

**Challenger
Technologies
Limited**



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

Co Reg No: 198400182 K

CHALLENGER TECHNOLOGIES LIMITED

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

- 1(a) A consolidated statement of comprehensive income (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
	12 months ended	12 months ended	
	31.12.2020	31.12.2019	
	\$'000	\$'000	%
Revenue	270,840	329,570	(18)
Other Items of Income			
Interest Income	860	1,272	(32)
Other Gains [Note (A)]	5,121	263	1,847
Other Items of Expense			
Changes in Inventories of Finished Goods	719	(3,300)	N.M.
Purchase of Goods and Consumables	(208,748)	(254,795)	(18)
Other Consumables Used	(450)	(240)	88
Depreciation Expense	(1,760)	(2,207)	(20)
Employee Benefits Expense	(21,173)	(24,293)	(13)
Other Expenses [Note (B)]	(18,145)	(24,572)	(26)
Other Losses [Note (A)]	(420)	(434)	(3)
Profit Before Tax from Continuing Operations	26,844	21,264	26
Income Tax Expense	(3,536)	(3,560)	(1)
Profit from Continuing Operations, Net of Tax	23,308	17,704	32
Other Comprehensive Income:			
Items that May Be Reclassified Subsequently to Profit or Loss:			
Exchange Differences on Translating Foreign Operations, Net of tax	-	24	N.M.
Reclassification adjustments for (losses) / gains included in profit or loss	(9)	10	N.M.
Fair value changes on debt asset instruments at FVTOCI, net of tax	74	113	(35)
Other Comprehensive Income for the Period, Net of Tax	65	147	(56)
Total Comprehensive Income	23,373	17,851	31
Profit Attributable to Owners of the Parent, Net of Tax	23,227	17,624	32
Profit Attributable to Non-Controlling Interests, Net of Tax	81	80	1
Profit Net of Tax	23,308	17,704	32
Total Comprehensive Income Attributable to Owners of the Parent	23,292	17,771	31
Total Comprehensive Income Attributable to Non-Controlling Interests	81	80	1
Total Comprehensive Income	23,373	17,851	31
Note:			
Profit before income tax is arrived after (charging) / crediting the followings:			
Note (A) - Other Gains /(Losses)			
Foreign exchange adjustment (losses)/ gains	(6)	24	N.M.
Sundry income	5,068	239	2,021
Losses on disposal of plant and equipment	(33)	(3)	1,000
Losses on disposal of debt asset instruments at FVTOCI	(5)	(13)	(62)
Inventories written off	(376)	(374)	1
Reversal/ (Allowance) for inventories	53	(44)	N.M.
	4,701	(171)	N.M.
Presented in profit or loss as:			
Other Gains	5,121	263	1,847
Other Losses	(420)	(434)	(3)
	4,701	(171)	(2,849)
Note (B) - Other Expenses			
Premises expenses	(12,935)	(17,669)	(27)
Other operating expenses	(2,235)	(3,279)	(32)
Selling and distribution costs	(2,975)	(3,624)	(18)
	(18,145)	(24,572)	(26)

N.M. = not meaningful

CHALLENGER TECHNOLOGIES LIMITED

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

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

Statements of Financial Position

	Group		Company	
	31.12.2020 \$'000	31.12.2019 \$'000	31.12.2020 \$'000	31.12.2019 \$'000
ASSETS				
Non-Current Assets				
Investments in Subsidiaries	-	-	6,032	6,135
Other Financial Assets	5,256	5,449	4,946	5,140
Property, Plant and Equipment	6,687	7,252	6,620	7,083
Rights-of-use assets	27,460	23,473	27,289	23,145
Total Non-Current Assets	39,403	36,174	44,887	41,503
Current Assets				
Cash and Cash Equivalents	95,671	77,890	86,825	69,772
Trade and Other Receivables	5,927	6,722	5,257	5,940
Other Assets	4,503	5,351	4,430	5,136
Inventories	35,320	34,491	35,219	34,248
Other Financial Assets	1,041	765	1,041	765
Total Current Assets	142,462	125,219	132,772	115,861
Total Assets	181,865	161,393	177,659	157,364
EQUITY AND LIABILITIES				
Equity attributable to Owners of the Parent				
Share Capital	18,775	18,775	18,775	18,775
Retained Earnings	102,184	84,135	101,452	84,196
Other Reserves	17	(48)	201	136
Equity, Attributable to Owners of the Parent	120,976	102,862	120,428	103,107
Non-Controlling Interests	348	417	-	-
Total Equity	121,324	103,279	120,428	103,107
Non-Current Liabilities				
Deferred Tax Liabilities	17	17	-	-
Other Liabilities, Non-Current	2,241	2,035	744	705
Lease Liabilities	15,021	12,284	14,845	12,107
Total Non-Current Liabilities	17,279	14,336	15,589	12,812
Current Liabilities				
Trade and Other Payables	17,417	19,988	16,784	19,086
Provisions	2,124	2,067	2,124	2,067
Income Tax Payable	4,969	4,167	4,918	3,827
Other Liabilities, Current	5,851	6,153	4,917	5,219
Lease Liabilities	12,901	11,403	12,899	11,246
Total Current Liabilities	43,262	43,778	41,642	41,445
Total Liabilities	60,541	58,114	57,231	54,257
Total Equity and Liabilities	181,865	161,393	177,659	157,364

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

Amount repayable in one year or less, or on demand

Nil.

Amount repayable after one year

Nil.

Whether the amounts are secured or unsecured

Nil.

Details of any collateral

Nil.

CHALLENGER TECHNOLOGIES LIMITED

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

- 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

Consolidated Statement of Cash Flows

	12 months ended	
	31.12.2020 \$'000	31.12.2019 \$'000
Cash Flow From Operating Activities		
Profit Before Tax	26,844	21,264
Adjustments for:		
Depreciation of Rights-of-use Assets	11,114	14,576
Depreciation of Property, Plant and Equipment	1,760	2,207
Losses on Disposal of Plant and Equipment	33	3
Losses on Disposal of Debt Asset Instruments at FVTOCI	5	13
Interest Income	(860)	(1,272)
Interest Expense	820	618
Net Effect of Exchange Rate Changes in Consolidating Foreign Operations	-	24
Operating Cash Flows Before Working Capital Changes	39,716	37,433
Trade and Other Receivables	795	3,415
Other Assets	848	109
Inventories	(829)	3,449
Trade and Other Payables	(2,571)	(1,581)
Provisions	(31)	(58)
Other Liabilities	(96)	(2,306)
Net Cash Flows From Operations	37,832	40,461
Income Taxes Paid	(2,734)	(3,980)
Net Cash Flows From Operating Activities	35,098	36,481
Cash Flows From Investing Activities		
Interest Received	860	1,272
Increase in Other Financial Assets	(2,023)	-
Proceeds from Disposal of Debt Asset Instruments at FVTOCI	2,000	500
Purchase of Plant and Equipment	(1,140)	(1,719)
Net Cash Flows (Used in) / from Investing Activities	(303)	53
Cash Flows From Financing Activities		
Dividends Paid to Equity Owners	(5,178)	(6,904)
Dividends Paid to Non-Controlling Interests	(150)	-
Principal Element of Lease Payments	(10,866)	(14,362)
Interest Element of Lease Payments	(820)	(618)
Net Cash Flows Used in Financing Activities	(17,014)	(21,884)
Net Increase in Cash and Cash Equivalents	17,781	14,650
Cash and Cash Equivalents, Consolidated Statement of Cash Flow, Beginning Balance	77,890	63,240
Cash and Cash Equivalents, Consolidated Statement of Cash Flow, Ending Balance	95,671	77,890

CHALLENGER TECHNOLOGIES LIMITED

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

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

Statements of Changes in Equity

	Attributable to Equity Holder of the Company					Non-controlling Interests \$'000
	Total Equity \$'000	Attributable to Parent sub-total \$'000	Share Capital \$'000	Retained Earnings \$'000	Other Reserves \$'000	
Group						
Current Period:						
Opening Balance at 1 January 2020	103,279	102,862	18,775	84,135	(48)	417
Movements in Equity:						
Total Comprehensive Income for the Period	23,382	23,301	-	23,227	74	81
Dividends paid	(5,328)	(5,178)	-	(5,178)	-	(150)
Reclassification adjustment on gain of Debt Instruments at FVTOCI	(9)	(9)	-	-	(9)	-
Closing Balance at 31 December 2020	121,324	120,976	18,775	102,184	17	348
Previous Period:						
Opening Balance at 1 January 2019	92,333	91,996	18,775	73,415	(194)	337
Movements in Equity:						
Total Comprehensive Income for the Period	17,837	17,757	-	17,624	133	80
Dividends paid	(6,904)	(6,904)	-	(6,904)	-	-
Reclassification adjustment on gain of Debt Instruments at FVTOCI	13	13	-	-	13	-
Closing Balance at 31 December 2019	103,279	102,862	18,775	84,135	(48)	417
Company						
Current Period:						
Opening Balance at 1 January 2020	103,107	103,107	18,775	84,196	136	-
Movements in Equity:						
Total Comprehensive Income for the Period	22,508	22,508	-	22,434	74	-
Dividends paid	(5,178)	(5,178)	-	(5,178)	-	-
Reclassification adjustment on gain of Debt Instruments at FVTOCI	(9)	(9)	-	-	(9)	-
Closing Balance at 31 December 2020	120,428	120,428	18,775	101,452	201	-
Previous Period:						
Opening Balance at 1 January 2019	92,016	92,016	18,775	73,227	14	-
Movements in Equity:						
Total Comprehensive Income for the Period	17,982	17,982	-	17,873	109	-
Dividends paid	(6,904)	(6,904)	-	(6,904)	-	-
Reclassification adjustment on gain of Debt Instruments at FVTOCI	13	13	-	-	13	-
Closing Balance at 31 December 2019	103,107	103,107	18,775	84,196	136	-

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

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 or cash as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were no changes in the share capital of the Company since 30 June 2020. As at 31 December 2020, the Company's issued and paid up capital comprises 345,207,961 (31 December 2019: 345,207,961) ordinary shares and \$18,775,054 (31 December 2019: \$18,775,054) respectively.

There were no outstanding convertibles issued or treasury shares held by the Company or subsidiary as at 31 December 2020 and 31 December 2019.

1(d)(iii) 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.

	31.12.2020	31.12.2019
Total number of issued shares (excluding treasury shares)	345,207,961	345,207,961

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.

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.

2 Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

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

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

Not applicable.

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

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

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

Not applicable.

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

- 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 financial statements for the current financial period compared with those of the audited financial statements as at 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 period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

	12 months ended	
	31.12.2020 cents	31.12.2019 cents
<u>Group</u>		
Earnings per share based on consolidated profit after taxation and non-controlling interests		
- on weighted average number of ordinary shares	6.73	5.11
- on a fully diluted basis	6.73	5.11

Earnings per ordinary share is computed based on the weighted average number of 345,207,961 issued shares.

- 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 period reported on and (b) immediately preceding financial year**

	Group		Company	
	31.12.2020 cents	31.12.2019 cents	31.12.2020 cents	31.12.2019 cents
Net asset value per share based on existing issued share capital as at the end of the respective period	35.04	29.80	34.89	29.87

The net asset value per ordinary share of the Group and the Company as at 31 December 2020 and 31 December 2019 is computed based on the total number of issued shares of 345,207,961.

- 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

Revenue

For the full year ended 31 December 2020 ("FY2020"), the Group achieved a revenue of \$270.8 M, a decrease of 17.8% or \$58.8 M compared to a revenue of \$329.6 M registered for the full year ended 31 December 2019 ("FY2019").

Lower revenue has been primarily due to a 17.5% decline in IT products and services business segment to \$267.4 M in FY2020, from \$324.0 M in FY2019. This was mainly attributable to the absence of tradeshow, weaker performance from corporate sales and retail operations due to lockdown imposed during the circuit breaker period as well as the existing various government restrictions to safety management measures put in place amid the Covid-19 pandemic. The decrease has been partially offset by stronger revenue contribution from online sales.

Revenue from the electronic signage services business segment decreased to \$0.3 M from \$0.7 M in FY2020, mainly due to absence of audio and lightings retail contribution as compared to FY2019.

Revenue from the telephonic call centre and data management services declined by \$1.8 M or 36.7% to \$3.1 M in FY2020 as compared to FY2019 as data management and marketing projects were put on hold amid the pandemic.

Profit after taxation ("PAT")

The Group registered higher PAT of \$23.3 M in FY2020 as compared to \$17.7 M in FY2019.

The increase in PAT was mainly due to the following:

- a) premises expenses decreased by \$4.8 M mainly due to rental waiver and rebates;
- b) employee benefits expenses decreased by \$3.1 M;
- c) sundry income increased by \$4.8 M mainly on receipts of Government grants;
- d) selling and distribution expenses decreased by \$0.6 M mainly on lower advertising expenses and card surcharges;
- e) depreciation expenses decreased by \$0.4 M;
- f) inventories provision and written off which cater for third parties and house brand products decreased by \$0.1 M; and
- g) other operating expenses decreased by \$1.1 M.

The above items have been partially offset by:

- h) overall gross profit decreased by \$8.9 M, in line with declined revenue impacted by Covid-19 pandemic. Overall gross profit margin improved in FY2020; and
- i) interest income decreased by \$0.4 M mainly on lower interest rates from SGD fixed deposits.

Foreign exchange losses mainly arising from Renminbi transactions.

Working capital, assets and liabilities

For the full year ended 31 December 2020, the Group has cash of approximately \$95.7 M.

The Group recorded an operating cash inflow of about \$35.1 M in FY2020. This was mainly attributable to the following:

- a) operating profit derived for FY2020 of \$39.7 M;
- b) decrease of trade, other receivables and other assets of \$1.6 M;
- c) increase in inventory of \$0.8 M;
- d) decrease of trade, other payables and accrued liabilities of \$2.6 M;
- e) decrease of provisions and other liabilities of \$0.1 M; and
- f) income tax paid of \$2.7 M.

The net cash outflow for investing activities was mainly used for acquisition of equipment and renovations of \$1.1 M and increased investment in bonds of \$2.0 M. These were partially offset by proceeds arising from disposal of a bond investment of \$2.0 M and interests received from fixed deposits and bonds of \$0.9 M during the period.

Meanwhile, \$11.7 M used in financing activities was incurred as principal and interest element for lease payments. In addition, a net cash outflow of \$5.3 M was used to pay as dividend to shareholders. Hence, cash and cash equivalents increased by about \$17.8 M for the period ended 31 December 2020.

Other than the above, no significant difference was noted for other working capital, assets and liabilities.

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

No specific forecast was previously provided.

10 A commentary at the date of the announcement of the 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

a. IT products and services

In view of the current evolving Covid-19 situation, the Group will continue to exercise caution in managing overall business given various uncertainties at the macro level. We will continue to improve operational efficiencies and driving greater e-commerce presence to mitigate any downside impact caused by the pandemic.

As of today, the Group has a total retail network of 42 stores in Singapore.

b. Electronic signage services

We will continue to explore business opportunity with strategic partners to continue to grow our business in architectural and commercial lighting projects.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes.

Proposed final dividend to be paid for the year ended 31.12.2020.

Name of Dividend: Final exempt (one-tier) dividend

Dividend type: Cash

Dividend amount per share (in cents): 2.70

Tax rate: Tax-exempt one-tier

(b) Corresponding Period of the Immediately Preceding Financial Year

Yes.

Name of Dividend: Final exempt (one-tier) dividend

Dividend type: Cash

Dividend amount per share (in cents): 1.50

Tax rate: Tax-exempt one-tier

The Company does not have a formal fixed dividend policy and in view of the uncertainty in the market outlook and business environment, the Board deems it prudent to propose a final dividend of 2.7 cents for the financial year ended 31 December 2020.

(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

20 May 2021.

(e) Record Date

Notice is hereby given that the Share Transfer Books and Register of Members will be closed on 11 May 2021 for the purpose of determining members' entitlements to the tax-exempt one-tier final dividend of 2.7 cents. Duly completed registerable transfers in respect of the shares in the Company received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, by the close of business at 5.00 pm on 10 May 2021 will be registered to determine the members' entitlements to such dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares as at 5.00 pm on 10 May 2021 will be entitled to such dividend.

CHALLENGER TECHNOLOGIES LIMITED

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

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.

There is no IPT mandate obtained.

14 Additional Information for Full Year Announcement

Segment Revenue and Results for Business Segment

Group
Financial Year Ended 31 December 2020

	IT products and services \$'000	Electronic signage \$'000	Telephonic Call Centre and Data Management Services \$'000	Unallocated \$'000	Total \$'000
CONTINUING OPERATIONS 2020					
<u>Revenue by Segment</u>					
Total revenue by segment	267,420	457	3,390	-	271,267
Inter-segment sales and services	(38)	(117)	(272)	-	(427)
Total revenue	267,382	340	3,118	-	270,840
Recurring EBITDA					
Recurring EBITDA	39,388	(271)	561	-	39,678
Interest income	849	-	11	-	860
Interest expense	(810)	-	(10)	-	(820)
Depreciation	(12,614)	(3)	(257)	-	(12,874)
Profit before tax from continuing operations	26,813	(274)	305	-	26,844
Income tax expense					(3,536)
Profit from continuing operations					23,308
<u>ASSETS</u>					
Total assets for reportable segments	98,192	518	3,150	-	101,860
Unallocated:					
Cash and cash equivalents				73,708	73,708
Other financial assets				6,297	6,297
Total Group Assets					181,865
<u>LIABILITIES</u>					
Total liabilities for reportable segments	52,356	78	3,121	-	55,555
Unallocated:					
Deferred and current tax liabilities				4,986	4,986
Total Group Liabilities					60,541
<u>OTHER MATERIAL ITEMS</u>					
Expenditures for non-current assets	1,198	-	30	-	1,228

CHALLENGER TECHNOLOGIES LIMITED

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

14 Additional Information for Full Year Announcement (cont'd)

Segment Revenue and Results for Business Segment (cont'd)

Group
Financial Year Ended 31 December 2019

	IT products and services \$'000	Electronic signage \$'000	Telephonic Call Centre and Data Management Services \$'000	Unallocated \$'000	Total \$'000
CONTINUING OPERATIONS 2019					
Revenue by Segment					
Total revenue by segment	323,988	894	5,200	-	330,082
Inter-segment sales and services	(72)	(177)	(263)	-	(512)
Total revenue	323,916	717	4,937	-	329,570
Recurring EBITDA					
Recurring EBITDA	37,158	(306)	541	-	37,393
Interest income	1,251	-	21	-	1,272
Interest expense	(606)	-	(12)	-	(618)
Depreciation	(16,510)	(11)	(262)	-	(16,783)
Profit before tax from continuing operations	21,293	(317)	288	-	21,264
Income tax expense					(3,560)
Profit from continuing operations					17,704

ASSETS

Total assets for reportable segments	89,176	942	3,694	-	93,812
Unallocated:					
Cash and cash equivalents				61,367	61,367
Other financial assets				6,214	6,214
Total Group Assets					161,393

LIABILITIES

Total liabilities for reportable segments	50,444	180	3,306	-	53,930
Unallocated:					
Deferred and current tax liabilities				4,184	4,184
Total Group Liabilities					58,114

OTHER MATERIAL ITEMS

Expenditures for non-current assets	1,796	43	50	-	1,889
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Segment Revenue and Results for Geographical Segment

Group
Financial Year Ended 31 December 2020

	Revenue		Non-current Assets	
	31.12.2020 \$'000	31.12.2019 \$'000	31.12.2020 \$'000	31.12.2019 \$'000
Singapore	270,840	329,570	6,687	7,248
China	-	-	-	4
	270,840	329,570	6,687	7,252

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

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

As disclosed in paragraph 8 above.

16 A Breakdown of Sales

	FY2020	FY2019	Increase / (Decrease)
	\$'000	\$'000	%
(a) Sales reported for the first half year	118,492	163,292	-27%
(b) Operating profit after taxation before non-controlling interests reported for first half year	9,687	8,317	16%
(c) Sales reported second half year	152,348	166,278	-8%
(d) Operating profit after taxation before non-controlling interests reported for second half year	13,621	9,387	45%

17 A breakdown of the Total Annual Dividend for Latest Full Year and its Previous Full Year

	Latest Full Year \$'000	Previous Full Year \$'000
Ordinary	9,320	5,178
Preference	-	-
Total	9,320	5,178

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(11) 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	Details of position and duties, and the year the position was held	Details of changes in duties and position held, if any, during FY2020
Ms Loo Pei Fen	39	Daughter of Mr Loo Leong Thye (Chief Executive Officer and Substantial Shareholder of the Company) and Mdm Ong Sock Hwee (Substantial Shareholder of the Company)	Chief Marketing Officer since 1 June 2015. She is responsible for group marketing, loyalty programme, online activities and public relations.	Deputy Chief Executive Officer since 1 November 2020. She is responsible for group marketing, loyalty programme, online activities, logistics, retail operations, corporate sales, merchandising and public relations.
Mr Ng Kian Teck	53	Brother of Mr Ng Leong Hai, Substantial Shareholder of the Company	Senior Director – Special Projects since 1 July 2017. He is responsible for improving and increasing the efficiency and productivity of all functions across the Group.	Chief Logistics Officer since 1 November 2020. He is responsible for managing the logistics function of the Group.

19 Disclosure of Changes in Composition of the Group Pursuant to Rule 706A of the SGX Listing Manual

The following changes in the composition of the Group took place during the second half year of FY2020 in November 2020:

- a) Hachi.sg Pte. Ltd. has been struck off from the Register of Companies in accordance with the Companies Act, Chapter 50, of Singapore; and
- b) Challenger Technologies (M) Sdn. Bhd. has been dissolved in accordance with the Companies Act 2016, of Malaysia.

20 Confirmation By the Company Pursuant to Rule 720(1) of the SGX Listing Manual

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the SGX Listing Manual.

On behalf of the Board of Directors

LOO LEONG THYE
EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER

TAN WEE KO
EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER

BY ORDER OF THE BOARD

LOO LEONG THYE

DATE: 8 February 2021