

Full Year Financial Statement And Dividend Announcement For The Year Ended 31-12-2020

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

1 (a) 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.

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Group		
		2020	2019	Change
		S\$'000	S\$'000	%
Revenue		49,152	52,299	(6.02%)
Cost of sales		(36,138)	(40,193)	(10.09%)
Gross profit		13,014	12,106	7.50%
Other operating income		2,181	5,092	(57.17%)
Distribution expenses		(1,295)	(1,209)	7.11%
Administrative expenses		(9,321)	(9,531)	(2.20%)
Impairment losses on financial assets		(365)	(158)	131.01%
Other operating expenses		(930)	(1,696)	(45.17%)
Share of result of associates		226	956	(76.36%)
Finance costs		(1,307)	(1,418)	(7.83%)
Profit before income tax		2,203	4,142	(46.81%)
Income tax expense		(207)	(665)	(68.87%)
Profit for the year	(i)	1,996	3,477	(42.59%)
Attributable to:				
Owners of the Company		346	2,147	(83.88%)
Non-controlling interests		1,650	1,330	24.06%
		1,996	3,477	(42.59%)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Group		
	2020	2019	Change
	S\$'000	S\$'000	%
Profit for the year	1,996	3,477	(42.59%)
Other comprehensive profit, after tax:			
Exchange differences on translation of foreign operations	2,022	(1,005)	NM
Other comprehensive (loss) for the year, net of tax	2,022	(1,005)	NM
Total comprehensive profit / (loss) for the year	4,018	2,472	NM
Total comprehensive profit / (loss) attributable to:			
Owners of the Company	1,814	1,413	28%
Non-controlling interests	2,204	1,059	108.12%
	4,018	2,472	62.54%

NM: Not meaningful

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020 (cont'd)

Note

(i) Profit for the year is arrived at after charging/(crediting) the following:

	Group		
	2020	2019	Change
	S\$'000	S\$'000	%
(Reversal of write down)/write down of inventories to net realisable value	(146)	50	NM
Amortisation of intangible assets	1,808	1,296	40%
Amortisation of government grant	(71)	(67)	6%
Depreciation of right-of-use assets	304	198	54%
Depreciation of property, plant and equipment	1,189	1,315	(10%)
Impairment losses on financial assets - trade receivables	(365)	(158)	131%
Finance costs	1,307	1,418	(8%)
Written off Intangible assets	298	118	153%
Gain on bargain purchase - net	-	(1,718)	NM
Impairment loss on goodwill	-	842	NM
Interest income	(32)	(37)	(14%)
Gain on disposal of property, plant and equipment	(82)	(1,493)	(95%)
Written off property, plant and equipment	2	4	(50%)
Allowance/(reversal of allowance) for slow moving inventories	142	(42)	NM
Bad debts written off	23	42	(45%)
Foreign currency exchange adjustment loss	326	49	565%
Fair value gain on derivative of financial assets (unrealised)	4	7	(43%)

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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.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets:				
Cash and bank balances	15,048	10,989	1,318	2,421
Trade receivables	14,997	12,493	-	-
Other receivables	6,450	6,708	501	185
Prepayments	187	184	27	36
Amount due from subsidiaries	-	-	11,850	12,968
Inventories	20,412	17,742	-	-
Total current assets	57,094	48,116	13,696	15,610
Assets classified as held for sale	651	665	-	-
Total current assets	57,745	48,781	13,696	15,610
Non-current assets:				
Property, plant and equipment	23,173	24,342	5	-
Right-of-use assets	4,035	3,919	-	-
Goodwill	497	497	-	-
Intangible assets	34,112	33,374	1,696	2,036
Investment in subsidiaries	-	-	23,896	29,025
Investment in associates	11,394	10,654	-	-
Club membership	190	190	190	190
Refundable deposits	892	853	-	-
Deferred tax assets	3	3	-	-
Total non-current assets	74,296	73,832	25,787	31,251
Total assets	132,041	122,613	39,483	46,861
LIABILITIES AND EQUITY				
Current Liabilities:				
Bank loans	5,125	7,641	541	1,477
Government loan	-	10	-	-
Leases liabilities	205	128	-	-
Bills payables	7,511	7,577	-	-
Trade payables	3,457	3,115	-	-
Other payables and accruals	11,304	10,009	711	994
Provision for income tax	477	947	-	-
Amount due to subsidiaries and an associate	1,284	259	398	120
Financial derivative liabilities	-	4	-	-
Total current liabilities	29,363	29,690	1,650	2,591
Non-current liabilities				
Bank loans	22,407	15,269	1,000	171
Government loan	601	574	-	-
Leases liabilities	2,825	2,817	-	-
Other payables and accruals	635	631	-	-
Government grants	1,597	1,591	-	-
Deferred tax liabilities	1,167	1,205	-	-
Total non-current liabilities	29,232	22,087	1,000	171
Capital, reserves and non-controlling interests				
Share capital	38,776	38,776	38,776	38,776
Treasury Shares	(470)	(470)	(470)	(470)
Reserves	21,988	21,040	(1,473)	5,793
Equity attributable to owners of the Company	60,294	59,346	36,833	44,099
Non-controlling interests	13,152	11,490	-	-
Total equity	73,446	70,836	36,833	44,099
Total liabilities and equity	132,041	122,613	39,483	46,861

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

	Group	
	As At	
	31-Dec-20	31-Dec-19
	S\$'000	S\$'000
Amount repayable in one year or less, or on demand:-		
Secured	12,300	13,869
Unsecured	541	1,477
Sub-Total	12,841	15,346
Amount repayable after one year		
Secured	24,232	17,915
Unsecured	1,000	171
Sub-Total	25,232	18,086
Total borrowings and debt securities	38,073	33,432

Details of any collateral

At 31 December 2020 and 31 December 2019, the Group's secured borrowings consist of bank overdrafts, bank loans, leases liabilities and bills payable.

At 31 December 2020, bank loans of S\$9.61 million (31 December 2019: S\$10.39 million) was secured by a charge over a property of a subsidiary. In addition, bank loans of S\$6.48 million (31 December 2019: S\$6.95 million) was secured by a charge over three pieces of vacant land, a property and machineries and equipments of a subsidiary and corporate guarantee from holding company.

At 31 December 2020 and 31 December 2019, bank overdrafts, bills payable and remaining bank loans were secured by corporate guarantee of the Company. The leases liabilities were secured by the leased assets.

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- 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.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Group	
		2020	2019
		S\$'000	S\$'000
Cash flows from operating activities:			
Profit before income tax:		2,203	4,142
Adjustments for:			
Impairment losses on financial assets - trade receivables		365	158
Amortisation of intangible assets		1,808	1,296
Amortisation of government grant		(71)	(67)
Depreciation of right-of-use assets		304	198
Depreciation of property, plant and equipment		1,189	1,315
Finance costs		1,307	1,418
Fair value gain on derivative instrument (unrealised)		(4)	(7)
Gain on disposal of property, plant and equipment		(82)	(1,493)
Gain on disposal on investment in a subsidiary		-	(7)
Impairment loss on investment in associates		-	15
Bad debts written off		23	42
Interest income		32	(37)
Written off intangible assets		298	118
Unrealised foreign exchange loss - net		326	49
Written off property plant and equipment		2	4
Share of result of associates		(226)	(956)
Gain on bargain purchase - net		-	(1,718)
Allowance/(reversal of allowance) for slow moving inventories		142	(42)
Impairment loss on goodwill		-	842
(Reversal of write down)/write down of inventories to net realisable value		(146)	50
Operating cash flow before working capital changes		7,470	5,320
Trade receivables		(2,892)	(310)
Other receivables		216	1,666
Inventories		(2,666)	1,797
Trade payables		342	403
Other payables		1,299	2,077
Repayment of bills payables, net		(66)	(1,119)
Cash flows generated from operations		3,703	9,834
Interest paid		(1,307)	(1,418)
Interest income received		(32)	37
Income taxes paid		(715)	(462)
Net cash flows generated from operating activities		1,649	7,991
Cash flows from investing activities:			
Proceeds on disposal of property, plant and equipment		132	3,163
Additions to intangible assets		(1,330)	(5,026)
Purchase of property, plant and equipment		(273)	(137)
Additions to right-of-use assets		(314)	(493)
Proceeds from disposal of investment in subsidiary		-	(25)
Proceed from disposal of subsidiary		-	4
Net cash flows used in investing activities		(1,785)	(2,514)

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CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020 (cont'd)

	Note	Group	
		2020	2019
		S\$'000	S\$'000
Cash flows from financing activities:			
Net proceeds from share issue		-	2,645
Proceeds from loans and borrowings		4,628	47
Increase in investment in subsidiary		(316)	-
Increase/(decrease) in amount due from associates		1,025	(2,387)
Proceed/(repayment) of obligations under leases liabilities		85	(116)
Dividend paid		(1,092)	-
Net cash flows generated from financing activities		4,330	189
Net increase in cash and cash equivalents		4,194	5,666
Cash and cash equivalents at the beginning of the year		10,989	5,468
Effect of exchange rate changes on the balance of cash held in foreign currencies		(135)	(145)
Cash and cash equivalents at the end of the year	(1)	15,048	10,989

(1) Cash and cash equivalents at the end of year includes the following:

	2020	2019
	S\$'000	S\$'000
Cash and bank balances	15,048	10,989
	15,048	10,989

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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.

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Share Capital	Treasury shares	Currency Translation Reserve	Reserve Fund	Share Options Reserve	Retained Earnings	Attributable To Owners Of The Company	Non-Controlling Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group									
Balance as at 1 January 2019	36,131	(470)	(299)	1,070	580	18,276	55,288	6,046	61,334
Transfer of statutory reserve fund	-	-	-	1,028	-	(1,028)	-	-	-
Total comprehensive income for the year	-	-	(734)	-	-	2,147	1,413	1,059	2,472
Expiry of share options	-	-	-	-	(57)	57	-	-	-
Issuance of ordinary shares	2,844	-	-	-	-	-	2,844	-	2,844
Share issuance expenses	(199)	-	-	-	-	-	(199)	-	(199)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(220)	(220)
Capital contributions from non-controlling interests	-	-	-	-	-	-	-	4,605	4,605
Balance as at 31 December 2019	38,776	(470)	(1,033)	2,098	523	19,452	59,346	11,490	70,836
Balance as at 1 January 2020	38,776	(470)	(1,033)	2,098	523	19,452	59,346	11,490	70,836
Transfer of statutory reserve fund	-	-	-	511	-	(511)	-	-	-
Total comprehensive income for the year	-	-	1,470	-	-	344	1,814	2,204	4,018
Expiry of share options	-	-	-	-	(6)	6	-	-	-
Dividend paid	-	-	-	-	-	(866)	(866)	(226)	(1,092)
Acquisition of subsidiary	-	-	-	-	-	-	-	(316)	(316)
Balance as at 31 December 2020	38,776	(470)	437	2,609	517	18,425	60,294	13,152	73,446

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020 (cont'd)

	Share Capital	Treasury shares	Share Options Reserve	Retained Earnings	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Company					
Balance as at 1 January 2019	36,131	(470)	580	6,638	42,879
Expiry of share options	-	-	(57)	57	-
Issuance of ordinary shares	2,844	-	-	-	2,844
Share issuance expenses	(199)	-	-	-	(199)
Total comprehensive income for the year	-	-	-	(1,425)	(1,425)
Balance as at 31 December 2019	38,776	(470)	523	5,270	44,099
Balance as at 1 January 2020	38,776	(470)	523	5,270	44,099
Expiry of share options	-	-	(6)	6	-
Dividend paid	-	-	-	(866)	(866)
Total comprehensive income for the year	-	-	-	(6,400)	(6,400)
Balance as at 31 December 2020	38,776	(470)	517	(1,990)	36,833

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- 1 (d)(ii) Details of any changes in the company's share capital arising from right 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 year 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 year 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 year reported on and as at the end of the corresponding period of the immediately preceding financial year.

SHARE CAPITAL

	Number of Shares	Share Capital
	'000	S\$'000
Balance as at 1 January 2020	292,733	38,776
Less: Treasury share	(4,202)	(470)
Balance as at 31 December 2020	288,531	38,306

Company has treasury shares of 4,202,100 shares at S\$470,376 as at 31 December 2020 (31 December 2019: 4,202,100 shares at S\$470,376). The number of shares that may be issued on conversion of all share options outstanding as at 31 December 2020 was 11,850,000 (as at 31 December 2019: 11,977,500).

Company has nil subsidiary holdings as at 31 December 2020 (31 December 2019: Nil).

- 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.

Please refer to item 1(d)(ii) above.

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

Not applicable.

- 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 our auditors.

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

Not applicable.

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

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

The latest financial statements are not subject to an adverse opinion or disclaimer of opinion.

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

Not applicable.

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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 paragraph 5 below, the Group and Company have adopted the same accounting policies and methods of computation for the current financial year as those applied in the financial year ended 31 December 2019.

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

NA

6 Earnings per ordinary share of the group for the current financial year reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

EARNING PER ORDINARY SHARE

	Group		
	2020	2019	Change %
Earnings per ordinary share (EPS) for the financial year based on net profit attributable to the equity holders of the Company			
(i) Based on weighted average number of ordinary shares (in cents) - Weighted average number of shares	0.12 288,530,874	0.84 254,721,798	(85.71%) 13.27%
(ii) On a fully diluted basis (in cents) - Adjusted weighted average number of shares	0.12 288,530,874	0.84 254,721,798	(85.71%) 13.27%

**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 year reported on; and
(b) immediately preceding financial year**

	Group			Company		
	As At		Change %	As At		Change %
	31/12/2020 Cents	31/12/2019 Cents		31/12/2020 Cents	31/12/2019 Cents	
Net asset backing per ordinary share based on the existing issued share capital as at the end of the financial year	20.90	20.57	1.59%	12.77	15.28	(16.43%)

The net asset value per ordinary share is based on 288,530,874 (2019: 288,530,874) shares at the end of each period.

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- 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 year 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 year reported on.**

The Group's profit after tax for the year ended 31 December 2020 was S\$2.00 million as compared to S\$3.48 million recorded in the prior year. The dip in results was mainly due to a one-off gain on bargain purchase from fair value exercise for the strategic step-up acquisition of 20% in HuZhou ShuangLin amounting to S\$1.72 million and gain from disposal of property, plant and equipment in Lin Xing Water Supply of S\$1.47 million offset with impairment loss on goodwill amounting to S\$0.84 million recognised as other income in FY2019. After excluding these one-off incomes in FY2019, the Group's profit after tax for current year showed an improvement of S\$0.87 million from S\$1.13 million in FY2019 to S\$2.00 million in FY2020.

The improvement of the operating results was mainly due to the improved gross profit contributed from its industrial cum municipal wastewater treatment division and hazardous wastewater treatment division under the environmental business as well as other income recognised in relation to the subsidies given by the government during the COVID-19 pandemic. The Group's profit attributable to owners of the company for the year ended 31 December 2020 was S\$0.35 million after taking into account the allocation of profit to minority shareholders of non-fully owned subsidiaries especially from the environmental business and the full share of weakened results from the distribution of steel products and other business units.

The Group's revenue for the year ended 31 December 2020 decreased 6.02% from S\$52.30 million in FY2019 to S\$49.15 million. The decrease in group revenue of S\$3.15 million was mainly attributable to lower revenue derived from distribution of steel piping division in Singapore and manufacturing of steel flanges business in Malaysia amounting to S\$2.65 million and S\$1.60 million respectively. This was due to the negative impact of the Circuit Breaker measures imposed by the Singapore government and the Movement Control Order imposed by the Malaysia government to curb the spread of COVID-19 since March of 2020. There was lower revenue generated from its industrial cum municipal wastewater treatment division as compared to prior year due mainly to lower construction revenue recognised under SFRS(1) INT 12 as the two main expansion projects in ChangXing AngWei and ChangXing Linyi were mostly completed at the end of 2019. In addition, lower revenue derived from hazardous wastewater treatment division was mainly due to lesser Engineering Procurement and Construction ("EPC") projects secured and delivered during the year. However, the overall decrease in Group's revenue was partially offset by higher revenue from trading of steel products division along with fulfilment of contract deliveries secured previously.

Gross profit increased by S\$0.91 million or 7.50% for the year ended 31 December 2020. The increase in gross profit margin from 23.15% for FY2019 to 26.48% for FY2020 were due to higher margin generated in the hazardous wastewater treatment division following project completion and better operating results derived from the industrial cum municipal wastewater treatment division. These were aided by improved utilisation rate and economies of scale for its newly set up plants, coupled with higher water tariff and government offtake guarantee according to the Build-Own-Transfer ("BOT") agreement. However, the increase was partly offset by lower gross profit derived from the distribution of steel piping division and manufacturing of steel flanges business which were in tandem with the decreased turnover during the year.

The significant decrease in other operating income by S\$2.91 million or 57.17% was mainly attributed to recognition of one-off gain on bargain purchase amounting to S\$1.72 million and gain from disposal of property, plant and equipment amounting to S\$1.47 million in prior year. The decrease was partially offset by the jobs support scheme, foreign worker levy rebate and subsidy in manpower costs amounting to S\$0.48 million provided by the Singapore government to support business operations.

Distribution expenses increased by S\$0.09 million or 7.11% and was mainly attributed to additional freight and related costs incurred for the fulfilment of committed sales under the trading of steel product division in Korea. Finance costs decreased by S\$0.11 million from S\$1.42 million in FY2019 to S\$1.31 million in FY2020 which was attributed to reduction in funding costs. Increased impairment losses on financial assets by 131.01% was due to additional provision made for its receivables during the year. Higher amortisation of intangible assets of S\$0.51 million resulted from the additional amortisation charged for the newly completed and acquired plants during the year.

The reduction of other operating expenses by \$0.77 million from S\$1.7 million in FY2019 to S\$0.93 million in FY2020 was mainly attributed to recognition of impairment loss on goodwill in prior year.

As a result of lesser EPC projects secured and delivered during the lock down period in the People's Republic of China ("PRC"), share of results of associate mainly from the rural wastewater treatment division decreased from S\$0.96 million in FY2019 to S\$0.23 million in in FY2020.

The total liabilities of the Group increased by S\$6.81 million from S\$51.78 million as at 31 December 2019 to S\$58.59 million as at 31 December 2020. The increase was mainly due to additional bank loans amounting to S\$4.62 million drawn down for working capital purposes and higher other payables balances amounting to S\$1.30 million mainly for the advances received from customers in the trading business. Moreover, the increase in amount due to associate of S\$1.03 million was a result of the expansion of wastewater treatment projects undertaken by our associate. However, the increase in total liabilities was partially offset by scheduled repayment made for bill payables and payment for income tax amounting to S\$0.07 million and S\$0.47 million respectively. The Group's net gearing ratio remained constant at 0.38 times for the last two years.

The current assets of the Group increased by S\$8.97 million from S\$48.78 million as at 31 December 2019 to S\$57.75 million as at 31 December 2020. The increase was mainly attributed to the rise in trade receivables amounting to S\$2.50 million as extended credit was given to the local government in the PRC and more invoices issued to customers towards the end of the year for jobs completed under our environmental business. The increase in inventory amounting to S\$2.67 million was due to fulfilment of project sales delivery and replenishment of stock requirement. In addition, a higher cash and bank balances of S\$4.06 million was driven by management's conscious effort to preserve cash, advance collection from customers and additional drawdown of bank loans pending for deployment during the crisis period. However, the increase in current assets was partially offset by repayment of other receivables. Debtor turnover increased from 96 days as at 31 December 2019 to 114 days as at 31 December 2020.

The Group maintained a healthy and positive working capital of S\$28.38 million or current ratio of 1.97 times with current assets of S\$57.75 million and current liabilities of S\$29.36 million as at 31 December 2020.

The non-current assets of the Group increased by S\$0.47 million from S\$73.83 million as at 31 December 2019 to S\$74.30 million as at 31 December 2020. The increase was mainly attributed to acquisition of intangible assets and right-of-use assets amounting to S\$0.74 million and S\$0.12 million respectively. In addition, the increase in investment in associates was due to additional profit coupled with foreign exchange gain recognised during the year. The increase in non-current assets was partially offset by a decrease in property, plant and equipment due to additional depreciation charge of S\$1.19 million.

The cash and cash equivalents as at 31 December 2020 increased by S\$4.06 million to S\$15.05 million. The increase was mainly due to positive net cash flows amounting to S\$1.65 million generated from operating activities.

Moreover, proceeds from loans and borrowings of S\$4.63 million and increase in amount due to associates amounting to S\$1.02 million net off against the dividend payment made of S\$1.09 million led to a net S\$4.33 million cash generated from financing activities.

As a result of prudence in cash and cost management adopted in 2020, our net cash outflows for investing activities was S\$1.79 million resulting mainly from the additions to intangible assets, rights-to-use assets and purchase of property, plant and equipment.

Group's net asset per share as at 31 December 2020 was 20.90 cents and weighted average profit per share was 0.12 cents.

For disclosure in relation to acquisitions and disposals pursuant to Catalist Rule 706A for FY2020, please refer to the announcement on 14 July 2020 for the acquisition of 6% of the shares of Angwei Environmental Ecological & Engineering (Shanghai) Co., Ltd (上海昂为环境生态工程有限公司) and 6% of the shares of Changxing Angwei Environmental & Ecological Engineering co., ltd. (长昂为环境生态工程有限公司) by Anxon Environmental Pte Ltd.

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

Not applicable.

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.

Singapore, an open and trade-dependent economy, has been hit hard by global uncertainties resulting from the unprecedented pandemic that started in early 2020. With the surge in infected cases globally and tightening up of border control by countries, our local economy will only be able to depend on its smaller domestic consumption.

The recent roll out of COVID-19 vaccines will help our economy to recover and improve business activities in 2021. As a result, the Ministry of Trade and Industry ("MTI") is maintaining Singapore's Gross Domestic Product ("GDP") growth forecast at 4 to 6 per cent for 2021. However, a new normal in business operations is unavoidable. We will continue to be vigilant and flexible, adapt to new operating approach under this new business environment and be prudent in our cost and cash management in 2021.

Our steel distribution and manufacturing businesses have seen a recovery especially in the last quarter of 2020. We believe the momentum of recovery will be sustainable in 2021 with our focus in industries such as cleanroom and IT infrastructure together with traditional segments in shipbuilding, petrochemical and utilities. By continuing building up our order book in the steel business, the Group, as a major stockist and distributor locally and regionally will monitor the economic and demand trends so as to manage its product mix, pricing and inventory.

As PRC progress especially in the area of environmental control, we are expecting a few more upgrading projects of existing industrial cum municipal wastewater treatment plants under the BOT or Build-Own-Operate ("BOO") business model in 2021. These investment opportunities will generate a respectable yield in the long term and contribute positive cash flows to the group. In addition, we expect new EPC projects opportunities will also arise from hazardous wastewater treatment division in Singapore and the PRC as we actively participate in bids and tenders, tapping on our established track record since 2013.

The Group is working hard to look for new avenues of growth while cautiously navigating through the uncertainties in the market which is expected to persist for some time. We are committed to build a resilient team both in Singapore and overseas markets and carry out intensive marketing to promote our core competencies in both the steel distribution and water treatment businesses.

11 Dividend.

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

The Director are pleased to propose a first and final one tier tax exempt of 0.1 Singapore cent per share for the year ended 31 December 2020, subject to shareholders' approval at the forthcoming Annual General Meeting.

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

0.1 Singapore cent per share.

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

NA

(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).

One - tier tax exempt.

(d) The date the dividend is payable.

To be announced later.

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

To be announced later.

12 If no dividend has been declared/recommended, a statement to that effect.

NA

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- 13 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.

SEGMENT ANALYSIS

Primary reporting segment - business segments (The Group)

The segmental information for each business segment is based on the nature of the principal activities of the Company and its subsidiaries. They are segmented into three reporting segments; distribution of steel products business; manufacturing of steel flanges business and environmental business.

BUSINESS SEGMENT - 2019	Distribution of Steel Products Business	Manufacturing of Steel Flanges Business	Environmental Business	Elimination	Group
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
REVENUE					
External revenue	29,980	2,845	19,474	-	52,299
Inter-segment revenue	1,041	3,149	1,380	(5,570)	-
Total revenue	31,021	5,994	20,854	(5,570)	52,299
RESULTS					
Segment result	(2,025)	145	4,448	281	2,849
Gain on Bargain Purchase - net	-	-	1,718	-	1,718
Share of results of associate	-	-	956	-	956
Interest income					37
Finance costs					(1,418)
Profit before income tax					4,142
Income tax expenses					(665)
Profit for the year					3,477

BUSINESS SEGMENT - 2020	Distribution of Steel Products Business	Manufacturing of Steel Flanges Business	Environmental Business	Elimination	Group
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
REVENUE					
External revenue	30,942	1,353	16,857	-	49,152
Inter-segment revenue	1,264	3,045	797	(5,106)	-
Total revenue	32,206	4,398	17,654	(5,106)	49,152
RESULTS					
Segment result	(2,026)	94	6,710	(1,526)	3,252
Impairment loss on investment of subsidiary	(3,724)	-	-	3,724	-
Share of results of associate	-	-	226	-	226
Interest income					32
Finance costs					(1,307)
Profit before income tax					2,203
Income tax expenses					(207)
Profit for the year					1,996

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GEOGRAPHICAL SEGMENT

The geographical locations of the Group's customers comprise of below list.

Revenue by location of customers

	Revenue	
	FY 2020	FY 2019
	S\$'000	S\$'000
Singapore	15,221	16,592
China	14,906	16,859
Malaysia	3,150	5,214
India	5,535	4,101
Korea	6,745	3,063
Indonesia	1,682	2,257
Vietnam	389	1,245
Australia	508	1,039
Others	279	911
New Zealand	354	488
USA	-	332
Thailand	341	117
Philippines	9	81
Hong Kong	33	-
	49,152	52,299

Non-current assets by geographical areas in which the assets are located as follows:

	Non-current Assets	
	FY 2020	FY 2019
	S\$'000	S\$'000
Singapore	18,605	19,625
PRC	45,460	43,419
Korea	28	53
Malaysia	10,203	10,735
	74,296	73,832

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

Please refer to No. 8 page 11.

15 A breakdown of sales

	Group		
	FY 2020	FY 2019	Change
	S\$'000	S\$'000	%
(a) Sales reported for first half of year	24,304	21,971	11%
(b) Profit after income tax reported for first half year	639	244	162%
(c) Sales reported for second half of year	24,848	30,328	(18%)
(d) Profit after income tax reported for second half year	1,357	3,233	(58%)

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

Total Annual Dividend Paid

	FY 2020	FY 2019
	S\$'000	S\$'000
Ordinary	866	-
Preference	-	-
Total	866	-

17 If the Group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), 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.

No IPT Mandate has been obtained from shareholders.

18 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (10). In the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Low Kheng	67	Wife of Mr Ow Chin Seng (Executive Chairman cum CEO) and mother of Mr Ow Eei Meng, Benjamin (Deputy CEO cum Executive Director).	Mdm. Low is responsible for the marketing and sales of the Group's distribution products in Singapore. She has over 40 years of experience in the hardware and steel industry.	-
Peh Choon Chieh	46	Nephew of Mr Ow Chin Seng (Executive Chairman cum CEO) and cousin of Mr Ow Eei Meng, Benjamin (Deputy CEO cum Executive Director).	Commercial Manager in AnnAik Limited's subsidiary (Ichinose Emico Valves (S) Pte Ltd) since 1 Jan 2017. Responsible for daily operations of the Company.	Commercial Manager in AnnAik Limited's subsidiary (AnnAik Pte Ltd) since 1 April 2020. Responsible for development of sales in distribution products..
Ow Eei Phurn Benedict	41	Son of Mr Ow Chin Seng (Executive Chairman cum CEO) and brother of Mr Ow Eei Meng, Benjamin (Deputy CEO cum Executive Director).	Project Sales Manager since July 2013. Responsible for development of the project sales department in distribution products.	Sales Director since March 2020. Responsible for development of the project sales department in distribution products.

19 General- Disclosure of the status on the use of proceeds raised from The Rights cum Warrants issue. to Chapter 8.

	Allocation S\$'000	Utilization S\$'000	Balance S\$'000
Undertake potential investment in distribution and environmental business	1,680	-949	731
Working capital requirement	701	-500	201
Repayment of bank borrowings	265	-265	-
Total	2,646 ⁽¹⁾	-1,714	932

The Board wish to provide an update that the Company has during the period from 15 October 2019 to the date of this announcement utilised approximately S\$0.265 million for repayment of bank borrowings, S\$0.500 million for general working capital (settlement of Trust Receipts for purchase of inventories) and S\$0.949 million for investment in environmental business from the net proceeds.

The above allocation basis used are based on average of Net Proceeds from Maximum Subscription and Minimum Subscription Scenario (before exercise of the Warrants). As of the date of this announcement, no warrants have been exercised.

The above utilisation of the Net Proceeds from the Rights cum Warrants Issue is consistent with the intended uses as disclosed in the Company's Circular dated 11 July 2019.

⁽¹⁾The actual Net Proceeds after taking into account expenses related to Rights cum Warrants issue.

20 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 has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

On behalf of the Board of Directors

Ow Chin Seng Ng Kim Keang
Executive Chairman Executive Director

26-02-2021