

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

- 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.

(i) CONSOLIDATED INCOME STATEMENT

7/ CONSOLIDATED INCOME STATEMENT				
		Group		
		S\$'000		
	Note	FY2020	FY2019	%+/-
		(Unaudited)	(Audited)	
Revenue		19,867	29,273	-32.1
Other operating income		1,017	959	6.0
Changes in stocks of finished goods and work in progress	1	(170)	(53)	220.8
Raw materials and consumables used	1	(10,101)	(16,156)	-37.5
Personnel expenses		(7,093)	(8,101)	-12.4
Depreciation	2	(1,222)	(2,825)	-56.7
Rental, property tax and utilities		(796)	(1,018)	-21.8
Freight, travelling and transportation expenses		(1,270)	(1,968)	-35.5
Repair and maintenance expenses		(415)	(418)	-0.7
Subcontractor costs		(633)	(1,021)	-38.0
Impairment loss on property, plant and equipments	3	(71)	-	nm
Impairment loss on financial assets, net	4	(255)	(19)	1,242.1
Impairment loss on intangible assets	5	(500)	(1,226)	-59.2
Impairment loss on assets held for sale		-	(3,740)	nm
Other operating expenses		(2,660)	(2,846)	-6.5
Financial expense – net		(642)	(630)	1.9
Loss before tax		(4,944)	(9,789)	-49.5
Income tax expense	6	(910)	(83)	996.4
Loss, net of tax		(5,854)	(9,872)	-40.7
Loss attributable to:				
- Owners of the Company		(5,601)	(9,740)	-42.5
- Non-controlling interests	7	(253)	(132)	91.7
		(5,854)	(9,872)	-40.7

nm: not meaningful

NOTES TO THE CONSOLIDATED INCOME STATEMENT

Note 1

Raw materials and consumables used and **changes in stocks of finished goods and work in progress** were 36.6% lower year-on-year ("yoy") due to lower turnover in the financial year ended 31 December 2020 ("FY2020").

Note 2

Depreciation for FY2020 was lower largely due to no depreciation expense recorded for the Company's Singapore leasehold property classified as an asset held for sale in December 2019.

Note 3

During FY2020, the Group's Malaysian subsidiary has made an **impairment loss on the property, plant and equipments** amounting to S\$0.1 million.

Note 4

During FY2020, the Company provided for one-off **impairment loss on financial assets** amounting to S\$0.3 million for a tenant under voluntary liquidation and a third-party with a collectability issue.

Note 5

Impairment loss on intangible assets mainly related to the further impairment of goodwill in the Group's partially-owned Indian subsidiary.

Note 6

Current **tax expense** for FY2020 was higher largely due to the reversal of deferred tax assets recognised in prior years that is unlikely to be recoverable.

Note 7

Higher **loss attributable to non-controlling interests** in FY2020 was largely due to higher losses incurred by the Group's partially-owned subsidiary in India.

(ii) Loss from operations is stated after charging/(crediting) the following:

		Group	
		S\$'000	
	Note	FY2020	FY2019
Bad debts written off		15	53
Allowance for inventory obsolescence		53	50
Write-back of allowance for inventory obsolescence		(99)	(244)
Other receivables written off		-	11
Inventories written off, net		47	81
Property, plant and equipment written off	8	301	30
Gain on disposal of property, plant and equipment		(1)	(4)
Loss from disposal of assets held for sale	9	95	-
Interest income		(24)	(29)
Interest expense on borrowings		280	324
Finance cost on lease liabilities		386	335
Exchange loss, net		205	339

Note 8

The higher **property, plant and equipment written off** in FY2020 was largely due to the exercise carried out by the Indian subsidiaries.

Note 9

Upon the completion of the sale of the Singapore leasehold property, the **loss from disposal of assets held for sale** was approximately S\$0.1 million.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME		Group	
		S\$'000	
		FY2020	FY2019
		(Unaudited)	(Audited)
Loss, net of tax		(5,854)	(9,872)
Other comprehensive income:			
<u>Items that may be reclassified subsequently to profit or loss</u>			
Foreign currency translation		261	(56)
Other comprehensive income for the year, net of tax		261	(56)
Total comprehensive income for the year, net of tax		(5,593)	(9,928)
Total comprehensive income attributable to:			
- Owners of the Company		(5,369)	(9,896)
- Non-controlling interests		(224)	(32)
		(5,593)	(9,928)

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.

1(b)(i) BALANCE SHEETS

		Group		Company	
		31/12/2020	31/12/2019	31/12/2020	31/12/2019
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
	Note	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets					
Property, plant and equipment	10	4,194	3,622	60	95
Intangible assets	11	323	914	-	-
Investment in subsidiaries		-	-	6,759	7,920
Other receivables and deposits	12	770	931	-	-
Deferred tax assets	13	4	703	-	-
		5,291	6,170	6,819	8,015
Current assets					
Inventories		1,198	1,813	131	151
Trade receivables		5,544	7,043	237	238
Contract assets		103	91	-	-
Other receivables and deposits	12	556	1,126	137	324
Prepayments		253	368	77	55
Amounts due from subsidiaries (non-trade)		-	-	1,121	1,012
Loan to subsidiary		-	-	575	-
Tax recoverable		251	228	-	-
Fixed deposits (Restricted)	14	9,700	-	9,700	-
Cash and cash equivalents	14	15,528	2,998	11,906	719
		33,133	13,667	23,884	2,499
Non-current assets classified as held for sale	14	2,261	32,829	-	30,566
		35,394	46,496	23,884	33,065
Current liabilities					
Trade and other payables	15	5,327	4,985	1,800	402
Lease liabilities		459	580	-	-
Accruals		1,876	2,036	899	891

	Note	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
Amounts due to subsidiaries (non-trade)		-	-	15	115
Loan due to holding company	16	-	306	-	306
Amount due to directors of Company	16	-	687	-	687
Interest-bearing bank loans	16	2,904	4,928	-	2,000
Non-interest bearing loan	16	322	326	-	-
Provision for taxation		186	177	-	-
		11,074	14,025	2,714	4,401
Liabilities directly associated with assets held for sale	14	-	5,013	-	5,013
		11,074	19,038	2,714	9,414
Net current assets		24,320	27,458	21,170	23,651
Non-current liabilities					
Deferred tax liabilities		(198)	(147)	-	-
Lease liabilities	17	(1,943)	(446)	-	-
Net assets		27,470	33,035	27,989	31,666
Equity attributable to owners of the Company					
Share capital		52,619	52,619	52,619	52,619
Reserves		(22,074)	(16,705)	(24,630)	(20,953)
		30,545	35,914	27,989	31,666
Non-controlling interests		(3,075)	(2,879)	-	-
Total equity		27,470	33,035	27,989	31,666

NOTES TO THE BALANCE SHEET

Note 10

The Group's **Property, plant and equipment** was higher in FY2020 mainly due to the recognition of right-of-use assets from the new leases entered into by the Group's partially-owned Indian subsidiary.

Note 11

The Group's **intangible assets** was lower in FY2020 mainly due to the further impairment loss on goodwill in a partially-owned Indian subsidiary.

Note 12

	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Other receivables and deposits	S\$'000	S\$'000	S\$'000	S\$'000
Current	556	1,126	137	324
Non-current	770	931	-	-
Total	1,326	2,057	137	324

The Group's current **other receivables and deposits** was 50.6% lower yoy largely due to the impairment loss of S\$0.1 million made by the Company for a third-party with a collectability issue and the realisation of VAT claim by the Group's wholly owned subsidiary in Vietnam.

Note 13

The Group's **deferred tax assets** was 99.4% lower yoy largely due to the reversal of deferred tax assets unlikely to be recoverable.

Note 14

The Group and the Company's **fixed deposits** and **cash and cash equivalents** were higher in FY2020 mainly due to the net proceeds from the realisation of Company's assets held for sales.

Note 15

	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	S\$'000	S\$'000	S\$'000	S\$'000
Trade payables	3,220	3,930	100	93
Other payables	2,107	1,055	1,700	309
Total	5,327	4,985	1,800	402

The Group's **trade payables** was 18.1% lower yoy mainly due to lesser purchases made as at 31 December 2020. The Group's and Company's **Other payables** were 99.7% and 450.2% higher respectively yoy, largely due to the one-off GST payable on the sale of the Singapore property that was completed in October 2020, offset by the decline in the Group's overall business activity.

Note 16

	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	S\$'000	S\$'000	S\$'000	S\$'000
Loan due to holding company	-	306	-	306
Amount due to directors of company	-	687	-	687
Interest-bearing bank loans	2,904	4,928	-	2,000
Non-interest bearing loan	322	326	-	-
Total	3,226	6,247	-	2,993

The Group's and Company's **borrowings** decreased by 48.4% and 100.0% respectively, mainly due to the repayment of amount due to directors of Company and interest bearing loans from holding company and banks used for working capital purposes.

Note 17

The Group's non-current **lease liabilities** was 335.7% higher yoy largely due to the new leases taken up by an Indian subsidiary.

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

Amount repayable in one year or less, or on demand

As at 31/12/2020		As at 31/12/2019	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
2,904	322	4,928	1,319

Details of any collateral

As at 31 December 2020, the secured loans and borrowings pertained to secured interest-bearing bank loans by the Indian subsidiaries through the standby letter of credit issued by UOB and other securities.

As at 31 December 2019, the secured loans and borrowings pertained to secured interest-bearing bank loans by the Company and Indian subsidiaries over the mortgage of the Company's leasehold factory building, standby letter of credit issued by UOB, and other securities.

As at 31 December 2020, the Group's unsecured borrowings comprised only the non-interest bearing loans due to the non-controlling shareholders of the subsidiaries.

As at 31 December 2019, the Group's unsecured borrowings comprised mainly of a non-interest bearing loan due to a non-controlling shareholder of a subsidiary, an interest bearing loan from the holding company and amount due to directors of 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.

1(c) CONSOLIDATED STATEMENT OF CASH FLOW

	Group	
	FY2020	FY2019
	S\$'000 (Unaudited)	S\$'000 (Audited)
Cash flows from operating activities		
Loss before tax	(4,944)	(9,789)
Adjustments for:		
Depreciation	1,222	2,825
Impairment loss on intangible assets	500	1,226
Impairment loss on assets held for sale	-	3,740
Impairment loss on property, plant and equipment	71	-
Gain on disposal of property, plant and equipment	(1)	(4)
Loss from disposal of assets held for sales	95	-
Property, plant and equipment written off	301	30
Gain on early termination of lease	(70)	-
Interest income	(24)	(29)
Interest expense on borrowings	280	324
Finance cost on lease liabilities	386	335
Bad debts written off	15	53
Impairment loss on financial assets	290	93
Reversal of impairment loss on financial assets	(35)	(74)
Other receivables written off	-	11
Allowance for inventory obsolescence	53	50
Allowance for inventory obsolescence written back	(99)	(244)
Inventories written off	47	93
Write back of inventories previously written off	-	(12)
Unrealised exchange loss	301	75
Operating cash flows before working capital changes	(1,612)	(1,297)
<u>Changes in working capital:</u>		
Decrease in inventories	614	731
Decrease in trade receivables and contract assets	1,363	1,231
Decrease in other receivables, deposits and prepayments	677	597
Increase/(decrease) in trade and other payables and contract liabilities	359	(1,348)
Decrease in accruals	(160)	(110)
(Decrease)/increase in amount due to directors of company	(688)	133
Cash flows generated from/(used in) operations	553	(63)
Interest received	22	25
Interest paid	(630)	(644)
Tax paid	(167)	(217)
Net cash flows used in operating activities	(222)	(899)
Cash flows from investing activities		
Purchase of property, plant and equipment	(415)	(576)
Proceeds from disposal of property, plant and equipment	23	39
Proceeds from assets held for sale, net	25,534	-
Net cash flows generated from/(used in) investing activities	25,142	(537)
Cash flows from financing activities		
Proceeds from interest-bearing bank loans	100	2,000
Repayment of interest-bearing bank loans	(2,000)	(299)
Proceeds from loan from holding company	-	300
Repayment of loan to holding company	(300)	-
Proceeds from non-interest bearing loans	10	-
Fixed deposits pledged	(9,700)	-
Payment of principal portion of lease liabilities	(471)	(591)
Net cash flows (used in)/generated from financing activities	(12,361)	1,410
Net increase/(decrease) in cash and cash equivalents	12,559	(26)
Effect of exchange rate changes on cash and cash equivalents	(29)	3
Cash and cash equivalents at beginning of year	2,998	3,021
Cash and cash equivalents at end of year (Note A)	15,528	2,998

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

A. Cash and cash equivalents

	31/12/2020 S\$'000	31/12/2019 S\$'000
Cash and bank balances	6,071	2,543
Fixed deposits	9,457	455
	15,528	2,998

- 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.

1(d)(i) STATEMENT OF CHANGES IN EQUITY

	Share capital	Revaluation reserve	Translation reserve	Restricted reserve	Other reserves	Accumulated losses	Equity attributable to owners of Company, total	Non-controlling interests	Equity, total
The Group (Unaudited)	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2020	52,619	-	(326)	513	2,560	(19,452)	35,914	(2,879)	33,035
Loss for the year	-	-	-	-	-	(5,601)	(5,601)	(253)	(5,854)
<u>Other comprehensive income</u>									
Foreign currency translation	-	-	232	-	-	-	232	29	261
Other comprehensive income for the year, net of tax	-	-	232	-	-	-	232	29	261
Total comprehensive income for the year	-	-	232	-	-	(5,601)	(5,369)	(224)	(5,593)
<u>Changes in ownership interests in subsidiaries that do not result in a loss of control</u>									
Changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	28	28
Total changes in ownership interests in subsidiaries that do not result in a loss of control	-	-	-	-	-	-	-	28	28
At 31 December 2020	52,619	-	(94)	513	2,560	(25,053)	30,545	(3,075)	27,470

	Share capital	Revaluation reserve	Translation reserve	Restricted reserve	Other reserves	Accumulated losses	Equity attributable to owners of Company, total	Non-controlling interests	Equity, total
The Group (Audited)	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2019	52,619	-	(170)	513	2,560	(9,712)	45,810	(2,847)	42,963
Loss for the year	-	-	-	-	-	(9,740)	(9,740)	(132)	(9,872)
<u>Other comprehensive income</u>									
Foreign currency translation	-	-	(156)	-	-	-	(156)	100	(56)
Other comprehensive income for the year, net of tax	-	-	(156)	-	-	-	(156)	100	(56)
Total comprehensive income for the year	-	-	(156)	-	-	(9,740)	(9,896)	(32)	(9,928)
At 31 December 2019	52,619	-	(326)	513	2,560	(19,452)	35,914	(2,879)	33,035

1(d)(i) STATEMENT OF CHANGES IN EQUITY (Cont'd)

	Share capital S\$'000	Other reserves S\$'000	Accumulated losses S\$'000	Total equity S\$'000
<u>The Company (Unaudited)</u>				
At 1 January 2020	52,619	341	(21,294)	31,666
Loss for the financial period, represents total comprehensive income for the year	-	-	(3,677)	(3,677)
At 31 December 2020	52,619	341	(24,971)	27,989
<u>The Company (Audited)</u>				
At 1 January 2019	52,619	341	(8,482)	44,478
Loss for the year, represents total comprehensive income for the year	-	-	(12,812)	(12,812)
At 31 December 2019	52,619	341	(21,294)	31,666

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.

	No. of Shares	Share Capital (S\$'000)
As at 31 December 2020 and 30 June 2020	732,036,666	52,619

There were no outstanding options or convertibles as at 31 December 2020 and 31 December 2019.

There were no treasury shares and subsidiary holdings of the Company as at 31 December 2020 and 31 December 2019.

1(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 number of issued shares, excluding treasury shares, as at 31 December 2020 was 732,036,666 (31 December 2019: 732,036,666)

1(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 year reported on.

1(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 sales, transfers, cancellation and/or use of subsidiary holdings during and as at the end of the current financial year 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 nor reviewed by the Company's auditors.

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

Not applicable. The figures have not been audited or reviewed by the Company's auditors.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion (This is not required for any audit issue that is a material uncertainty relating to going concern):

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

Not applicable.

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

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.

The accounting policies and methods of computation applied in the preparation of the financial statements for the current financial year reported on are consistent with those disclosed in the audited annual financial statements of the Group for the financial year ended 31 December 2019, except that the Group had adopted the following amendments to the Singapore Financial Reporting Standards (International) ("SFRS(I)") that became effective for annual periods beginning on or after 1st January 2020:

- Amendments to SFRS(I) 3: *Definition of a Business*
- Amendments to SFRS(I) 1-1 and SFRS(I) 1-8: *Definition of Material*
- Amendments to References to the Conceptual Framework in SFRS(I) Standards

The Group had early adopted the Amendments to SFRS(I) 16 *COVID-19 related rent concessions* which is effective for annual periods beginning on 1st June 2020. The Group applied the practical expedient on rent concessions received from landlords and elected not to assess whether a rent concession is a lease modification. The adoption of the amendments to SFRS(I) 16 *COVID-19 related rent concessions* does not have a material impact to the Group's financial statement for the year ended 31 December 2020.

Other than the adoption of the Amendments to SFRS(I) 16 *COVID-19 related rent concessions*, the adoption of the other amendments to SFRS(I) above had no material effect on the Group's financial statements for the current financial year reported on.

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.

Please refer to paragraph 4 above.

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	
	FY2020 (Unaudited)	FY2019 (Audited)
Loss per ordinary share for the financial year attributable to owners of the Company		
- (a) on weighted average number of ordinary shares on issue	(0.77) cents	(1.33) cents
- (b) on a fully diluted basis	(0.77) cents	(1.33) cents
- Weighted average number of ordinary shares outstanding at the end of the respective financial years	732,036,666	732,036,666

The basic and fully diluted loss per share were the same as there were no potentially dilutive ordinary shares in issue as at 31 December 2020 and 31 December 2019.

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	
	31/12/2020 (Unaudited)	31/12/2019 (Audited)	31/12/2020 (Unaudited)	31/12/2019 (Audited)
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares as at the respective financial year	4.17 cents	4.91 cents	3.82 cents	4.33 cents

The net asset value per ordinary share is calculated based on the 732,036,666 (FY2019: 732,036,666) ordinary shares outstanding at the end of the respective financial years.

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 Group Performance

Revenue

The twelve months ended 31 December 2020 ("FY2020") had been a challenging period for the Group. The impact of the COVID-19 pandemic (the "Pandemic") coupled with the ongoing uncertain global market conditions will continue to affect the Group's supply chain management services ranging from sourcing of raw materials to delivery of products. The Group recorded a 32.1% yoy decrease in turnover for FY2020.

Turnover by geographical segment

	Turnover		
	FY2020	FY2019	
	S\$'000	S\$'000	% +/-
Singapore	1,535	1,537	-0.1
Malaysia	1,404	3,112	-54.9
People's Republic of China	4,136	6,312	-34.5
India	7,578	11,020	-31.2
Vietnam	5,214	7,292	-28.5
Total	19,867	29,273	-32.1

In view of the abovementioned matters, revenue from the Group's operating sites in Malaysia, China, India and Vietnam fell in FY2020, as a result of the suspension and delay in business activities due to the Pandemic, while demand from existing customers continued to be weak. The Group's turnover for Singapore operations remained constant largely due to the stable stream of revenue from the support provided to customers in relating to essential services, as well as an improvement in online platform sales during the Pandemic.

Profitability

Excluding the one-off impairment losses for the Group's assets held for sale, property, plant and equipments, financial assets, intangible assets, and the non-recurring loss on disposal of assets held for sale, overall net loss after tax was S\$4.9 million for both FY2020 and FY2019.

	Group Loss after tax		
	FY2020	FY2019	
	S\$'000	S\$'000	% +/-
Loss, net of tax	(5,854)	(9,872)	-40.7
Add: Impairment loss on property, plant and equipments	71	-	nm
Add: Impairment loss on assets held for sale	-	3,740	nm

Add: Impairment loss on financial assets	255	19	nm
Add: Impairment loss on intangible assets	500	1,226	-59.2
Add: non-recurring loss on disposal of assets held for sale	95	-	nm
Adjusted loss, net of tax	(4,933)	(4,887)	0.9

Raw materials and consumables used, offset by changes in stocks of finished goods and work in progress were lower in FY2020 in line with lower turnover.

Depreciation fell mainly due to no depreciation expense recorded for the Company's Singapore leasehold property classified as an asset held for sale in December 2019.

The suspension and delay in business activities due to the Pandemic resulted in lower FY2020 turnover and reduction in all our operating expenses.

Current tax expense for FY2020 was higher largely due to the reversal of deferred tax asset recognised in prior years unlikely to be recoverable by the Group's China subsidiary.

Review of Group Financial Position

Non-current assets

Total non-current assets amounted to approximately 13.0% of the Group's total assets as at 31 December 2020. The 14.2% decrease in non-current assets was largely due to the following, (i) Impairment loss on intangible assets of S\$0.5 million, (ii) realisation of a VAT claim by the Group's Vietnam subsidiary of approximately S\$0.2 million and (iii) reversal of deferred tax assets that is unlikely to be recoverable. This was partly offset by the capitalisation of new lease agreements entered into by the Group's partially-owned Indian subsidiary.

Current assets

As at 31 December 2020, total current assets amounted to approximately 87.0% of the Group's total assets as at 31 December 2020. The 23.9% decrease in current assets was mainly due to a decrease in inventories, trade receivables net of contract assets, of approximately S\$2.1 million in total, in line with reduced business activities due to the Pandemic. Other receivables and deposit decreased mainly due to the impairment loss of other receivables of S\$0.1 million and the realisation of VAT claim. This was offset by the S\$30.6 million realisation of non-current assets classified as held for sale that translated into an increase in cash and cash equivalents of approximately S\$22.2 million.

Non-current liabilities

As at 31 December 2020, total non-current liabilities amounted to approximately 16.2% of the Group's total liabilities as at 31 December 2020. The 261.0% increase in non-current liabilities as at 31 December 2020 (As at 31 December 2019: S\$0.6 million) was largely due to the addition of new leases with lease term of eight years.

Current liabilities

As at 31 December 2020, total current liabilities amounted to approximately 83.8% of the Group's total liabilities as at 31 December 2020. The decrease in current liabilities was largely due to the repayment of interest-bearing bank loans, a loan due to the holding company and amount due to directors of the Company of approximately S\$3.0 million. In FY2020, the Group realised the liabilities directly associated with assets held for sale upon the completion of the sale of the Singapore leasehold property approximately S\$5.0 million.

Review of Group Cash flows statement

The Group recorded net cash flows used in operating activities of approximately S\$0.2 million in FY2020 as compared to net cash flows used in operating activities of S\$0.9 million in FY2019, largely due a net off of operating cash outflows of S\$1.6 million and interest and taxes paid of S\$0.8 million against working capital changes of S\$2.2 million in FY2020.

Group's net cash flows from investing activities was at S\$25.1 million in FY2020 as compared to net cash outflows of S\$0.5 million in FY2019, mainly due to the proceeds received from the sale of the Company's leasehold property.

Group's net cash flows used in financing activities in FY2020 was S\$12.4 million as compared to net cash inflows of S\$1.4 million, mainly due to the repayment of interest-bearing bank loans and a loan due to holding company. In addition, fixed deposit of S\$9.7 million was pledged to UOB for the Company's bank facilities.

As a result of the above, the Group's cash and cash equivalents stood at S\$15.5 million as at 31 December 2020 which is higher compared to S\$3.0 million as at 31 December 2019.

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 a 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.

Barring any unexpected catastrophes, which include recurring waves of Covid-19 infection, the Group will continue to adopt a prudent approach and carefully review its operations to ensure that its operating costs and strategies are aligned with market expectations in the new normal. The Group will make efforts to adapt to remote working across various teams and locations, while continuing to execute its business agenda.

The proceeds from the sale of the Company's leasehold property completed in October 2020 has strengthened the Group's cash flow position and better positioned the Group to navigate the current challenging environment. Moving forward, the Group will continue to focus on streamlining costs and adopting a lean structure.

11. If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

None.

(b) (i) Amount per share (cents)

Not applicable.

(b) (ii) Previous corresponding period (cents)

Not applicable.

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

Not applicable.

(d) The date the dividend is payable

Not applicable.

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

Not applicable.

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

No dividend has been declared or recommended for FY2020 as the Company is in a loss-making position.

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 does not have a general mandate from shareholders of IPTs.

There was no IPT of S\$100,000 and above for FY2020.

14. Use of Proceeds from the Rights Issue

As at the date of this announcement, the Company has utilised the net proceeds amounting to S\$2.37 million (after deducting the estimated costs and expense incurred in connection with the rights issue of approximately S\$0.1 million and offsetting a shareholders' loan of S\$0.7 million) ("**Final Net Proceeds**") accrued to the Company from the rights issue completed in July 2018, as follows:

Intended Use of Final Net Proceeds	Amount Allocated (S\$)	Amount utilised (S\$)	Amount unutilised (S\$)
Repayment of outstanding debts	1,000,000	1,000,000	-
Payment of directors' fees	555,000	555,000	-
For general corporate and working capital purposes including but not limited to (i) operating costs and (ii) making strategic investments and/or acquisitions if opportunities arise	812,500	812,500 ⁽¹⁾	-
Total	2,367,500	2,367,500	-

This utilisation of the Final Net Proceeds is in accordance with the intended use of the Final Net Proceeds as stated in the Offer Information Statement dated 29 June 2018.

(1) Mainly utilised for payments to suppliers and payment of salaries.

15. Negative confirmation pursuant to Rule 705(5).

Not applicable for the announcement of full year financial statements.

16. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

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

17. Disclosure of acquisition (including incorporations) and sale of shares under Catalist Rule 706A.

During the second half of FY2020, the Company acquired 84.9% equity shares in a newly incorporated company located in India, IPSCOM Returnable Private Limited from a third party. The Company paid an aggregate cash consideration of S\$158,277 (INR8,490,000) representing 84.9% of the entire share capital of IPSCOM Returnable Private Limited. As at 31 December 2020, IPSCOM Returnable Private Limited is a 84.9% owned subsidiary of the Company.

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.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

18. **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.**

BY BUSINESS SEGMENT	Supply Chain Management	Investment Holdings	Computer systems integration and consultancy services	Adjustments & Eliminations	Notes	Per consolidated financial statements
	S\$'000	S\$'000	S\$'000	S\$'000		S\$'000
<u>FY2020</u>						
Revenue:						
External customers	19,867	-	-	-	A	19,867
Inter-segment	1,425	-	-	(1,425)		-
Total turnover	21,292	-	-	(1,425)		19,867
Results:						
Interest income	24	-	-	-	B C D E F	24
Interest expense	(666)	-	-	-		(666)
Depreciation	(1,222)	-	-	-		(1,222)
Impairment loss on intangible assets	(500)	-	-	-		(500)
Impairment loss on property, plant and equipments	(71)	-	-	-		(71)
Impairment loss on financial assets, net	(255)	-	-	-		(255)
Other non-cash expenses	(411)	-	-	-		(411)
Segment loss before tax	(4,956)	(11)	(9)	32		(4,944)
Additions to non-current assets	397	-	-	-		397
Segment assets	40,453	236	-	(4)		40,685
Segment liabilities	12,820	6	5	384		13,215

BY BUSINESS SEGMENT	Supply Chain Management	Investment Holdings	Computer systems integration and consultancy services	Adjustments & Eliminations	Notes	Per consolidated financial statements
	S\$'000	S\$'000	S\$'000	S\$'000		S\$'000
<u>FY2019</u>						
Revenue:						
External customers	29,273	-	-	-	A	29,273
Inter-segment	3,161	-	-	(3,161)		-
Total turnover	32,434	-	-	(3,161)		29,273
Results:						
Interest income	29	-	-	-	B C	29
Interest expense	(659)	-	-	-		(659)
Depreciation	(2,825)	-	-	-		(2,825)
Impairment loss on intangible assets	(1,226)	-	-	-		(1,226)
Impairment loss on assets held for sale	(3,740)	-	-	-		(3,740)
Impairment loss on financial assets, net	(19)	-	-	-		(19)
Other non-cash income	23	-	-	-		23
Segment loss before tax	(9,767)	(11)	(7)	(4)		(9,789)
Additions to non-current assets	567	-	-	-	D	567
Segment assets	52,156	141	-	369	E	52,666
Segment liabilities	18,991	6	4	630		19,631

SEGMENT INFORMATION

Note A

Inter-segment revenues are eliminated on consolidation.

Note B

Non-cash expenses/(income) are (deducted from)/added to segment profit to arrive at "loss after tax" presented in the consolidated income statement:

	Group	
	FY2020	FY2019
	S\$'000	S\$'000
Gain on disposal of property, plant and equipment	(1)	(4)
Loss from disposal of assets held for sale	95	-
Property, plant and equipment written off	301	30
Bad debts written off	15	53
Allowance for other receivables written off	-	11
Allowance for inventory obsolescence	53	50
Allowance for inventory obsolescence written back	(99)	(244)
Inventories written off, net	47	81
	<u>411</u>	<u>(23)</u>

Note C

Unallocated expenses/(income) are (deducted from)/added to segment profit to arrive at "loss after tax" presented in the consolidated income statement:

	Group	
	FY2020	FY2019
	S\$'000	S\$'000
Consolidation adjustments	(32)	4
	<u>(32)</u>	<u>4</u>

Note D

Additions to non-current assets consists of additions to property, plant and equipment excluding right-of-use assets.

Note E

The following items are (deducted from) or added to segment assets to arrive at total assets reported in the consolidated balance sheet:

	Group	
	FY2020	FY2019
	S\$'000	S\$'000
Deferred tax assets	4	703
Consolidation adjustments	(8)	(334)
	<u>(4)</u>	<u>369</u>

Geographical information

Revenue, loss after tax and non-current assets information are based on the geographical location of the source of revenue and assets respectively are as follows :

BY GEOGRAPHICAL SEGMENT	Turnover		Group Profit/(Loss) after tax		Non-current assets(*)	
	FY2020	FY2019	FY2020	FY2019	FY2020	FY2019
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	1,535	1,537	(3,633)	(8,848)	60	95
Malaysia	1,404	3,112	(393)	227	277	468
People's Republic of China	4,136	6,312	73	538	71	265
India	7,578	11,020	(2,119)	(2,021)	3,490	3,427
Vietnam	5,214	7,292	(97)	219	1,389	1,212
Eliminations and adjustments	-	-	315	13	-	-
At 31 December	19,867	29,273	(5,854)	(9,872)	5,287	5,467

*Non-current assets information presented above consist of property, plant and equipment, other receivables and deposits and intangible assets as presented in the consolidated balance sheet and excludes deferred tax assets.

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

Turnover and profitability by business segments

FY2020 vs FY2019

Supply Chain Management ("SCM")

For SCM, please refer to paragraph 8 above.

Investment holding ("IH")

There were no business activities in FY2020 and FY2019.

Computer systems integration and consultancy services ("CSI")

The Group's partially-owned Chinese subsidiary (Avantouch) in the CSI segment was dormant.

20. A breakdown of sales as follows:

	FY2020	FY2019	%+/-
Group	S\$'000	S\$'000	
(a) Sales reported for first half year	9,772	14,041	-30.4
(b) Operating loss after tax before deducting non-controlling interests reported for first half year	(2,156)	(2,380)	-9.4
(c) Sales reported for second half year	10,095	15,232	-33.7
(d) Operating loss after tax before deducting non-controlling interests reported for second half year	(3,698)	(7,492)	-50.6

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

	FY2020 S\$'000	FY2019 S\$'000
Ordinary	-	-
Preference	-	-
Total	-	-

22. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

There is no person occupying a managerial position in the Company or any of its principal subsidiaries who is related to a director or chief executive officer or substantial shareholder of the Company pursuant to Rule 704(10).

BY ORDER OF THE BOARD

Teh Eng Chai
Company Secretary
1 March 2021

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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