



# ALLIED TECHNOLOGIES LIMITED

Company Registration No: 199004310E

## FOUR QUARTER AND TWELVE MONTHS UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 DECEMBER 2020

*Pursuant to the Notice of Compliance in relation to the requirement to perform quarterly reporting issued by Singapore Exchange Regulation Pte Ltd (“**SGX Regco**”) on 6 February 2020, the Company is required to continue with the quarterly reporting of its unaudited financial statements under Rules 705(2)(d) and 705(2C) of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”) with effect from 7 February 2020.*

*This announcement has been reviewed by the Company’s sponsor, Stamford Corporate Services Pte Ltd (the “Sponsor”). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “SGX-ST”) and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3 & Q4), HALF-YEAR AND FULL YEAR RESULTS**

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

	GROUP						
	Note	3 months ended			12 months ended		
		4Q2020 S\$'000	4Q2019 S\$'000	+ /(-) %	12M2020 S\$'000	12M2019 S\$'000	+ /(-) %
Revenue		34,249	32,684	5%	109,363	123,351	(11%)
Cost of revenue		(29,041)	(28,726)	1%	(101,005)	(114,685)	(12%)
Gross profit		5,208	3,958	32%	8,358	8,666	(4%)
Other income		212	225	(6%)	1,085	866	25%
General and administrative expenses		(2,509)	(30,942)	(92%)	(7,735)	(38,707)	(80%)
Finance costs		(270)	(360)	(25%)	(940)	(1,099)	(14%)
<b>Profit/(loss) before tax</b>	A	2,641	(27,119)	n.m	768	(30,274)	n.m
Income tax expense	B	(157)	(46)	241%	(210)	(304)	(31%)
<b>Profit/(loss) for the period/year</b>		<b>2,484</b>	<b>(27,165)</b>	n.m	<b>558</b>	<b>(30,578)</b>	n.m
<b>Attributable to:</b>							
Owners of the Company		2,513	(25,069)	n.m	638	(28,076)	n.m
Non-controlling interests		(29)	(2,096)	(99%)	(80)	(2,502)	(97%)
<b>Profit/(loss) for the period/year</b>		<b>2,484</b>	<b>(27,165)</b>	n.m	<b>558</b>	<b>(30,578)</b>	n.m
<b>Profit/(loss) per share (cents per share)</b>							
- Basic		0.14	(1.42)		0.04	(1.59)	
- Diluted		0.14	(1.42)		0.04	(1.59)	
<b>Other comprehensive income:</b>							
<i>Items that may be reclassified subsequently to profit or loss:</i>							
Net fair value gain on equity instrument at fair value							
through other comprehensive income		291	110		291	110	
Foreign currency translation of foreign subsidiaries		23	(96)	n.m	(79)	131	n.m
<b>Total comprehensive income for the period/year</b>		<b>2,798</b>	<b>(27,151)</b>	n.m	<b>770</b>	<b>(30,337)</b>	n.m
<b>Attributable to:</b>							
Owners of the Company		2,824	(25,049)	n.m	848	(27,836)	n.m
Non-controlling interests		(26)	(2,102)	(99%)	(78)	(2,501)	(97%)
<b>Total comprehensive income for the period/year</b>		<b>2,798</b>	<b>(27,151)</b>	n.m	<b>770</b>	<b>(30,337)</b>	n.m

**Notes:**

Nm - Not meaningful

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

**Notes:**

**A: Profit/(loss) before income tax is arrived at after (crediting)/charging the following:**

	GROUP					
	4Q2020 S\$'000	4Q2019 S\$'000	+ / (-)	12M2020 S\$'000	12M2019 S\$'000	+ / (-)
<b>(a) Cost of revenue:</b>						
(Write-back of)/allowance for inventory obsolescence	(190)	(390)	(51%)	320	54	493%
Depreciation of property, plant and equipment	668	674	(1%)	2,650	2,895	(8%)
Depreciation of right-of-use assets	148	199	(26%)	592	674	(12%)
Salaries, bonus and other costs	3,751	3,221	16%	14,088	13,973	1%
<b>(b) Other income:</b>						
Interest income	(24)	(40)	(40%)	(76)	(129)	(41%)
Dividend income from other investment	-	(3)	(100%)	(232)	(220)	5%
(Gain)/loss on disposal of property, plant and equipment	(1)	(3)	(67%)	82	(98)	n.m
Amortisation of deferred interest income	-	(53)	(100%)	-	(100)	(100%)
Job Support Scheme grant	(96)	-	n.m	(352)	-	n.m
Rental income	-	(14)	(100%)	-	(55)	(100%)
<b>(c) General and administrative expenses:</b>						
Legal and other professional fees	107	254	(58%)	469	893	(47%)
Salaries, bonus and other costs	785	921	(15%)	3,274	4,098	(20%)
Allowance for impairment on :						
- trade debtors	85	22	286%	85	36	136%
- other debtors	-	3,851	(100%)	1	3,851	(100%)
Depreciation of property, plant and equipment	88	127	(31%)	382	507	(25%)
Depreciation of right-of-use assets	58	139	(58%)	231	338	(32%)
Amortisation of intangible assets	-	101	(100%)	-	133	(100%)
Impairment loss on property, plant and equipment	-	191	(100%)	-	191	(100%)
Impairment loss on right-of-use assets	-	232	(100%)	-	232	(100%)
Impairment loss on goodwill	-	23,948	(100%)	-	23,948	(100%)
Written-off of trade debtors	-	-	n.m	-	5	(100%)
Foreign exchange loss	401	382	5%	303	378	(20%)
<b>(d) Finance costs</b>						
Interest of loans and borrowings	200	205	(2%)	647	854	(24%)
Interest of lease liability	70	155	(55%)	293	245	20%

**B: Major components of income tax expense**

Current income tax						
- Current income taxation	(155)	(99)	57%	(193)	(345)	(44%)
- Over/(under) provision in respect of previous years	3	45	(93%)	(12)	26	n.m
	(152)	(54)	181%	(205)	(319)	(36%)
Deferred income tax						
Reversal of temporary difference	(5)	8	n.m	(5)	15	n.m
Income tax recognised in profit or loss	(157)	(46)	241%	(210)	(304)	(31%)

**Note:**

(i) n.m. - 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	
	31.12.2020 S\$'000	31.12.2019 S\$'000	31.12.2020 S\$'000	31.12.2019 S\$'000
<b>Non-current assets</b>				
Intangible assets	-	-	-	-
Property, plant and equipment	25,620	27,257	2	6
Right-of-use assets	4,615	5,337	-	-
Investment in joint venture	-	-	-	-
Investment in subsidiary companies	-	-	30,925	30,925
Goodwill	-	-	-	-
Loan receivables from subsidiary companies	-	-	-	-
Other investments	2,361	2,070	-	-
	<u>32,596</u>	<u>34,664</u>	<u>30,927</u>	<u>30,931</u>
<b>Current assets</b>				
Inventories	13,534	15,883	-	-
Amounts due from subsidiary companies	-	-	-	-
Trade debtors	22,988	25,949	-	-
Other debtors	986	1,442	19	43
Contract assets	283	1,186	-	-
Prepayments and advances to suppliers	229	283	3	15
Fixed deposits	1,676	2,731	-	-
Cash and bank balances	8,899	5,946	8	113
Amount due from a law firm	33,153	33,153	33,153	33,153
	<u>81,748</u>	<u>86,573</u>	<u>33,183</u>	<u>33,324</u>
<b>Current liabilities</b>				
Amount due to a subsidiary	-	-	1,646	750
Trade creditors	24,918	30,861	-	-
Contract liabilities	184	490	-	-
Lease liabilities	858	780	-	-
Other creditors and accruals	7,315	7,114	2,149	1,834
Deferred grant income	54	-	-	-
Amount due to a former director	1,183	1,183	1,183	1,183
Amount due to a non-controlling shareholder of a subsidiary	415	412	-	-
Loans and borrowings	3,792	4,428	-	-
Income tax payable	84	165	-	-
	<u>38,803</u>	<u>45,433</u>	<u>4,978</u>	<u>3,767</u>
<b>Net current assets</b>	42,945	41,140	28,205	29,557
<b>Non-current liabilities</b>				
Accruals	85	61	-	-
Lease liabilities	4,242	5,014	-	-
Loans and borrowings	5,910	6,200	-	-
Deferred tax liabilities	19	14	-	-
	<u>10,256</u>	<u>11,289</u>	<u>-</u>	<u>-</u>
<b>TOTAL NET ASSETS</b>	<u>65,285</u>	<u>64,515</u>	<u>59,132</u>	<u>60,488</u>
<b>Equity attributable to owners of the Company</b>				
Share capital	115,898	115,898	115,898	115,898
Statutory reserve fund	241	231	-	-
Other reserves	189	189	189	189
Fair value adjustment reserve	156	(135)	-	-
Accumulated losses	(49,362)	(49,990)	(56,955)	(55,599)
Foreign currency translation reserve	1,035	1,116	-	-
	<u>68,157</u>	<u>67,309</u>	<u>59,132</u>	<u>60,488</u>
Non-controlling interests	(2,872)	(2,794)	-	-
	<u>65,285</u>	<u>64,515</u>	<u>59,132</u>	<u>60,488</u>

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

**Amount repayable in one year or less, or on demand**

<b>GROUP</b> <b>31.12.2020</b>		<b>GROUP</b> <b>31.12.2019</b>	
<b>Secured</b> <b>S\$'000</b>	<b>Unsecured</b> <b>S\$'000</b>	<b>Secured</b> <b>S\$'000</b>	<b>Unsecured</b> <b>S\$'000</b>
3,792	906	4,428	897

**Amount repayable after one year**

<b>GROUP</b> <b>31.12.2020</b>		<b>GROUP</b> <b>31.12.2019</b>	
<b>Secured</b> <b>S\$'000</b>	<b>Unsecured</b> <b>S\$'000</b>	<b>Secured</b> <b>S\$'000</b>	<b>Unsecured</b> <b>S\$'000</b>
5,910	-	6,200	-

**Details of any collateral**

The Group's borrowings comprise the following:

- (i) amounts due to bankers;
- (ii) amount due to a non-controlling shareholder of a subsidiary;
- (iii) amount due to a director-related company (included in other creditors and accruals); and
- (iv) amount due to a director (included in other creditors and accruals).

The amounts due to bankers are secured facilities granted to the Group. The secured facilities granted are secured by:

- (1) fixed deposits placement by the Company's respective subsidiaries;
- (2) land and properties of the respective subsidiaries;
- (3) a debenture by way of fixed and floating charge over the entire assets of a subsidiary; and
- (4) agreed amounts of corporate guarantee provided by the Company and/or its subsidiary.

The amounts due to a non-controlling shareholder of a subsidiary, a director-related company and a director are non-trade related, unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

**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			
	3 months ended		12 months ended	
	4Q2020 S\$'000	4Q2019 S\$'000	12M2020 S\$'000	12M2019 S\$'000
<b>Cash flows from operating activities</b>				
Profit/(loss) before tax	2,641	(27,119)	768	(30,274)
Adjustments for:				
(Gain)/loss on disposal of property, plant and equipment	(1)	(3)	82	(98)
Depreciation of property, plant and equipment	756	801	3,032	3,402
Depreciation of right-of-use assets	206	338	823	1,012
Provision of impairment loss	-	28,222	-	28,222
Amortisation of deferred interest income (deferred consideration)	-	(53)	-	(100)
Amortisation of intangible assets	-	101	-	133
Interest income	(24)	(40)	(76)	(129)
Interest expense	200	205	646	854
Interest expense - lease liability	70	155	293	245
Dividend income from other investments	-	(3)	(232)	(220)
Exchange differences	399	312	76	15
<b>Operating profit before working capital changes</b>	<b>4,247</b>	<b>2,916</b>	<b>5,412</b>	<b>3,062</b>
(Increase)/decrease in inventories	(1,707)	(4,960)	2,314	(965)
(Increase)/decrease in trade debtors and other debtors	(5,268)	971	4,410	(2,789)
Increase/(decrease) in trade creditors and other creditors	6,910	3,921	(5,944)	1,078
Payment to a former director in relation to termination of service agreement	-	-	-	(296)
Cash generated from operations	4,182	2,848	6,192	90
Interest paid	(200)	(205)	(647)	(854)
Interest paid for lease liability	(70)	(245)	(293)	(245)
Interest received	24	40	76	129
Tax paid	(13)	(99)	(286)	(344)
<b>Net cash generated from/(used in) operating activities</b>	<b>3,923</b>	<b>2,339</b>	<b>5,042</b>	<b>(1,224)</b>
<b>Cash flows from investing activities</b>				
Proceeds from disposal of property, plant and equipment	29	27	44	731
Purchase of property, plant and equipment	(225)	(189)	(1,657)	(5,486)
Dividend receipt from other investments	-	3	232	220
<b>Net cash used in investing activities</b>	<b>(196)</b>	<b>(159)</b>	<b>(1,381)</b>	<b>(4,535)</b>
<b>Cash flows from financing activities</b>				
Repayment of lease liabilities	(204)	(114)	(790)	(816)
Increase in amount due to non-controlling shareholder	-	20	3	173
Drawdown of bank borrowings	6,655	7,728	25,407	20,723
Repayment of bank borrowings	(9,605)	(8,854)	(26,328)	(20,716)
Net decrease/(increase) in fixed deposits	287	(28)	1,078	2,206
<b>Net cash (used in)/generated from financing activities</b>	<b>(2,867)</b>	<b>(1,248)</b>	<b>(630)</b>	<b>1,570</b>
Net increase/(decrease) in cash and cash equivalents	860	932	3,031	(4,189)
Cash and cash equivalents at beginning of period/year (Note A)	8,103	5,059	5,946	9,016
Funds returned from JLC Advisors LLP (Note A)	-	-	-	1,094
Effects of exchange rates on opening cash and cash equivalents	(64)	(45)	(78)	25
<b>Cash and cash equivalents at end of period/year</b>	<b>8,899</b>	<b>5,946</b>	<b>8,899</b>	<b>5,946</b>

**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 (cont'd).**

Note A:

As at 31 December 2018, cash of S\$33.45 million and S\$1.09 million were held in trust and/or in escrow by a Singapore law firm, JLC Advisors LLP ("**JLC**") for the Company and its subsidiary, Asia Box Office Pte. Ltd. ("**ABO**"), respectively. On 9 January 2019, the Company authorised JLC to make payment of \$0.30 million to a former director of the Company in relation to the termination of his service agreement. On 2 April 2019, JLC paid the sum of S\$1.09 million to the Group, being the balance funds that ABO had placed in trust with JLC as at 2 April 2019. This was pursuant to ABO's request to withdraw the funds held in trust with JLC on 23 March 2019. Consequently, the remaining balance held by the Group in escrow by JLC is \$33.15 million ("**Escrow Funds**"). The Company had made repeated demands for repayment of the Escrow Funds from JLC since 23 March 2019. On 17 May 2019, the Company's legal counsel issued a letter of demand to JLC to release the Escrow Funds to the Company. As there have been alleged unauthorised payments of such Escrow Funds and on-going investigation by various authorities, the Group and the Company have classified the cash of S\$33.15 million (31 December 2019: S\$34.54 million) and S\$33.15 million (31 December 2019: S\$33.45 million) as amount due from a law firm respectively as at 31 December 2020 instead of cash and cash equivalents as the Company is currently taking all steps necessary to recover the Escrow Funds from JLC ("**JLC Issue**").

**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 period.**

(In S\$'000)

**Group**

	Ordinary shares \$'000 \$	Foreign currency translation reserve \$'000 \$	Statutory reserve fund \$'000 \$	Other reserves \$'000 \$	Fair value adjustment reserve \$'000 \$	Accumulated losses \$'000 \$	Total equity attributable to owners of the Company \$'000 \$	Non-controlling interests \$'000 \$	Total equity \$'000 \$
<b>12M2020</b>									
<b>Balance as at 1 January 2020</b>	115,898	1,116	231	189	(135)	(49,990)	67,309	(2,794)	64,515
Loss for the period	-	-	-	-	-	(267)	(267)	(33)	(300)
<i>Other comprehensive income:</i>									
Foreign currency translation	-	31	-	-	-	-	31	(5)	26
<b>Balance as at 31 March 2020</b>	<b>115,898</b>	<b>1,147</b>	<b>231</b>	<b>189</b>	<b>(135)</b>	<b>(50,257)</b>	<b>67,073</b>	<b>(2,832)</b>	<b>64,241</b>
Loss for the period	-	-	-	-	-	(1,735)	(1,735)	(19)	(1,754)
<i>Other comprehensive income:</i>									
Foreign currency translation	-	(21)	-	-	-	-	(21)	2	(19)
<b>Balance as at 30 June 2020</b>	<b>115,898</b>	<b>1,126</b>	<b>231</b>	<b>189</b>	<b>(135)</b>	<b>(51,992)</b>	<b>65,317</b>	<b>(2,849)</b>	<b>62,468</b>
Profit for the period	-	-	-	-	-	127	127	1	128
<i>Other comprehensive income:</i>									
Foreign currency translation	-	(111)	-	-	-	-	(111)	2	(109)
<b>Balance as at 30 September 2020</b>	<b>115,898</b>	<b>1,015</b>	<b>231</b>	<b>189</b>	<b>(135)</b>	<b>(51,865)</b>	<b>65,333</b>	<b>(2,846)</b>	<b>62,487</b>
Profit/(loss) for the period	-	-	-	-	-	2,513	2,513	(29)	2,484
<i>Other comprehensive income:</i>									
Transfer to capital reserve	-	-	10	-	-	(10)	-	-	-
Foreign currency translation	-	20	-	-	-	-	20	3	23
Net fair value gain on equity instrument at fair value through other comprehensive income	-	-	-	-	291	-	291	-	291
<b>Balance as at 31 December 2020</b>	<b>115,898</b>	<b>1,035</b>	<b>241</b>	<b>189</b>	<b>156</b>	<b>(49,362)</b>	<b>68,157</b>	<b>(2,872)</b>	<b>65,285</b>
<b>12M2019</b>									
<b>Balance as at 1 January 2019</b>	115,898	986	131	189	(245)	(21,692)	95,267	(292)	94,975
Cumulative effects of adopting SFRS(I)16	-	-	-	-	-	(66)	(66)	-	(66)
Loss for the period	-	-	-	-	-	(1,714)	(1,714)	(149)	(1,863)
<i>Other comprehensive income:</i>									
Foreign currency translation	-	80	-	-	-	-	80	(6)	74
<b>Balance as at 31 March 2019</b>	<b>115,898</b>	<b>1,066</b>	<b>131</b>	<b>189</b>	<b>(245)</b>	<b>(23,472)</b>	<b>93,567</b>	<b>(447)</b>	<b>93,120</b>
Profit for the period	-	-	-	-	-	(1,830)	(1,830)	(165)	(1,995)
<i>Other comprehensive income:</i>									
Foreign currency translation	-	(12)	-	-	-	-	(12)	2	(10)
<b>Balance as at 30 June 2019</b>	<b>115,898</b>	<b>1,054</b>	<b>131</b>	<b>189</b>	<b>(245)</b>	<b>(25,302)</b>	<b>91,725</b>	<b>(610)</b>	<b>91,115</b>
Profit for the period	-	-	-	-	-	537	537	(92)	445
<i>Other comprehensive income:</i>									
Transfer to capital reserve	-	-	78	-	-	(78)	-	-	-
Foreign currency translation	-	152	-	-	-	-	152	11	163
<b>Balance as at 30 September 2019</b>	<b>115,898</b>	<b>1,206</b>	<b>209</b>	<b>189</b>	<b>(245)</b>	<b>(24,843)</b>	<b>92,414</b>	<b>(691)</b>	<b>91,723</b>
Cumulative effects of adopting SFRS(I)16	-	-	-	-	-	(56)	(56)	(1)	(57)
Loss for the period	-	-	-	-	-	(25,069)	(25,069)	(2,096)	(27,165)
<i>Other comprehensive income:</i>									
Net fair value gain on equity instrument at fair value through other comprehensive income	-	-	-	-	110	-	110	-	110
Transfer to capital reserve	-	-	22	-	-	(22)	-	-	-
Foreign currency translation	-	(90)	-	-	-	-	(90)	(6)	(96)
<b>Balance as at 31 December 2019</b>	<b>115,898</b>	<b>1,116</b>	<b>231</b>	<b>189</b>	<b>(135)</b>	<b>(49,990)</b>	<b>67,309</b>	<b>(2,794)</b>	<b>64,515</b>



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 period (cont'd).

(In S\$'000)  
Company

	Ordinary shares \$	Other reserve \$	Accumulated losses \$	Total equity attributable to owners of the Company \$
<b>12M2020</b>				
<b>Balance as at 1 January 2020</b>	115,898	189	(55,599)	<b>60,488</b>
Total comprehensive income for the period	-	-	(303)	(303)
<b>Balance as at 31 March 2020</b>	<b>115,898</b>	<b>189</b>	<b>(55,902)</b>	<b>60,185</b>
Total comprehensive income for the period	-	-	(302)	(302)
<b>Balance as at 30 June 2020</b>	<b>115,898</b>	<b>189</b>	<b>(56,204)</b>	<b>59,883</b>
Total comprehensive income for the period	-	-	(145)	(145)
<b>Balance as at 30 September 2020</b>	<b>115,898</b>	<b>189</b>	<b>(56,349)</b>	<b>59,738</b>
Total comprehensive income for the period	-	-	(606)	(606)
<b>Balance as at 31 December 2020</b>	<b>115,898</b>	<b>189</b>	<b>(56,955)</b>	<b>59,132</b>
<b>12M2019</b>				
<b>Balance as at 1 January 2019</b>	115,898	189	(24,119)	<b>91,968</b>
Total comprehensive income for the period	-	-	(366)	(366)
<b>Balance as at 31 March 2019</b>	<b>115,898</b>	<b>189</b>	<b>(24,485)</b>	<b>91,602</b>
Total comprehensive income for the period	-	-	(945)	(945)
<b>Balance as at 30 June 2019</b>	<b>115,898</b>	<b>189</b>	<b>(25,430)</b>	<b>90,657</b>
Total comprehensive income for the period	-	-	(605)	(605)
<b>Balance as at 30 September 2019</b>	<b>115,898</b>	<b>189</b>	<b>(26,035)</b>	<b>90,052</b>
Total comprehensive income for the period	-	-	(29,564)	(29,564)
<b>Balance as at 31 December 2019</b>	<b>115,898</b>	<b>189</b>	<b>(55,599)</b>	<b>60,488</b>

**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.**

	<b>No. of ordinary shares '000</b>	<b>Amount S\$'000</b>
As at 31.12.2020, 30.09.2020 and 31.12.2019	1,770,329	115,898

Since 30 September 2020, there has been no change in 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.

As at 31 December 2020, 30 September 2020 and 31 December 2019, the Company did not have any outstanding convertibles, treasury shares or subsidiary holdings.

**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.**

	<b>31.12.2020</b>	<b>31.12.2019</b>
Total number of issued shares ('000) (excluding treasury shares)	1,770,329	1,770,329

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

**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 as the Company did not have any treasury shares as at 31 December 2020.

**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 as the Company did not hold any subsidiary holdings as at 31 December 2020.

**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 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 as the figures have not been audited or reviewed by the Group's auditors.

**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.**

Reference is made to pages 64 to 66 of the FY2019 Annual Report. The disclaimer of opinion by the Company's auditor arose from the following five (5) issues:

- 1) Funds held with JLC Advisors LLP (the "**Missing Funds**");
- 2) Purchase price allocation, impairment assessments of goodwill and interest in subsidiaries;
- 3) Asia Box Office Pte. Ltd. and its subsidiary;
- 4) On-going special audit and investigation; and
- 5) Going concern assumption.

(a) Updates on the efforts taken to resolve each outstanding audit issue highlighted above:

In relation to issues (1) to (4) above, the Company has, as announced on 14 June 2019, appointed PricewaterhouseCoopers Risk Services Pte Ltd as the Special Auditor to undertake a special audit to look into, amongst others, the issues pertaining to issues (1) to (4) above. To date, the Special Auditor has yet to complete the special audit. As such, the Company is not in a position to comment on the resolution of these issues at the present time. Notwithstanding the foregoing, the Company has provided its full cooperation during the course of the special audit. The board of directors (the "**Board**") will review the findings of the special audit and use its best efforts to resolve the outstanding issues surrounding the special audit.

As regards the Missing Funds, as the Company had stated in our announcement dated 23 May 2019, JLC informed the Company that the Company's funds of "S\$33.4 million" had been purportedly paid out from the escrow account, and that JLC is still investigating, but has reasons to believe that the said funds were paid out on the instructions of its partner, Mr. Ong Su Aun, Jeffrey, and "*might have been unauthorized*". More information can be found in the Company's announcement dated 23 May 2019.

The Company noted from the media reports on the following dates that the managing director for JLC has since been charged in relation to the Company's Escrow Funds:

- (i) On 24 February 2020, he has been charged with 12 different charges, 11 of which involving alleged criminal breach of trust as an attorney in relation to the Escrow Funds;
- (ii) On 30 June 2020, he has been charged with additional 15 different charges, 14 of which involving cheating the Company by deceiving the Company into believing its escrow account maintained by JLC contained certain balance amounts on certain dates; and
- (iii) On 11 August 2020, he has been charged with additional 4 charges of criminal breach of trust as an attorney in relation to misappropriation of S\$11.7 million from the escrow facility held by JLC for the Company.

However, the whereabouts of the escrow funds remain unclear to the Company as at the date of this announcement.

As the Company had previously announced on 30 July 2019, the Company had been advised by our legal counsel to await the conclusion of the special audit and/or further information before deciding on what steps to take, and against who, to recover the Missing Funds. This is in the interest of not incurring unnecessary costs. To date, the special audit is still ongoing, and to the best of the Company's knowledge, the investigations by the Commercial Affairs Department is still ongoing, and

such investigations may uncover further facts and/or relevant parties that might be culpable, and to which the Company is unaware of at the present time.

In any event, and as announced on, amongst others, our announcement of 30 July 2019, the Company had already taken all other practicable steps to recover the Missing Funds. More details can be found in our announcement of 30 July 2019.

In relation to issue (5) above, the Board, together with the management of the Company, has assessed and is of the view that the use of the going concern in the preparation of the financial statements for the financial year ended 31 December 2019 is still appropriate. The assumptions and measures for this assessment can be found in our announcement of 13 April 2020. In relation to the assumption set out in item (g) of the announcement dated 13 April 2020 and the Group's efforts in this regard, please refer to the Company's updates on the movement control orders implemented by the Malaysian Government and the COVID-19 situation in our announcement of 30 April 2020. The Group's factories have continued full operations since the announcement dated 30 April 2020.

(b) Nonetheless, the Board confirms that the impact of all outstanding audit issues on the financial statements have been adequately disclosed in these financial statements.

**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 Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period as compared to those applied in the 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.**

Not applicable.

**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		GROUP	
	3 months ended		12 months ended	
	<u>4Q2020</u>	<u>4Q2019</u>	<u>12M2020</u>	<u>12M2019</u>
Earnings/(loss) (S\$'000)				
Attributable to the owners of the Company				
Profit/(loss) for the period/year	2,513	(25,069)	638	(28,076)
Earnings/(loss) per share (cents)				
- Basic	0.14	(1.42)	0.04	(1.59)
- Diluted	0.14	(1.42)	0.04	(1.59)
Weighted average number of ordinary shares ('000)	1,770,329	1,770,329	1,770,329	1,770,329

**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	31.12.2019	31.12.2020	31.12.2019
Net asset value per ordinary share based on issued share capital at end of the period (in cents)	3.69	3.64	3.34	3.42
Net asset value as at end of period (S\$'000)	65,285	64,515	59,132	60,488
No. of ordinary shares ('000)	1,770,329	1,770,329	1,770,329	1,770,329

**8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

**a. Revenue**

The Group's revenue increased by 5% from S\$32.68 million in 4Q2019 to S\$34.25 million in 4Q2020 mainly due to increase in revenue generated by the precision metal stamping segment due to increase in demand for our customers' products in 4Q2020.

The Group's revenue decreased by 11% from S\$123.35 million in 12M2019 to S\$109.36 million in 12M2020 mainly due to decrease in revenue generated by the precision metal stamping segment as a result of the COVID-19 pandemic which caused significant drop in global demand for our customers' products mainly consisting of office equipment such as copiers in 2Q2020 and 3Q2020.

Precision metal stamping

A breakdown of revenue by countries is set out as follows:

	3 months ended		12 months ended		4Q +/( -)	12M +/( -)
	4Q2020 \$'000	4Q2019 \$'000	12M2020 \$'000	12M2019 \$'000		
Singapore	469	355	990	1,195	32%	(17%)
Malaysia	14,023	11,693	45,978	42,921	20%	7%
Vietnam	16,521	18,420	52,522	70,332	(10%)	(25%)
Thailand	3,211	2,199	9,747	8,712	46%	12%
China	25	-	79	-	n.m.	n.m.
	<u>34,249</u>	<u>32,667</u>	<u>109,316</u>	<u>123,160</u>	5%	(11%)

**Note:**

n.m. - not meaningful

As mentioned in the above, the precision metal stamping recorded an increase in revenue in 4Q2020 due to increase in demand of our customers' products mainly consisting of office equipment such as copiers and the decrease in revenue in 12M2020 is due to a significant drop in global demand for these products in 2Q2020 and 3Q2020.

## E-commerce

E-commerce segment reported a decrease in revenue from S\$17,000 in 3Q2019 to S\$294 in 4Q2020 and decrease in revenue from S\$191,000 in 12M2019 to S\$47,000 in 12M2020.

ABO and its subsidiary, Asia Box Office (HK) Limited (collectively, “**ABO Group**”) did not record revenue in 4Q2020 (4Q2019: S\$Nil) and 12M2020 (12M2019: S\$5,000) as it is facing challenges in securing contracts in light of the audit matters as announced on 8 May 2019. The COVID-19 pandemic has further worsened the situation as many physical concerts and events have been cancelled and/or postponed.

Activpass Holdings Pte. Ltd. (“**Activpass**”) recorded a decrease in revenue from S\$17,000 in 4Q2019 to S\$294 in 4Q2020 and decrease in revenue from S\$186,000 in 12M2019 to S\$47,000 in 12M2020. This is due to the audit matters as announced on 8 May 2019 which caused delay in funding and inability to secure funding internally and externally. As such, Activpass is unable to execute marketing plans locally and overseas to motivate merchants and users to join its platform.

## **b. Operating results**

A breakdown of the Group’s profit/(loss) before tax by segment is set out as follows:

	3 months ended		12 months ended		4Q +/(–)	12M +/(–)
	4Q2020 \$’000	4Q2019 \$’000	12M2020 \$’000	12M2019 \$’000		
Corporate	(429)	(802)	(1,179)	(2,718)	(47%)	(57%)
Precision Metal Stamping	3,128	1,986	2,108	1,576	58%	34%
E-commerce	(58)	(28,303)	(161)	(29,132)	(100%)	(99%)
	<u>2,641</u>	<u>(27,119)</u>	<u>768</u>	<u>(30,274)</u>	n.m.	n.m.

### **Note:**

n.m. - not meaningful

The Group recorded profit before tax (“**PBT**”) of S\$2.64 million in 4Q2020 and PBT of S\$0.77 million in 12M2020 as compared to loss before tax (“**LBT**”) of S\$27.12 million in 4Q2019 and LBT of S\$30.27 million in 12M2019 respectively, mainly due to the higher profit recorded by the precision metal stamping segment and lower losses recorded by the corporate and e-commerce segments as shown in the breakdown above.

## Corporate

The decrease in LBT by 47% from 4Q2019 to 4Q2020 and by 57% from 12M2019 to 12M2020 is mainly due to a decrease in (i) legal and other professional fees arising from the audit matters as announced on 8 May 2019 and the JLC Issue in 2019; and (ii) payroll related costs and other general & administrative (“**G&A**”) expenses as part of the cost control measures undertaken by the Company in light of the COVID-19 pandemic.

## Precision metal stamping

The increase in PBT from 4Q2019 to 4Q2020 by 58% is largely due to the increase in revenue by 5% as highlighted in the revenue analysis section, increase in other income by 16%, improvement in gross margin due to the decrease in overhead costs and sub-contractor costs by an aggregate of 72% and decrease in finance costs by 23%. The increase in PBT by 34% from 12M2019 to 12M2020 despite the decline in revenue by 11% is largely due to the increase in other income by 17%, decrease in G&A expenses by 22% and finance costs by 14%.

### E-commerce

ABO Group reported LBT of S\$25,000 in 4Q2020 as compared to LBT of S\$10.66 million in 4Q2019. It recorded LBT of S\$161,000 in 12M2020 as compared to LBT of S\$10.95 million in 12M2019. The lower LBT in 4Q2020 and 12M2020 as compared to 4Q2019 and 12M2019 is due to recognition of impairment losses from goodwill arising from the acquisition of ABO Group in April 2018 and other debtors amounting to an aggregate of S\$10.33 million in 4Q2019 and 12M2019 and there is no such impairment loss assessed in 4Q2020 and 12M2020 as these balances had been fully impaired in FY2019.

Activpass reported LBT of S\$33,000 in 4Q2020 as compared to LBT of S\$17.65 million in 4Q2019. It recorded PBT of S\$270 in 12M2020 as compared to LBT of S\$18.18 million in 12M2019. The lower loss in 4Q2020 and 12M2020 as compared to 4Q2019 and 12M2019 is mainly due to the impairment loss of S\$17.27 million recognised on goodwill arising from acquisition of Activpass in July 2018 and the balance had been fully impaired in FY2019.

### Cost of revenue

Cost of revenue (“**COR**”) consists of material cost, labour cost, sub-contractor cost and overhead costs and procurement cost of e-commerce services. COR increased from S\$28.73 million in 4Q2019 to S\$29.04 million in 4Q2020 and decreased from S\$114.69 million in 12M2019 to S\$101.01 million in 12M2020. The movement in COR is in tandem with the increase in revenue from 4Q2019 to 4Q2020 and the decrease in revenue from 12M2019 to 12M2020.

### Depreciation

Depreciation of property, plant and equipment (“**PPE**”) recorded in COR and G&A expenses amounted to an aggregate of S\$0.76 million in 4Q2020 and S\$3.03 million in 12M2020 as compared to S\$0.80 million in 4Q2019 and S\$3.40 million in 12M2019 respectively. The decrease is largely due to certain PPE that had fully depreciated.

Depreciation of right-of-use assets (“**ROU**”) recorded in COR and G&A expenses amounted to a total of S\$0.21 million in 4Q2020 and S\$0.82 million in 12M2020 as compared to S\$0.34 million in 4Q2019 and S\$1.01 million in 12M2019 respectively. The decrease is mainly due to certain ROU assets that had fully impaired in FY2019.

### Other income

Other income comprises mainly interest income, gain/(loss) on disposal of PPE and sundry income. The other income has decreased from S\$0.23 million in 4Q2019 and to S\$0.26 million in 4Q2020 and variance between the two periods is not significant. The other income has increased from S\$0.87 million in 12M2019 to S\$1.09 million in 12M2020. The increase is mainly due to (i) income of S\$0.59 million arising from the Job Support Scheme (“**JSS**”) announced by the Singapore Government at the Budget 2020 on 18 February 2020 and two supplementary budgets on 26 March 2020 and 6 April 2020 respectively to co-fund the wages of local employees for a period of ten months, wage credit scheme and wage subsidy and hiring incentives given by the Malaysian government; and (ii) consultancy income received for provision of parts and tooling designs services. The increase is offset by the loss on disposal of PPE recorded in 12M2020 instead of gain on disposal of PPE recorded in 12M2019, decrease in interest income and absence of amortisation of deferred interest income.

### General and administrative expenses

G&A expenses mainly include professional fees, salaries and other payroll related costs, directors' fee, office expenses and foreign exchange (gain)/loss. G&A expenses decreased from S\$30.94 million in 4Q2019 and S\$38.71 million in 12M2019 to S\$2.51 million in 4Q2020 and S\$7.74 million in 12M2020 respectively. The decrease is mainly due to (i) absence of impairment losses from goodwill arising from the acquisition of ABO Group and Activpass, other debtors, PPE and ROU amounting to an aggregate of S\$28.22 million recognised in 4Q2019 and 12M2019 and there is no such impairment loss assessed in

4Q2020 and 12M2020 as these balances had been fully impaired in FY2019 (ii) decrease in payroll related costs as part of cost control measures for the Group in light of COVID-19 pandemic and scale-down of e-commerce business given the reasons mentioned in the revenue analysis section.

Allowance for impairment on trade debtors increased from S\$22,000 in 4Q2019 and S\$36,000 in FY2019 to S\$85,000 in 4Q2020 and S\$85,000 in FY2020 respectively mainly due to the increase in expected credit loss recognised in accordance with SFRS(I) 9 arising from the COVID-19 pandemic situation.

#### Finance costs

Finance costs decreased from S\$0.36 million in 4Q2019 and S\$1.10 million in 12M2019 to S\$0.27 million in 4Q2020 and S\$0.94 million in 12M2020 respectively. The decrease is mainly due to lower interest on loans and borrowings as a result of decrease in interest rates between approximately 45 basis points to 140 basis points.

#### Income tax expense

The Group recorded an increase in income tax expense from S\$46,000 in 4Q2019 to S\$157,000 in 4Q2020 mainly due to increase in taxable income for subsidiary in Vietnam for 4Q2020 which was offset by the decrease in overprovision of previous years income tax of an e-commerce subsidiary in Singapore. The Group recorded a decrease in income tax expense from S\$304,000 in 12M2019 to S\$210,000 in 12M2020 mainly due to the subsidiary in Vietnam having a lower taxable income on a year on year basis.

### **c. Balance Sheet**

#### **Group**

Intangible assets relate to (i) goodwill arising from the acquisitions of ABO Group and Activpass in April 2018 and July 2018 respectively; (ii) contractual customer relationships arising from existing contracts in force with Activpass; and (iii) corporate contract arising from a material corporate contract with a fixed fee in force with Activpass that were acquired in a business combination in July 2018. Intangible assets are recorded at S\$Nil as at 31 December 2020 and 31 December 2019 as they had been fully impaired as at 31 December 2019.

PPE decreased from S\$27.26 million as at 31 December 2019 to S\$25.68 million as at 31 December 2020 mainly due to depreciation charged of S\$3.03 million, which is offset by additions in PPE of S\$1.66 million.

Right-of-use assets (“**ROU**”) decreased from S\$5.33 million as at 31 December 2019 to S\$4.62 million as at 31 December 2020 largely due to depreciation charged of S\$0.82 million which is offset by additions in ROU of S\$0.11 million.

Investment in joint venture relates to the Group’s 50% interest in the ownership and voting rights in a joint venture (“**JV**”), ABO Labs Pte. Ltd. that is held by ABO, amounting to S\$50. This JV is incorporated in Singapore and its principal business activities are software consultancy and development of other software and programming activities with its main focus to develop a proprietary e-commerce ticketing system. The Group jointly controls the venture with another partner under the contractual agreement. The JV did not generate any revenue during the period. The Group has stopped recognising its share of loss and recorded its investment at S\$Nil as at 31 December 2020 and 31 December 2019.

Other investments relate to the unquoted shares of 3.85% interest in a Taiwanese company which is in the electronics components industry. The increase from S\$2.07 million as at 31 December 2019 to S\$2.36 million as at 31 December 2020 is mainly due to fair value gain recognized as a result of better financial performance of the Taiwanese company.

Inventories decreased from S\$15.88 million as at 31 December 2019 to S\$13.53 million as at 31 December 2020 mainly due to decrease in work-in-progress and raw materials amounting to S\$3.11



million as a result of utilisation to meet customers' demand, which is offset by the increase in finished goods of \$0.76 million.

Trade debtors decreased from S\$25.95 million as at 31 December 2019 to S\$22.99 million as at 31 December 2020 largely due to collection from customers which is offset by the increase in revenue during the period as highlighted in the "Revenue" section.

Other debtors decreased from S\$1.44 million as at 31 December 2019 to S\$0.99 million as at 31 December 2020 mainly due to refund of VAT receivable, which is offset by the increase in grant receivables of S\$0.04 million arising from the accounting treatment of JSS.

Contract assets decreased from S\$1.19 million as at 31 December 2019 to S\$0.28 million as at 31 December 2020 due to the recognition of tooling purchases upon the completion of tooling projects.

Prepayments and advances to suppliers decreased from S\$0.28 million as at 31 December 2019 to S\$0.23 million as at 31 December 2020 largely due to the decrease in prepayments made to suppliers to purchase services, materials and machineries.

Fixed deposits decreased from S\$2.73 million as at 31 December 2019 to S\$1.68 million as at 31 December 2020 mainly due to withdrawals for operation use.

Amount due from a law firm relates to cash of S\$33.15 million as at 31 December 2020 and 31 December 2019 which were held in trust and/or in escrow by JLC as disclosed in Note 1(c) of the announcement.

Trade creditors decreased from S\$30.86 million as at 31 December 2019 to S\$24.92 million as at 31 December 2020 mainly due to repayments made to suppliers and lesser purchases made during the year as a result of the significant drop in global demand for our customers' products as highlighted in the "Revenue" section.

Contract liabilities decreased from S\$0.49 million as at 31 December 2019 to S\$0.18 million as at 31 December 2020 largely due to recognition of tooling sales upon the completion of tooling projects.

Lease liabilities (current and non-current) decreased from S\$5.79 million as at 31 December 2019 to S\$5.10 million as at 31 December 2020 mainly due to payment of additional lease liabilities of S\$0.79 million during the year which is offset by additions of S\$0.11 million for renewal of leases for office and factory.

Other creditors and accruals increased from S\$7.11 million as at 31 December 2019 to S\$7.32 million as at 31 December 2020 mainly due to increase in accrued operating expenses such as payroll related costs and other miscellaneous expenses during the year which is offset by payments made to sundry creditors i.e. non-trade suppliers.

Deferred grant income arises from the accounting treatment of the JSS.

Amount due to a former director relates to the compensation payable to a former director of the Company arising from the termination of service agreement with the director.

Amount due to a non-controlling shareholder of a subsidiary relates to advances from the 49% non-controlling shareholder of Activpass to fund the operations of Activpass and director's fee and allowance payable to the same non-controlling shareholder, who is also one of the directors of Activpass.

Loans and borrowings (current and non-current) decreased from S\$10.63 million as at 31 December 2019 to S\$9.70 million as at 31 December 2020 mainly due to repayment of bank borrowings of S\$26.33 million made during the year which is offset by drawdown of bank borrowings of S\$25.41 million for operational needs.

Income tax payable decreased from S\$0.17 million as at 31 December 2019 to S\$0.08 million as at 31 December 2020 largely due to income tax of S\$0.29 million paid, which is offset by provision of current year income tax and previous years' tax of S\$0.22 million during the period.

Deferred tax liabilities mainly relate to temporary differences between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, which include, amongst others, differences in depreciation and amortisation, fair value adjustments on acquisition of subsidiaries and unabsorbed capital allowances.

Equity attributable to owners of the Company increased from S\$67.30 million as at 31 December 2019 to S\$68.16 million as at 31 December 2020 largely due to profit for the year of S\$0.87 million.

### **Company**

Amount due to a subsidiary increased from S\$0.75 million as at 31 December 2019 to S\$1.65 million as at 31 December 2020 due to advances from a subsidiary to the Company for working capital.

#### **d. Consolidated Cash Flow Statement**

The Group recorded an increase in net cashflows generated from operating activities of S\$2.34 million in 4Q2019 and net cashflows used in operating activities of S\$1.22 million in 12M2019 as compared to net cashflows generated from operating activities of S\$3.92 million in 4Q2020 and S\$5.04 million in 12M2020 largely due to higher profit recorded during the period/year.

The Group recorded an increase in net cash used in investing activities from S\$0.16 million in 4Q2019 to S\$0.20 million in 4Q2020 mainly due to purchase of PPE for replacement of old PPE.

The Group recorded a decrease in net cash used in investing activities from S\$4.54 million in 12M2019 to S\$1.38 million in 12M2020 mainly due to decrease in capital expenditure to conserve cashflows for working capital.

The Group recorded an increase in net cash used in financing activities of S\$1.25 million in 4Q2019 to S\$2.87 million in 4Q2020 is largely due to increase in repayment of loans and borrowings made during the period, which is offset by the decrease in drawdown of loans and borrowings and fixed deposits placed as the Group has maintained sufficient cashflows for working capital.

The Group recorded net cash used in financing activities of S\$0.63 million in 12M2020 as compared to net cash generated from financing activities of S\$1.57 million in 12M2019 is mainly due to increase in repayment of loans and borrowings used for working capital purpose.

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

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 business environment within the next 12 months is expected to remain challenging for the Group in light of the weak global economic outlook and the JLC issue as disclosed in Note 1(c) of the announcement. The worsening business environment is further exacerbated by the COVID-19 issue that has particularly affected economies globally.

The COVID-19 pandemic and its effects on the global and domestic economy may cause a decline in global demand for our customers' products, mainly consisting of office equipment such as copiers, which in turn may potentially impair the Group's earnings capacity and ability to secure new sales for ongoing and new projects in the next 12 months.

With the continuing spread of COVID-19 pandemic around the world, there is also no clear indication when COVID-19 can be eradicated globally and when business conditions and market sentiment can return to pre-COVID-19 levels. Besides streamlining its operations, the Group is also exploring possible avenues for business opportunities in its precision metal stamping segment. The Group has explored ways, and will continue to look at ways to reduce expenditure. The Group will review and assess its existing business strategies and overall financial performance of the Group concurrently and carry out reorganisation and restructuring of the Group as and when appropriate.

The Group is also working towards completing the special audit, and resolving the audit issues highlighted by our auditor as announced on 8 May 2019. The Group is also taking all steps necessary to recover the Escrow Funds placed with JLC. Notwithstanding the foregoing, the Group will continue to engage and maintain good relationships with the stakeholders of the Group and provide assurance to these stakeholders that business is as usual for the Group.

## **11 Dividend**

### **(a) Whether an interim (final) ordinary dividend has been declared or recommended**

None.

### **(b) (i) Amount per share**

Not applicable.

### **(i) Previous corresponding period**

None.

### **(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) Date payable**

Not applicable.

### **(e) Books closure date**

Not applicable.

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

No dividend for the period ended 31 December 2020 has been declared or recommended as the Company is in a loss-making position and an accumulated loss 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 has not obtained a general mandate from shareholders for interested person transactions.

- 14 **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 confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H of the Catalyst Rules) under Rule 720(1) of the Catalyst Rules.

- 15 **Use of proceeds**

On 31 October 2017, the Company completed the issuance of 675,164,460 ordinary shares via placement and raised net proceeds of S\$33.40 million ("**Net Proceeds**").

On 4 April 2018, the Company announced the completion of acquisition of 51% of the entire issued and fully paid-up capital of ABO Group ("**ABO Acquisition**"). Consideration sum of S\$30.00 million and the ABO Acquisition related transaction costs of S\$0.15 million had been paid to professional parties.

The table below reflected the status on the use of Net Proceeds as at the date of announcement:

<b>Use of Net Proceeds</b>	<b><u>Allocation of Net Proceeds</u></b> S\$ 'million	<b><u>Net Proceeds utilised as at the date of announcement</u></b> S\$ 'million	<b><u>Balance of Net Proceeds as at the date of announcement</u></b> S\$ 'million
(i) Business expansion through acquisitions, joint ventures and collaborations and funding needs of such business expansion	30.06	(30.06)	-
(ii) General working capital purposes	3.34	(0.09)	3.25
	<u>33.40</u>	<u>(30.15)</u>	<u>3.25</u>

The balance of net proceeds is held with JLC as part of the Escrow Funds pending recovery from JLC as disclosed in Note 1(c) of the announcement.

**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.**

Year 2020

**(S\$'000)**

	Corporate	Precision Metal Stamping					E-commerce		Elimination	Group
	Singapore	Singapore	Malaysia	Vietnam	Thailand	Others	Singapore	Hong Kong		
<b>Segment revenue</b>										
External customers	-	990	45,978	52,522	9,747	79	47	-	-	109,363
Inter segment revenue		-	-	-	5	1,323	-	-	(1,328)	-
Total revenue	-	990	45,978	52,522	9,752	1,402	47	-	(1,328)	109,363
Segment (loss)/profit	(1,179)	110	(445)	1,371	1,714	289	(131)	(21)	-	1,708
Finance costs										(940)
Profit before tax										768
Income tax expense										(210)
Profit for the year										558
Segment assets	33,186	1,255	42,663	26,730	7,399	704	46	-	-	111,983
Unallocated assets										2,361
										114,344
<b>Other segment information</b>										
Additions to non-current assets	-	-	1,356	155	146	-	-	-	-	1,657
Depreciation and amortization	2	110	3,074	509	137	23	-	-	-	3,855
Allowance for/(write-back of) inventory obsolescence	-	-	90	247	(17)	-	-	-	-	320
Allowance for impairment on: - trade debtors	-	4	81	-	-	-	-	-	-	85
Loss/(gain) on disposal of property, plant and equipment	-	-	89	-	-	-	(7)	-	-	82

**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.**

Year 2019

**(S\$'000)**

	Corporate	Precision Metal Stamping					E-commerce		Elimination	Group
	Singapore	Singapore	Malaysia	Vietnam	Thailand	Others	Singapore	Hong Kong		
<b>Segment revenue</b>										
External customers	-	1,195	42,921	70,332	8,712	-	191	-	-	123,351
Inter segment revenue		-	-	-	6	1,889	-	-	(1,895)	-
Total revenue	-	1,195	42,921	70,332	8,718	1,889	191	-	(1,895)	123,351
Segment (loss)/profit	(2,718)	(145)	(1,288)	3,012	1,127	(42)	(28,935)	(186)	-	(29,175)
Finance costs										(1,099)
Loss before tax										(30,274)
Income tax expense										(304)
Loss for the year										(30,578)
Segment assets	33,331	1,156	45,015	34,006	4,906	665	84	4	-	119,167
Unallocated assets										2,070
										121,237
<b>Other segment information</b>										
Additions to non-current assets	395	-	6,756	366	9	-	13	-	-	7,539
Depreciation and amortization	15	110	2,918	492	638	23	260	-	-	4,456
Allowance for/(write-back of)										
inventory obsolescence	-	-	96	(73)	31	-	-	-	-	54
(Write-back of)/allowance for impairment on:										
- trade debtors	(2)	(2)	(4)	1	1	-	-	42	-	36
- other debtors	-	-	-	199	-	-	3,652	-	-	3,851
Loss/(gain) on disposal of property, plant and equipment	60	-	(132)	(4)	(22)	-	-	-	-	(98)
Impairment loss on:										
- property, plant & equipment	-	-	-	-	-	-	191	-	-	191
- right-of-use assets	-	-	-	-	-	-	232	-	-	232
- goodwill	-	-	-	-	-	-	23,948	-	-	23,948
Written-off of:										
- trade debtors	-	-	-	-	-	-	5	-	-	5

**17 A breakdown of sales.**

A breakdown of sales is as follows:

<b>Group</b>	<b>12M2020 S\$'000</b>	<b>12M2019 S\$'000</b>	<b>+/(-) %</b>
Sales reported for first half year	49,711	56,511	(12%)
Operating loss after tax before deducting non-controlling interests reported for first half of the year	(2,054)	(3,858)	(47%)
Sales reported for second half year	59,652	66,840	(11%)
Operating profit/(loss) after tax before deducting non-controlling interests reported for second half of the year	2,612	(26,720)	n.m.

**Note:**

(i) n.m. - not meaningful

**18 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.**

Pursuant to Rule 704(10) of the Listing Manual Section B: Rules of Catalist of SGX-ST, the Company confirms that there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a Director, Chief Executive Officer or substantial shareholder of the Company.

**ON BEHALF OF THE BOARD**

Leow Wee Kia Clement  
Chief Executive Officer and Executive Director

1 March 2021