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

Part I Information required for announcement of quarterly (Q1, Q2 & Q3), half-year and full year results

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

	The Group		Increase (Decrease) %
	Year ended 31 December		
	2020	2019	
	S\$'000	S\$'000	
Revenue	52,711	63,841	(17.4)
Cost of sales	(37,261)	(44,929)	(17.1)
Gross profit	15,450	18,912	(18.3)
Other operating income	1,479	374	295.5
Administrative and selling expenses	(10,647)	(11,476)	(7.2)
Other operating expenses	(2,525)	(1,558)	62.1
Finance costs	(117)	(113)	3.5
Profit before income tax	3,640	6,139	(40.7)
Income tax expense	(684)	(1,104)	(38.0)
Profit for the year, representing total comprehensive income for the year	2,956	5,035	(41.3)
Total comprehensive income attributable to:			
Owners of the Company	2,956	5,048	(41.4)
Non-controlling interests	-	(13)	N.M.
	2,956	5,035	(41.3)
Earnings per share attributable to shareholders of the Company:			
- Basic (Singapore cents)	1.42	2.43	(41.6)
- Diluted (Singapore cents)	1.42	2.43	(41.6)

N.M. : Not meaningful

1 (a)(i) Notes to the statements of comprehensive income:

	The Group		Increase (Decrease) %
	Year ended 31 December		
	2020	2019	
	S\$'000	S\$'000	
Profit before income tax is arrived after charging/(crediting):-			
Cost of inventories included in expenses	36,859	44,479	(17.1)
Loss on disposal of property, plant and equipment	-	8	N.M.
Allowance for doubtful trade receivables	62	197	(68.5)
Bad debts recovered	(2)	(10)	(80.0)
Provision for stock obsolescence	80	-	N.M.
Depreciation of property, plant and equipment	622	624	(0.3)
Depreciation of right-of-use assets	587	455	29.0
Depreciation of investment properties	346	346	-
Impairment loss on property, plant and equipment	476	-	N.M.
Impairment loss on investment properties	461	-	N.M.
Amortisation of club membership	19	19	-
Net foreign exchange loss/(gain)	31	(9)	(444.4)
Interest income	(63)	(172)	(63.4)
Interest expenses of bank loans	-	8	N.M.
Interest expenses of lease liabilities	117	105	11.4
Dividend income from financial assets at fair value through profit or loss	(63)	-	N.M.
Fair value gain on financial assets at fair value through profit or loss	(15)	-	N.M.

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 As at		Company As at	
	31.12.20 S\$'000	31.12.19 S\$'000	31.12.20 S\$'000	31.12.19 S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	13,526	15,389	488	272
Trade receivables	4,754	5,564	3,773	473
Other receivables and prepayments	555	416	17,117	17,041
Financial assets at fair value through profit or loss	2,118	-	-	-
Inventories	17,068	14,367	-	-
Total current assets	38,021	35,736	21,378	17,786
Non-current assets				
Property, plant and equipment	7,650	8,661	-	-
Investment properties	13,196	14,003	-	-
Club membership	186	205	-	-
Other receivables and prepayments	-	31	-	-
Investment in subsidiaries	-	-	2,238	2,238
Right-of-use assets	2,765	2,592	-	-
Total non-current assets	23,797	25,492	2,238	2,238
Total assets	61,818	61,228	23,616	20,024
LIABILITIES AND EQUITY				
Current liabilities				
Trade payables	8,003	8,061	-	-
Other payables and accruals	1,691	2,129	246	63
Contract liabilities	-	82	-	-
Lease liabilities	509	383	-	-
Income tax payable	896	1,162	45	28
Total current liabilities	11,099	11,817	291	91
Non-current liabilities				
Lease liabilities	2,829	2,735	-	-
Deferred tax liability	184	26	-	-
Total non-current liabilities	3,013	2,761	-	-
Total liabilities	14,112	14,578	291	91
Capital, reserves and non-controlling interests				
Share capital	8,020	8,020	8,020	8,020
Treasury shares	(28)	-	(28)	-
Retained earnings	39,714	38,630	15,333	11,913
Equity attributable to owners of the Company, representing total equity	47,706	46,650	23,325	19,933
Total liabilities and equity	61,818	61,228	23,616	20,024

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

(A) Amount repayable in one year or less, or on demand

	As at 31.12.20		As at 31.12.19	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Lease liabilities	69	440	66	317

(B) Amount repayable after one year

	As at 31.12.20		As at 31.12.19	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Lease liabilities	107	2,722	176	2,559

(C) Details of any collaterals

As at 31.12.20 and 31.12.19

Lease liabilities are secured by the lessors' title to the leased assets and personal guarantee provided by a Company's director.

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

	The Group	
	Year ended 31 December	
	2020	2019
	S\$'000	S\$'000
Operating activities:		
Profit before income tax	3,640	6,139
Adjustments for:		
Interest expenses of bank loans	-	8
Interest expenses of lease liabilities	117	105
Interest income	(63)	(172)
Depreciation of property, plant and equipment	622	624
Depreciation of right-of-use assets	587	455
Depreciation of investment properties	346	346
Impairment loss on property, plant and equipment	476	-
Impairment loss on investment properties	461	-
Amortisation of club membership	19	19
Loss on disposal of property, plant and equipment	-	8
Allowance for doubtful trade receivables	62	197
Bad debts recovered	(2)	(10)
Provision for stock obsolescence	80	-
Dividend income from financial assets at fair value through profit or loss	(63)	-
Fair value gain on financial assets at fair value through profit or loss	(15)	-
Operating cash flows before changes in working capital	6,267	7,719
Trade receivables	750	(1,006)
Other receivables and prepayments	(108)	(33)
Inventories	(2,781)	288
Trade payables	(58)	979
Other payables and accruals	(438)	219
Contract liabilities	(82)	82
Cash flows generated from operations	3,550	8,248
Income tax paid	(792)	(947)
Interest received	63	172
Net cash generated from operating activities	2,821	7,473
Investing activities:		
Purchase of property, plant and equipment (Note A)	(87)	(1,824)
Purchase of right-of-use assets (Note B)	-	(150)
Prepayment of intangible asset	-	(31)
Dividend income from financial assets at fair value through profit or loss	63	-
Purchase of financial assets at fair value through profit or loss	(2,103)	-
Net cash flows used in investing activities	(2,127)	(2,005)

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

	The Group	
	Year ended 31 December	
	2020	2019
	S\$'000	S\$'000
Financing activities:		
Acquisition of non-controlling interest in a subsidiary	-	(38)
Purchase of treasury shares	(28)	-
Repayment of bank loans	-	(1,761)
Repayment of lease liabilities	(540)	(435)
Dividends paid	(1,872)	(2,912)
Interest paid	(117)	(113)
Net cash flows used in financing activities	(2,557)	(5,259)
Net (decrease)/increase in cash and cash equivalents	(1,863)	209
Cash and cash equivalents at beginning of the year	15,389	15,180
Cash and cash equivalents at end of the year	13,526	15,389
Note A		
Additions to property, plant and equipment	87	2,119
Less:		
Accrual of construction in progress at headquarters	-	(295)
Net cash outflow for purchase of property, plant and equipment	87	1,824
Note B		
Addition to right-of-use assets	-	410
Less:		
Acquired under lease liabilities	-	(260)
Net cash outflow for purchase of right-of-use assets	-	150

* : Less than S\$1,000

1 (d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

The Group	Share capital	Treasury shares	Accumulated profits	Attributable to the owners of the Company	Non-controlling interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2020	8,020	-	38,630	46,650	-	46,650
Profit for the year, representing total comprehensive income for the year	-	-	2,956	2,956	-	2,956
<i>Transactions with owners, recognised directly in equity</i>						
Purchase of treasury shares	-	(28)	-	(28)	-	(28)
Dividends paid	-	-	(1,872)	(1,872)	-	(1,872)
Balance as at 31 December 2020	8,020	(28)	39,714	47,706	-	47,706
Balance as at 1 January 2019	8,020	-	37,034	45,054	48	45,102
Effects of adoption of SFRS(I) 16	-	-	(537)	(537)	-	(537)
Balance as at 1 January 2019 (restated)	8,020	-	36,497	44,517	48	44,565
Profit / (loss) for the year, representing total comprehensive income for the year	-	-	5,048	5,048	(13)	5,035
<i>Transactions with owners, recognised directly in equity</i>						
Effects of acquiring non-controlling interest in a subsidiary	-	-	(3)	(3)	(35)	(38)
Dividends paid	-	-	(2,912)	(2,912)	-	(2,912)
Balance as at 31 December 2019	8,020	-	38,630	46,650	-	46,650

- 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*)

The Company	Share capital S\$'000	Treasury shares S\$'000	Accumulated profits S\$'000	Total S\$'000
Balance as at 1 January 2020	8,020	-	11,913	19,933
Profit for the period, representing total comprehensive income for the period	-	-	5,292	5,292
Purchase of treasury shares	-	(28)	-	(28)
Dividends paid, representing transactions with owners, recognised directly in equity	-	-	(1,872)	(1,872)
Balance as at 31 December 2020	8,020	(28)	15,333	23,325
Balance as at 1 January 2019	8,020	-	10,741	18,761
Profit for the period, representing total comprehensive income for the period	-	-	4,084	4,084
Dividends paid, representing transactions with owners, recognised directly in equity	-	-	(2,912)	(2,912)
Balance as at 31 December 2019	8,020	-	11,913	19,933

- 1 (d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, 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 also 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.

<u>Share Capital – Ordinary Shares</u>	Number of issued shares	Issued and paid-up capital S\$'000
Balance as at 1 January 2020	208,000,000	8,020
Less: Treasury shares	<u>(127,100)</u>	<u>(28)</u>
Balance as at 31 December 2020	<u>207,872,900</u>	<u>7,992</u>

Treasury Shares

During FY2020, the Company has bought back 127,100 shares by way of market acquisition and all shares acquired are held as treasury shares. The latest share buyback for the current financial period was purchased and announced on 25 November 2020. Following the purchase, the Company has 127,100 treasury shares as at 31 December 2020 (31 December 2019: Nil).

The Company had adopted the Choo Chiang Performance Share Plan prior to its listing on the Catalist in July 2015. As at 31 December 2019 and 31 December 2020, no share awards were granted under this performance share plan. As at 31 December 2019 and 31 December 2020, the Company did not have any outstanding options, warrants or other instrument convertible into securities of the Company.

- 1 (d)(iii) 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.

	Number of shares	
	As at 31 December	
	<u>2020</u>	<u>2019</u>
Total number of issued shares	208,000,000	208,000,000
Less: Total number of treasury shares	<u>(127,100)</u>	<u>-</u>
Total number of issued shares, excluding treasury shares	<u>207,872,900</u>	<u>208,000,000</u>

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.

There were no sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

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

Not applicable as the Company did not hold any subsidiary holdings.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by the auditors.

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

Not applicable.

3A. Latest financial statements subject to an adverse opinion, qualified opinion or disclaimer of opinion.

Not applicable as the Company has an unqualified opinion for its most recently audited financial statements for the financial year ended 31 December 2019 ("FY2019").

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

Save as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the financial year ended 31 December 2020 ("FY2020") as its most recently audited financial statements for FY2019.

5. If there are any changes in accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted all the new and revised standards which are effective for the financial periods beginning on or after 1 January 2020. The adoption of these new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") does not result in any material changes to the Group's accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited financial statements for the financial year ended 31 December 2019.

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 per ordinary share ("EPS")	The Group	
	Year ended 31 December	
	2020	2019
Profit attributable to owners of the Company (S\$'000)	2,956	5,048
Weighted average number of ordinary shares / Number of ordinary shares ('000)	207,968	208,000
Basic and diluted EPS (Singapore cents)	1.42	2.43

The weighted average number of shares takes into account the changes as a result from share buy-backs transacted during the respective financial year. Fully diluted EPS and the basic EPS for the financial periods presented in the table above are the same as the Company did not have any outstanding instruments convertible into rights to subscribe for, and options in respect of its shares during these financial periods.

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.**

	The Group		The Company	
	As at 31 December		As at 31 December	
	2020	2019	2020	2019
Net Asset Value ("NAV")				
Net assets (S\$'000)	47,706	46,650	23,325	19,933
Number of issued shares excluding treasury shares ('000)	207,873	208,000	207,873	208,000
NAV per ordinary share (Singapore cents)	22.95	22.43	11.22	9.58

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Review of financial performance

Revenue

The Group's revenue is derived from sales and retail of electrical products and accessories in Singapore ("**Distribution Business**") and rental income from its investment properties in Singapore ("**Property Investment**").

Total revenue decreased by S\$11,130,000 or 17.4%, from S\$63,841,000 in FY2019 to S\$52,711,000 in FY2020, mainly due to a decrease in the revenue from the Distribution Business segment.

- ***Distribution Business***
Revenue from Distribution Business segment decreased by S\$11,109,000 or 17.5%, from S\$63,357,000 in FY2019 to S\$52,248,000 in FY2020. Due to the impact of the Coronavirus ("**COVID-19**") on the construction sector and the implementation of the Circuit Breaker measures by the Singapore Government, most of the construction works were suspended for more than 2 months. As a result, it has impacted the customer demand and the decrease in revenue.
- ***Property Investment***
Rental income from the Property Investment segment decreased by S\$21,000 or 4.3%, from S\$484,000 in FY2019 to S\$463,000 in FY2020 mainly due to one (1) unit of investment property was vacant for a couple of months. The said property was leased out in FY2020.

Cost of sales

Cost of sales decreased by S\$7,668,000 or 17.1%, from S\$44,929,000 in FY2019 to S\$37,261,000 in FY2020, which is in line with the decrease in revenue.

- ***Distribution Business***
Cost of sales of the Distribution Business segment decreased by S\$7,620,000 or 17.1%, from S\$44,479,000 in FY2019 to S\$36,859,000 in FY2020, generally in line with the decrease in revenue for this segment.
- ***Property Investment***
Cost of sales of the Property Investment segment decreased by S\$48,000 or 10.7%, from S\$450,000 in FY2019 to S\$402,000 in FY2020. The decrease is mainly due to the full repayment of bank loans for two (2) investment properties in September 2019 which led to the decrease in bank loans interest.

Gross profit and gross profit margin

Gross profit decreased by S\$3,462,000 or 18.3% from S\$18,912,000 in FY2019 to S\$15,450,000 in FY2020. Gross profit margin decreased from 29.6% in FY2019 to 29.3% in FY2020.

The gross profit margin of the Distribution Business segment decreased marginally by 0.3% from approximately 29.8% in FY2019 to 29.5% in FY2020.

The gross profit margin of the Property Investment segment increased from 7.0% in FY2019 to 13.2% in FY2020. This was mainly due to no bank loans interest in FY2020 following the full repayment of bank loans for two (2) investment properties in FY2019.

Other operating income

Other operating income increased by S\$1,105,000 or 295.5%, from S\$374,000 in FY2019 to S\$1,479,000 in FY2020. The increase in other operating income was mainly due to increase in (i) government grant due to Jobs Support Scheme (JSS), foreign worker levy rebates and property tax rebates; and (ii) dividend income from financial assets at fair value through profit or loss. These increases were partially offset by the decrease in (i) interest income; and (ii) annual sponsorships for company events.

Administrative and selling expenses

Administrative and selling expenses decreased by S\$829,000 or 7.2%, from S\$11,476,000 in FY2019 to S\$10,647,000 in FY2020. The decrease in administrative and selling expenses was mainly due to a decrease in (i) staff cost and staff welfare; (ii) rental expenses as one short-term lease was subsequently recognised as right-of-use assets and lease liabilities upon renewal of lease in March 2020; (iii) marketing expenses; (iv) donations and gifts; and (v) transport and travelling expenses. These decreases were offset by an increase in (i) product testing fee; (ii) rental relief to tenants; (iii) commission paid to property agents; and (iv) COVID-19 related expenses incurred such as the purchase of face masks, thermometers and hand sanitisers for employees.

Other operating expenses

Other operating expenses increased by S\$967,000 or 62.1%, from S\$1,558,000 in FY2019 to S\$2,525,000 in FY2020, mainly due to (i) impairment loss on property, plant and equipment; (ii) impairment loss on investment properties; (iii) depreciation of right-of-use assets; and (iv) foreign exchange losses. The impairment loss was mainly resulted from decrease in general demand in the property market due to COVID-19 pandemic. The increase was offset by the decrease in allowance for trade receivables.

Finance costs

Finance costs increased marginally from S\$113,000 in FY2019 to S\$117,000 in FY2020.

Profit before income tax

As a result of the reasons mentioned above, the Group's profit before income tax decreased by S\$2,499,000 or 40.7% from S\$6,139,000 in FY2019 to S\$3,640,000 in FY2020.

Review of financial position

Current assets

Current assets increased by S\$2,285,000 from S\$35,736,000 as at 31 December 2019 to S\$38,021,000 as at 31 December 2020. The increase in current assets were mainly due to an increase in inventories of S\$2,701,000, investment in financial assets at fair value through profit or loss of S\$2,118,000, and other receivables and prepayments of S\$139,000. These increases were partially offset by a decrease in cash and bank balances of S\$1,863,000 and trade receivables of S\$810,000.

Non-current assets

Non-current assets decreased by S\$1,695,000 from S\$25,492,000 as at 31 December 2019 to S\$23,797,000 as at 31 December 2020. The decrease in non-current assets were mainly due to the decrease of property, plant and equipment of S\$1,011,000, investment properties of S\$807,000, other receivables and prepayments of S\$31,000 and club membership of S\$19,000. These decreases were partially offset by an increase in right-of-use assets of S\$173,000.

Current liabilities

Current liabilities decreased by S\$718,000 from S\$11,817,000 as at 31 December 2019 to S\$11,099,000 as at 31 December 2020. The decrease in current liabilities were mainly due to a decrease in other payables and accruals of S\$438,000, contract liabilities of S\$82,000, provision for taxation of S\$266,000, and trade payables of S\$58,000. These decreases were offset by an increase in current portion of lease liabilities of S\$126,000 respectively.

Non-current liabilities

Non-current liabilities increased by S\$252,000 from S\$2,761,000 as at 31 December 2019 to S\$3,013,000 as at 31 December 2020. The increase in non-current liabilities is mainly due to an increase in the non-current portion of lease liabilities of S\$94,000 and an increase in deferred taxation of S\$158,000.

Review of cash flow management

Net cash generated from operating activities

In FY2020, the Group generated net cash inflow from operating activities of approximately S\$2,821,000, which was a result of operating cash flows before changes in working capital of approximately S\$6,267,000, net working capital outflows of approximately S\$2,717,000, income tax paid of approximately S\$792,000 and interest received of approximately S\$63,000.

Net cash used in investing activities

In FY2020, the Group's net cash outflow for investing activities amounted to approximately S\$2,127,000, mainly due to (i) purchases of financial assets at fair value through profit or loss of S\$2,103,000; (ii) purchases of property, plant and equipment of S\$87,000 and (iii) dividend income from financial assets at fair value through profit or loss of S\$63,000.

Net cash used in financing activities

In FY2020, the Group's net cash outflow for financing activities amounted to approximately S\$2,557,000, mainly due to (i) dividends payment of S\$1,872,000; (ii) lease liabilities and interest payments of S\$657,000; and (iii) purchase of treasury shares of S\$28,000.

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

There has not been any forecast or prospect statement in relation to the Group's results for FY2020 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.

Subject to, inter alia, market conditions, availability of good location and other relevant business considerations, it is the Group's current intention to continue to expand its retail network in Singapore and extend its services in providing direct electrical and lighting solutions for developments and projects within Singapore via the CCM brand. On the product level, the Group also intends to reinforce and strengthen its market position in Singapore by widening the range of products sold under its "CRM" brand.

Renovation works at its headquarters and central warehouse located at 10 Woodlands Loop, Singapore 738388 which began in the second half of 2018 have been completed and they are fully operational in the first half of 2020.

The outbreak of COVID-19 has impacted the global economy, including Singapore. Although the customer demand and sales for the second half year of FY2020 is moving towards normalisation, we are closely monitoring the development and impact of the COVID-19 situation, and we expect the operating environment in the electrical material sector to be challenging in 2021. In the meantime, we will continue to provide good value to our customers and explore business opportunities so as to increase our revenue and profit.

11. If a decision regarding dividend has been made:

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

Current financial period reported on

The Directors are pleased to recommend a final dividend of 0.7 Singapore cents per share. The final dividend is subjected to the approval of the Company's shareholders at the forthcoming annual general meeting of the Company to be held in April 2021.

Together with the interim dividend of 0.2 Singapore cents per share that was paid on 7 September 2020, the total dividends declared by the Group for FY2020 are as follows:

Name of dividend	Interim dividend	Final dividend
Dividend type	Cash	Cash
Dividend per ordinary share	0.2 Singapore cents	0.7 Singapore cents
Total annual dividend	S\$415,982	S\$1,455,107
Tax rate	Tax exempt (one-tier)	Tax exempt (one-tier)

Previous corresponding period of the Immediately Preceding Financial Year

Name of dividend	Interim dividend	Final dividend	Special dividend
Dividend type	Cash	Cash	Cash
Dividend per ordinary share	0.5 Singapore cents	0.5 Singapore cents	0.2 Singapore cents
Total annual dividend	S\$1,040,000	S\$1,040,000	S\$416,000
Tax rate	Tax exempt (one-tier)	Tax exempt (one-tier)	Tax exempt (one-tier)

(b) The date the dividend is payable

Subject to shareholders' approval of the Dividend at the AGM, the payment date for the Dividend will be announced at a later date.

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

Subject to shareholders' approval of the Dividend at the AGM, the record date and the books closure date for determining shareholders' entitlement to the Dividend will be announced at a later date.

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 Group did not obtain any general mandate from the Company's shareholders in respect of interested person transactions.

The Company's Executive Chairman and CEO, Lim Teck Chuan, had provided personal guarantees to the Singapore Housing & Development Board in order that the Group may secure certain lease agreements. Lim Teck Chuan did not receive any benefit in kind, commission or interest from the Group for providing these personal guarantees.

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

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15. 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.

The revenue and profit of the Group are mainly derived from the Distribution Business segment.

The principal assets employed by the Group are located in Singapore. Accordingly, no other segmental information by geographical segment is presented.

Business segment information

	Distribution business	Property investment business	Total
	\$'000	\$'000	\$'000
2020			
Revenue			
External sales of goods	52,248	-	52,248
Rental income	-	463	463
Segment revenue	52,248	463	52,711
Cost of sales			
External purchases	(36,859)	-	(36,859)
Cost of property maintenance	-	(402)	(402)
Segment cost of sales	(36,859)	(402)	(37,261)
Results			
Segment result	15,389	61	15,450
Other operating income	1,468	11	1,479
Administrative and selling expenses	(10,534)	(113)	(10,647)
Other operating expenses	(2,026)	(499)	(2,525)
Finance costs	(117)	-	(117)
Profit (loss) before income tax	4,180	(540)	3,640
Income tax expense			(684)
Profit after income tax			2,956

	Distribution business	Property investment business	Total
	\$'000	\$'000	\$'000
2019			
Revenue			
External sales of goods	63,357	-	63,357
Rental income	-	484	484
Segment revenue	63,357	484	63,841
Cost of sales			
External purchases	(44,479)	-	(44,479)
Cost of property maintenance	-	(450)	(450)
Segment cost of sales	(44,479)	(450)	(44,929)
Results			
Segment result	18,878	34	18,912
Other operating income	374	-	374
Administrative and selling expenses	(11,450)	(26)	(11,476)
Other operating expenses	(1,532)	(26)	(1,558)
Finance costs	(105)	(8)	(113)
Profit (loss) before income tax	6,165	(26)	6,139
Income tax expense			(1,104)
Profit after income tax			5,035

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

By business segment

In FY2020 and in FY2019, the revenue contribution from Distribution Business and Property Investment had remained relatively stable at approximately 99% and 1% respectively. Please refer to Paragraph 8 of this announcement for a detailed commentary of the Group's financial performance in FY2020 compared to FY2019.

By geographical segment

All the Group's operations in FY2020 and FY2019 are located in Singapore.

17. A breakdown of sales as follows:-

	Year ended 31 December		Increase / (Decrease) %
	2020 S\$'000	2019 S\$'000	
(a) Sales reported for first half year	20,068	30,341	(33.9)
(b) Operating profit after income tax before deducting non-controlling interests reported for first half year	886	2,656	(66.6)
(c) Sales reported for second half year	32,643	33,500	(2.6)
(d) Operating profit after income tax before deducting non-controlling interests reported for second half year	<u>2,070</u>	<u>2,379</u>	(13.0)

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

	Year ended 31 December	
	2020 S\$'000	2019 S\$'000
Ordinary	1,871	2,496
Preference	-	-
Total	<u>1,871</u>	<u>2,496</u>

The full year dividend payout for FY2020 would constitute approximately 67.5% (FY2019: 49.4%) of net profit after tax attributable to owners of the Company in FY2020.

19. 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 substantial shareholder	Current position and duties and the year the position was first held	Details of changes in duties and positions held, if any, during the year
Wilson Foo	49	Nephew of Lim Teck Chuan (Executive Chairman and Chief Executive Officer) and Lim Teck Seng (Executive Director).	General Manager since 2007. Responsible for the overall management of the business.	Nil
Josephine Tay	51	Spouse of Lim Teck Seng (Executive Director).	Administrative Manager since 1991. Responsible for all aspects of human resource and administrative function of the Group.	Nil
Andy Tay	48	Brother-in-law of Lim Teck Seng (Executive Director).	Head of Sales (Retail) since February 2020. Responsible for developing and implementing retail sales strategies of the Group.	Purchasing Manager since 2009 and re-designated as Head of Sales (Retail) on 28 February 2020.
Ann Lim	35	Daughter of Lim Teck Chuan (Executive Chairman and Chief Executive Officer) and niece of Lim Teck Seng (Executive Director)	Marketing and Communications Manager since February 2020. Responsible for marketing and business development related matters of the Group.	Nil

BY ORDER OF THE BOARD

Lim Teck Chuan
Executive Chairman and Chief Executive Officer

Singapore

25 February 2021

This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited ("**Sponsor**") for compliance with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"). The Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume 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. The contact person for the Sponsor is Mr David Yeong, at 1 Robinson Road #21-00 AIA Tower Singapore 048542, Telephone: +65 6232 3210.
