120,208
Inter-segment revenue	7,425	666	1,847	71	10,009
Total revenue of reportable segments	117,288	4,645	4,985	3,299	130,217
Interest income	(35)	(21)	-	-	(56)
Finance costs	786	230	39	15	1,070
Depreciation and amortisation	2,446	3,405	264	420	6,535
Reportable segment profit/(loss) before tax	1,296	(170)	(163)	(470)	493
Other material non-cash item:					
Impairment loss on trade receivables and contract assets	573	101	-	-	674
Reportable segment assets	79,449	22,029	2,630	2,366	106,474
Capital expenditure	779	173	43	20	1,015
Reportable segment liabilities	55,215	21,527	7,876	3,589	88,207

Operating segment

FY2019	Aircon	Investment	Paint	Food & Beverages	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue and expenses					
External revenue	134,228	3,982	4,512	932	143,654
Inter-segment revenue	10,955	498	2,786	76	14,315
Total revenue of reportable segments	145,183	4,480	7,298	1,008	157,969
Interest income	(22)	(22)	-	-	(44)
Finance costs	1,125	273	46	10	1,454
Depreciation and amortisation	2,714	3,406	274	186	6,580
Reportable segment profit/(loss) before tax	432	(1,140)	(14)	(1,155)	(1,877)
Reportable segment assets	93,271	23,654	2,624	1,968	121,517
Capital expenditure	2,661	306	1	352	3,320
Reportable segment liabilities	67,884	25,407	7,762	2,859	103,912

Unaudited Full Year Financial Statements and Dividend Announcement for the financial year ended 31 December 2020

b) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

	FY2020	FY2019
	S\$'000	S\$'000
Revenues		
Total revenue for reportable segments	130,217	157,969
Elimination of inter-segment revenue	(10,009)	(14,315)
Consolidated revenue	<u>120,208</u>	<u>143,654</u>
Profit or loss		
Total profit/(loss) for reportable segments	493	(1,877)
Other losses	(298)	(1,297)
Elimination of inter-segment profit or loss	854	1,000
Consolidated profit/(loss) before income tax	<u>1,049</u>	<u>(2,174)</u>
Assets		
Total assets for reportable segments	106,474	121,517
Other assets	3,370	1,264
Elimination of inter-segment assets	(7,692)	(8,939)
Consolidated total assets	<u>102,152</u>	<u>113,842</u>
Liabilities		
Total liabilities for reportable segments	88,207	103,912
Other liabilities	5,433	284
Elimination of inter-segment liabilities	(11,440)	(9,198)
Consolidated total liabilities	<u>82,200</u>	<u>94,998</u>

	Reportable segment totals	Adjustments	Consolidated totals
	S\$'000	S\$'000	S\$'000
Other material items in FY2020			
Interest income	(56)	39	(17)
Finance cost	1,070	(11)	1,059
Depreciation and amortisation	6,535	50	6,585
Impairment loss on trade receivables and contract assets	674	32	706
Capital expenditure	1,015	165	1,180
Other material items in FY2019			
Interest income	(44)	43	(1)
Finance costs	1,454	(43)	1,411
Depreciation and amortisation	6,580	13	6,593
Change in fair value of financial asset at FVTPL	-	688	688
Capital expenditure	3,320	15	3,335

Geographical information

The Group operates primarily in Singapore. The reportable revenue is primarily generated from Singapore and the segment assets are based in Singapore.

Unaudited Full Year Financial Statements and Dividend Announcement for the financial year ended 31 December 2020

- 17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.**

Please refer to paragraph 8.

- 18. A breakdown of sales as follows:**

	Group		Decrease %
	2020 S\$'000	2019 S\$'000	
(a) Sales reported for first half year	50,303	67,258	(25.2)
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	125	55	NM
(c) Sales reported for second half year	69,905	76,396	(8.5)
(d) Operating profit/(loss) after tax before deducting non-controlling interests reported for second half year	989	(2,691)	NM

- 19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

	Group	
	2020 S\$'000	2019 S\$'000
Ordinary shares (tax exempt 1-tier) – First and Final (proposed)	376	–

- 20. Disclosure of persons occupying managerial positions in the issuer or any of its principal subsidiaries who are relatives of a director, chief executive officer or substantial shareholder of the Company pursuant to Rule 704(10) in the format set out below.**

Not applicable. There is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company as at the date of this announcement.

BY ORDER OF THE BOARD
Tsng Joo Peng
Chief Executive Officer and Executive Director
Singapore
26 February 2021

**Unaudited Full Year Financial Statements and Dividend Announcement for the
financial year ended 31 December 2020**

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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