

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

Nanofilm Technologies International Limited (the “**Company**”) was listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“**Listing**”) on 30 October 2020 (“**Listing Date**”).

*Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as ascribed to them in the prospectus of Nanofilm Technologies International Limited dated 23 October 2020 (the “**Prospectus**”) in relation to the Listing.*

Credit Suisse (Singapore) Limited and Oversea-Chinese Banking Corporation Limited are the Joint Issue Managers for the Offering. Citigroup Global Markets Singapore Pte. Ltd., Credit Suisse (Singapore) Limited and Oversea-Chinese Banking Corporation Limited are the Joint Global Coordinators for the Offering. Citigroup Global Markets Singapore Pte. Ltd., CLSA Singapore Pte Ltd, Credit Suisse (Singapore) Limited and Oversea-Chinese Banking Corporation Limited are the Joint Bookrunners and Underwriters for the Offering. The Joint Issue Managers, the Joint Global Coordinators and the Joint Bookrunners and Underwriters assume no responsibility for the contents of this announcement.

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**Unaudited Financial Statements and Dividend Announcement for the Financial Year ended 31 December 2020**


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**PART I – INFORMATION REQUIRED FOR HALF-YEAR AND FULL YEAR ANNOUNCEMENTS**

**1(a)(i) A statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group		
	<u>FY2020</u>	<u>FY2019</u>	<u>Change</u>
	S\$'000	S\$'000	%
<b>Revenue</b>	218,337	142,908	52.8
Cost of sales	(98,550)	(65,245)	51.0
Gross profit	<u>119,787</u>	<u>77,663</u>	54.2
Other operating income	4,183	1,907	119.3
Finance income	525	507	3.6
Expenses:			
Selling and distribution	(21,731)	(16,771)	29.6
Administrative	(29,628)	(21,125)	40.3
Finance	(1,573)	(1,376)	14.3
Other operating	-	(872)	n.m.
Impairment loss allowance on trade receivables and contract assets	(1,287)	(37)	3,378.4
Share of loss of associated company	-	(1)	n.m.
<b>Profit before income tax</b>	<u>70,276</u>	<u>39,895</u>	76.2
Income tax	(12,213)	(5,354)	128.1
<b>Profit after income tax</b>	<u>58,063</u>	<u>34,541</u>	68.1
<b>Other comprehensive income/(loss), net of tax</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange difference arising from translation of foreign operations	8,144	(3,900)	n.m.
<b>Total comprehensive income for the year</b>	<u>66,207</u>	<u>30,641</u>	116.1
<b>Profit/(loss) attributable to:</b>			
Equity holders of the Company	57,615	35,755	61.1
Non-controlling interests	448	(1,214)	n.m.
	<u>58,063</u>	<u>34,541</u>	68.1
<b>Total comprehensive income/(loss) attributable to:</b>			
Equity holders of the Company	65,509	32,022	104.6
Non-controlling interests	698	(1,381)	n.m.
	<u>66,207</u>	<u>30,641</u>	116.1
<b>Adjusted EBITDA</b>	<u>96,939</u>	<u>57,094</u>	69.8

n.m. - Not meaningful.

**1(a)(ii) Notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year.**

**1. Profit before income tax**

This is arrived after charging/(crediting) the following:

	Group		
	<u>FY2020</u>	<u>FY2019</u>	<u>Change</u>
	S\$'000	S\$'000	%
Interest expense on:			
- bank loans	556	118	371.2
- convertible notes carried at amortised cost	845	1,029	(17.9)
- lease liabilities	172	229	(24.9)
Interest income from:			
- bank deposits	(525)	(507)	3.6
Other operating income:			
- Government grants and incentives	(3,774)	(1,395)	170.5
- Gain on disposal of an associated company	-	(75)	n.m.
Material items included in expenses:			
Research and development & engineering expenses	12,980	9,092	42.8
Depreciation of property, plant and equipment	18,062	13,453	34.3
Amortisation of land use rights	278	239	16.3
Amortisation of intangible assets	1,193	1,126	6.0
Lease expenses	566	544	4.0
Listing expenses			
- Recurring	9	-	n.m.
- Non-recurring	2,479	-	n.m.
Impairment loss allowance on trade receivables and contract assets	1,287	37	3,378.4
Impairment of goodwill	-	872	n.m.
Write (back)/down of inventories	(91)	367	n.m.
Write off of obsolete stock	9	-	n.m.
Staff costs (including directors' remuneration)			
- Salaries and related costs	51,900	42,966	20.8
- Contribution to defined contribution plans	1,563	1,070	46.1
- Share option expenses	478	64	646.9
- Restricted shares award cost	3,238	-	n.m.
Write off/Loss on disposal of property, plant and equipment	54	129	(58.1)
Write off of intangible assets	417	-	n.m.
Exchange loss	757	605	25.1
Fair value loss on derivative	-	152	n.m.
Provision for warranty	315	579	(45.6)
Reversal of provision for warranty	(434)	(472)	(8.1)

**2. Income tax**

	Group		
	<u>FY2020</u>	<u>FY2019</u>	<u>Change</u>
	S\$'000	S\$'000	%
Under/(over) provision in prior years			
- Income tax	762	(423)	n.m.

n.m. - Not meaningful.

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

	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	174,538	107,276	7,933	6,561
Land use rights	13,063	12,768	-	-
Intangible assets	3,802	4,021	3,802	4,021
Investment in subsidiaries	-	-	66,627	18,795
Other receivables and other non-current assets	488	180	39,062	36,502
Deferred tax assets	478	-	-	-
	<u>192,369</u>	<u>124,245</u>	<u>117,424</u>	<u>65,879</u>
<b>Current assets</b>				
Inventories	15,788	14,734	4,576	5,209
Trade and other receivables, and other current assets	95,670	58,210	15,945	31,187
Contract assets/Accrued receivables	17,706	11,376	-	-
Cash and bank balances	227,355	25,405	195,560	15,317
	<u>356,519</u>	<u>109,725</u>	<u>216,081</u>	<u>51,713</u>
<b>Total assets</b>	<u>548,888</u>	<u>233,970</u>	<u>333,505</u>	<u>117,592</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to equity holders of the Company</b>				
Share capital	263,756	9,696	263,756	9,696
Reserves	167,085	110,818	43,015	40,685
	<u>430,841</u>	<u>120,514</u>	<u>306,771</u>	<u>50,381</u>
Non-controlling interests	9,589	6,912	-	-
<b>Total equity</b>	<u>440,430</u>	<u>127,426</u>	<u>306,771</u>	<u>50,381</u>
<b>Non-current liabilities</b>				
Bank loans	18,328	-	3,470	-
Lease liabilities	1,449	346	1,365	15
Convertible notes	-	49,940	-	49,940
Deferred tax liabilities	1,012	988	1,012	988
	<u>20,789</u>	<u>51,274</u>	<u>5,847</u>	<u>50,943</u>
<b>Current liabilities</b>				
Trade and other payables	47,148	37,014	5,842	10,287
Contract liabilities/Advanced receipts	11,930	6,368	10,230	3,570
Bank loans	21,419	3,864	972	-
Lease liabilities	1,071	4,284	879	297
Provisions	302	455	302	391
Provision for taxation	5,799	3,285	2,662	1,723
	<u>87,669</u>	<u>55,270</u>	<u>20,887</u>	<u>16,268</u>
<b>Total liabilities</b>	<u>108,458</u>	<u>106,544</u>	<u>26,734</u>	<u>67,211</u>
<b>Total equity and liabilities</b>	<u>548,888</u>	<u>233,970</u>	<u>333,505</u>	<u>117,592</u>

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

**Amount repayable in one year or less, or on demand**

As at 31/12/2020		As at 31/12/2019	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
21,301	1,189	4,284	3,864

**Amount repayable after one year**

As at 31/12/2020		As at 31/12/2019	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
15,999	3,778	346	49,940

**Details of any collateral**

A non-current bank loan amounting to S\$14.6 million (2019: Nil) procured by a wholly owned subsidiary, Nanofilm Renewable Energy Technology (Shanghai) Co., Ltd. ("**NRE**") for the construction of Shanghai Plant 2 is secured by a mortgage over the land use rights of Shanghai Plant 2 and construction in progress on the land.

A current bank loan amounting to S\$20.2 million (2019: Nil) procured by a wholly owned subsidiary, Nanofilm Vacuum Coating (Shanghai) Co., Ltd. ("**NVC**") for working capital requirements is secured by the corporate guarantee of a subsidiary of the Group.

Lease liabilities of the Group amounting to S\$2.5 million (2019: S\$4.6 million) are secured by the leased properties (2019: leased properties, motor vehicles and plant and machinery) under the leasing arrangements.

**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	
	<u>FY2020</u>	<u>FY2019</u>
	S\$'000	S\$'000
<b>Cash Flows from Operating Activities</b>		
Profit before income tax	70,276	39,895
Adjustments for:		
Depreciation of property, plant and equipment	18,062	13,453
Amortisation of land use rights	278	239
Amortisation of intangible assets	1,193	1,126
Finance expenses	1,573	1,376
Finance income	(525)	(507)
Provision for warranty	315	579
Reversal of provision for warranty	(434)	(472)
Fair value loss on derivative	-	152
Gain on disposal of an associated company	-	(75)
Write off/Loss on disposal of property, plant and equipment	54	129
Impairment loss on goodwill	-	872
Expense recognised in respect of share-based payments and ESOS	3,716	64
Exchange differences – unrealised	111	386
Write off of intangible assets	417	-
Share issuance expense charged to profit or loss	2,479	-
Listing grant recognised in profit or loss	(280)	-
Share of loss of an associate company	-	1
<b>Operating cash flows before working capital changes</b>	<u>97,235</u>	<u>57,218</u>
Inventories	675	4,550
Trade, other receivables and other current assets (include contract assets)	(40,889)	(17,112)
Trade, other payables and provisions (include contract liabilities)	<u>14,080</u>	<u>15,235</u>
<b>Cash generated from operations</b>	71,101	59,891
Interest paid	(2,400)	(836)
Interest received	525	513
Income tax paid	<u>(10,209)</u>	<u>(7,082)</u>
<b>Net cash generated from operating activities</b>	<u>59,017</u>	<u>52,486</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(79,153)	(46,335)
Advances paid for purchase of property, plant and equipment	(488)	-
Proceeds from disposal of property, plant and equipment	180	47
Additions to intangible assets	(1,043)	(1,306)
Additions for land use rights	-	(312)
Proceeds from disposal of associated company	-	2,614
<b>Net cash used in investing activities</b>	<u>(80,504)</u>	<u>(45,292)</u>
<b>Cash Flows from Financing Activities</b>		
Contribution of capital by non-controlling interests	1,809	-
Proceeds from issuance of shares under ESOS	6,462	-
Proceeds from issuance of IPO shares	200,000	-
Share issuance expense capitalised against share capital	(6,519)	-
Share issuance expense charged to profit or loss	(2,479)	-
Listing grant received	1,000	-
Advances received for subscription of shares	1,216	-
Proceeds from bank loans	55,338	21,825
Repayment of bank loans	(20,010)	(17,875)
Principal payment of lease liabilities	(4,850)	(832)
Increase in fixed deposits pledged with banks	(38)	(813)
Dividends paid	(9,631)	(9,532)
<b>Net cash generated from/(used in) financing activities</b>	<u>222,298</u>	<u>(7,227)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	200,811	(33)
<b>Cash and cash equivalents at the beginning of the year</b>	24,592	25,089
Effects of exchange rate changes on cash and cash equivalents held in foreign currencies	1,101	(464)
<b>Cash and cash equivalents at the end of the year</b>	<u>226,504</u>	<u>24,592</u>

**Note:**

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

Cash and bank balances and fixed deposits	227,355	25,405
Less: Pledged fixed deposits	(851)	(813)
	<u>226,504</u>	<u>24,592</u>

**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 financial year.**

**Consolidated Statement of Changes in Equity**

Group	Attributable to equity holders of the Company					Total S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Translation reserve S\$'000	Statutory reserve S\$'000	Other reserves S\$'000	Accumulated profits S\$'000			
<b>At 1 January 2020</b>	9,696	(9,020)	5,434	703	113,701	120,514	6,912	127,426
Profit for the year	-	-	-	-	57,615	57,615	448	58,063
Other comprehensive income	-	7,894	-	-	-	7,894	250	8,144
Total comprehensive income for the year	-	7,894	-	-	57,615	65,509	698	66,207
Transfer of statutory reserve	-	-	422	-	(422)	-	-	-
Transactions with equity holders, recognised directly in equity								
- Dividends	-	-	-	-	(9,631)	(9,631)	-	(9,631)
- Issuance of shares under ESOS	6,621	-	-	(159)	-	6,462	-	6,462
- Issuance of shares under RSP	3,238	-	-	-	-	3,238	-	3,238
- Issuance of IPO shares	200,000	-	-	-	-	200,000	-	200,000
- Share issuance expenses, net of listing grant	(5,799)	-	-	-	-	(5,799)	-	(5,799)
- Conversion of convertible bonds	50,000	-	-	240	-	50,240	-	50,240
- Adjustment on employee share options	-	-	-	478	-	478	-	478
- Contribution of capital by non-controlling interest	-	-	-	-	-	-	1,809	1,809
- Increase in ownership interest in subsidiaries	-	-	-	(170)	-	(170)	170	-
Total transactions with equity holders	254,060	-	-	389	(9,631)	244,818	1,979	246,797
<b>At 31 December 2020</b>	<b>263,756</b>	<b>(1,126)</b>	<b>5,856</b>	<b>1,092</b>	<b>161,263</b>	<b>430,841</b>	<b>9,589</b>	<b>440,430</b>

**1(d)(i) (Cont'd)**
**Consolidated Statement of Changes in Equity (Cont'd)**

Group	Attributable to equity holders of the Company					Total S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Translation reserve S\$'000	Statutory reserve S\$'000	Other reserves S\$'000	Accumulated profits S\$'000			
<b>At 1 January 2019</b>	9,696	(5,287)	5,224	639	87,688	97,960	2,440	100,400
Profit/(loss) for the year	-	-	-	-	35,755	35,755	(1,214)	34,541
Other comprehensive loss	-	(3,733)	-	-	-	(3,733)	(167)	(3,900)
Total comprehensive (loss)/income for the year	-	(3,733)	-	-	35,755	32,022	(1,381)	30,641
Transfer of statutory reserve	-	-	210	-	(210)	-	-	-
Transactions with equity holders, recognised directly in equity								
- Dividends	-	-	-	-	(9,532)	(9,532)	-	(9,532)
- Adjustment on employee share options	-	-	-	64	-	64	-	64
- Additional investment in a subsidiary from a non- controlling interest	-	-	-	-	-	-	5,853	5,853
Total transactions with equity holders	-	-	-	64	(9,532)	(9,468)	5,853	(3,615)
<b>At 31 December 2019</b>	<b>9,696</b>	<b>(9,020)</b>	<b>5,434</b>	<b>703</b>	<b>113,701</b>	<b>120,514</b>	<b>6,912</b>	<b>127,426</b>



**1(d)(i) (Cont'd)**
**Statement of Changes in Equity**

<b>Company</b>	<b>Share capital S\$'000</b>	<b>Other reserves S\$'000</b>	<b>Accumulated profits S\$'000</b>	<b>Total equity S\$'000</b>
<b>At 1 January 2020</b>	9,696	71	40,614	50,381
Profit for the year	-	-	11,402	11,402
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	11,402	11,402
Transactions with equity holders, recognised directly in equity				
- Dividends	-	-	(9,631)	(9,631)
- Issuance of shares under ESOS	6,621	(159)	-	6,462
- Issuance of shares under RSP	3,238	-	-	3,238
- Issuance of IPO shares	200,000	-	-	200,000
- Share issuance expenses, net of listing grant	(5,799)	-	-	(5,799)
- Conversion of convertible bonds	50,000	240	-	50,240
- Adjustment on employee share options	-	478	-	478
Total transactions with equity holders	254,060	559	(9,631)	244,988
<b>At 31 December 2020</b>	<b>263,756</b>	<b>630</b>	<b>42,385</b>	<b>306,771</b>
<b>At 1 January 2019</b>	9,696	7	40,231	49,934
Profit for the year	-	-	9,915	9,915
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	9,915	9,915
Transactions with equity holders, recognised directly in equity				
- Dividends	-	-	(9,532)	(9,532)
- Adjustment on employee share options	-	64	-	64
Total transactions with equity holders	-	64	(9,532)	(9,468)
<b>At 31 December 2019</b>	<b>9,696</b>	<b>71</b>	<b>40,614</b>	<b>50,381</b>

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 for 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.

Changes in the Company's share capital

	<b>Number of shares '000</b>	<b>Issued and paid-up share capital S\$'000</b>
<b>At 1 January 2020</b>	511,238	9,696
Issuance of shares under ESOS	11,009	6,621
Issuance of shares under RSP	5,254	3,238
Conversion of convertible notes	53,630	50,000
Issuance of IPO shares	77,220	200,000
Share issuance expense (net of listing grant) capitalised against share capital	-	(5,799)
<b>At 31 December 2020</b>	<b>658,351</b>	<b>263,756</b>

Employee options and convertible notes

	<b>As at 31/12/2020 '000</b>	<b>As at 31/12/2019 '000</b>
Total number of issued shares	658,351	511,238
Number of shares issuable upon exercise of outstanding options granted under Pre-IPO ESOS	11,311 <sup>(1)</sup>	27,080 <sup>(2)</sup>
Total number of shares issuable upon conversion of convertible notes	Nil	53,630

**Notes:**

<sup>(1)</sup> As at 31 December 2020, of the options granted under the Pre-IPO ESOS, 7,806,000 had vested and 3,505,000 will vest between 2021 and 2023. In FY2020, the Company granted 2,980,000 options under the Pre-IPO ESOS and 7,740,000 options previously granted were cancelled or lapsed.

<sup>(2)</sup> As at 31 December 2019, of the options granted under the Pre-IPO ESOS, 16,464,000 had vested and 10,616,000 will vest between 2020 and 2022.

Treasury shares

There were no treasury shares held by the Company as at 31 December 2020 and 31 December 2019.

Subsidiary holdings

There were no holdings in the Company by any subsidiary as at 31 December 2020 and 31 December 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.**

The total number of issued ordinary shares excluding treasury shares as at 31 December 2020 was 658,351,110 (31 December 2019: 511,237,720).

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

Not applicable as there were no treasury shares.

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

Not applicable as there were no subsidiary holdings.

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

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

**3 Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a 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. This is not required for any audit issue that is a material uncertainty relating to going concern.**

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 point 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year reported on as compared to those applied in the audited financial statements for the 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.**

The Group has adopted all applicable new and revised Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) which became effective for annual periods beginning on or after 1 January 2020. Except as disclosed below, the adoption of the new and revised SFRS(I) has no material effect on the financial statements for the current financial year reported on.

Early adoption of amendment to SFRS(I) 16 Leases

The Group has elected to early adopt the amendments to SFRS(I) 16 which introduced a practical expedient for a lessee to elect not to assess whether a rent concession is a lease modification, if all the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- there is no substantive change to other terms and conditions of the lease.

The Group has elected to apply this practical expedient to all property leases. As a result of applying the practical expedient, rent concessions of S\$0.2 million was recognised as negative variable lease payments (i.e. reduction in the rental expenses and depreciation) in the profit or loss during the year.

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

**(a) based on the weighted average number of ordinary shares on issue; and**

	<b>Group</b>	
	<b><u>FY2020</u></b>	<b><u>FY2019</u></b>
Profit for the year attributable to equity holders of the Company (S\$'000)	57,615	35,755
Weighted average number of ordinary shares ('000)	541,644	511,238
Basic earnings per share (cents)	<u>10.64</u>	<u>6.99</u>

**(b) on a fully diluted basis (detailing any adjustments made to the earnings).**

	<b>Group</b>	
	<b><u>FY2020</u></b>	<b><u>FY2019</u></b>
Profit for the year attributable to equity holders of the Company (S\$'000)	57,615	35,755
Add back: interest and other expense convertible notes, net of tax (S\$'000)	-	1,091
Net profit used to determine diluted earnings per share (S\$'000)	<u>57,615</u>	<u>36,846</u>
Weighted average number of ordinary shares ('000)	541,644	511,238
Adjustments for:		
- share options	5,645	- <sup>(1)</sup>
- convertible notes	-	53,630
	<u>547,289</u>	<u>564,868</u>
Diluted earnings per share (cents)	<u>10.53</u>	<u>6.52</u>

<sup>(1)</sup> Share options are anti-dilutive.

- 7 **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the: -**  
**(a) current financial period reported on; and**  
**(b) immediately preceding financial year.**

	<b>Group</b>		<b>Company</b>	
	<b>31/12/2020</b>	<b>31/12/2019</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
Net assets value (S\$'000)	430,841	120,514	306,771	50,381
Number of shares ('000)	658,351	511,238	658,351	511,238
Net asset value per share (cents)	65.44	23.57	46.60	9.85

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

#### **REVIEW OF THE GROUP'S PERFORMANCE**

##### Revenue

The Group derives revenue from its three Business Unit ("BU") segments: (i) Advanced Materials BU, (ii) Nanofabrication BU, and (iii) Industrial Equipment BU.

The Group's revenue for FY2020 was S\$218.3 million, registering an increase of S\$75.4 million (52.8%) from S\$142.9 million in FY2019, driven by increased revenue from the Advanced Materials BU and Nanofabrication BU. The increase was partially offset by the decrease in revenue from the Industrial Equipment BU.

	<b>FY2020</b>	<b>FY2019</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Advanced Materials BU	182,469	109,625	66.4
Nanofabrication BU	11,253	5,912	90.3
Industrial Equipment BU	24,615	27,371	(10.1)
<b>Total</b>	<b>218,337</b>	<b>142,908</b>	<b>52.8</b>

##### *Revenue – Advanced Materials BU*

Revenue from the Advanced Materials BU for FY2020 was S\$182.5 million, an increase of S\$72.9 million (66.4%) from S\$109.6 million in FY2019, attributable to increased revenue contributions from 3C and Automotive product sub-segments.

##### *Revenue – Nanofabrication BU*

Revenue from the Nanofabrication BU for FY2020 revenue was S\$11.3 million, an increase of S\$5.4 million (90.3%) from S\$5.9 million in FY2019, primarily due to new projects secured from a direct customer to produce Fresnel lenses for several models of smartphone of the end-customer.

##### *Revenue – Industrial Equipment BU*

Revenue from the Industrial Equipment BU for FY2020 revenue was S\$24.6 million, a decrease of S\$2.8 million (10.1%) from S\$27.4 million in FY2019, as the Group remains selective on equipment sales to external customers. The majority of coating equipment manufactured during the year were retained within the Group to support the Advanced Materials BU.

8 (Con'd)

## REVIEW OF THE GROUP'S PERFORMANCE (Cont'd)

### Gross profit

Gross profit for FY2020 was S\$119.8 million, an increase of S\$42.1 million (54.2%) from S\$77.7 million for FY2019. Gross profit margin was 54.9% for FY2020, an increase from 54.3% for FY2019, driven by the Group's operations leverage as a result of economies of scale arising from higher levels of production, increased efficiency of the Group's operations through automation and improved manufacturing work processes.

### Other operating income

Other operating income was S\$4.2 million for FY2020, an increase of S\$2.3 million (119.3%) from S\$1.9 million for FY2019. This was primarily as a result of an increase in government grants and incentives of S\$2.4 million compared to FY2019.

### Selling and distribution expenses

Selling and distribution expenses were S\$21.7 million for FY2020, an increase of S\$4.9 million (29.6%) from S\$16.8 million for FY2019, primarily due to (i) an increase of S\$2.3 million in staff costs as a result of increased staff count, which was in line with our business growth and in preparation for the commencement of operations of the Shanghai Plant 2 in the first quarter of 2021; and (ii) an increase of S\$2.2 million for research and development & engineering activities (excluding staff costs). These increases in expenses were due to an overall increase in sales by the Group for FY2020.

During the year, the Group wrote off project development costs of S\$0.3 million as well as patent costs of S\$0.1 million because the Group can no longer generate economic benefits from these assets' continuing use.

### Administrative expenses

Administrative expenses were S\$29.6 million for FY2020, an increase of S\$8.5 million (40.3%) from S\$21.1 million for FY2019. This was primarily due to (i) a one-time cost of S\$3.2 million recognised as a result of the grant of restricted shares awards; (ii) an increase of S\$1.6 million in staff costs as a result of increased staff count; and (iii) listing expenses of S\$2.5 million charged to profit or loss. During the year, the Group incurred a total of S\$9.0 million listing expenses (exclude GST) in connection with the Listing of the Company, which comprise one-time legal and professional fees and offering expenses. Out of which S\$2.5 million were charged to profit or loss and S\$6.5 million were capitalised against share capital.

### Finance costs

Finance costs were S\$1.6 million for FY2020, an increase of S\$0.2 million (14.3%) from S\$1.4 million for FY2019. This was primarily due to an increase of S\$0.4 million in interest expense on bank loans as a result of an increase in outstanding bank loans from S\$3.9 million for FY2019 to S\$39.7 million for FY2020. The increase was offset by a decrease of S\$0.2 million in interest expense on convertible notes due to the conversion of the convertible notes into share capital of the Company in October 2020.

### Other expenses

In FY2019, the Group recorded an impairment loss of S\$0.9 million in other operating expenses in relation to goodwill attributable to the Nanofabrication BU which was in a loss making position in FY2019. No such expense was recognised in FY2020.

Impairment loss allowance on trade receivables and contract assets was S\$1.3 million for FY2020, as compared to S\$37,000 for FY2019. The increase was attributed to the Group's expected credit loss assessment, contributed mainly by an impairment loss allowance of S\$1.1 million arising from a customer in the Industrial Equipment BU.

### Income tax

Income tax for FY2020 was S\$12.2 million, an increase of S\$6.8 million (128.1%) from S\$5.4 million for FY2019, primarily due to an increase in profit before income tax. Included in the income tax expense a S\$0.8 million adjustment for underprovision of income tax in prior years, derived partially from a provision for FY2018 tax shortfall for the Group's subsidiary in Vietnam.

### Profit after income tax

As a result of the above factors, the Group's net profit has increased by S\$23.6 million (68.1%) from S\$34.5 million for FY2019 to S\$58.1 million for FY2020.

### Adjusted EBITDA

The Group's adjusted EBITDA for FY2020 was S\$96.9 million, an increase of S\$39.8 million (69.8%) from S\$57.1 million for FY2019. The increase was due to higher rate of growth in income benefited from economies of scale and operational excellence, with increased efficiency and effectiveness of our production processes.

8 (Con'd)

## REVIEW OF THE GROUP'S FINANCIAL POSITION

### Property, plant and equipment

Property, plant and equipment was at S\$174.5 million as at 31 December 2020, an increase of S\$67.2 million (62.7%) from S\$107.3 million as at 31 December 2019, primarily due to capital expenditures of S\$81.9 million incurred for FY2020 and partially offset by depreciation of S\$18.1 million charged to profit or loss in FY2020.

The capital expenditures of the Group for FY2020 were as follows:

	<b>FY2020 S\$'000</b>
Plant and machinery	14,019
Building and renovation	4,067
Construction in-progress	59,102
Office and other equipment	4,590
Tools and supplies	143
Motor vehicles	9
<b>Total<sup>(1)</sup></b>	<b>81,930</b>

### **Note:**

<sup>(1)</sup> The capital expenditures included S\$2.7 million acquired under right-of-use assets under the leasing arrangements. In FY2020, the cash outflow on purchase of property, plant and equipment amounted to S\$79.2 million.

Capital expenditure relating to plant and machinery was mainly attributable to the increased number of coating equipment and ancillary equipment invested by NRE and NVC as a result of the expansion of business operations in China, as well as an increase in the number of nanofabrication tools and equipment under NanoFab Japan Co., Ltd. ("NFJ") for projects secured with the direct customers.

Capital expenditure relating to building and renovation was mainly attributable to the upgrade of existing building by NRE and the recognition of right-of-use assets. During the year, the Group recognised S\$2.7 million right-of-use assets for rental of additional factory units in Singapore which are part of the Singapore plant under the Company.

Capital expenditure relating to construction in-progress was mainly attributable to the construction costs incurred by NRE in relation to the Shanghai Plant 2 and construction in-progress for plant and machinery for NVC. NVC is the Group's headquarters in China and experienced revenue growth during the year, and accordingly, had invested in additional coating equipment and ancillary equipment. During the year, the Group transferred S\$31.4 million assets from construction in-progress to plant and machinery, office and other equipment category due to the completion of the construction in-progress.

### Inventories

Inventories were at S\$15.8 million as at 31 December 2020, an increase of S\$1.1 million (7.2%) from S\$14.7 million as at 31 December 2019. Despite the increase in inventories, the Group's inventory turnover period improved from 82 days in FY2019 to 58 days in FY2020 due to the efficiency in resource planning and inventory management.

### Trade and other receivables and other current assets, and contract assets - Current

Trade and other receivables were at S\$89.7 million as at 31 December 2020, an increase of S\$37.3 million (71.1%) from S\$52.4 million as at 31 December 2019, generally in line with our business growth and increase in revenue by the Business Units in the year.

Other current assets represent mainly prepayments and advances to suppliers which was at S\$6.0 million as at 31 December 2020, an increase of S\$0.2 million (2.9%) from S\$5.8 million as at 31 December 2019.

Contracts assets were at S\$17.7 million as at 31 December 2020, an increase of S\$6.3 million (55.6%) from S\$11.4 million as at 31 December 2019, driven by the completion of the customers' orders which provided the Group the right to payment for work completed but not billed as at the end of the reporting period. The increase was in line with the increase in revenue from the Advanced Materials BU during the year.

### Bank loans

Bank loans were at S\$39.7 million as at 31 December 2020, an increase of S\$35.8 million from S\$3.9 million as at 31 December 2019. The increase was mainly attributed to the bank loan of S\$14.6 million undertaken by NRE to fund the construction of the Shanghai Plant 2 and bank loans totaling S\$24.7 million obtained by NVC and the Company for working capital requirements.

8 (Con'd)

## REVIEW OF THE GROUP'S FINANCIAL POSITION (Cont'd)

### Lease liabilities

Lease liabilities were at S\$2.5 million as at 31 December 2020, a decrease of S\$2.1 million (45.6%) from S\$4.6 million as at 31 December 2019, mainly attributed to the repayment of lease liabilities, including a full repayment of S\$3.7 million equipment leases by the Group's subsidiary in August 2020. This was partially offset by the recognition of S\$2.8 million lease liabilities for the new lease contracts entered into by the Company for the rental of additional factory units in Singapore.

### Convertible notes

There were no convertible notes outstanding as at 31 December 2020. The convertible notes with principal amount of S\$50.0 million were converted into share capital of the Company in October 2020.

### Trade and other payables, and contract liabilities

Trade and other payables were at S\$47.1 million as at 31 December 2020, an increase of S\$10.1 million (27.4%) from S\$37.0 million as at 31 December 2019.

Contract liabilities relate to the Group's obligation to transfer goods to customers for which the Group have received consideration. Contract liabilities are recognised as revenue as the Group performs under the contract. Contract liabilities were at S\$11.9 million as at 31 December 2020, an increase of S\$5.5 million (87.3%) from S\$6.4 million as at 31 December 2019.

The increases in trade and other payables, and contract liabilities are generally in line with the increase in the Group's business activities during the year.

### Provision for taxation

Provision for taxation was at S\$5.8 million as at 31 December 2020, an increase of S\$2.5 million (76.5%) from S\$3.3 million as at 31 December 2020 mainly due to increases in taxable income across the Group's profitable entities.

## REVIEW OF THE GROUP'S CASH FLOWS

We generated positive net cash flows from operating activities for FY2020 and FY2019.

Net cash generated from operating activities amounted to S\$59.0 million for FY2020, mainly attributed to the following:

- Operating cash flows before working capital changes of S\$97.2 million;
- Net cash outflows from changes in working capital of S\$26.1 million;
- Net interest paid of S\$1.9 million; and
- Income tax paid of S\$10.2 million.

Net cash used in investing activities amounted to S\$80.5 million for FY2020, primarily due to the ongoing construction of the Shanghai Plant 2 and purchase of property, plant and equipment amounting to S\$79.2 million and additions to intangible assets of S\$1.0 million for development and patents costs.

Net cash generated from financing activities amounted to S\$222.3 million for FY2020, primarily due to the gross proceeds of S\$200.0 million received from the IPO exercise in October 2020, proceeds of S\$6.5 million received from issuance of shares under the ESOS 2017 and the bank loans of S\$55.3 million undertaken to fund the construction of the Shanghai Plant 2 and for working capital requirements of the Group. The cash inflows were offset by the repayment of bank loans and lease liabilities of S\$24.9 million, payments of listing expenses of S\$8.0 million (net of listing grant received of S\$1.0 million) and payment of interim dividends of S\$9.6 million to the shareholders of the Company during the year.

As at 31 December 2020, cash and cash equivalents amounted to S\$226.5 million, an increase of S\$201.9 million from S\$24.6 million as at 31 December 2019. The cash and cash equivalents were derived after deducting the fixed deposits of S\$0.9 million (2019: S\$0.8 million) which were pledged with the bank for banking facility granted to the Group for operation and completion of the construction of Shanghai Plant 2.



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

No forecast or prospect statement were made previously.

**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.**

On the back of a strong FY2020 performance, the Group continues to be well-positioned for growth opportunities in existing and recently established end-industries, underpinned by its deep-tech environmentally sustainable nanotechnology solutions as key catalysts enabling its customers to achieve high value-add advancements in their end-products.

The Group intends to strengthen its value proposition as a provider of technology-based solutions through synergistic M&As or strategic partnerships, focusing on integration across the product value chain to drive a sustainable growth.

For long term strategic objectives, the Group continues to maximize its core technologies in mission critical applications in new end-markets that are in favourable secular growth trends, in line with its vision of integrating nanotechnology into the daily lives of end-consumers.

As a global citizen, where the Group's nanotechnology is proliferated worldwide, the Group is committed to uphold a robust Environmental, Social and Governance ("ESG") framework that creates stakeholders' value in a sustainable and responsible manner.

**11 Dividend**

**(a) Current Financial Period Reported on**

Post Listing

As disclosed in the Prospectus, no dividend is recommended post-Listing for the current financial period reported on.

Prior to Listing

The Company declared an interim tax exempt one-tier dividend of S\$0.019 per share amounting to S\$9.6 million on 2 June 2020, which was paid out in cash on 2 July 2020.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

The following dividend was declared and paid in the financial year immediately preceding the current financial year reported on.

Name of Dividend:	Interim Dividend
Dividend Type:	Cash
Dividend Rate:	S\$0.019 per ordinary share
Tax rate:	Tax exempt (One-tier)
Total amount payable:	S\$9.5 million
Date of payment:	5 August 2019

**(c) The date the dividend is payable**

Not applicable.

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

Not applicable.

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

As disclosed in the Prospectus, the Company does not have a fixed dividend policy. The Group intends to utilise and/or reinvest any profits generated from its operations in FY2020 in the business (including financing acquisition activities). As such, save for the payment of the Interim Dividend of approximately S\$9.6 million to shareholders on 2 July 2020, the Company does not intend to pay any dividends to shareholders with respect to its profits generated in the financial year ended 31 December 2020.

Further, as disclosed in the Prospectus, moving forward, the Board intends to recommend and distribute dividends of at least 20% of the Group's net profit after tax (excluding exceptional items) generated in the financial year ending 31 December 2021, as the Company wish to reward its shareholders for participating in the Group's growth. Investors should note that the foregoing statements are merely statements of the Company's present intention and shall not constitute legally binding obligations on the Company or legally binding statements in respect of its future dividends, which may be subject to modification (including reduction or non-declaration thereof) in the Directors' sole and absolute discretion. Investors should also not treat the proposed dividends for the financial year ending 31 December 2021 as an indication of the Company's future dividend policy.

**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.**

Not applicable as the Company has not obtained a general mandate from shareholders for interested persons transactions ("IPTs").

However, in the spirit of disclosure and transparency, the IPTs entered into by the Group in the current financial year reported on were as follows:-

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (including transactions less than S\$100,000)
		<b>FY2020</b>
		<b>S\$'000</b>
Shanghai Ji Ding Advanced Material Co., Ltd ("Ji Ding") <sup>(2)</sup>	Note <sup>(1)</sup>	1,318
Shanghai Zun Yi International Trading Co. Ltd ("Zun Yi") <sup>(3)</sup>	Note <sup>(1)</sup>	1,400
上海纳曦餐饮管理有限公司 ("Na Xi")	Note <sup>(1)</sup>	210
<b>Total</b>		<b>2,928</b>

**Notes:**

- (1) Ji Ding, Zun Yi and Na Xi are associates of the Company's director and controlling shareholder and regarded as interested persons under Chapter 9 of the Listing Manual of the SGX-ST.
- (2) Ji Ding has ceased to be an interested person following the disposal of all the shares in Jing Ding held by the associate of the Company's director and controlling shareholder to an unrelated third party on 13 August 2020.
- (3) The Group has ceased to carry out transactions with Zun Yi with effect from September 2020.

**14 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

Pursuant to Listing Rule 720(1), the Company has procured undertakings from all of its directors and executive officers in the format as set out in Appendix 7.7 of the SGX-ST Listing Manual.

## 15 Use of IPO Proceeds

Pursuant to the Listing of the Company, the Company received gross proceeds of S\$200.0 million (“**IPO Gross Proceeds**”). As at the date of this announcement, the IPO Gross Proceeds have been utilised as follows:

	<b>Amount allocated (as disclosed in the Prospectus) S\$'000</b>	<b>Amount utilised as at the date of this announcement S\$'000</b>	<b>Balance S\$'000</b>
Capital expenditure on development and building of new machinery for our Advanced Materials BU and purchase of new machinery to support our Nanofabrication BU	90,000	52	89,948
R&D and engineering for entry into new end industries and new areas and/or products in existing business segments	50,000	2,303	47,697
Construction, refurbishment and renovation of new and existing production facilities			
- Renovation (including refurbishment, furniture and fittings) of Shanghai Plant 2	20,000	1,041	18,959
- Construction, refurbishment and renovation of new and existing production facilities	10,000	344	9,656
General corporate and working capital purposes <sup>(1)</sup>	20,900	2,333	18,567
Payment of underwriting commissions and offering expenses	9,100	9,505	(405)
	<u>200,000</u>	<u>15,578</u>	<u>184,422</u>

**Note:**

<sup>(1)</sup> Usage for general corporate and working capital purposes comprise the payment of salary related costs.

**PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**
**16 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.**
**Business Segment**

Management has determined the operating segments based on the reports reviewed to make strategic decisions. The Group has three reportable segments, as described below, which are the Group's strategic business units based on different services/products ranges.

Advanced Materials: Material science solutions provider of advanced materials through proprietary surface solutions nanotechnology applied across wide range of end industries.

Industrial Equipment: Designs and develops customised coating equipment, cleaning lines and automation systems, including after sales support, to customers in selective markets.

Nanofabrication: Manufacturer and supplier of nanoproducts in optical imaging lens and sensory components critical to customers' end-products.

	Advanced materials	Industrial equipment	Nanofabrication	Inter-segment eliminations	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>FY2020</b>					
Revenue from external customers	182,469	24,615	11,253	-	218,337
Inter-segment sales	29	6,276	329	(6,634)	-
	<u>182,498</u>	<u>30,891</u>	<u>11,582</u>	<u>(6,634)</u>	<u>218,337</u>
Adjusted EBITDA	<u>87,328</u>	<u>6,338</u>	<u>3,273</u>	<u>-</u>	<u>96,939</u>
Other information					
Depreciation	14,517	576	2,969	-	18,062
Amortisation of land use rights	267	-	11	-	278
Amortisation of intangible assets	370	823	-	-	1,193
Impairment loss allowance on trade receivables and contract assets	234	1,053	-	-	1,287
Write (back)/down of inventories	(96)	5	-	-	(91)
Write off of obsolete stock	3	6	-	-	9
Write off/loss, (gain) on disposal of property, plant and equipment	56	(1)	(1)	-	54
Write off of intangible assets	129	288	-	-	417
Listing expenses charged to profit or loss					
- Recurring	8	1	-	-	9
- Non-recurring	2,184	295	-	-	2,479
Listing grant recognised in profit or loss	(247)	(33)	-	-	(280)
Restricted shares award cost	1,004	2,234	-	-	3,238
Provision for warranty	-	315	-	-	315
Reversal of provision for warranty	-	(371)	(63)	-	(434)

16 (Cont'd)

**Business Segment (Cont'd)**

	<b>Advanced materials</b>	<b>Industrial equipment</b>	<b>Nanofabrication</b>	<b>Inter-segment eliminations</b>	<b>Total</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>FY2019</b>					
Revenue from external customers	109,625	27,371	5,912	-	142,908
Inter-segment sales	5	3,653	436	(4,094)	-
	<u>109,630</u>	<u>31,024</u>	<u>6,348</u>	<u>(4,094)</u>	<u>142,908</u>
 Adjusted EBITDA	 <u>48,976</u>	 <u>9,201</u>	 <u>(1,083)</u>	 <u>-</u>	 <u>57,094</u>
 Other information					
Depreciation	9,719	637	3,097	-	13,453
Amortisation of land use rights	219	10	10	-	239
Amortisation of intangible assets	405	721	-	-	1,126
Impairment loss allowance on trade receivables and contract assets	45	(9)	1	-	37
Impairment of goodwill	-	-	872	-	872
Write down of inventories	228	139	-	-	367
(Gain), write off/loss on disposal of property, plant and equipment	(61)	110	80	-	129
Fair value loss on derivative	55	97	-	-	152
Provision for warranty	-	515	64	-	579
Reversal of provision for warranty	-	(472)	-	-	(472)

A reconciliation of the Adjusted EBITDA to profit before income tax is as follows:

	<b>FY2020 S\$'000</b>	<b>FY2019 S\$'000</b>
<b>Adjusted EBITDA for reportable segments</b>	<b>96,939</b>	<b>57,094</b>
Depreciation	(18,062)	(13,453)
Amortisation	(1,471)	(1,365)
Write off/Loss on disposal of property, plant and equipment	(54)	(129)
Write off of obsolete stock	(9)	-
Write off of intangible assets	(417)	-
Impairment loss on goodwill	-	(872)
Fair value loss on derivative	-	(152)
Listing expenses charged to profit or loss - Non-recurring	(2,479)	-
Listing grant recognised in profit or loss	280	-
Other professional fees	(165)	(359)
Restricted shares award cost	(3,238)	-
Finance income	525	507
Finance expenses	(1,573)	(1,376)
<b>Profit before income tax</b>	<b>70,276</b>	<b>39,895</b>
Income tax	(12,213)	(5,354)
<b>Profit after income tax</b>	<b>58,063</b>	<b>34,541</b>

16 (Cont'd)

**Geographical Segment**

Revenue from external customers based on Group's entities' place of business are as follows:

	<u>FY2020</u> <u>S\$'000</u>	<u>FY2019</u> <u>S\$'000</u>
Singapore	24,801	28,902
China	169,160	95,224
Japan	24,355	17,898
Vietnam	21	884
	<u>218,337</u>	<u>142,908</u>

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

Please refer to Note 8 for the review of performance of the Group.

18 **A breakdown of sales.**

	<u>Group</u> <u>FY2020</u> <u>S\$'000</u>	<u>FY2019</u> <u>S\$'000</u>	<u>Change</u> <u>%</u>
(a) Sales reported for first half year	77,828	55,235	40.9
(b) Profit after income tax before deducting non-controlling interests reported for first half year	18,537	10,867	70.6
(c) Sales reported for second half year	140,509	87,673	60.3
(d) Profit after income tax before deducting non-controlling interests reported for second half year	<u>39,526</u>	<u>23,674</u>	67.0

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

	<u>FY2020</u> <u>S\$'000</u>	<u>FY2019</u> <u>S\$'000</u>
Ordinary - Interim	<u>9,631</u>	<u>9,532</u>

**20 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.**

<b>Name</b>	<b>Age</b>	<b>Family relationship with any director and/or substantial shareholder</b>	<b>Current position and duties, and the year the position was held</b>	<b>Details of changes in duties and position held, if any, during the year</b>
Mdm Jin Xiao Qun	56	Spouse of Dr Shi Xu	<p><u>Position:</u> She holds various positions since she joined the Company on 2 June 2008 and was subsequently appointed as Assistant Vice President of the Company on 1 January 2015.</p> <p><u>Duties:</u> Responsible for the Company's corporate affairs and project manager of the Company's production facilities. She is also responsible for the overall oversight for Shanghai Plant 1 and the on-going renovation of Shanghai Plant 2.</p>	No changes.
Mr Jin Xiaozhe	46	Brother of Jin Xiao Qun	<p><u>Position:</u> He holds various positions since he joined the Company on 1 July 1999 and was subsequently appointed as Vice President of Advanced Materials BU in 2010.</p> <p>In January 2021, he was also appointed as General Manager of NRE.</p> <p><u>Duties:</u> Responsible for Business Development and Sales for Advanced Materials BU in China.</p>	No changes during the year. In January 2021, Mr Jin was also appointed as General Manager of NRE.
Mdm Shi Xiu Ying	63	Sister of Dr Shi Xu	<p><u>Position:</u> Director of NVC since 2011. She has ceased to be a director in January 2021.</p> <p><u>Duties:</u> Non-executive Director.</p>	No changes during the year. In January 2021, Mdm Shi has ceased to be a director of NVC.

**BY ORDER OF THE BOARD**

Lim Kian Onn  
 Chief Financial Officer  
 26 February 2021