



CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2021

CHOO CHIANG HOLDINGS LTD.

Incorporated in the Republic of Singapore
Company Registration Number: 201426379D

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Condensed Interim Consolidated Statement of Profit or Loss For the twelve months ended 31 December 2021

	Note	The Group					
		6 months ended			12 months ended		
		31.12.21	31.12.20	Change	31.12.21	31.12.20	Change
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue	4	41,315	32,643	26.6	79,375	52,711	50.6
Cost of sales		(29,069)	(23,084)	25.9	(55,790)	(37,261)	49.7
Gross profit		12,246	9,559	28.1	23,585	15,450	52.7
Other operating income		112	669	(83.3)	445	1,479	(69.9)
Administrative and selling expenses		(6,299)	(5,858)	7.5	(11,817)	(10,647)	11.0
Other operating expenses		(884)	(1,729)	(48.9)	(1,711)	(2,525)	(32.2)
Finance costs		(56)	(64)	(12.5)	(108)	(117)	(7.7)
Profit before income tax	5	5,119	2,577	98.6	10,394	3,640	185.5
Income tax expense	6	(957)	(507)	88.8	(1,826)	(684)	167.0
Profit for the year, representing total comprehensive income for the period attributable to owners of the Company		4,162	2,070	101.1	8,568	2,956	189.9
Earnings per share attributable to shareholders of the Company:	7						
- Basic (Singapore cents)		2.00	1.00	100.9	4.12	1.42	190.1
- Diluted (Singapore cents)		2.00	1.00	100.9	4.12	1.42	190.1

Condensed Interim Statement of Financial Position

	Note	Group As at		Company As at	
		31.12.21 \$'000	31.12.20 \$'000	31.12.21 \$'000	31.12.20 \$'000
ASSETS					
Current assets					
Cash and cash equivalents		20,394	13,526	769	488
Trade receivables		5,283	4,754	1,473	3,773
Other receivables and prepayments		795	555	16,512	17,117
Financial assets at fair value through profit or loss	15	1,303	2,118	-	-
Inventories	8	18,911	17,068	-	-
Total current assets		46,686	38,021	18,754	21,378
Non-current assets					
Property, plant and equipment	9	7,129	7,650	-	-
Investment properties		12,865	13,196	-	-
Club membership		167	186	-	-
Investment in subsidiaries		-	-	2,110	2,238
Right-of-use assets		2,789	2,765	-	-
Total non-current assets		22,950	23,797	2,110	2,238
Total assets		69,636	61,818	20,864	23,616
LIABILITIES AND EQUITY					
Current liabilities					
Trade payables		8,162	8,003	-	-
Other payables and accruals		2,613	1,691	74	246
Contract liabilities	10	160	-	-	-
Lease liabilities	11	476	509	-	-
Income tax payable		1,853	896	48	45
Total current liabilities		13,264	11,099	122	291
Non-current liabilities					
Lease liabilities	11	2,908	2,829	-	-
Deferred tax liability		131	184	-	-
Total non-current liabilities		3,039	3,013	-	-
Total liabilities		16,303	14,112	122	291
Capital and reserves					
Share capital	12	8,020	8,020	8,020	8,020
Treasury shares	12	(59)	(28)	(59)	(28)
Retained earnings		45,372	39,714	12,781	15,333
Total equity		53,333	47,706	20,742	23,325
Total liabilities and equity		69,636	61,818	20,864	23,616

Condensed Interim Statement of Changes in Equity

The Group	Share capital	Treasury shares	Accumulated profits	Total
	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2021	8,020	(28)	39,714	47,706
Profit for the year, representing total comprehensive income for the period	-	-	8,568	8,568
<i>Transactions with owners, recognised directly in equity</i>				
Purchase of treasury shares	-	(31)	-	(31)
Dividends paid (Note 13)	-	-	(2,910)	(2,910)
Balance as at 31 December 2021	8,020	(59)	45,372	53,333
Balance as at 1 January 2020	8,020	-	38,630	46,650
Profit for the year, representing total comprehensive income for the period	-	-	2,956	2,956
<i>Transactions with owners, recognised directly in equity</i>				
Purchase of treasury shares	-	(28)	-	(28)
Dividends paid (Note 13)	-	-	(1,872)	(1,872)
Balance as at 31 December 2020	8,020	(28)	39,714	47,706

Condensed Interim Statement of Changes in Equity (cont'd)

The Company	Share capital	Treasury shares	Accumulated profits	Total
	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2021	8,020	(28)	15,333	23,325
Profit for the period, representing total comprehensive income for the period	-	-	358	358
<i>Transactions with owners, recognised directly in equity</i>				
Purchase of treasury shares	-	(31)	-	(31)
Dividends paid (Note 13)	-	-	(2,910)	(2,910)
Balance as at 31 December 2021	8,020	(59)	12,781	20,742
Balance as at 1 January 2020	8,020	-	11,913	19,933
Profit for the period, representing total comprehensive income for the period	-	-	5,292	5,292
<i>Transactions with owners, recognised directly in equity</i>				
Purchase of treasury shares	-	(28)	-	(28)
Dividends paid (Note 13)	-	-	(1,872)	(1,872)
Balance as at 31 December 2020	8,020	(28)	15,333	23,325

Condensed Interim Consolidated Statement of Cash Flows For the twelve months ended 31 December 2021

	The Group	
	12 months ended	
	31.12.21	31.12.20
	\$'000	\$'000
Operating activities:		
Profit before income tax	10,394	3,640
Adjustments for:		
Interest expenses of lease liabilities	108	117
Interest income	(23)	(63)
Depreciation of property, plant and equipment	561	622
Depreciation of investment properties	331	346
Depreciation of right-of-use assets	604	587
Impairment loss on property, plant and equipment	-	476
Impairment loss on investment properties	-	461
Amortisation of club membership	19	19
Loss allowance on trade receivables	48	62
Bad debts recovered	(3)	(2)
(Reversal)/provision for stock obsolescence	(98)	80
Dividend income from financial assets at fair value through profit or loss	(73)	(63)
Fair value loss/(gain) on financial assets at fair value through profit or loss	47	(15)
Loss on disposal of financial assets at fair value through profit or loss	40	-
Gain on lease modification	(14)	-
Foreign exchange differences arising from financial assets at fair value through profit of loss	8	-
Operating cash flows before changes in working capital	11,949	6,267
Trade receivables	(574)	750
Other receivables and prepayments	(240)	(108)
Inventories	(1,745)	(2,781)
Trade payables	159	(58)
Other payables and accruals	922	(438)
Contract liabilities	160	(82)
Cash flows generated from operations	10,631	3,550
Income tax paid	(922)	(792)
Interest received	23	63
Net cash generated from operating activities	9,732	2,821
Investing activities:		
Purchase of property, plant and equipment	(40)	(87)
Dividend income from financial assets at fair value through profit or loss	73	63
Proceeds from disposal of financial assets at fair value through profit or loss	1,940	-
Purchase of financial assets at fair value through profit or loss	(1,220)	(2,103)
Net cash flows from/(used in) investing activities	753	(2,127)

Condensed Interim Consolidated Statement of Cash Flows
For the twelve months ended 31 December 2021 (cont'd)

	The Group	
	12 months ended	
	31.12.21	31.12.20
	\$'000	\$'000
Financing activities:		
Purchase of treasury shares	(31)	(28)
Repayment of lease liabilities	(568)	(540)
Dividends paid (Note 13)	(2,910)	(1,872)
Interest paid	(108)	(117)
Net cash flows used in financing activities	(3,617)	(2,557)
Net increase/(decrease) in cash and cash equivalents	6,868	(1,863)
Cash and cash equivalents at beginning of the period	13,526	15,389
Cash and cash equivalents at end of the period	20,394	13,526

Notes to the Condensed Interim Consolidated Financial Statements

1. Corporation Information

Choo Chiang Holdings Ltd. (the “**Company**”) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Catalist Board of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the six months ended 31 December 2021 comprise the Company and its subsidiaries (collectively, the “**Group**”). The Company is an investment holding company.

The primary activities of the Group and the Company are those relating to sales and retail of electrical products and accessories, as well as rental income derived from its property investment.

2. Basis of preparation

The condensed interim financial statements for the six months and full year ended 31 December 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the period ended 30 June 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency, and all values presented are rounded to the nearest thousand (“\$’000”), unless otherwise indicated.

2.1 New and amended standards adopted by the Group

During the current financial period, the Group and the Company have adopted the following amendments to SFRS(I)s which took effect from financial year beginning 1 January 2021:

- Amendments to SFRS(I) 16 *Covid-19-Related Rent Concessions*
- Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16 *Interest Rate Benchmark Reform – Phase 2*

The adoption of the above amendments to SFRS(I)s is assessed to have no material financial effect on the results and financial position of the Group and of the Company for the year ending 31 December 2021. Accordingly, it has no material impact on the earnings per share of the Group and of the Company.

Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

2.2 Use of judgments and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

The Group derives its revenue from the transfer of goods and services over time and at a point in time in the following major product lines. This is consistent with the revenue information that is disclosed for each reportable segment under SFRS(I) 8.

4.1 Disaggregation of Revenue

	The Group			
	6 months ended		12 months ended	
	31.12.21	31.12.20	31.12.21	31.12.20
	\$'000	\$'000	\$'000	\$'000
<u>Segment revenue</u>				
Sales of goods	41,064	32,404	78,876	52,248
Rental income	251	239	499	463
	<u>41,315</u>	<u>32,643</u>	<u>79,375</u>	<u>52,711</u>
<u>Timing of revenue recognition</u>				
At a point in time:				
Sales of goods	41,064	32,404	78,876	52,248
Over time:				
Rental income	251	239	499	463
	<u>41,315</u>	<u>32,643</u>	<u>79,375</u>	<u>52,711</u>

Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

4. Segment and revenue information (cont'd)

A breakdown of sales as follows:-

	The Group		Change
	12 months ended		
	31.12.21	31.12.20	
	\$'000	\$'000	%
(a) Sales reported for first half year	38,060	20,068	89.7
(b) Operating profit after income tax before deducting non-controlling interests reported for first half year	4,406	886	397.3
(c) Sales reported for second half year	41,315	32,643	26.6
(d) Operating profit after income tax before deducting non-controlling interests reported for second half year	4,162	2,070	101.1

4.2 Reportable segment

The Group is currently organised into two main business activities. The two main business activities are Distribution Business and Property Investment Business.

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

Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

4.2 Reportable segment (cont'd)

Business segment information

	Distribution business	Property investment business	Total
	\$'000	\$'000	\$'000
6 months ended 31 December 2021			
Revenue			
External sales of goods	41,064	-	41,064
Rental income	-	251	251
Segment revenue	41,064	251	41,315
Cost of sales			
External purchases	(28,852)	-	(28,852)
Cost of property maintenance	-	(217)	(217)
Segment cost of sales	(28,852)	(217)	(29,069)
Results			
Segment result	12,212	34	12,246
Other operating income	112	-	112
Administrative and selling expenses	(6,283)	(16)	(6,299)
Other operating expenses	(884)	-	(884)
Finance costs	(56)	-	(56)
Profit before income tax	5,101	18	5,119
Income tax expense			(957)
Profit after income tax			4,162
Assets			
Segment assets	55,683	13,107	68,790
Unallocated assets			846
Combined total assets			69,636
Liabilities			
Segment liabilities	15,977	210	16,187
Unallocated liabilities			116
Combined total liabilities			16,303
Other information			
Purchase of property, plant and equipment	19	-	19
Addition of right-of-use assets	584	-	584
Depreciation of property, plant and equipment	269	-	269
Depreciation of right-of-use assets	303	-	303
Depreciation of investment properties	-	165	165
Amortisation of club membership	10	-	10

Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

4.2 Reportable segment (cont'd)

Business segment information

	Distribution business	Property investment business	Total
	\$'000	\$'000	\$'000
6 months ended 31 December 2020			
Revenue			
External sales of goods	32,404	-	32,404
Rental income	-	239	239
Segment revenue	32,404	239	32,643
Cost of sales			
External purchases	(22,879)	-	(22,879)
Cost of property maintenance	-	(205)	(205)
Segment cost of sales	(22,879)	(205)	(23,084)
Results			
Segment result	9,525	34	9,559
Other operating income	665	4	669
Administrative and selling expenses	(5,776)	(82)	(5,858)
Other operating expenses	(1,251)	(478)	(1,729)
Finance costs	(64)	-	(64)
Profit (loss) before income tax	3,099	(522)	2,577
Income tax expense			(507)
Profit after income tax			2,070
Assets			
Segment assets	47,775	13,519	61,294
Unallocated assets			524
Combined total assets			61,818
Liabilities			
Segment liabilities	13,779	191	13,970
Unallocated liabilities			142
Combined total liabilities			14,112
Other information			
Purchase of property, plant and equipment	4	-	4
Addition of right-of-use assets	833	-	833
Depreciation of property, plant and equipment	321	-	321
Depreciation of right-of-use assets	303	-	303
Depreciation of investment properties	-	173	173
Amortisation of club membership	10	-	10
Impairment of investment properties	-	461	461
Impairment loss of property, plant and equipment	476	-	476

Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

4.2 Reportable segment (cont'd)

Business segment information

	Distribution business	Property investment business	Total
	\$'000	\$'000	\$'000
<u>12 months ended 31 December 2021</u>			
Revenue			
External sales of goods	78,876	-	78,876
Rental income	-	499	499
Segment revenue	78,876	499	79,375
Cost of sales			
External purchases	(55,361)	-	(55,361)
Cost of property maintenance	-	(429)	(429)
Segment cost of sales	(55,361)	(429)	(55,790)
Results			
Segment result	23,515	70	23,585
Other operating income	445	-	445
Administrative and selling expenses	(11,772)	(45)	(11,817)
Other operating expenses	(1,708)	(3)	(1,711)
Finance costs	(108)	-	(108)
Profit before income tax	10,372	22	10,394
Income tax expense			(1,826)
Profit after income tax			8,568
Assets			
Segment assets	55,683	13,107	68,790
Unallocated assets			846
Combined total assets			69,636
Liabilities			
Segment liabilities	15,977	210	16,187
Unallocated liabilities			116
Combined total liabilities			16,303
Other information			
Purchase of property, plant and equipment	40	-	40
Addition of right-of-use assets	722	-	722
Depreciation of property, plant and equipment	561	-	561
Depreciation of right-of-use assets	604	-	604
Depreciation of investment properties	-	331	331
Amortisation of club membership	19	-	19

Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

4.2 Reportable segment (cont'd)

Business segment information

	Distribution business	Property investment business	Total
	\$'000	\$'000	\$'000
<u>12 months ended 31 December 2020</u>			
Revenue			
External sales of goods	52,248	-	52,248
Rental income	-	463	463
Segment revenue	52,248	463	52,711
Cost of sales			
External purchases	(36,859)	-	(36,859)
Cost of property maintenance	-	(402)	(402)
Segment cost of sales	(36,859)	(402)	(37,261)
Results			
Segment result	15,389	61	15,450
Other operating income	1,468	11	1,479
Administrative and selling expenses	(10,534)	(113)	(10,647)
Other operating expenses	(2,026)	(499)	(2,525)
Finance costs	(117)	-	(117)
Profit (loss) before income tax	4,180	(540)	3,640
Income tax expense			(684)
Profit after income tax			2,956
Assets			
Segment assets	47,775	13,519	61,294
Unallocated assets			524
Combined total assets			61,818
Liabilities			
Segment liabilities	13,779	191	13,970
Unallocated liabilities			142
Combined total liabilities			14,112
Other information			
Purchase of property, plant and equipment	87	-	87
Addition of right-of-use assets	833	-	833
Depreciation of property, plant and equipment	622	-	622
Depreciation of right-of-use assets	587	-	587
Depreciation of investment properties	-	346	346
Amortisation of club membership	19	-	19
Impairment loss of investment properties	-	461	461
Impairment loss of property, plant and equipment	476	-	476

Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

5. Profit before income tax

5.1 Significant items

	The Group			
	6 months ended		12 months ended	
	31.12.21	31.12.20	31.12.21	31.12.20
	\$'000	\$'000	\$'000	\$'000
Profit before income tax is arrived after charging/(crediting):				
Government grant	(43)	(597)	(178)	(1,248)
Interest income	(13)	-	(23)	(63)
Bad debt recovered	-	(1)	(3)	(2)
Dividend income from financial assets at fair value through profit or loss ("FVTPL")	(32)	(45)	(73)	(63)
Cost of inventories included in expenses	28,852	22,879	55,361	36,859
(Reversal)/provision for stock obsolescence	(98)	80	(98)	80
Loss allowance on trade receivables	25	56	48	62
Depreciation of property, plant and equipment	269	321	561	622
Depreciation of investment properties	165	173	331	346
Depreciation of right-of-use assets	303	303	604	587
Impairment loss of property, plant and Equipment	-	476	-	476
Impairment loss of investment properties	-	461	-	461
Amortisation of club membership	10	10	19	19
Net foreign exchange loss	29	14	28	31
Net fair value loss/(gain) on financial assets at FVTPL	42	(74)	47	(15)
Net loss on disposal of financial assets at FVTPL	40	-	40	-
Interest expenses of lease liabilities	56	64	108	117

Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

5.2 Related party transactions

There are no material related party transactions apart those disclosed elsewhere in the condensed interim financial statements and other information required under listing manual.

6. Income tax expense

	The Group			
	6 months ended		12 months ended	
	31.12.21	31.12.20	31.12.21	31.12.20
	\$'000	\$'000	\$'000	\$'000
Current tax expense				
Current year	1,011	464	1,878	641
Over provision in prior year	(2)	(115)	-	(115)
	<u>1,009</u>	<u>349</u>	<u>1,878</u>	<u>526</u>
Deferred tax expense				
Origination and reversal of temporary differences	(10)	47	(10)	47
(Over)/Under provision in prior year	(42)	111	(42)	111
	<u>(52)</u>	<u>158</u>	<u>(52)</u>	<u>158</u>
Total	<u>957</u>	<u>507</u>	<u>1,826</u>	<u>684</u>

7. Earnings per share

	The Group			
	6 months ended		12 months ended	
	31.12.21	31.12.20	31.12.21	31.12.20
Earnings per ordinary share ("EPS")				
Profit attributable to owners of the Company (\$'000)	4,162	2,070	8,568	2,956
Weighted average number of ordinary shares / Number of ordinary shares ('000)	207,937	207,750	207,785	207,968
Basic and diluted EPS (Singapore cents)	<u>2.00</u>	<u>1.00</u>	<u>4.12</u>	<u>1.42</u>

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

Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

8. Inventories

	The Group	
	As at	
	<u>31.12.21</u>	<u>31.12.20</u>
	\$'000	\$'000
At cost:		
- Finished goods	20,814	19,060
- Goods in transit	258	267
	<u>21,072</u>	<u>19,327</u>
Less: Allowance for stock obsolescence	<u>(2,161)</u>	<u>(2,259)</u>
	<u>18,911</u>	<u>17,068</u>
Movement in the allowance for stock obsolescence:		
Balance as at 1 January	2,259	2,179
Charged to profit or loss	(98)	80
Balance as at 31 December	<u>2,161</u>	<u>2,259</u>

9. Property, plant and equipment

During the financial year ended 31 December 2021, the Group acquired assets amounting to \$40,000 (31 December 2020: \$87,000) and disposal of assets amounting to \$64,000 (31 December 2020: \$8,000).

10. Contract liabilities

Contract liabilities relate to advanced payment from a customer. Revenue relating to sale of goods is recognised when control of the goods has transferred to the customer, being at the point the goods are delivered to the customer.

Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

11. Lease liabilities

	As at 31.12.21		As at 31.12.20	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
<u>Amount repayable in one year or less, or on demand</u>				
Lease liabilities	45	431	69	440
<u>Amount repayable after one year</u>				
Lease liabilities	227	2,681	107	2,722

Details of any collaterals

As at 31.12.21 and 31.12.20

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

12. Share capital and treasury shares

	The Group and the Company			
	31.12.21	31.12.20	31.12.21	31.12.20
	Number of issued shares		\$'000	\$'000
Balance as at 1 January	208,000,000	208,000,000	8,020	8,020
Less: Treasury shares	(257,600)	(127,100)	(59)	(28)
Balance as at 31 December	207,742,400	207,872,900	7,961	7,992

Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

12. Share capital and treasury shares (cont'd)

Treasury shares

During the year ended 31 December 2021, the Company has bought back 130,500 (31 December 2020: 127,100) shares by way of market acquisition and all shares acquired are held as treasury shares. The latest share buyback for the current financial period was purchased and announced on 13 September 2021. Following the purchase, the Company has 257,600 treasury shares (2020: 127,100) and equivalent to 0.12% (2020: 0.06%) of the total number of outstanding issued shares as at 31 December 2021.

The Company had adopted the Choo Chiang Performance Share Plan prior to its listing on the Catalist in July 2015. As at 31 December 2020 and 31 December 2021, no share awards were granted under this performance share plan. As at 31 December 2020 and 31 December 2021, the Company did not have any outstanding options, warrants or other instrument convertible into securities of the Company.

The total number of issued shares excluding treasury shares as at 31 December 2021 and 31 December 2020 was 207,742,400 shares and 207,872,900 shares respectively.

There were no sales, transfers, disposals, cancellation and/or use of treasury shares as at 31 December 2021 and 31 December 2020.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2021 and 31 December 2020.

13. Dividends paid

	The Group	
	Financial Year	
	2021	2020
	\$'000	\$'000
Dividends paid on ordinary shares:		
Special exempt (one tier) dividend for 2020:		
NIL (2020: 0.2) cents per share	-	416
Final exempt (one tier) dividend for 2020:		
0.7 (2020: 0.5) cents per share	1,454	1,040
Interim exempt (one tier) dividend for 2021:		
0.7 (2020: 0.2) cents per share	1,456	416
	<u>2,910</u>	<u>1,872</u>

Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

14. Net Asset Value

	The Group		The Company	
	As at		As at	
	31.12.21	31.12.20	31.12.21	31.12.20
Net Asset Value ("NAV")				
Net assets (\$'000)	53,333	47,706	20,742	23,325
Number of issued shares excluding treasury shares ('000)	207,742	207,873	207,742	207,873
NAV per ordinary share (Singapore cents)	25.67	22.95	9.98	11.22

15. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2021 and 31 December 2020.

	Note	The Group		The Company	
		As at		As at	
		31.12.21	31.12.20	31.12.21	31.12.20
		\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss					
Quoted equity instruments		287	2,118	-	-
Unquoted equity instruments		1,016	-	-	-
		1,303	2,118	-	-
Financial assets at amortised cost					
Cash and cash equivalents		20,394	13,526	769	488
Trade receivables		5,283	4,754	1,473	3,773
Other receivables		598	346	16,468	17,105
		26,275	18,626	18,710	21,366
Financial liabilities at amortised cost					
Trade payables		8,162	8,003	-	-
Other payables and accruals		2,613	1,691	74	246
Lease liabilities	11	3,384	3,338	-	-
		14,159	13,032	74	246

Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

15. Financial assets and financial liabilities (cont'd)

Fair value measurement

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (**Level 1**);
- Inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (**Level 2**); and
- Inputs for the assets or liability which are not based on observable market data (unobservable inputs) (**Level 3**)

The following table presented the assets measured at fair value:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Group as at 31 December 2021				
Financial assets at FVTPL				
- Quoted equity instruments ⁽¹⁾	287	-	-	287
- Unquoted equity instruments ⁽²⁾	-	-	1,016	1,016
	287	-	1,016	1,303
Group as at 31 December 2020				
Financial assets at FVTPL				
- Quoted equity instruments ⁽¹⁾	2,118	-	-	2,118

⁽¹⁾ The quoted equity instruments classified at FVTPL have no fixed maturity date or coupon rate and are denominated in Singapore dollar. The fair values of these instruments are based on closing quoted market prices on the last market day of the financial year. These investments classified as Level 1 fair value hierarchy.

⁽²⁾ The unquoted equity instruments are equity share investment in private equity. The fair value of the unquoted equity shares was valued by an independent valuer. The investment is classified as Level 3 fair value hierarchy.

16. Subsequent events

There is no known subsequent event which have led to adjustments to this set of interim financial statements.

Other Information Required by Appendix 7C of the Listing Rule

1. Review

The condensed consolidated statement of financial position of the Company and its subsidiaries as at 31 December 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the twelve-month period then ended and certain explanatory notes have not been audited or reviewed. There is no auditors' report issued (including any qualifications or emphasis of a matter).

The Company has an unqualified opinion for its most recently audited financial statements for the financial year ended 31 December 2020.

2. Review of performance of the Group

Review of financial performance

Revenue

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

Total revenue increased by \$26,664,000 or 50.6%, from \$52,711,000 for the financial year ended 31 December 2020 ("**FY2020**") to \$79,375,000 for the financial year ended 31 December 2021 ("**FY2021**"), mainly due to an increase in the revenue from the Distribution Business segment.

- ***Distribution Business***
Revenue from Distribution Business segment increased by \$26,628,000 or 51.0%, from \$52,248,000 in FY2020 to \$78,876,000 in FY2021. The increase was mainly due to the recovery of construction sector from the Coronavirus ("**COVID-19**"). In FY2020, the Singapore government had implemented Circuit Breaker measures which caused the suspension of most of the construction works for more than 2 months and resulted in lower demand for electrical products and accessories. In addition, the increase is due to the upward adjustment of selling prices for certain electrical products and accessories in FY2021.
- ***Property Investment***
Rental income from the Property Investment segment increased by \$36,000 or 7.8%, from \$463,000 in FY2020 to \$499,000 in FY2021 mainly due to three (3) units of investment properties being vacant for a couple of months in FY2020. The said properties were fully leased out in FY2021.

Cost of sales

Cost of sales increased by \$18,529,000 or 49.7%, from \$37,261,000 in FY2020 to \$55,790,000 in FY2021, which is in line with the increase in revenue.

- *Distribution Business*
Cost of sales of the Distribution Business segment increased by \$18,502,000 or 50.2%, from \$36,859,000 in FY2020 to \$55,361,000 in FY2021, which is generally in line with the increase in revenue for this segment.
- *Property Investment*
Cost of sales of the Property Investment segment increased by \$27,000 or 6.7%, from \$402,000 in FY2020 to \$429,000 in FY2021, which is generally in line with the increase in revenue for this segment.

Gross profit and gross profit margin

Gross profit increased by \$8,135,000 or 52.7% from \$15,450,000 in FY2020 to \$23,585,000 in FY2021. Gross profit margin has been stable and there was a marginal increase from 29.3% in FY2020 to 29.7% in FY2021.

The gross profit margin of the Distribution Business segment increased marginally by 0.3% from approximately 29.5% in FY2020 to 29.8% in FY2021.

The gross profit margin of the Property Investment segment increased marginally by 0.8% from 13.2% in FY2020 to 14.0% in FY2021.

Other operating income

Other operating income decreased by \$1,034,000 or 69.9%, from \$1,479,000 in FY2020 to \$445,000 in FY2021. The decrease in other operating income was mainly due to decrease in (i) government grant, such as Jobs Support Scheme (JSS), foreign worker levy rebates and property tax rebates; and (ii) interest income. These decreases were partially offset by the increase in dividend income from financial assets at FVTPL.

Administrative and selling expenses

Administrative and selling expenses increased by \$1,170,000 or 11.0%, from \$10,647,000 in FY2020 to \$11,817,000 in FY2021. The increase in administrative and selling expenses was mainly due to an increase in (i) staff cost and staff welfare; (ii) marketing expenses; and (iii) upkeep of motor vehicles expenses.

Other operating expenses

Other operating expenses decreased by \$814,000 or 32.2%, from \$2,525,000 in FY2020 to \$1,711,000 in FY2021, mainly due to the decrease in (i) impairment loss of property, plant and equipment and investment properties; and (ii) depreciation in property, plant and equipment. These decreases were partially offset by the increase in (i) bank charges; (ii) fair value loss on financial assets at FVTPL; and (iii) loss on disposal of financial assets at FVTPL.

Finance costs

Finance costs decreased marginally from \$117,000 in FY2020 to \$108,000 in FY2021.

Profit before income tax

As a result of the reasons mentioned above, the Group's profit before income tax increased by \$6,754,000 or 185.5% from \$3,640,000 in FY2020 to \$10,394,000 in FY2021.

Review of financial position

Current assets

Current assets increased by \$8,665,000 from \$38,021,000 as at 31 December 2020 to \$46,686,000 as at 31 December 2021. The increase in current assets were mainly due to an increase in cash and bank balances of \$6,868,000, inventories of \$1,843,000, trade receivables of \$529,000 and other receivables and prepayments of \$240,000. These increases were offset by the decrease in investment in financial assets at FVTPL of \$815,000 arising from fair value loss and loss on disposal.

Non-current assets

Non-current assets decreased by \$847,000 from \$23,797,000 as at 31 December 2020 to \$22,950,000 as at 31 December 2021. The decrease in non-current assets were mainly due to the decrease of property, plant and equipment of \$521,000, investment properties of \$331,000 and club membership of \$19,000. These decreased were partially offset by the increase in right-of-use assets of \$24,000.

Current liabilities

Current liabilities increased by \$2,165,000 from \$11,099,000 as at 31 December 2020 to \$13,264,000 as at 31 December 2021. The increase in current liabilities were mainly due to an increase in other payables and accruals of \$922,000, provision for taxation of \$957,000, trade payables of \$159,000 and contract liabilities of \$160,000. The increases were partially offset by the decrease of current portion of lease liabilities of \$33,000.

Non-current liabilities

Non-current liabilities increased by \$26,000 from \$3,013,000 as at 31 December 2020 to \$3,039,000 as at 31 December 2021. The increase in non-current liabilities is mainly due to an increase in the non-current portion of lease liabilities of \$79,000. The increase is offset by the decrease in deferred tax liability of \$53,000.

Review of cash flow management

Net cash generated from operating activities

In FY2021, the Group generated net cash inflow from operating activities of approximately \$9,732,000, which was a result of operating cash flows before changes in working capital of approximately \$11,949,000, net working capital outflows of approximately \$1,318,000, income tax paid of approximately \$922,000 and interest received of approximately \$23,000.

Net cash used in investing activities

In FY2021, the Group's net cash inflow for investing activities amounted to approximately \$753,000, mainly due to (i) proceeds from disposal of financial assets at FVTPL of \$1,940,000 and (ii) dividend income from financial assets at FVTPL of \$73,000. These were offset by (i) purchases of financial assets at FVTPL of \$1,220,000; and (ii) purchases of property, plant and equipment of \$40,000.

Net cash used in financing activities

In FY2021, the Group's net cash outflow for financing activities amounted to approximately \$3,617,000, mainly due to (i) dividends payment of \$2,910,000; (ii) lease liabilities and interest payments of \$676,000; and (iii) purchase of treasury shares of \$31,000.

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

There has not been any forecast or prospect statement in relation to the Group's results for FY2021 previously disclosed to shareholders.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

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

The outbreak of COVID-19 has impacted the global economy, including Singapore. Although the customer demand and sales for FY2021 is moving towards normalisation, we are closely monitoring the development and impact of the COVID-19 situation, and we will continue to provide good value to our customers and explore business opportunities so as to increase our revenue and profit.

5. Dividend information

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

Current financial period reported on

The Directors are pleased to recommend a final dividend of 1.3 Singapore cents per share. The final dividend is subjected to the approval of the Company's shareholders at the forthcoming annual general meeting of the Company to be held in April 2022.

Together with the interim dividend of 0.7 Singapore cents per share that was paid on 7 September 2021, the total dividends declared by the Group for FY2021 are as follows:

Name of dividend	Interim dividend	Final dividend
Dividend type	Cash	Cash
Dividend per ordinary share	0.7 Singapore cents	1.3 Singapore cents
Total annual dividend	\$1,454,337	\$2,700,651
Tax rate	Tax exempt (one-tier)	Tax exempt (one-tier)

Previous corresponding period of the Immediately Preceding Financial Year

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

(b) The date the dividend is payable

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

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

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

6. Interested person transactions

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

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

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

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

8. Disclosure on Acquisitions and Realisation of Shares pursuant to Catalist Rule 706(A)

There were no acquisition or realisation of shares in any of the Group's subsidiary or associated company nor incorporation of any new subsidiary or associated company by the Company or any of the Group's entities during the full financial year ended 31 December 2021.

9. **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(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties and the year the position was first held	Details of changes in duties and positions held, if any, during the year
Wilson Foo	50	Nephew of Lim Teck Chuan (Executive Chairman and Chief Executive Officer) and Lim Teck Seng (Executive Director).	General Manager since 2007. Responsible for the overall management of the business.	Nil
Josephine Tay	52	Spouse of Lim Teck Seng (Executive Director).	Administrative Manager since 1991. Responsible for all aspects of human resource and administrative function of the Group.	Nil
Andy Tay	49	Brother-in-law of Lim Teck Seng (Executive Director).	Head of Sales (Retail) since February 2020. Responsible for developing and implementing retail sales strategies of the Group.	Nil
Ann Lim	36	Daughter of Lim Teck Chuan (Executive Chairman and Chief Executive Officer) and niece of Lim Teck Seng (Executive Director)	Marketing and Communications Manager since February 2020. Responsible for marketing and business development related matters of the Group.	Nil



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Company Reg. No. 201426379D
GST Reg. No. 201426379D

BY ORDER OF THE BOARD

Lim Teck Chuan
Executive Chairman and Chief Executive Officer

Singapore

23 February 2022