

Full Year Financial Statement For The Year Ended 31 December 2018
PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY(Q1,Q2&Q3),HALF YEAR AND FULL YEAR RESULTS

- 1 (a) **An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year**

GROUP INCOME STATEMENT for the year ended 31 December 2018

| | Group | | |
|---|---------|----------|--------|
| | 2018 | 2017 | Change |
| | S\$'000 | S\$'000 | % |
| Revenue | 15,747 | 24,356 | (35) |
| Other operating income | 15,111 | 2,405 | 528 |
| Changes in inventories of finished goods and work-in-progress | (907) | (1,312) | (31) |
| Raw material and consumables used | (7,389) | (12,826) | (42) |
| Impairment losses | (93) | (833) | (89) |
| Employee benefits expenses | (9,587) | (13,503) | (29) |
| Depreciation and amortisation expense | (2,277) | (2,631) | (13) |
| Other operating expenses | (9,967) | (12,584) | (21) |
| Share of profit / (loss) of associate | 4 | (67) | n.m. |
| Finance costs | (3,504) | (3,593) | (2) |
| Loss before income tax | (2,862) | (20,588) | (86) |
| Income tax | 393 | - | - |
| Loss for the year | (2,469) | (20,588) | (88) |
| Loss for the year attributable to: | | | |
| Equity holders of the Company | (2,469) | (20,588) | (88) |
| Total | (2,469) | (20,588) | (88) |

Statement of Comprehensive Income for the year ended 31 December 2018

| | Group | | |
|---|---------|----------|--------|
| | 2018 | 2017 | Change |
| | S\$'000 | S\$'000 | % |
| Loss for the year | (2,469) | (20,588) | (88) |
| Other comprehensive income / (loss) : | | | |
| Items that may be reclassified subsequently to profit or loss: | | | |
| Exchange realignment of foreign entities: | | | |
| Exchange realignment arising during the year | (1,079) | 8,544 | n.m. |
| Items that will not be reclassified subsequently to profit or loss: | | | |
| Unrealized gain on investments in equity instruments at fair value through other comprehensive income | 1,996 | - | - |
| Total comprehensive loss for the year | (1,552) | (12,044) | (87) |
| Total comprehensive loss attributable to: | | | |
| Equity holders of the Company | (1,552) | (12,044) | (87) |
| Total | (1,552) | (12,044) | (87) |

n.m. - not meaningful

Notes:

(I) Revenue

Sale of goods
Dividend income
Interest income
Total

| Group | | |
|---------|---------|--------|
| 2018 | 2017 | Change |
| S\$'000 | S\$'000 | % |
| 15,314 | 22,773 | (33) |
| 216 | 1,569 | (86) |
| 217 | 14 | 1,450 |
| 15,747 | 24,356 | (35) |

(II) Other operating income

Gain on disposal of land and buildings
Net foreign exchange gain
Gain on disposal of property, plant and equipment
Rental income
Sales of scrap
Sundry income
Waiver of trade payables due to outside party
Total

| Group | | |
|---------|---------|--------|
| 2018 | 2017 | Change |
| S\$'000 | S\$'000 | % |
| 10,614 | - | - |
| 1,081 | - | - |
| 660 | 615 | 7 |
| 483 | 175 | 176 |
| 491 | 891 | (45) |
| 989 | 538 | 84 |
| 793 | 186 | 326 |
| 15,111 | 2,405 | 528 |

(III) Loss for the year is arrived at after charging the following:

| | Group | | |
|---|---------|---------|--------|
| | 2018 | 2017 | Change |
| | S\$'000 | S\$'000 | % |
| Impairment loss on assets held for sale | - | - | - |
| Impairment loss on property, plant and equipment | (93) | (75) | 24 |
| Impairment loss on available-for-sale investments | - | (758) | (100) |
| Depreciation expense | (2,140) | (2,477) | (14) |
| Amortisation of land use right | (137) | (154) | (11) |
| Allowance for doubtful debts - Trade receivables | (881) | (113) | 680 |
| Allowance for doubtful debts - Non-trade debts | (314) | - | - |
| Allowance for inventories obsolescence | (178) | (4,324) | (96) |
| Interest expense | (3,504) | (3,593) | (2) |
| Net foreign exchange loss | - | (2,818) | (100) |

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

STATEMENTS OF FINANCIAL POSITION as at 31 December 2018

| | Group | | Company | |
|--|---------------|---------------|------------|------------|
| | 31-12-18 | 31-12-17 | 31-12-18 | 31-12-17 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and bank balances | 6,439 | 2,412 | 36 | 33 |
| Trade receivables | 3,588 | 7,606 | - | - |
| Other receivables, deposits and prepayments | 10,515 | 1,881 | 102 | 103 |
| Inventories | 3,489 | 4,083 | - | - |
| Non-current assets classified as held for sale | - | 4,363 | - | - |
| Total current assets | 24,031 | 20,345 | 138 | 136 |
| Non-current assets: | | | | |
| Associate | 759 | 780 | - | - |
| Available-for-sale investments | - | 22,988 | - | - |
| Financial assets at fair value through other comprehensive income ("FVTOCI") | 34,087 | - | - | - |
| Land use rights | 4,278 | 4,046 | - | - |
| Property, plant and equipment | 14,470 | 21,103 | - | - |
| Total non-current assets | 53,594 | 48,917 | - | - |
| Total assets | 77,625 | 69,262 | 138 | 136 |
| LIABILITIES AND EQUITY | | | | |
| Current liabilities: | | | | |
| Trade payables | 4,213 | 6,543 | - | - |
| Other payables and accruals | 24,045 | 25,879 | 11 | 110 |
| Borrowings | 42,071 | 37,655 | - | - |
| Income tax payable | 202 | 605 | - | - |
| Total current liabilities | 70,531 | 70,682 | 11 | 110 |
| Non-current liabilities: | | | | |
| Borrowings | 81,791 | 80,366 | - | - |
| Total non-current liabilities: | 81,791 | 80,366 | - | - |
| Capital, reserves and non-controlling interests: | | | | |
| Share capital | 151,097 | 151,097 | 151,097 | 151,097 |
| Capital reserve | 54,772 | 54,772 | - | - |
| Translation reserves | (18,463) | (17,384) | 1,005 | 1,009 |
| Legal reserves | 30,356 | 30,356 | - | - |
| Fair value reserves | 9,653 | - | - | - |
| Accumulated losses | (302,112) | (300,627) | (151,975) | (152,080) |
| (Capital deficiency) Equity attributable to owners of the Company | (74,697) | (81,786) | 127 | 26 |
| Total liabilities and (capital deficiency) equity | 77,625 | 69,262 | 138 | 136 |

During the financial year under review, the Company engaged professional third-party valuer to carry out an assessment review in respect of the Group's financial assets at FVTOCI. Based on the valuation, a fair value gain of S\$2.0 million was in other comprehensive income.

1 (b)(ii)

Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

| As at 31-12-2018 | | As at 31-12-2017 | |
|---------------------|-------------------|---------------------|-------------------|
| Secured S\$'000 | Unsecured S\$'000 | Secured S\$'000 | Unsecured S\$'000 |
| (a) 12,283 | 29,788 | (a) 12,029 | 25,375 |
| (b) - | - | (b) 251 | - |
| Total 12,283 | 29,788 | Total 12,280 | 25,375 |

Amount repayable after one year

| As at 31-12-2018 | | As at 31-12-2017 | |
|------------------|-------------------|------------------|-------------------|
| Secured S\$'000 | Unsecured S\$'000 | Secured S\$'000 | Unsecured S\$'000 |
| (a) 68,240 | 13,551 | (a) 66,830 | 13,536 |

(a) A charge over all of the Group's present shares in Smart Idea Holdings Limited ("SIHL"), representing 16.84% of the issued share capital of SIHL.

(b) The short term loans are secured by subsidiaries' land use rights, buildings and pledged of trade receivables.

1(c)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2018

| | Group | |
|--|----------|----------|
| | 2018 | 2017 |
| | S\$'000 | S\$'000 |
| Operating activities | | |
| Loss before income tax | (2,862) | (20,588) |
| Adjustments for: | | |
| Share of results of associates | (4) | 67 |
| Impairment loss on available-for-sale investments | - | 758 |
| Impairment loss on property, plant and equipment | 93 | 75 |
| Amortisation of land use right | 137 | 154 |
| Depreciation expense | 2,140 | 2,477 |
| Gain on disposal of property, plant and equipment | (660) | (615) |
| Gain on disposal of land and buildings | (10,614) | - |
| Allowance for doubtful trade debts | 881 | 113 |
| Allowance for doubtful non-trade debts | 314 | - |
| Allowance for inventories obsolescence | 178 | 4,324 |
| Waiver of trade payables due from outside party | (793) | (186) |
| Interest expense | 3,504 | 3,593 |
| Dividend income | (216) | (1,569) |
| Interest income | (217) | (14) |
| Operating cash flows before movements in working capital | (8,119) | (11,411) |
| Trade receivables | 3,829 | 4,507 |
| Other receivables and prepaid expenses | 112 | 779 |
| Inventories | 285 | 595 |
| Trade payables | (1,391) | (5,358) |
| Other payables | (1,003) | (2,663) |
| Cash used in operations | (6,287) | (13,551) |
| Income tax paid | (10) | (9) |
| Interest paid | (3,504) | (3,593) |
| Interest received | 217 | 14 |
| Net cash used in operating activities | (9,584) | (17,139) |
| Investing activities | | |
| Additions to property, plant and equipment | (144) | (16) |
| Additions to land use rights | (305) | - |
| Proceeds from disposal of property, plant and equipment | 10,139 | 558 |
| Proceeds from disposal of subsidiaries, net | - | 5,171 |
| Dividend income | 216 | 1,569 |
| Net cash from investing activities | 9,906 | 7,282 |
| Financing activities | | |
| Proceeds from short-term bank loans | - | 251 |
| Repayment of short-term bank loans | (251) | - |
| Proceeds from other loans payable | 10,988 | 2,461 |
| Repayment from other loans payable | (7,044) | - |
| Restricted cash | 14 | 883 |
| Net cash from financing activities | 3,707 | 3,595 |
| Net increase / (decrease) in cash and cash equivalents | 4,029 | (6,262) |
| Cash and cash equivalents at beginning of financial year | 2,365 | 8,680 |
| Effects of exchange rate changes on the balance of cash held in foreign currencies | 12 | (53) |
| Cash and cash equivalents at end of financial year (Note 1) | 6,406 | 2,365 |
| Note 1: | | |
| Cash and bank balances | 6,439 | 2,412 |
| Less: Restricted cash | (33) | (47) |
| Cash and cash equivalents per statement of cash flows | 6,406 | 2,365 |

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

STATEMENTS OF CHANGES IN EQUITY for the year ended 31 December 2018

| Group | Share capital | Capital reserve | Translation reserves | Legal reserves | Fair value reserves | Accumulated losses | Attributable to owners of the Company |
|--|---------------|-----------------|----------------------|----------------|---------------------|--------------------|---------------------------------------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Balance at 1 January 2018 | 151,097 | 54,772 | (17,384) | 30,356 | - | (300,627) | (81,786) |
| Effect of adoption Singapore Financial Reporting Standards (international) ("SFRS(1)") 9 | - | - | - | - | 7,657 | 984 | 8,641 |
| Balance at 1 January 2018 - as restated | 151,097 | 54,772 | (17,384) | 30,356 | 7,657 | (299,643) | (73,145) |
| Effect of adoption Singapore Financial Reporting Standards (international) ("SFRS(1)") 9 | - | - | - | - | 1,996 | - | 1,996 |
| Total comprehensive loss for the year | - | - | (1,079) | - | - | (2,469) | (3,548) |
| Balance at 31 December 2018 | 151,097 | 54,772 | (18,463) | 30,356 | 9,653 | (302,112) | (74,697) |

| Group | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
|---------------------------------------|---------|---------|----------|---------|---------|-----------|----------|
| Balance at 1 January 2017 | 151,097 | 54,772 | (25,928) | 30,356 | - | (280,039) | (69,742) |
| Total comprehensive loss for the year | - | - | 8,544 | - | - | (20,588) | (12,044) |
| Balance at 31 December 2017 | 151,097 | 54,772 | (17,384) | 30,356 | - | (300,627) | (81,786) |

| Company | Share capital | Translation reserves | Accumulated losses | Total |
|---|---------------|----------------------|--------------------|---------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Balance at 1 January 2018 | 151,097 | 1,009 | (152,080) | 26 |
| Total comprehensive income for the year | - | (4) | 105 | 101 |
| Balance at 31 December 2018 | 151,097 | 1,005 | (151,975) | 127 |

| Company | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
|---------------------------------------|---------|---------|-----------|---------|
| Balance at 1 January 2017 | 151,097 | 1,071 | (148,983) | 3,185 |
| Total comprehensive loss for the year | - | (62) | (3,097) | (3,159) |
| Balance at 31 December 2017 | 151,097 | 1,009 | (152,080) | 26 |

- 1(d)(ii)** Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

There were no changes in the Company's share capital since the end of the previous period reported on
There were no outstanding convertible securities and employees' share options as at 31 December 2018 and 2017
As at 31 December 2018 and 2017, no shares were being held as treasury shares and subsidiary holdings

- 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 shares as at 31 December 2018 and 2017 is 400,000,000 shares

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

Not applicable

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

Not applicable

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

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

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

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

The Group has followed the same accounting policies and methods of computation in the financial statements for the current period with those adopted in the most recent audited financial statements for the year ended 31 December 2017, except that the Group has adopted Singapore Financial Reporting Standards (International) ("SFRS(I)") and all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2018.

For SFRS(I) 9, the Group elected the option at initial recognition, to measure equity investments that is not held-for-trading at fair value through other comprehensive income. The effect on adoption of SFRS(I) 9 has resulted in an increase in fair value reserve of S\$7,657,000 and decrease in accumulated losses of S\$984,000 of the Group as at 1 January 2018.

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

Not applicable, except as those stated in paragraph 4

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

Loss per ordinary share for the financial year based on net loss attributable to the shareholders

| | Group | |
|---|------------|------------|
| | 2018 | 2017 |
| (i) Based on the weighted average number of ordinary shares on issue; and | (0.62) cts | (5.15) cts |
| (ii) On a fully diluted basis | (0.62) cts | (5.15) cts |

Notes:

(a) The loss per ordinary share for the financial year ended 31 December 2018 is calculated based on 400,000,000 (31 December 2017 : 400,000,000) ordinary shares issued.

(b) As at end of December 2018 and 2017, there were no outstanding employees' share options

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

| | Group | | | Company | | |
|---|----------|----------|--------|----------|----------|--------|
| | 31-12-18 | 31-12-17 | Change | 31-12-18 | 31-12-17 | Change |
| | cents | cents | % | cents | cents | % |
| Net (liabilities) / asset value per ordinary share based on existing issued share capital as at the end of the period reported on | (18.67) | (20.45) | (9) | 0.03175 | 0.00650 | 388 |

Note:

The net (liabilities) / asset value per ordinary share for the financial period ended 31 December 2018 is calculated based on the issued share capital of 400,000,000 shares (31 December 2017: 400,000,000 shares)

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 (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

Full year ended 31 December 2018 ("FY 2018")

Revenue

For the full year ended 31 December 2018 ("FY 2018"), the Group revenue decreased by 35% to S\$15.7 million from S\$24.4 million in FY 2017. The decline in revenue was in line with the Group's on-going plan to shut down some of its loss making plants. The Group is winding down its manufacturing business in stages with the shutdown of its facility in Suzhou, People's Republic of China.

Other operating income

Other operating income increased by 528% to S\$15.1 million in FY 2018 from S\$2.4 million in FY 2017. It was mainly due to the gain on disposal of land and buildings (note*) and net foreign exchange gain.

Note* : Please refer to our announcement on proposed disposal of land and buildings located at Shandong Province, The People's Republic Of China released on 22 November 2018 for full detail.

Raw material and consumables used

Changes in inventories of finished goods and work-in-progress

Cost of inventories decreased to S\$8.3 million in FY 2018 from S\$14.1 million in FY 2017 which in line with the lower revenue.

Employee benefits expenses

Employee benefits expenses decreased by 29% to S\$9.6 million in FY 2018 from S\$13.5 million in FY 2017 due to lower headcount cost as the Group downsized and closed its loss making factories.

Depreciation and amortisation expense

Depreciation and amortisation expenses decreased by 13% to S\$2.3 million in FY 2018 from S\$2.6 million in FY 2017 due to the lower carrying value of the depreciable assets.

Other operating expenses

Other operating expenses (which include selling and distribution costs and manufacturing overheads) were lower by 21% to S\$10.0 million in FY 2018 from S\$12.6 million in FY 2017.

Group net loss

As a result of the above, the Group incurred a net loss of S\$2.5 million in FY 2018 compared to a net loss of S\$20.6 million in FY 2017.

Review of Financial Position

The Group's total current assets stood at S\$24.0 million as at 31 December 2018 compared to S\$20.3 million as at 31 December 2017. The increase was mainly due to receivables from disposal of land and buildings amounting to S\$9,156,000.

As a results of depreciation of the S\$ against US\$, the Group's non-current liabilities increased to S\$81.8 million as at 31 December 2018 from S\$80.3 million as at 31 December 2017.

Review of Cash Flow Statement

In 2018, net cash used in operating activities was S\$9.5 million which was primarily due to operation loss. Net cash from investing activities of S\$9.9 million consist mainly proceeds from disposal of land and buildings. Net cash from financing activities of S\$3.7 million was due to proceeds from other loans payable.

Going concern

As at 31 December 2018, the Group's current assets were S\$24.0 million and current liabilities were S\$70.5 million. This posts a going concern issue. However, management is confident that with the strategies of corporate restructuring to streamline operations and disposing non-performing assets to lower costs and reduce borrowings, the Group will be able to continue operating as a going concern in the foreseeable future.

- 9 **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**
- There were no forecast or prospect statement disclosed to shareholders 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**
- The Company has received a notification of delisting dated 19 December 2018 from the SGX-ST and for exit offer to be made by 19 Jan 2019.
- The Company had subsequently written to SGX-ST to appeal against its decision to delist as well as requesting for an extension of time to submit the exit offer proposal.
- The Company has today received a notification from SGX-ST rejecting the appeal against delisting but granting the Company and its controlling shareholders up to end March 2019 to submit a reasonable cash exit offer proposal.
- The Company will keep shareholders updated on any developments in this regard.
- 11 **Dividend**
- (a) Current Financial Period Reported On**
- Any dividend declared for the current financial period reported on ?**
- None
- (b) Corresponding Period of the Immediately Preceding Financial Year**
- Any dividend declared for the corresponding period of the immediately preceding financial year?**
- None
- (c) Date payable**
- Not applicable
- (d) Books closure date**
- Not applicable
- 12 **If no dividend has been declared/recommended, a statement to that effect**
- No dividend has been declared/recommended for the year ended 31 December 2018
- 13 **If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**
- There are no recurrent interested person transactions in the current year
- The Company does not have any interested person transaction mandate
- 14 **Negative confirmation pursuant to Rule 705(5).**
- Not required for announcement on full year results
- 15 **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).**
- The Company has procured undertakings from all its directors and executive officers under Rule 720(1)

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**

(A). Segment revenues and results

| <u>2018</u> | Wire, cable and related components | Mould, moulded plastics products and finished product assembly | Others | Total |
|--|------------------------------------|--|---------|----------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| REVENUE | | | | |
| External sales | 12,346 | 2,968 | 433 | 15,747 |
| RESULTS | | | | |
| Segment result | (2,229) | (12,567) | - | (14,796) |
| Dividend income | - | - | 216 | 216 |
| Interest income | - | - | 217 | 217 |
| Unallocated corporate expenses | | | | (110) |
| Other operating income | 158 | 14,953 | - | 15,111 |
| Finance costs | - | (3,504) | - | (3,504) |
| Share of results of associates | | | | 4 |
| LOSS BEFORE INCOME TAX | | | | (2,862) |
| Income tax | | | | 393 |
| LOSS FOR THE YEAR | | | | (2,469) |
| OTHER INFORMATION | | | | |
| Allowance for doubtful debts - Trade receivables | 478 | 403 | - | 881 |
| Allowance for doubtful debts - Non-trade debts | 119 | 195 | - | 314 |
| Allowance for inventories obsolescence | 178 | - | - | 178 |
| Waiver of trade payables due to outside party | - | (793) | - | (793) |
| Capital additions | 91 | 53 | 305 | 449 |
| Depreciation and amortisation | 15 | 2,260 | - | 2,275 |
| Unallocated depreciation and amortisation | | | | 2 |
| Total depreciation and amortisation | | | | 2,277 |
| Impairment allowance on: | | | | |
| Available-for-sale investments | - | - | - | - |
| Property, plant and equipment | 93 | - | - | 93 |
| Total impairment allowance | | | | 93 |
| <u>Assets</u> | | | | |
| Segment assets | 8,422 | 33,350 | - | 41,772 |
| Investment in associates | | | | 759 |
| Non-current assets classified as held for sale | - | - | - | - |
| Financial assets at fair value through other comprehensive income ("FVTOCI") | - | - | 34,087 | 34,087 |
| Unallocated corporate assets | | | | 1,007 |
| Consolidated total assets | | | | 77,625 |
| <u>Liabilities</u> | | | | |
| Segment liabilities | 6,376 | 145,570 | - | 151,946 |
| Unallocated corporate liabilities | | | | 174 |
| Income tax payable | | | | 202 |
| Consolidated total liabilities | | | | 152,322 |

2017

| | Wire, cable and related components | Mould, moulded plastics products and finished product assembly | Others | Total |
|--|--|--|---------|----------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| REVENUE | | | | |
| External sales | 12,492 | 10,281 | 1,583 | 24,356 |
| RESULTS | | | | |
| Segment result | (1,375) | (16,708) | - | (18,083) |
| Dividend income | - | - | 1,569 | 1,569 |
| Interest income | - | - | 14 | 14 |
| Unallocated corporate expenses | | | | (2,833) |
| Other operating income | 42 | 2,363 | - | 2,405 |
| Finance costs | - | (3,593) | - | (3,593) |
| Share of results of associates | | | | (67) |
| LOSS BEFORE INCOME TAX | | | | (20,588) |
| Income tax | | | | - |
| LOSS FOR THE YEAR | | | | (20,588) |
| OTHER INFORMATION | | | | |
| Allowance for doubtful debts - Trade receivables | 217 | (104) | - | 113 |
| Allowance for inventories obsolescence | - | 4,324 | - | 4,324 |
| Waiver of trade payables due to outside party | - | (186) | - | (186) |
| Capital additions | 2 | 14 | - | 16 |
| Depreciation and amortisation | 15 | 2,613 | - | 2,628 |
| Unallocated depreciation and amortisation | | | | 3 |
| Total depreciation and amortisation | | | | 2,631 |
| Impairment allowance on: | | | | |
| Available-for-sale investments | - | - | 758 | 758 |
| Property, plant and equipment | 2 | 73 | - | 75 |
| Total impairment allowance | | | | 833 |
| Assets | | | | |
| Segment assets | 8,176 | 32,510 | - | 40,686 |
| Investment in associates | | | | 780 |
| Non-current assets classified as held for sale | - | - | - | 4,363 |
| Available-for-sale investments | - | - | 22,988 | 22,988 |
| Unallocated corporate assets | | | | 445 |
| Consolidated total assets | | | | 69,262 |
| Liabilities | | | | |
| Segment liabilities | 4,118 | 146,057 | - | 150,175 |
| Unallocated corporate liabilities | | | | 268 |
| Income tax payable | | | | 605 |
| Consolidated total liabilities | | | | 151,048 |

(B). Geographical information

| | Group | |
|----------------------------|--------------------|-------------|
| | Non-current assets | |
| | <u>2018</u> | <u>2017</u> |
| | S\$'000 | S\$'000 |
| People's Republic of China | 18,330 | 25,093 |
| Taiwan | 11 | - |
| Malaysia | 407 | 56 |
| Total | 18,748 | 25,149 |

The majority of the Group's products are supplied to Original Equipment Manufacturers ("OEM") and Original Design Manufacturers ("ODM"). Sales invoices are sent to centralised purchasing offices or purchasing agents of these OEMs and ODMs. The manufacturers or principals will incorporate the Group's products into their own equipment or distribute it as accessories through their distribution network. The Group has no information of end markets of their products and is therefore unable to prepare geographical segment information on the basis of end markets of the products. The Group is of the view that analysis of sales by geographical location based on the OEMs' and ODMs' location is not meaningful and has therefore not presented this information.

(C). Information about major customers

Revenue from the major customers which accounts for 10% or more of the Group's revenue are as follows:

| | Group | |
|---|-------------|-------------|
| | <u>2018</u> | <u>2017</u> |
| | S\$'000 | S\$'000 |
| Mould, moulded plastics products and finished product assembly: | | |
| Customer 1 | - | 3,372 |
| Customer 2 | - | 2,359 |
| Wire, cable and related components: | | |
| Customer 1 | 6,258 | 6,787 |
| Customer 2 | 2,638 | - |
| Customer 3 | 1,922 | - |

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 Paragraph 8

18 A breakdown of sales

| | Group | | |
|---|---------|----------|--------|
| | 2018 | 2017 | Change |
| | S\$'000 | S\$'000 | % |
| Sales reported for first half year | 8,871 | 11,631 | -24 |
| Operating loss after tax before deducting non-controlling interests reported for first half year | (5,940) | (11,595) | -49 |
| Sales reported for second half year | 6,443 | 11,142 | -42 |
| Operating loss after tax before deducting non-controlling interests reported for second half year | 3,471 | (8,993) | -139 |

n.m. - not meaningful

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

Total Annual Dividend

| | 2018 | 2017 |
|------------|---------|---------|
| | S\$'000 | S\$'000 |
| Ordinary | - | - |
| Preference | - | - |
| Total | - | - |

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 held | Details of changes in duties and position held, if any, during the year |
|--|--|---|---|
| HUAN HSIN HOLDINGS LTD (“THE COMPANY”) | | | |
| Hsu Hung Chun (64) | *Brother of Hsu Cheng Chien (Managing Director and Substantial Shareholder) | Executive Director and Chairman of the Company since December 1995. | Nil |
| | *Uncle of Hsu Ming Hung (Director) | Responsible for the Group’s investment policy, banking and financial issues. | |
| | *Husband of Hsu Chang Yu Mei (Substantial Shareholder) | | |
| | *Brother-in-law of Yang Yu Lin (Substantial Shareholder) | | |
| | | | |
| Hsu Cheng Chien (62) | *Brother of Hsu Hung Chun (Director and Substantial Shareholder) | Executive Director and Managing Director of the Company since December 1995 and May 1997 respectively | Nil |
| | *Uncle of Hsu Ming Hung (Director) | Responsible for setting and implementing long term business objectives and strategic planning of the Group. | |
| | *Husband of Yang Yu Lin (Substantial Shareholder) | | |
| | *Brother-in-law of Hsu Chang Yu Mei (Substantial Shareholder) | | |
| | | | |
| Hsu Ming Hung (58) | *Nephew of Messrs Hsu Hung Chun and Hsu Cheng Chien (Directors and Substantial Shareholders) | Executive Director of the Company since May 1997 | Nil |
| | *Nephew of Hsu Chang Yu Mei and Yang Yu Lin (Substantial Shareholders) | Assist the Managing Director in implementing, reviewing and verifying the overall corporate strategy and policies of the Group. | |

| SHANGHAI HUAN HSIN ELECTRONICS CO., LTD (PRINCIPAL SUBSIDIARY) ("SHH") | | | |
|---|--|--|---|
| Chang Shih Hsing (57) | *Brother-in-law of Hsu Hung Chun (Director and Substantial Shareholder) | General Manager | Nil |
| | * Brother of Hsu Chang Yu Mei (Substantial Shareholder) | Responsible for the technical aspects of the operations, quality management and research and development. | |
| | | Oversees employee training programs and human resource development and management. | |
| | | Year position was first held : 2008 | |
| Lu Chung Yu (52) | *Nephew of Messrs Hsu Hung Chun and Hsu Cheng Chien (Directors and Substantial Shareholders) | General Manager (Sales) | Transfer from Suzhou Yi Quan Electronic Technology Co., Ltd ("SZYQ") to SHH. SZYQ has ceased operation in year 2018 |
| | *Nephew of Hsu Chang Yu Mei and Yang Yu Lin (Substantial Shareholders) | Responsible for customer liaison and ensuring their needs and requirements are met and also working closely with the production and engineering divisions. | |
| | | Year position was first held : 2019 | |

BY ORDER OF THE BOARD

Hsu Hung Chun

Chairman

Date : 1st March 2019