

**HOSEN GROUP LTD**  
(Incorporated in Singapore)  
(Co. Reg. No. 200403029E)

**UNAUDITED FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

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

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

**Consolidated Statement of Comprehensive Income**

	Group		Change %
	Year ended 31/12/2020 (Unaudited)	Year ended 31/12/2019 (Audited)	
	S\$'000	S\$'000	
Revenue	71,523	67,311	6.3
Cost of sales	(56,888)	(54,062)	5.2
<b>Gross profit</b>	<b>14,635</b>	<b>13,249</b>	<b>10.5</b>
Other income	1,378	382	260.7
Selling and distribution expenses	(2,144)	(2,537)	(15.5)
Administrative expenses	(7,779)	(6,635)	17.2
Other expenses	(2,053)	(2,822)	(27.3)
Loss allowance reversed/(made) on third party trade and other receivables	16	(2,093)	NM
Finance costs	(489)	(540)	(9.4)
<b>Profit/(Loss) before income tax</b>	<b>3,564</b>	<b>(996)</b>	<b>NM</b>
Income tax expense	(672)	(348)	93.1
<b>Profit/(Loss) for the financial year</b>	<b>2,892</b>	<b>(1,344)</b>	<b>NM</b>
<b>Profit/(Loss) attributable to:</b>			
Owners of the parent	2,920	(936)	NM
Non-controlling interests	(28)	(408)	(93.1)
	<b>2,892</b>	<b>(1,344)</b>	<b>NM</b>

**Consolidated Statement of Comprehensive Income**

	Group		Change
	Year ended 31/12/2020 (Unaudited)	Year ended 31/12/2019 (Audited)	
	S\$'000	S\$'000	
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations, net of tax	(149)	91	NM
<b>Total comprehensive income for the financial year, attributable to owners of the parent</b>	<b>2,743</b>	<b>(1,253)</b>	<b>NM</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the parent	2,766	(848)	NM
Non-controlling interests	(23)	(405)	(94.3)
	<b>2,743</b>	<b>(1,253)</b>	<b>NM</b>

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

	Group		Change
	Year ended 31/12/2020 (Unaudited)	Year ended 31/12/2019 (Audited)	
	S\$'000	S\$'000	
Loss allowance (reversed)/made on third party trade and other receivables	(16)	2,093	NM
Bad debts written off – trade	-	21	NM
Write-down of inventories	327	582	(43.8)
Amortisation of intangible asset	33	20	65.0
Depreciation of property, plant and equipment	1,226	1,046	17.2
Gain on disposal of a subsidiary	-	(148)	NM
Property, plant and equipment written off	-	31	NM
Fair value gain arising from financial assets, at fair value through profit or loss	(1)	-	NM
Gain on disposal of property, plant and equipment	(34)	(74)	(54.1)
Impairment of property, plant and equipment	-	517	NM
Interest expense	489	540	(9.4)
Interest income	(19)	(32)	(40.6)
Forex exchange (gain)/loss (net)	(327)	88	NM

NM – Not meaningful

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

**Statements of Financial Position**

	Group		Company	
	Year ended 31/12/2020 (Unaudited)	Year ended 31/12/2019 (Audited)	Year ended 31/12/2020 (Unaudited)	Year ended 31/12/2019 (Audited)
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	19,922	20,494	-	-
Intangible asset	212	47	-	-
Investments in subsidiaries	-	-	9,841	9,841
Financial assets, at fair value through other comprehensive income	-	-	-	-
Other receivables	-	25	-	-
	20,134	20,566	9,841	9,841
<b>Current assets</b>				
Inventories	15,249	17,512	-	-
Trade and other receivables	11,272	13,187	11,013	10,130
Other current assets	553	992	-	-
Financial assets, at fair value through profit or loss	4	3	-	-
Fixed deposits	33	32	-	-
Cash and bank balances	6,049	5,260	62	88
	33,160	36,986	11,075	10,218
<b>Less:</b>				
<b>Current liabilities</b>				
Trade and other payables	7,211	8,121	182	173
Refund liabilities	1,035	1,712	-	-
Current income tax payable	417	47	22	29
Lease liabilities	195	172	-	-
Bank borrowings	9,915	14,342	-	-
	18,773	24,394	204	202
<b>Net current assets</b>	14,387	12,592	10,871	10,016
<b>Less:</b>				
<b>Non-current liabilities</b>				
Lease liabilities	2,129	2,068	-	-
Bank borrowings	1,069	2,510	-	-
Deferred tax liabilities	257	257	-	-
	3,455	4,835	-	-
<b>Net assets</b>	31,066	28,323	20,712	19,857
<b>Equity</b>				
Share capital	24,777	28,431	24,777	28,431
Treasury shares	-	(3,654)	-	(3,654)
Foreign currency translation account	(364)	(210)	-	-
Fair value reserve	(49)	(49)	-	-
Retained earnings	6,950	4,030	(4,065)	(4,920)
Equity attributable to owners of the parent	31,314	28,548	20,712	19,857
Non-controlling interests	(248)	(225)	-	-
Total equity	31,066	28,323	20,712	19,857

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

	As at 31/12/2020		As at 31/12/2019	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Repayable in one year or less or on demand	206	9,823 <sup>(1)</sup>	404	14,048 <sup>(1)</sup>
Repayable after one year	1,222	-	2,759	-
<b>Total</b>	<b>1,428</b>	<b>9,823</b>	<b>3,163</b>	<b>14,048</b>

<sup>(1)</sup> The unsecured borrowings comprise unsecured bank loans of the Group amounting to S\$3.65 million (31 December 2019: S\$3.65 million) and bills payable amounting to S\$6.17 million (31 December 2019: S\$10.40 million).

**Details of any collateral**

Term loan amounting to S\$1.16 million (As at 31 December 2019: S\$2.80 million) is secured by legal mortgage over subsidiaries' properties. Finance lease payables amounting to S\$0.27 million (31 December 2019: S\$0.36 million) are secured by the underlying assets acquired.

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

<b>Consolidated Statement of Cash Flows</b>	<b>Group</b>	
	<b>Year ended 31/12/2020 (Unaudited)</b>	<b>Year ended 31/12/2019 (Audited)</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Operating activities:</b>		
Profit/(Loss) before income tax	3,564	(996)
<b>Adjustments for:</b>		
Loss allowance (reversed)/made on third party trade and other receivables	(16)	2,093
Bad debts written off - trade	-	21
Write-down of inventories	327	582
Amortisation of intangible asset	33	20
Depreciation of property, plant and equipment	1,226	1,046
Gain on disposal of a subsidiary	-	(148)
Property, plant and equipment written off	-	31
Fair value gain arising from financial assets, at fair value through profit or loss	(1)	-
Gain on disposal of property, plant and equipment	(34)	(74)
Impairment of property, plant and equipment	-	517
Interest expense	489	540
Interest income	(19)	(32)
Unrealised exchange loss	(198)	231
<b>Operating cash flows before working capital changes</b>	<b>5,371</b>	<b>3,831</b>
Working capital changes:		
Inventories	1,957	(3,723)
Trade and other receivables	1,962	382
Trade and other payables	(1,055)	(9)
Other current assets	439	59
Refund liabilities	(677)	(14)
Cash generated from operations	7,997	526
Income tax paid	(302)	(525)
Interest received	19	32
<b>Net cash from operating activities</b>	<b>7,714</b>	<b>33</b>

Consolidated Statement of Cash Flows (Continued)	Group	
	Year ended 31/12/2020 (Unaudited)	Year ended 31/12/2019 (Audited)
	S\$'000	S\$'000
<b>Investing activities</b>		
Proceeds from disposal of property, plant and equipment	34	108
Purchase of property, plant and equipment	(263)	(6,796)
Proceeds from disposal of a subsidiary	-	1
Purchase of disposal of intangible asset	(149)	-
<b>Net cash used in investing activities</b>	<b>(378)</b>	<b>(6,687)</b>
<b>Financing activities</b>		
Fixed deposits	(1)	(1)
Interest paid	(489)	(540)
Proceeds from issuance of ordinary shares to non-controlling interests	-	54
Repayment of lease liabilities	(194)	(168)
Proceeds from bank borrowings	30,044	29,853
Repayment of bank borrowings	(35,930)	(22,721)
<b>Net cash (used in)/from financing activities</b>	<b>(6,570)</b>	<b>6,477</b>
Net change in cash and cash equivalents	766	(177)
Cash and cash equivalents at beginning of financial year	5,260	5,449
Net effect of exchange rate changes on cash and cash equivalents	23	(12)
<b>Cash and cash equivalents at end of financial year</b>	<b>6,049</b>	<b>5,260</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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**Consolidated Statement of Changes in Equity**

Group	Share capital	Treasury shares	Foreign currency translation account	Fair value reserve	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>(Unaudited)</b>								
<b>Balance at 1 Jan 2020</b>	<b>28,431</b>	<b>(3,654)</b>	<b>(210)</b>	<b>(49)</b>	<b>4,030</b>	<b>28,548</b>	<b>(225)</b>	<b>28,323</b>
Profit for the financial year	-	-	-	-	2,920	2,920	(28)	2,892
Cancellation of treasury shares	(3,654)	3,654	-	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	(154)	-	-	(154)	5	(149)
Total comprehensive income for the financial year	(3,654)	3,654	(154)	-	2,920	2,766	(23)	2,743
<b>Balance at 31 Dec 2020</b>	<b>24,777</b>	<b>-</b>	<b>(364)</b>	<b>(49)</b>	<b>6,950</b>	<b>31,314</b>	<b>(248)</b>	<b>31,066</b>
<b>(Audited)</b>								
<b>Balance at 1 Jan 2019</b>	<b>28,431</b>	<b>(3,654)</b>	<b>(298)</b>	<b>(49)</b>	<b>4,966</b>	<b>29,396</b>	<b>(15)</b>	<b>29,381</b>
Loss for the financial year	-	-	-	-	(936)	(936)	(408)	(1,344)
Exchange differences on translating foreign operations	-	-	88	-	-	88	3	91
Total comprehensive income for the financial year	-	-	88	-	(936)	(848)	(405)	(1,253)
<b>Transactions with non-controlling interests:</b>								
Capital contribution by non-controlling shareholders of subsidiaries	-	-	-	-	-	-	54	54
Disposal of non-controlling interests in a subsidiary	-	-	-	-	-	-	141	141
Total transactions with non-controlling interests	-	-	-	-	-	-	195	195
<b>Balance at 31 Dec 2019</b>	<b>28,431</b>	<b>(3,654)</b>	<b>(210)</b>	<b>(49)</b>	<b>4,030</b>	<b>28,548</b>	<b>(225)</b>	<b>28,323</b>

**Statement of Changes in Equity**

Company	Statements of changes in equity			
	Share capital	Treasury shares	Retained earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000
<b>(Unaudited)</b>				
<b>Balance at 1 Jan 2020</b>	<b>28,431</b>	<b>(3,654)</b>	<b>(4,920)</b>	<b>19,857</b>
Profit for the financial year	-	-	855	855
Cancellation of treasury shares	(3,654)	3,654	-	-
Total comprehensive income for the financial year	(3,654)	3,654	855	855
<b>Balance at 31 Dec 2020</b>	<b>24,777</b>	<b>-</b>	<b>(4,065)</b>	<b>20,712</b>
<b>(Audited)</b>				
<b>Balance at 1 Jan 2019</b>	<b>28,431</b>	<b>(3,654)</b>	<b>1,582</b>	<b>26,359</b>
Loss for the financial year	-	-	(6,502)	(6,502)
Total comprehensive income for the financial year	-	-	(6,502)	(6,502)
<b>Balance at 31 Dec 2019</b>	<b>28,431</b>	<b>(3,654)</b>	<b>(4,920)</b>	<b>19,857</b>



- 1(d)(ii) Details of any changes in the company's share capital arising from right 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 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.

Ordinary Share Capital

Save for 32,278,000 treasury shares that were cancelled during the current financial period reported on which reduced the Company's issued and paid-up share capital, there were no changes in the number of ordinary shares (excluding treasury shares) since the end of the previous period reported on, as shown below:

	Number of ordinary shares (excluding treasury shares)	Issued and paid-up share capital (\$'000)
<b>Balance as at 30 June 2020</b>	324,900,846 shares	28,431
<b>Balance as at 31 December 2020</b>	324,900,846 shares	24,777

Outstanding Convertibles

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

Treasury Shares

There were 32,278,000 treasury shares as at 31 December 2019, which represented 9.9% of the Company's total number of ordinary shares (excluding treasury shares) as at 31 December 2019. After all the treasury shares were cancelled during the current financial period reported on, there were no treasury shares as at 31 December 2020.

Subsidiary Holdings

There were no subsidiary holdings 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	As at 31 December 2019
Total number of issued shares	324,900,846	357,178,846
Less: Treasury shares	-	(32,278,000)
Total number of issued shares excluding treasury shares	324,900,846	324,900,846

**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.**

32,278,000 treasury shares were cancelled during the current financial year reported on and there were no treasury shares as at 31 December 2020. Save as mentioned, there is no sale, transfer, cancellation and/or use of 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.**

There were no 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 or reviewed by the Company's auditors.

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

Not applicable.

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

- a) Updates on the efforts taken to resolve each outstanding audit issue.
- b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

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

Not applicable, as the Company's latest financial statements are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

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

The Group has adopted the same accounting policies and methods of computation which are consistent with those used in the most recently 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.**

There was no change in the accounting policies and methods of computation for the current financial year reported on.

**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.**

Earnings/(Loss) per ordinary share of the Group attributable to owners of the parent for the period on the net profit after income tax:	Group	
	Year ended 31/12/2020 (Unaudited)	Year ended 31/12/2019 (Audited)
(Singapore cents)		
(a) Based on the weighted average number of shares	0.90 cents	(0.29) cents
(b) On a fully diluted basis	0.90 cents	(0.29) cents

Basic earnings per share are computed based on the weighted average number of issued shares excluding treasury shares of 324,900,846 for the financial year ended 31 December 2020 and 31 December 2019.

The basic and dilutive earnings per share are the same as there were no potentially dilutive securities for the financial year ended 31 December 2020 and 31 December 2019.

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

	Group		Company	
	As at 31/12/2020 (Unaudited)	As at 31/12/2019 (Audited)	As at 31/12/2020 (Unaudited)	As at 31/12/2019 (Audited)
(Singapore cents)				
Net asset value per ordinary share based on total number of issued shares excluding treasury shares	9.64	8.79	6.37	6.11

Note: The net asset value per share is calculated based on the total number of issued shares excluding treasury shares of 324,900,846 as at 31 December 2020 and 31 December 2019.

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.**

**Consolidated Statement of Comprehensive Income**

**Revenue**

The Group recorded a higher revenue of S\$71.52 million for the financial year ended 31 December 2020 (“FY2020”) as compared to S\$67.31 million for the financial year ended 31 December 2019 (“FY2019”). The increase of S\$4.21 million or 6.3% in revenue was mainly due to high demand of our products resulting from consumers’ stockpiling of food related products during the pandemic period.

**Gross Profit**

Gross profit increased by S\$1.39 million or 10.5% to S\$14.64 million in FY2020 from S\$13.25 million in FY2019 in line with the increase in sales for FY2020.

**Other Income**

Other income increased to S\$1.38 million in FY2020 from S\$0.38 million in FY2019 mainly due to the receipts of government grant and support from both Singapore and Malaysia Governments as part of their response to the COVID-19 pandemic on their respective economies in FY2020. The Group also recorded a net foreign exchange gain of S\$0.33 million in FY2020 compared to a net foreign exchange loss of S\$0.09 million in FY2019.

**Selling and Distribution Expenses**

Selling and distribution expenses decreased by S\$0.40 million to S\$2.14 million in FY2020 from S\$2.54 million in FY2019 due to lesser promotion expenses incurred during the pandemic period. The reduction in promotion expenses was due to lesser local promotion campaigns and no overseas exhibitions attended in view of the travel restrictions and national lockdown.

**Administrative Expenses**

Administrative expenses increased by S\$1.14 million to S\$7.78 million in FY2020 from S\$6.64 million in FY2019 mainly due to higher provision of employees’ and directors’ remuneration in line with the higher profit earned by the Group in FY2020.

**Other Expenses**

Other expenses decreased by S\$0.77 million to S\$2.05 million in FY2020 from S\$2.82 million in FY2019 mainly due to the absence of impairment loss on property, plant and equipment of S\$0.52 million made in FY2019 and lower write-down of slow moving stocks in FY2020.

**Loss Allowance on Third Party Trade and Other Receivables**

Loss allowance on third-party trade and other receivables of S\$0.02 million was reversed in FY2020, following the recovery of debts, as compared to S\$2.09 million which comprised of doubtful debts arising from the customers and expected credit loss allowance made in FY2019.

**Profit/(Loss) for the Financial Year**

As a result, the Group recorded a net profit of S\$2.92 million in FY2020 as compared to a net loss of S\$0.94 million in FY2019.

### **Statements of Financial Position**

As at 31 December 2020, the Group's net assets were S\$31.07 million compared to S\$28.32 million as at 31 December 2019. The net increase of S\$2.75 million was a result of the profit earned in FY2020, changes in non-controlling interests and the effect of exchange differences on translating foreign operations.

The other significant changes to the Statements of Financial Position were as follows:-

1. Property, plant and equipment as at 31 December 2020 was recorded at S\$19.92 million, a decrease of S\$0.57 million from S\$20.49 million as at 31 December 2019. The decrease is mainly due to the current period depreciation charged, which is partially offset by the addition in property, plant and equipment.
2. Inventories decreased by S\$2.26 million to S\$15.25 million as at 31 December 2020 from S\$17.51 million as at 31 December 2019 mainly due to lower inventory level maintained by the Group at the end of FY2020 as compared to FY2019, as the Group delayed the importation of goods, after taking into consideration that Chinese New Year ("CNY") in 2021 is later than it was in 2020.
3. Trade and other receivables decreased by S\$1.92 million to S\$11.27 million as at 31 December 2020 from S\$13.19 million as at 31 December 2019 which is attributable to lower CNY sales generated towards the end of FY2020 as compared to that of FY2019, as CNY in 2021 is later than it was in 2020.
4. Other current assets, representing the right to recovered goods for sales returns by customers, reduced to S\$0.55 million as at 31 December 2020 from S\$1.00 million as at 31 December 2019 due to lower provision of goods return in FY2020.
5. Trade and other payables decreased by S\$0.91 million to S\$7.21 million as at 31 December 2020 from S\$8.12 million as at 31 December 2019 which was in line with lower inventories kept by the Group and also due to our prompt payments to suppliers which was partially offset by the accrual of employees' and directors' remuneration.
6. Refund liabilities, represents the liabilities for return of goods and sales rebates. It dropped to S\$1.04 million as at 31 December 2020 from S\$1.71 million as at 31 December 2019 which was in line with the reduction in other current assets.
7. Bank borrowings in current liabilities decreased by S\$4.42 million to S\$9.92 million as at 31 December 2020 from S\$14.34 million as at 31 December 2019 as a result of lower utilisation of trade facilities and bank loan to finance the operations of the Group towards the end of FY2020, which is in line with the decrease in inventory levels maintained.
8. Bank borrowings in non-current liabilities decreased by S\$1.44 million to S\$1.07 million as at 31 December 2020 from S\$2.51 million as at 31 December 2019 mainly due to the early full settlement of a term loan in respect of one of the properties in Malaysia.

**Consolidated Statement of Cash Flows**

Cash and cash equivalents stood at S\$6.05 million as at 31 December 2020. Out of the cash and cash equivalents, S\$7.71 million was generated from operating activities, S\$0.38 million used in investing activities and S\$6.57 million used in financing activities.

The net cash generated from operating activities mainly comprised the decrease in inventories by S\$1.96 million, the decrease in trade and other receivables by S\$1.96 million and decrease in trade and other payables by S\$1.06 million.

The net cash used in investing activities was mainly attributable to the acquisition of property, plant and equipment of S\$0.26 million and purchase of intangible asset of S\$0.15 million.

The net cash used in financing activities was mainly a net result of repayment of bank borrowings of S\$35.93 million and proceeds from bank borrowings of S\$30.04 million in FY2020.

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

The unaudited consolidated financial results of the Group for FY2020 are in line with the profit guidance announcement made on 24 February 2021.

**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.**

Due to the Covid-19 pandemic period, there was high demand of our products especially in the first half of FY2020. Following the staggered relaxation of social restrictions and movements, our business is expected to gradually revert back to the pre-Covid-19 period. However, the Group expects to face challenges due to higher material and freight costs.

As an update, the Group has obtained the Certificate of Statutory Completion of the new six-storey building in Singapore. Certain areas of the building have been put into use for warehousing purpose.

**11. Dividend**

**If a decision regarding dividend has been made:**

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

First and final dividend has been proposed.

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

0.2 Singapore cents

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

Nil

**(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).**

The dividend is one-tier tax-exempt dividend.

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

The proposed first and final dividend, if approved at the forthcoming Annual General Meeting of the Company, will be paid on 28 May 2021.

**(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.**

The record date will be on 14 May 2021 at 5.00 p.m.

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

Not Applicable.

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

The Company does not have a general mandate for IPT from shareholders. There was no IPT with value of more than S\$100,000 entered into during the financial year ended 31 December 2020.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

14. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

**OPERATING SEGMENT**

	<b>House Brands</b>	<b>Non-House Brands</b>	<b>Total</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>2020</b>			
<b>Revenue</b>			
External revenue	54,859	16,664	71,523
Inter-segment revenue	4,607	50	4,657
Total	<u>59,466</u>	<u>16,714</u>	<u>76,180</u>
Interest income	18	1	19
Interest expense	(423)	(66)	(489)
Depreciation of property, plant and equipment	(835)	(202)	(1,037)
Amortisation of intangible assets	(23)	(10)	(33)
Other non-cash items:			
Loss allowance reversed on third party trade and other receivables	17	(1)	16
Write down of inventories	(280)	(47)	(327)
Gain on disposal of property, plant and equipment	29	5	34
Segment profit	4,645	(103)	4,542
<b>Assets</b>			
Segment assets	37,417	9,417	46,834
Capital expenditure	499	174	673
<b>Liabilities</b>			
Segment liabilities	16,035	5,137	21,172



Reconciliations of reportable segment revenues, profit or loss, assets and liabilities.

<b>2020</b>	<b>Total</b>
<b>Revenue</b>	<b>S\$'000</b>
Total revenue for reportable segments	76,180
Elimination of inter-segment revenues	(4,657)
Consolidated revenue	<u>71,523</u>
<b>Profit or loss</b>	
Total segment profit	4,542
Unallocated corporate expenses	(489)
Other expenses	(489)
Consolidated profit before income tax	<u>3,564</u>
<b>Assets</b>	
Segment assets	46,834
Other unallocated amounts	6,460
Consolidated total assets	<u>53,294</u>
<b>Liabilities</b>	
Segment liabilities	21,172
Other unallocated amounts	1,056
Consolidated total liabilities	<u>22,228</u>

	<b>House Brands</b>	<b>Non-House Brands</b>	<b>Total</b>
<b>2019</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Revenue</b>			
External revenue	51,270	16,041	67,311
Inter-segment revenue	5,106	1,224	6,330
Total	<u>56,376</u>	<u>17,265</u>	<u>73,641</u>
Interest income	31	1	32
Interest expense	(461)	(79)	(540)
Depreciation of property, plant and equipment	(864)	(182)	(1,046)
Amortisation of intangible assets	(15)	(5)	(20)
Other non-cash items:			
Loss allowance made on third party trade and other receivables	(1,524)	(569)	(2,093)
Bad debt written off – trade	(15)	(6)	(21)
Write-down of inventories	(462)	(120)	(582)
Property, plant and equipment written off	(22)	(9)	(31)
Impairment of property, plant and equipment	(517)	-	(517)
Segment profit	1,610	(1,491)	119
<b>Assets</b>			
Segment assets	41,433	10,818	52,251
Capital expenditure	5,216	2,145	7,361
<b>Liabilities</b>			
Segment liabilities	19,070	9,379	28,449

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities.

<b>2019</b>	<b>Total</b>
<b>Revenue</b>	<b>S\$'000</b>
Total revenue for reportable segments	73,641
Elimination of inter-segment revenues	(6,330)
Consolidated revenue	<u>67,311</u>
<b>Profit or loss</b>	
Total segment profit	119
Unallocated corporate expenses	(575)
Other expenses	(540)
Consolidated loss before income tax	<u>(996)</u>
<b>Assets</b>	
Segment assets	52,251
Other unallocated assets	5,301
Consolidated total assets	<u>57,552</u>
<b>Liabilities</b>	
Segment liabilities	28,449
Other unallocated liabilities	780
Consolidated total liabilities	<u>29,229</u>

## GEOGRAPHICAL SEGMENT

	<b>Total</b>	
	<b>2020</b>	<b>2019</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Revenue</b>		
Singapore	36,680	31,727
Malaysia	20,005	17,993
Others <sup>(Note)</sup>	14,838	17,591
	<u>71,523</u>	<u>67,311</u>
<b>Non-current assets</b>		
Singapore	14,832	15,023
Malaysia	5,253	5,520
Others <sup>(Note)</sup>	49	23
	<u>20,134</u>	<u>20,566</u>

Note: Including countries other than Singapore and Malaysia.

**15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

External revenue from House Brands increased by S\$3.59 million to S\$54.86 million in FY2020 from S\$51.27 million in FY2019 and external revenue from Non-House Brands increased by S\$0.63 million to S\$16.67 million in FY2020 from S\$16.04 million in FY2019 as the Group prioritised on promoting more of our House Brands products than Non-House Brands products in order to capture a bigger market share for House Brands products in both local and overseas markets. There was a higher level of sales in Singapore and Malaysia during the pandemic period, especially in the period of Circuit-Breaker in Singapore and the Movement Control Order in Malaysia, while a lower level of sales to overseas markets was recorded.

**16. A breakdown of sales and Profit/(Loss) after tax before non-controlling interests.**

	Group		
	Year ended 31/12/2020	Year ended 31/12/2019	Change
	S\$'000	S\$'000	%
<b>First Half</b>			
Sales reported for the first half year	40,531	33,548	20.81
Operating profit after income tax before non-controlling interests reported for first half year	1,151	155	642.58
<b>Second Half</b>			
Sales reported for the second half year	30,992	33,763	(8.21)
Operating Profit/(Loss) after income tax before non-controlling interests reported for second half year	1,741	(1,499)	NM

The increase in revenue in first half of FY2020 was mainly due to high demand of our products resulted from consumers' stockpiling of food during the period of Circuit-Breaker in Singapore and the Movement Control Order in Malaysia. Revenue in the second half of FY2020 dropped in comparison to the second half of FY2019, as CNY in 2021 is later than it was in 2020.

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

	FY2020	FY2019
	S\$'000	S\$'000
<b>Ordinary</b>	650	Nil
<b>Preference</b>	Nil	Nil
<b>Total</b>	650	Nil

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

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

**19. Disclosure of acquisition (including incorporations) and sale of shares under Rule 706A.**

The Company did not incorporate any new entity nor carry out any acquisition or sale of shares for the current financial period reported on.

20. 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.

Name	Age	Family Relationship with any Director and/or Chief Executive Officer and/or Substantial Shareholder	Current position and duties, and the year position was first held	Details of changes in duties and position held, if any, during the year
Lim Hai Cheok	72	Spouse of Chong Poh Soon, Senior Director and Substantial Shareholder.  Father of Lim Hock Chye Daniel, Executive Director.  Brother of Lim Kim Eng, Executive Director and Substantial Shareholder.	Executive Director, since March 2004.  Chief Executive Officer, since July 2004.	Nil
Lim Kim Eng	68	Sister of Lim Hai Cheok. Chief Executive Officer, Executive Director and Substantial Shareholder.  Sister-in-law of Chong Poh Soon, Senior Director and Substantial Shareholder.  Aunt of Lim Hock Chye Daniel, Executive Director.	Executive Director, since July 2004.	Nil
Lim Hock Chye Daniel	47	Son of Lim Hai Cheok, Chief Executive Officer, Director and Substantial Shareholder; and Chong Poh Soon, Senior Director and Substantial Shareholder.  Nephew of Lim Kim Eng, Executive Director and Substantial Shareholder.	Executive Director, since March 2004.	Nil
Chong Poh Soon	72	Spouse of Lim Hai Cheok, Chief Executive Officer, Executive Director and Substantial Shareholder.  Mother of Lim Hock Chye Daniel, Executive Director.  Sister-in-law of Lim Kim Eng, Executive Director and Substantial Shareholder.	Senior Director, since December 2020.	Resigned as Executive Director and redesignated as Senior Director in December 2020. No changes in her duties after her resignation and redesignation. She is responsible for the Group's procurement and logistics.
Lai Ginn Keow	46	Spouse of Lim Hock Chye Daniel, Executive Director.  Daughter-in-law of Lim Hai Cheok, Chief Executive Officer, Executive Director and Substantial Shareholder; and Chong Poh Soon, Senior Director and Substantial Shareholder.  Niece of Lim Kim Eng, Executive Director and Substantial Shareholder.	Procurement Manager, since August 2019.	Nil

BY ORDER OF THE BOARD

Lim Hai Cheok  
Chief Executive Officer  
26 February 2021

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*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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