

ACCRELIST LTD. (formerly known as WE HOLDINGS LTD.)**Financial Statement Announcement for the Financial Year Ended 31 March 2020**

The Board of Directors of Accrelist Ltd. (the "Company") wishes to announce the unaudited results of the Group and Company for the financial year ended 31 March 2020.

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Shervyn Essex, Registered Professional, RHT Capital Pte. Ltd. at 9 Raffles Place #29-01 Republic Plaza Tower 1, Singapore 048619, telephone (65) 6381 6966.

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 (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year**

	Group		
	For the 12 months ended		
	31-Mar-20	31-Mar-19	Increase /
	S\$'000	S\$'000	(Decrease)
	(unaudited)	(audited)	
Revenue	138,869	167,111	-17%
Cost of sales	(127,875)	(151,361)	-16%
Gross profit	10,994	15,750	-30%
Other (losses)/gains, net	(3,381)	2,302	nm
	7,613	18,052	-58%
Other items of expenses			
Marketing and distribution expenses	(1,311)	(1,610)	-19%
Administrative expenses	(15,558)	(14,567)	7%
Finance costs	(1,679)	(1,362)	23%
Share of (loss)/profit of associated companies	(35)	662	nm
(Loss)/Profit before tax	(10,970)	1,175	nm
Income tax expense	(340)	(311)	9%
(Loss)/Profit for the year	(11,310)	864	nm
Other comprehensive (loss)/income after tax:			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference on translating foreign operations	248	623	-60%
	248	623	
Items that may not be reclassified subsequently to profit or loss:			
Fair value loss on financial assets, at fair value through other comprehensive income	(495)	(152)	226%
Other comprehensive (loss)/income after tax:	(247)	471	nm
Total comprehensive (loss)/profit for the year	(11,557)	1,335	nm
Total (Loss)/Profit attributable to:			
Owners of the parent	(10,240)	143	nm
Non-controlling interests	(1,070)	721	nm
	(11,310)	864	nm
Total comprehensive (loss)/profit attributable to:			
Owners of the parent	(10,483)	424	nm
Non-controlling interests	(1,074)	911	nm
	(11,557)	1,335	nm
EBITDA	(5,050)	5,456	nm

nm denotes not meaningful.

1(a)(ii) **Notes to the Income Statement**

The Group's loss/profit before income tax is arrived at after (charging)/crediting:

	Group		
	For the 12 months ended		
	31-Mar-20	31-Mar-19	Increase /
	S\$'000	S\$'000	(Decrease)
	(unaudited)	(audited)	
Impairment loss on trade receivables and other receivables	(1,060)	(307)	245%
Amortisation of intangible assets	(2,054)	(1,957)	5%
Bad debts written off - trade and other receivables	(5)	(15)	-67%
Sale of scrap and other materials	116	99	17%
Depreciation of property, plant and equipment	(2,187)	(962)	127%
Dividend income	13	9	44%
Remeasurement loss on financial liability	(2,770)	-	nm
Fair value gain on a financial liability, at fair value through profit or loss	-	1,151	nm
Foreign exchange gains/(losses) - net	2	(34)	nm
Gain from bargain purchase	-	1,124	nm
Loss on disposal of property, plant and equipment	-	(1)	nm
Government grants (PIC bonus, WCS, SEC,TEC)	20	34	-41%
Interest income	27	93	-71%
Inventory write-down	(333)	-	nm
Miscellaneous gains/(losses)	63	(149)	nm
Interest expense	(1,679)	(1,362)	23%

nm denotes not meaningful.

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

	Group			Company		
	31-Mar-20 S\$'000	31-Mar-19 S\$'000	Increase / (Decrease)	31-Mar-20 S\$'000	31-Mar-19 S\$'000	Increase / (Decrease)
	(unaudited)	(audited)		(unaudited)	(audited)	
Non-current assets						
Property, plant and equipment	15,745	14,060	12%	-	-	nm
Intangible assets	15,778	17,617	-10%	4	8	-50%
Investments in subsidiary corporations	-	-	nm	31,906	31,865	0%
Investments in associated companies	9,430	9,377	1%	-	-	nm
Other assets	20	20	0%	20	20	0%
Trade and other receivable	142	370	-62%	-	-	nm
Financial assets, at fair value through other comprehensive income	47	90	-48%	-	-	nm
Total non-current assets	41,162	41,534	-1%	31,930	31,893	0%
Current assets						
Other assets	1,871	2,028	-8%	212	212	0%
Trade and other receivables	25,538	34,365	-26%	9,169	9,545	-4%
Inventories	9,375	20,359	-54%	-	-	nm
Financial assets, at fair value through profit or loss	33	33	0%	-	-	nm
Financial assets, at fair value through other comprehensive income	482	934	-48%	-	-	nm
Cash and cash equivalents	10,635	7,679	38%	1,613	1,555	4%
Total current assets	47,934	65,398	-27%	10,994	11,312	-3%
Total assets	89,096	106,932	-17%	42,924	43,205	-1%
EQUITY AND LIABILITIES						
Equity						
Share capital	72,491	72,491	0%	113,182	113,182	0%
Accumulated losses	(43,924)	(33,684)	30%	(76,613)	(72,444)	6%
Others reserves	1,895	2,138	-11%	-	-	nm
	30,462	40,945	-26%	36,569	40,738	-10%
Non-controlling interests	13,677	14,751	-7%	-	-	nm
Total equity	44,139	55,696	-21%	36,569	40,738	-10%
Non-current liabilities						
Deferred income tax liabilities	1,300	1,289	1%	-	-	nm
Borrowings	4,596	1,808	154%	-	-	nm
Total non-current liabilities	5,896	3,097	90%	-	-	nm
Current liabilities						
Borrowings	13,785	17,931	-23%	-	-	nm
Trade and other payables	22,877	28,539	-20%	4,574	1,236	270%
Loan payable/Convertible loan	1,781	1,231	45%	1,781	1,231	45%
Income tax payable	618	438	41%	-	-	nm
Total current liabilities	39,061	48,139	-19%	6,355	2,467	158%
Total liabilities	44,957	51,236	-12%	6,355	2,467	158%
Total equity and liabilities	89,096	106,932	-17%	42,924	43,205	-1%

nm denotes not meaningful.

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

Amount repayable in one year or less, or on demand

As at 31 March 2020		As at 31 March 2019	
(unaudited)		(audited)	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
15,566	-	19,162	-

Amount repayable after one year

As at 31 March 2020		As at 31 March 2019	
(unaudited)		(audited)	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
4,596	-	1,808	-

Details of any collateral

All borrowings are denominated in United States Dollars ("USD") and Singapore Dollars ("SGD") and are interest bearing. The borrowings are secured by:

- (i) Legal mortgages of leasehold industrial properties of a subsidiary corporation.
- (ii) Corporate guarantee provided by the Company.
- (iii) Group's investment in associated company.
- (iv) Certain bank deposits of the Group.
- (iv) Leased motor vehicles as the legal title are retained by the respective lessors and will be transferred to the Group upon full settlement of the lease liabilities. The lease liabilities are also secured by the corporate guarantee.

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

	Group	
	For the 12 months ended	
	31-Mar-20 S\$'000	31-Mar-19 S\$'000
	(unaudited)	(audited)
Cash flows from operating activities		
Net (Loss)/Profit	(11,310)	864
Adjustments for :-		
Dividend income	(13)	(9)
Interest income	(27)	(93)
Remeasurement loss on financial liability	2,770	-
Fair value gain on a financial liability, at fair value through profit or loss	-	(1,151)
Gain on bargain purchase	-	(1,124)
Loss on disposal of property, plant and equipment	-	1
Amortisation of intangible assets	2,054	1,957
Impairment loss on intangible assets	-	14
Inventory write-down	333	-
Depreciation of property, plant and equipment	2,187	962
Interest expense	1,679	1,362
Income tax expense	340	311
Share of loss/(profits) of associated company	35	(662)
Unrealised currency translation differences	328	596
	(1,624)	3,028
Changes in working capital		
Inventories	10,651	(3,862)
Trade and other receivables	9,055	(484)
Other assets	157	(466)
Trade and other payables	(5,389)	(8,264)
Cash generated from/(used in) operations	12,850	(10,048)
Interest received	27	93
Income taxes paid	(149)	(150)
Net cash flows provided by/(used in) operating activities	12,728	(10,105)
Cash flows from investing activities		
Additions to property, plant and equipment	(1,317)	(997)
Additions to intangible assets	(215)	(49)
Additions to investment in associated company	(162)	(342)
Disposal of financial assets at fair value through other comprehensive income	-	120
Dividend received	13	9
Proceeds from disposal of property, plant and equipment	-	6
Net cash outflow on acquisition of a subsidiary corporation	-	(3,228)
Net cash flows used in investing activities	(1,681)	(4,481)
Cash flows from financing activities		
Repayment of borrowings	(5,925)	(1,909)
Repayment of loan payable/convertible loan	(2,250)	-
Issuance of shares by a subsidiary corporation to non-controlling interest	-	1,000
Proceeds from borrowings	2,536	10,982
Fixed deposits (pledged)/released	(98)	1,595
Interest paid	(1,922)	(1,042)
Net cash flows (used in)/provided by financing activities	(7,659)	10,626
Net increase/(decrease) in cash and cash equivalents	3,388	(3,960)
Cash and cash equivalents at beginning of financial year	3,762	7,746
Effects of exchange rate changes on cash and cash equivalents	6	(24)
Cash and cash equivalents at end of financial year (Note 1)	7,156	3,762
Note 1		
	Balance as at	
	31-Mar-20 S\$'000	31-Mar-19 S\$'000
Cash and cash equivalents as per statement of financial position	10,635	7,679
- Restricted in use	(2,274)	(2,176)
- Bank overdraft	(1,205)	(1,741)
Cash and cash equivalents as per statement of cash flows above	7,156	3,762

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

<u>Group</u>	Attributable to Equity Holders of the Group				Non-Controlling Interests	Total Equity
	Share Capital	Accumulated Losses	Other Reserves	Total Reserves		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2020						
Beginning of financial year	72,491	(33,684)	2,138	(31,546)	14,751	55,696
Loss for the financial year	-	(10,240)	-	(10,240)	(1,070)	(11,310)
Other comprehensive loss for the financial year	-	-	(243)	(243)	(4)	(247)
Total comprehensive loss for the financial year	-	(10,240)	(243)	(10,483)	(1,074)	(11,557)
End of financial year	72,491	(43,924)	1,895	(42,029)	13,677	44,139

	Attributable to Equity Holders of the Group				Non-Controlling Interests	Total Equity
	Share Capital	Accumulated Losses	Other Reserves	Total Reserves		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2019						
Beginning of financial year	71,081	(33,827)	1,037	(32,790)	10,713	49,004
Profit for the financial year	-	143	-	143	721	864
Other comprehensive income for the financial year	-	-	281	281	190	471
Total comprehensive income for the financial year	-	143	281	424	911	1,335
Acquisition of subsidiary corporation	-	-	-	-	947	947
Deemed disposal of subsidiary company without change in control	-	-	820	820	2,180	3,000
Issuance of new ordinary shares in the capital	1,410	-	-	-	-	1,410
End of financial year	72,491	(33,684)	2,138	(31,546)	14,751	55,696

<u>Company</u>	Share Capital	Accumulated Losses	Total Equity
	S\$'000	S\$'000	S\$'000
2020			
Beginning of financial year	113,182	(72,444)	40,738
Total comprehensive loss for the financial year	-	(4,169)	(4,169)
End of financial year	113,182	(76,613)	36,569

	Share Capital	Accumulated Losses	Total Equity
	S\$'000	S\$'000	S\$'000
2019			
Beginning of financial year	111,772	(70,601)	41,171
Total comprehensive loss for the financial year	-	(1,843)	(1,843)
Issuance of new ordinary shares in the capital	1,410	-	1,410
End of financial year	113,182	(72,444)	40,738

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 or as consideration for acquisition or for any other purpose since the end of the previous period reported on.

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

Company		
	No of Shares '000	Share Capital S\$'000
Issued and fully paid up shares as at 1 April 2019	5,582,845	113,182
Share consolidation of every 20 existing ordinary shares in the capital into 1 ordinary share on 7 August 2019	(5,303,703)	-
Issued and fully paid up shares as at 31 March 2020	279,142	113,182

The Company has no outstanding treasury shares and warrants as at 31 March 2020 and 31 March 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.

Group		
	31-Mar-20	31-Mar-19
Total number of ordinary shares issued ('000)	279,142	5,582,845

The reduction in the total number of ordinary shares issued was due to a share consolidation of every 20 existing ordinary shares in the capital into 1 ordinary share on 7 August 2019. There were no treasury shares as at 31 March 2020 and 31 March 2019.

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

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial year reported on.

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

Not applicable.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Review Engagement, SSRE 2400 (Engagements to Review Financial Statements), or an equivalent standard)

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

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

Not applicable.

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

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period, which are consistent with those described in the audited financial statements for the financial year ended 31 March 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

The Group adopted the new/revised Singapore Financial Reporting Standards (International) (SFRS(I)) that are effective for annual periods on or after 1 April 2019. Changes to the Group's accounting policies have been made as required in accordance with the transitional provisions in the respective SFRS(I) and SFRS(I) Interpretation.

The following are the new SFRS(I) and SFRS(I) Interpretations that are relevant to the Group:

* SFRS(I) 16 Leases

* SFRS(I) INT 23 Uncertainty Over Income Tax Treatments

The adoption of the above SFRS(I) and SFRS(I) Interpretations did not have any significant impact on the financial statements of the Group except for the following:

Adoption of SFRS(I) 16

SFRS(I) 16 is effective for financial years beginning on or after 1 January 2019. The Group has applied the simplified transition approach and will not reinstate the comparative amount for the preceding financial year prior to the adoption of SFRS(I) 16. SFRS(I) 16 has resulted in almost all leases being recognised on the statement of financial position of the Group as at 1 April 2019, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term leases and leases of low value assets. The accounting for lessors has not changed significantly.

Right-of-use assets are measured using the cost model and are carried at cost less accumulated depreciation and accumulated impairment loss, if any, subsequent to initial recognition. The carrying amount for lease liabilities subsequent to initial recognition would take into account interest on the lease liabilities, lease payment made and any reassessment or lease modifications.

Lease liabilities are included as part of net debt and are taken into consideration when deriving the net gearing ratio.

6. Earnings per ordinary share ("EPS") 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

	For the period of 12 months ended	
	31-Mar-20	31-Mar-19
Loss for the period attributable to equity holders of the company (S\$'000)	(10,240)	143
(i) EPS based on the weighted average number of shares (in SGD cents)	(3.67)	0.003
(ii) EPS based on a fully diluted basis (in SGD cents)	(3.67)	0.003
Weighted average number of ordinary shares applicable to EPS ('000)	279,142	5,442,648
Weighted average number of ordinary shares fully diluted basis ('000)	279,142	5,442,648

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	Group		Company	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Net asset value per ordinary share based on issued share capital at the end of the financial period / year (in Sgd cents)	15.81	1.00	13.10	0.73
Total number of ordinary shares issued ('000)	279,142	5,582,845	279,142	5,582,845

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, 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

Income Statement

	Revenue			Loss attributable to equity holders	
	31-Mar-20 S\$'000	31-Mar-19 S\$'000		31-Mar-20 S\$'000	31-Mar-19 S\$'000
A.M Aesthetics	4,992	3,420	46%	(294)	822
Electronics and Mechanical Business Unit	133,848	163,691	-18%	(4,276)	2,705
Others	29	-	nm	(5,670)	(3,384)
Total	138,869	167,111	-17%	(10,240)	143

In the financial year ended 31 March 2020 ("FY2020"), the Group registered a turnover of S\$138.9 million. This represents a decrease of S\$28.2 million as compared to S\$167.1 million in the financial year ended March 2019 ("FY2019").

A.M Aesthetics in FY2020 generated a revenue of S\$5.0 million with a gross profit and loss before tax of S\$4.3 million and S\$0.3 million respectively. This decrease is attributed to the set up of a new clinic in Clementi Mall which was incorporated on 6 March 2019 and started operations in June 2019, where setup cost is still in the midst of recuperating. This loss had offset the profits earned from the other Singapore clinics. This decrease is also due to the setup cost incurred on the investment in Ozhean Accrelist Aesthetics Sdn Bhd, set up of Accrelist Aesthetics (KL) Sdn Bhd and Accrelist Medical Aesthetics (Penang) Sdn Bhd, which were acquired and set up on 3 December 2019, 8 March 2019 and 20 February 2019 respectively. The losses incurred by the latter totalled to approximately S\$0.3 million. Furthermore, with the Covid-19 pandemic, where effects of it has started to rear from January 2020, had affected the business of A.M Aesthetics.

Out of the revenue from the Mechanical Business Unit ("MBU") and Electronics Business Unit ("EBU") amounting to S\$133.8 million, MBU contributed S\$24.7 million. Revenue from MBU increased by S\$6.0 million or 32.2% from S\$18.7 million in FY2019 to S\$24.7 million in FY2020. The increase in revenue is due to (a) the inclusion of full year sales revenue from Honfoong Plastics Industries Pte.Ltd. and its subsidiary corporation, which contributed S\$18.7 million in revenue accounting for 14.0% of total revenue and (b) the significant increase in sales orders from new and existing customers who are changing their source of purchase to the ASEAN region due to existing trade tensions.

Revenue from EBU decreased significantly from S\$145.0 million in FY2019 to S\$109.2 million in FY2020. The decline of S\$ 35.9 million was due to the impact of the global Covid-19 pandemic and weak global demand as a result of the prolonged trade tariff war between the USA and China. The USA/China trade war and sanctions against Huawei by the US government affected our Chinese customers badly as many of their projects were delayed, plunging down demands. The partial lifting of the Huawei sanction created a product allocation issue for us as we were not able to procure enough allocation to satisfy the orders of our Chinese customers. The Covid-19 pandemic which started spreading throughout China in early 2020 added more adverse effects. The imposition of a full lockdown by the Chinese government resulted in 5 full weeks of no shipment in Wuhan curtailing manufacturing output and affected every link in the electronics manufacturing value and supply chain. Revenue contribution from our largest segment, China, lost S\$ 22.0 million from S\$61.0 million in FY2019 to S\$39.0 million in FY2020. Cost of sales had decreased in line with that of revenue.

The gross profit of the Group decreased by S\$4.8 million from S\$15.8 million in FY2019 to S\$11.0 million in FY2020. Gross profit margin was 7.9% in FY2020 as compared to 9.4% in FY2019. The decrease was mainly due to the EBU's decision to liquidate some of its inventory at a loss to reduce inventory holding cost amidst a gloomy outlook of a global contraction of the semiconductor industry and a lower quarter on quarter pricing trend. The cost saving measure took a loss of S\$1.2 million in gross profit. The softened demand for semiconductors and passive components affected EBU's top 2 product lines, Samsung and SK Hynix. The revenue for these 2 product lines dropped by 19.5% from S\$94.9 million in FY2019 to S\$76.4 million in FY2020 and gross profit shifted from S\$7.4 million in FY2019 to S\$1.8 million in FY2020.

Loss attributable to equity holders had increased by S\$10.3 million from a profit of S\$0.1 million in FY2019 to a loss of S\$10.2 million in FY2020. The key indicators for the losses are as follow:-

1. S\$0.3 million relates to losses from A.M Aesthetics.
2. S\$2.8 million relates to Accrelist's share of loss in Jubilee where share of non-cash expenses amounted to S\$1.8 million.
3. S\$2.8 million relates to relates to one-off remeasurement loss on financial liability which are non-cash expenses.
4. S\$2.1 million and S\$2.2 million relates to amortisation expenses and depreciation respectively which are non-cash expenses.

Excluding the non-cash expenses, the Group's losses actual cash losses amounted to S\$1.3 million.

Income Statement (cont'd)

The Group's other losses have increased by S\$5.7 million from a gain of S\$2.3 million in FY2019 to a loss of S\$3.4 million in FY2020.

This increase is mainly due to the remeasurement loss on financial liability and impairment loss on trade receivables and other receivables of S\$2.8 million and S\$1.1 million respectively. Other losses also included foreign exchange losses of S\$0.4 million from revaluation on foreign currencies in EBU, predominantly the United States Dollar ("USD"), which is also the primary transactional currency for the business unit, as well as an impairment loss of financial assets of S\$0.4 million.

Operating expenses rose from S\$17.5 million in FY2019 to S\$18.5 million in FY2020. Marketing and distribution expenses decreased by S\$0.3 million from S\$1.6 million in FY2019 to S\$1.3 million in FY2020 where this is due to the lesser travelling from the Covid-19 pandemic. Administrative expenses increased by 7% from S\$14.6 million in FY2019 to S\$15.6 million in FY2020. This is mainly due to staff cost incurred with the acquisition of Honfoong Plastics Industries Pte.Ltd. ("HFPL") by Jubilee in July 2018 and the acquisition of Accrelist Medical Aesthetics group of companies ("A.M Aesthetics") by Accrelist in October 2018. Finance costs increased from S\$1.4 million in FY2019 to S\$1.7 million in FY2020 mainly due to a short-term loan obtained during FY2020 and interest on lease liabilities.

Balance Sheet

Non-current assets decreased by 1% from S\$41.5 million as at 31 March 2019 to S\$41.2 million as at 31 March 2020. The decrease is mainly due to the depreciation and amortisation charged during the year, resulting in the decrease in property, plant and equipment, and intangible assets respectively. This decrease is offset by the purchase of property, plant and equipment.

Current assets as at 31 March 2020 comprised of inventories, trade and other receivables, other assets, financial assets at fair value through profit or loss, financial assets, at fair value through other comprehensive income and cash and cash equivalents. Total current assets amounted to S\$47.9 million as at 31 March 2020 as compared to S\$65.4 million as at 31 March 2019. The decrease of S\$17.5 million is mainly attributable to the decrease in inventories of S\$11.0 million, where the EBU is holding lesser inventories. Trade and other receivables also decreased by S\$8.8 million which is in line with the decrease in sales. These decreases are offset with the increase in cash and cash equivalent from the collections on trade and other receivables.

Current liabilities as at 31 March 2020 comprised income tax payable, trade and other payables, loan payable/convertible loan and borrowings. Total current liabilities amounted to S\$39.1 million as at 31 March 2020 as compared to S\$48.1 million as at 31 March 2019. Trade and other payables decreased in line with the decrease in trade and other receivables and other financial liabilities decreased due to pay down of loans from the banks and financial institutions.

Non-current liabilities comprised deferred tax liabilities and borrowings. Total non-current liabilities amounted to S\$5.9 million as at 31 March 2020 as compared to S\$3.1 million as at 31 March 2019. The increase was largely due to a loan of S\$2.0 million and an increase in lease liabilities following the adoption of SFRS(I) 16 Leases.

The Group had working capital of S\$8.9 million as at 31 March 2020 as compared to S\$17.3 million as at 31 March 2019. The decrease is mainly due the decrease in inventories from EBU holding lesser inventories.

In view of the Covid-19 situation, the Group has reviewed and assessed the impairment for its property, plant and equipment, intangible assets, other assets, trade and other receivables and inventories. Bank obligations and covenants are met and there are no going concern issue noted.

Cash Flow Statement

Net cash flow provided by operating activities for FY2020 was S\$12.7 million, comprising operating cash flows before working capital changes of S\$1.6 million and working capital inflow of S\$14.3 million. The working capital inflow was mainly due to the decrease in inventories of S\$10.6 million, decrease in trade and other receivables of S\$9.0 million, decrease in other assets of S\$0.1 million, offset by the decrease in trade and other payables of S\$5.4 million. Net cash used in investing activities for FY2020 of S\$1.7 million was mainly due to the acquisition of plant and equipment for the expansion of business. Cash used in financing activities of S\$7.6 million was due to the repayment of bank loans, loan payable/convertible loan, and loan interest amounting to S\$10.1 million in total. These repayments are offset with proceeds from borrowings of S\$2.5 million. The Group recorded a net increase in cash and cash equivalents of S\$3.4 million for FY2020.

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

Not applicable. No prospect statement or forecast has been previously disclosed to shareholders.

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

With the current Covid-19 pandemic situation, the Group will work and devote its resources to seek new business opportunities and maintain vigilance in response to the volatile operating environment as it carries out its expansion strategies.

The Company currently has 5 local medical aesthetic clinics and these are situated in the heartland malls to service the customers in those areas. They are known as the Accrelist Medical Aesthetics group of companies and now branded as A.M Aesthetics. Aligned with the expansion strategy, medical aesthetic clinics have also been expanded overseas with the incorporation of 2 subsidiaries, Accrelist Medical Aesthetics (Penang) Sdn. Bhd. and Accrelist Aesthetics (KL) Sdn. Bhd., which was announced on 20 February 2019 and 8 March 2019 respectively. The Company has also set footprints in Korea by collaborating with 2 renowned doctors who own 5 clinics in Korea to assist with providing training and recommending state-of-the-art aesthetic equipment and products. This collaboration is further enhanced with the Company's subsidiary, Accrelist Medical Aesthetics (BM) Pte. Ltd., entering into a sales and purchase agreement to acquire a 49% stake in Ozhean Accrelist Aesthetics Sdn. Bhd. ("Ozhean"), which is owned by the Company's Korean counterpart and this was announced on 3 December 2019. This would enhance the Company's advancement in this field given that Korea are the leaders in the medical aesthetic business. In fact, Ozhean which started off with a clinic at Bangsar had set up another branch in Bukit Jalil. Plans are also on the way to set up more clinics in Malaysia, namely Kuala Lumpur, Johor Bahru, and Ipoh by next year.

With the increasing social acceptance in the aesthetic medical services sector, it would bring in long-term growth for the Company and this is evidenced from the financial results where from the date of completion of the acquisition till the financial year ended 31 March 2019, A.M Aesthetics had generated revenue and profit of S\$3.4 million and S\$0.8 million respectively. With the Covid-19 pandemic, there has been an global impact on businesses. In spite of the pandemic, A.M Aesthetic has managed to still grow steadily, generating revenue of S\$5.0 million while losses of S\$0.3 million was due to incurring setup cost on new investments in FY2020.

Besides growth on the increase in medical aesthetic clinics, the Company is expanding its business on clinical skin care products. This would be executed through its subsidiary, A Skin Products Pte. Ltd. ("A Skin"). A Skin would develop Original Design Manufacturer ("ODM") products with advisory and inputs from the Korean dermatologist. It would also carry non-ODM skin products which are renowned brands from Korea. With this, a retail shop would be set up for such and this is expected to be sold online.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

The Company did not declare / recommend dividends for the current financial period reported on as losses were incurred.

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 was no IPT greater than S\$100,000 for FY2020. The Group does not have a general mandate from its shareholders for IPT's.

14. Confirmation by the Board pursuant to Rule 720(1) of the Listing Manual

On behalf of the Board of Directors of the Company, we hereby confirm that we have procured all the required undertakings to comply with the Exchange's listing rules from all the Directors and Executive Officers of the Company.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

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

Geographical Information:

The following table provides an analysis of the revenue by geographical market, irrespective of the origin of the goods/services.

	Group	
	31-Mar-20 S\$'000 (unaudited)	31-Mar-19 S\$'000 (audited)
Revenue:		
Singapore	22,746	33,614
Malaysia	7,620	16,460
People's Republic of China and Hong Kong	62,110	71,063
India	1,934	6,820
Asean	32,336	23,156
United States of America	2,607	7,408
Other countries	9,516	8,590
	<u>138,869</u>	<u>167,111</u>

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

The Group's revenue in almost all regions decreased in FY2020 compared to FY2019. This is mainly due to lower global demand dampened by the lock downs, movement control and circuit breaker measures to curb the spread of the coronavirus.

17. A breakdown of sales

Continuing Operations

	Group		
	31-Mar-20 (FY2020)	31-Mar-19 (FY2019)	Increase / (Decrease)
	S\$'000	S\$'000	%
	(unaudited)	(audited)	
(i) Sales reported for:			
First half year ended 30 September 2019 ("HY2020") and 30 September 2018 ("HY2019")	81,553	88,411	-8%
Second half year ended 31 March 2020 ("FY2020") and 31 March 2019 ("FY2019")	57,316	78,700	-27%
	138,869	167,111	-17%
(ii) Profit/(loss) after tax reported for:			
First half year ended 30 September 2019 ("HY2020") and 30 September 2018 ("HY2019")	(2,055)	12	nm
Second half year ended 31 March 2020 ("FY2020") and 31 March 2019 ("FY2019")	(9,255)	852	nm
	(11,310)	864	nm

nm denotes not meaningful.

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

NA

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). If there is no such person, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(10), the Company confirms that there is no person occupying a managerial position in the Company or its principal subsidiaries who is related to a Director or Chief Executive Officer or Substantial Shareholder of the Company for the financial year ended 31 March 2020.

BY ORDER OF THE BOARD

Lee Wei Hsiung
Company Secretary
29 September 2020