

STAMFORD TYRES CORPORATION LTD

Unaudited 2020 Financial Statements

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.

1(a)(i) CONSOLIDATED INCOME STATEMENT

	Group		Difference \$'000	Difference %
	FY20	FY19		
	Apr'20 \$'000	Apr'19 \$'000		
Revenue	195,705	229,375	(33,670)	-14.68%
Other revenue	4,146	4,799	(653)	-13.61%
Total revenue	199,851	234,174	(34,323)	-14.66%
Cost of goods sold	151,593	179,335	(27,742)	-15.47%
Salaries and employees benefits	20,391	22,891	(2,500)	-10.92%
Marketing and distribution	6,068	7,086	(1,018)	-14.37%
Utilities, repairs and maintenance	5,442	6,031	(589)	-9.77%
Finance costs	4,406	4,161	245	5.89%
Depreciation expenses	7,198	4,848	2,350	48.47%
Operating lease rentals	1,415	4,186	(2,771)	-66.20%
Other operating expenses	6,808	3,698	3,110	84.10%
Total expenditure	(203,321)	(232,236)	28,915	-12.45%
Share of results of joint ventures	377	297	80	26.94%
(Loss)/profit before taxation	(3,093)	2,235	(5,328)	N.M
Taxation	(920)	(1,761)	(841)	N.M
(Loss)/profit for the financial year	(4,013)	474	(4,487)	N.M
Attributable to:				
Equity holders of the company	(4,013)	474	(4,487)	N.M
	(4,013)	474	(4,487)	N.M

N.M - Not meaningful.

1(a)(i) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	FY20 Apr'20 \$'000	FY19 Apr'19 \$'000
Net (loss)/profit for the financial year	(4,013)	474
Other comprehensive income :		
Translation adjustments arising on consolidation	(433)	(316)
Other comprehensive income for the financial year, net of tax	(433)	(316)
Total comprehensive income for the financial year	(4,446)	158
Total comprehensive income attributable to :		
Equity holders of the company	(4,446)	158

	FY20 Apr'20 \$'000	FY19 Apr'19 \$'000
(a) Profit after taxation is stated after charging/(crediting) :		
Depreciation of property, plant and equipment (inclusive of charges included in cost of goods sold)	6,804	7,275
Depreciation of right-of-use assets	2,651	-
Allowance for doubtful trade receivables	2,471	382
Write-back of for inventory obsolescence	(226)	(789)
Gain on disposal of property, plant and equipment	(16)	(105)
Write-back on property, plant and equipment	(6)	(9)
Foreign exchange loss	1,028	973
Fair value (gain)/loss on derivatives	(125)	54
Audit fee for auditors of the company	429	436
Audit fee for other auditors	148	158

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	
	Apr'20 \$'000	Apr'19 \$'000	Apr'20 \$'000	Apr'19 \$'000
Non-current assets				
Property, plant and equipment	58,275	63,451	-	-
Right-of-use assets**	8,767	-	-	-
Subsidiary companies	-	-	44,699	43,746
Amount due from subsidiary companies	-	-	13,810	14,265
Joint venture companies	16,728	16,693	2,867	2,867
Associated company	246	242	-	-
Deferred tax assets	2,658	2,790	-	-
	<u>86,674</u>	<u>83,176</u>	<u>61,376</u>	<u>60,878</u>
Current assets				
Inventories	90,064	91,850	-	-
Trade receivables	48,294	54,722	-	-
Derivatives	313	46	-	25
Other receivables	4,958	3,077	208	94
Prepayments and advances	2,439	2,501	22	22
Cash and cash equivalents	25,730	13,709	277	300
	<u>171,798</u>	<u>165,905</u>	<u>507</u>	<u>441</u>
Less: Current liabilities				
Trade payables	14,653	17,445	-	-
Trust receipts (secured)	40,947	42,781	-	-
Derivatives	165	23	6	-
Other payables	15,246	14,672	498	617
Loans (secured)	34,333	16,279	-	-
Hire-purchase liabilities	150	182	-	-
Lease liabilities**	1,752	-	-	-
Provisions	441	509	-	-
Provision for taxation	1,865	2,487	167	31
	<u>109,552</u>	<u>94,378</u>	<u>671</u>	<u>648</u>
Net current assets/(liabilities)	62,246	71,527	(164)	(207)
Non-current liabilities				
Amount due to subsidiary companies	-	-	22,606	19,087
Hire-purchase liabilities	103	73	-	-
Lease liabilities**	7,176	-	-	-
Provisions	834	834	-	-
Long-term loans (secured)	22,207	28,277	-	-
Deferred tax liabilities	1,595	1,893	-	108
	<u>31,915</u>	<u>31,077</u>	<u>22,606</u>	<u>19,195</u>
Net assets	<u>117,005</u>	<u>123,626</u>	<u>38,606</u>	<u>41,476</u>
Equity				
Share capital	36,070	35,896	36,070	35,896
Reserves	80,935	87,730	2,536	5,580
	<u>117,005</u>	<u>123,626</u>	<u>38,606</u>	<u>41,476</u>

** Pursuant to the application of the new IFRS 16 Leases effective 1 May 2019, the Group has recognised right-of-use assets and lease liability on the Balance Sheet. See Section 5 of this Financial Statements Announcement for further information regarding the adoption of IFRS 16.

1(b)(ii) In relation to the aggregate amount of group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-

Amount repayable in one year or less, or on demand

As at 30/04/2020		As at 30/04/2019	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
75,430	-	59,242	-

Amount repayable after one year

As at 30/04/2020		As at 30/04/2019	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
22,310	-	28,350	-

Details of any collateral

The Group's freehold land, certain leasehold land and buildings, leasehold improvements and certain plant and equipment with a total net book value of \$44,280,000 as at 30 April 2020 (30 April 2019: \$44,639,000) are subject to legal mortgages in connection with bank facilities granted to the Group.

The trust receipts of subsidiary companies are secured primarily by corporate guarantees from the Company.

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

1(c)(i) CONSOLIDATED STATEMENT OF CASH FLOWS (FY2020 vs FY2019)

	Group	
	FY20 Apr'20 \$'000	FY19 Apr'19 \$'000
Cash flows from operating activities:		
(Loss)/profit before taxation	(3,093)	2,235
Adjustments for:		
Depreciation of property, plant and equipment	6,804	7,275
Depreciation of right-of-use assets	2,651	-
Gain on disposal of property, plant and equipment	(16)	(105)
Grant of Share awards	187	283
Fair value (gain)/loss on derivatives	(125)	54
Property, plant and equipment written-off	23	-
Bad debts recovered	(4)	(8)
Foreign currency translation adjustment	(1,070)	(711)
Interest income	(186)	(256)
Provision for product warranties	(19)	206
Write-back of impairment loss on property, plant and equipment	(6)	(9)
Interest expense	4,406	4,161
Share of results of joint ventures	(377)	(297)
Operating cash flows before changes in working capital	9,175	12,828
Decrease/(increase) in inventories	1,786	(3,945)
Decrease in receivables	4,613	6,932
Decrease in payables	(2,272)	(11,862)
Cash flows from operations	13,302	3,953
Interest received	186	256
Interest paid	(4,406)	(4,161)
Income tax paid	(1,708)	(2,071)
Net cash flows from/(used in) operating activities	7,374	(2,023)
Cash flows from investing activities :		
Proceeds from disposal of property, plant and equipment	192	857
Dividend received from joint venture company	1,051	1,042
Purchase of property, plant and equipment	(1,765)	(2,604)
Net cash flows used in investing activities	(522)	(705)
Cash flows from financing activities :		
Proceeds from long-term loans	4,000	-
(Repayment)/proceeds from trust receipts	(1,607)	1,549
Proceeds of short-term loans	12,983	1,104
Repayment of hire purchase creditors	(160)	(887)
Dividend paid to shareholders	(2,362)	(2,356)
Principal element of lease payments	(2,374)	-
Repayment of long-term loans	(4,945)	(4,492)
Net cash flows generated from/(used in) financing activities	5,535	(5,082)
Net increase/(decrease) in cash and cash equivalents	12,387	(7,810)
Cash and cash equivalents at beginning of financial year	13,709	21,877
Effect of exchange rate changes on cash and cash equivalents at the beginning of the financial year	(366)	(358)
Cash and cash equivalents at end of financial year	25,730	13,709

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 year of the immediately preceding financial year.

	Equity					Capital reserve	Share-based Compensation reserve	Foreign currency translation reserve	Discount on acquisition of non-controlling interest
	Equity, total	attributable to owners of the Company, total	Share capital	Revenue reserve	Other reserves, total				
	\$'000	\$'000	\$'000	\$'000	\$'000				
Group									
Balance at 1 May 2018 (as previously reported)	126,779	126,779	35,722	106,379	(15,322)	446	-	(15,970)	202
Effects on adoption of SFRS (I) 9	(300)	(300)	-	(300)	-	-	-	-	-
Effects on adoption of SFRS (I) 15	(400)	(400)	-	(400)	-	-	-	-	-
Effects on adoption of SFRS (I)	(538)	(538)	-	(538)	-	-	-	-	-
Balance at 1 May 2018 (restated)	125,541	125,541	35,722	105,141	(15,322)	446	-	(15,970)	202
Profit for the financial year	474	474	-	474	-	-	-	-	-
Other comprehensive income for the financial year	(316)	(316)	-	-	(316)	-	-	(316)	-
Total comprehensive income for the financial year	158	158	-	474	(316)	-	-	(316)	-
<u>Contributions by and distributions to owners</u>									
Shares issuance under performance share plan	-	-	174	-	(174)	-	(174)	-	-
Share-based compensation expense	283	283	-	-	283	-	283	-	-
Dividend on ordinary shares	(2,356)	(2,356)	-	(2,356)	-	-	-	-	-
Total contributions by and distributions to owners	(2,073)	(2,073)	174	(2,356)	109	-	109	-	-
Balance at 30 Apr 2019	123,626	123,626	35,896	103,259	(15,529)	446	109	(16,286)	202
Balance at 1 May 2019	123,626	123,626	35,896	103,259	(15,529)	446	109	(16,286)	202
Loss for the financial year	(4,013)	(4,013)	-	(4,013)	-	-	-	-	-
Other comprehensive income for the financial year	(433)	(433)	-	-	(433)	-	-	(433)	-
Total comprehensive income for the financial year	(4,446)	(4,446)	-	(4,013)	(433)	-	-	(433)	-
<u>Contributions by and distributions to owners</u>									
Shares issuance under performance share plan	-	-	174	-	(174)	-	(174)	-	-
Share-based compensation expense	187	187	-	-	187	-	187	-	-
Transfer from revenue reserve to capital reserve	-	-	-	(59)	59	59	-	-	-
Dividend on ordinary shares	(2,362)	(2,362)	-	(2,362)	-	-	-	-	-
Total contributions by and distributions to owners	(2,175)	(2,175)	174	(2,421)	72	59	13	-	-
Balance at 30 Apr 2020	117,005	117,005	36,070	96,825	(15,890)	505	122	(16,719)	202

Company	Equity		Share	Revenue	Other	Share-based
	Equity, total	attributable to owners of the total				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 May 2018	45,819	45,819	35,722	10,097	-	-
Loss for the financial year	(2,270)	(2,270)	-	(2,270)	-	-
Total comprehensive income for the financial year	(2,270)	(2,270)	-	(2,270)	-	-
<u>Contributions by and distributions to owners</u>						
Shares issuance under performance share plan	-	-	174	-	(174)	(174)
Share-based compensation expense	283	-	-	-	283	283
Dividend on ordinary shares	(2,356)	(2,356)	-	(2,356)	-	-
Total contributions by and distributions to owners	(2,073)	(2,356)	174	(2,356)	109	109
Balance at 30 Apr 2019	41,476	41,193	35,896	5,471	109	109
Balance at 1 May 2018	41,476	41,476	35,896	5,471	109	109
Loss for the financial year	(695)	(695)	-	(695)	-	-
Total comprehensive income for the financial year	(695)	(695)	-	(695)	-	-
<u>Contributions by and distributions to owners</u>						
Shares issuance under performance share plan	-	-	174	-	(174)	(174)
Share-based compensation expense	187	187	-	-	187	187
Dividend on ordinary shares	(2,362)	(2,362)	-	(2,362)	-	-
Total contributions by and distributions to owners	(2,175)	(2,175)	174	(2,362)	13	13
Balance at 30 Apr 2020	38,606	38,606	36,070	2,414	122	122

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, 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.

Issuance of shares under STC Performance Share Plan 2017 (“PSP 2017”)

In accordance with the STC Performance Share Plan 2017 ("PSP 2017"), eligible performance share plan holders of the Company accepted the grant of the Award of shares during the financial year. As a result, a total of 600,000 ordinary new shares arose from the award under PSP 2017.

Following the allotment and issuance of new shares, the number of issued shares has increased to 236,786,244 shares.

As at 30 April 2020, the number of outstanding performance shares, under the Stamford Tyres Performance Share Plan 2017, that have not yet been vested, was 600,000 shares (as at 30 April 2019: 1,200,000 shares).

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial year and as at the end of the immediately preceding year.

	Company 30/04/2020	Company 30/04/2019
Ordinary shares (excluding treasury shares)	236,786,244	236,186,244

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. There are no treasury shares and no subsidiary holdings as at the end of the current financial year reported on.

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

Not applicable.

2. Whether the figures have been audited, or reviewed and in accordance with which standard 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 modifications or emphasis of matter).

Not applicable.

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

- (a) Updates on the efforts taken to resolve each outstanding audit issue.
 - (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements has 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 Note 5, the Group and the Company has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial year compared with those of the audited financial statements as at 30 April 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.

SFRS(I) 16 Leases (effective for annual periods beginning on or after 1 May 2019)

The Group has adopted SFRS(I) 16 Leases with effect from 1 May 2019. The standard introduces a single lease accounting model for lessees. The Group has adopted SFRS(I) 16 retrospectively with any applicable cumulative effect of initially applying the standard as an adjustment to the opening retained earnings at the date of initial application, 1 May 2019. The Group has elected not to restate comparative amounts for the 2019 reporting period as permitted under the specific transition provisions in the standard.

A lessee recognises a right-of-use asset representing its rights to use the underlying asset and a lease liability representing its obligation to make lease payments in the statement of financial position. Lease liability is part of debt. Depreciation charges on the right-of-use assets and interest expense on the lease liability are recorded in the income statement. Lease payments are classified as financing cash flows in the statement of cash flows. The accounting for lessors will not change significantly.

On adoption of SFRS(I) 16, the Group has measured the right-of-use asset at an amount equal to the lease liability, adjusted by the amount of prepaid or accrued lease payments related to that lease recognised in the balance sheet immediately before 1 May 2019.

The Group has also elected the following practical expedients:

- not to reassess whether a contract is, or contains a lease at the date of initial application and to apply SFRS(I) 16 to all contracts that were previously identified as leases;
- to apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months as of 1 May 2019 ("short-term leases") or leases for which the underlying asset is of low value ("leases of low-value assets"); and
- to apply a single discount rate to a portfolio of leases with reasonably similar characteristics.

On adoption of SFRS(I) 16, the Group recognised right-of-use assets and lease liabilities of S\$10.9 million for its leases previously classified as operating lease as at 1 May 2019.

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:-

	Group	
	FY20 Apr'20	FY19 Apr'19
Earning per share (EPS)		
- Based on the weighted average number of ordinary shares on issue (cents)	(1.70)	0.20
- On fully diluted basis (cents)	(1.70)	0.20
	\$'000	\$'000
Group earnings used for the calculation of EPS		
(Loss)/profit for the financial year	(4,013)	474
	'000	'000
Number of shares used for the calculation of basic and diluted EPS:		
Weighted average number of ordinary shares in issue used for the calculation of basic EPS	236,486	235,786

Basic earning per share ("EPS") is calculated on the Group's profit for the financial period attributable to the shareholders of the Company divided by the weighted average number of ordinary shares in issue during the financial year.

Diluted EPS is calculated on the same basis as basic EPS as there are no dilutive potential ordinary shares as at 30 April 2020.

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

	Group		Company	
	Apr-20	Apr-19	Apr-20	Apr-19
Net asset value per ordinary share (cents)	49.41	52.34	16.30	17.56

The net asset value per share for the Group and the Company as at 30 April 2020 are calculated based on the actual number of shares in issue of 236,786,244 ordinary shares (30 April 2019: 236,186,244 ordinary shares).

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

FY20

Revenue

The Group's sales revenue was 14.7% lower at S\$195.7 million in FY20 compared to S\$229.4 million in FY19. This was mainly due to lower sales in South East Asia and the rationalization of non-profitable operations in China and Queensland, Australia.

Gross Profit and Gross Profit Margin

Gross profit was S\$44.1 million in FY20 compared to S\$50.0 million in FY19. Gross profit margin increased slightly from 21.8% in FY19 to 22.5% in FY20.

Operating Expenses

Total operating expenses decreased by 2.2% to S\$51.7 million in FY20 compared to S\$52.9 million in FY19. The decrease was mainly due to lower staff costs, as well as lower marketing and distribution costs and utilities, repairs and maintenance offset by higher allowance for doubtful trade receivable and foreign exchanges costs.

Share of Results of Joint Ventures

In FY20, the share of results of joint ventures amounted to a net profit of S\$377,000, compared to S\$297,000 in FY19, mainly due to attributable to improved performance from our Hong Kong joint venture.

Net Profit

The net loss of the Group was S\$4.0 million in FY20, compared to net profit of S\$0.5 million recorded in FY19.

Financial Position

Property, plant and equipment decreased to S\$58.3 million as at 30 April 2020 from S\$63.5 million as at 30 April 2019.

Receivables decreased to S\$48.3 million as at 30 April 2020 from S\$54.7 million as at 30 April 2019.

Inventories decreased to S\$90.1 million as at 3. April 2020 from S\$91.9 million as at 30 April 2019.

Trade payables and trust receipts decreased to S\$55.6 million as at 30 April 2020 from S\$60.2 million as at 30 April 2019.

As at 30 April 2020, the Group's cash and cash equivalents stood at S\$25.7 million compared to S\$13.7 million as at 30 April 2019. This was mainly due to improved cash flows from operations.

The Group's borrowings which comprise trust receipts, revolving credit, short-term secured loans as well as long-term secured loans stood at S\$97.5 million as at 30 April 2020 compared with S\$87.3 million as at 30 April 2019. The increase in borrowings was mainly due to higher drawdown of short-term loans.

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

Not applicable.

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

The operating environment in the tyre business remains challenging as a result of global oversupply, intense competition and uncertainties arising from the Covid-19 pandemic.

To mitigate the impact of this challenging environment, the Group will continue to optimize its product mix, manage operating costs and build on its core markets in South East Asia.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount per Share (in cents)	0.5 cent per ordinary share (tax exempt)

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount per Share (in cents)	1.0 cent per ordinary share (tax exempt)
Annual Dividend (S\$'000)	2,362

(c) Date payable

To be announced at a later date, subject to shareholders' approval at the forthcoming Annual General Meeting.

(d) Books closure date

Notice will be given regarding the date of closure of transfer books and register of members.

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

Not applicable.

13. If the Group has obtained a general mandate from shareholder 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.

No IPT mandate has been obtained.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR

14. 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.

Geographical segment Group 2020	Southeast				Total segments S\$'000	Elimination S\$'000	Consolidated S\$'000
	Asia S\$'000	North Asia S\$'000	Africa S\$'000	Other S\$'000			
Revenue							
External revenue	171,644	4,173	12,670	7,218	195,705	-	195,705
Inter-segment revenue	23,417	559	-	-	23,976	(23,976)	-
Other revenue							
- Interest income	64	22	64	36	186	-	186
- Others	1,946	1,992	22	-	3,960	-	3,960
Total revenue	197,071	6,746	12,756	7,254	223,827	(23,976)	199,851
Finance costs	(4,671)	(18)	(104)	(63)	(4,856)	450	(4,406)
Segment result	(2,656)	889	(289)	(1,777)	(3,833)	450	(3,383)
Less : Unallocated expenses							(87)
Share of profits of joint ventures	-	1,025	-	(648)	377	-	377
Profit before taxation							(3,093)
Taxation							(920)
Loss for the financial year							(4,013)
Other information							
Segment assets	216,861	6,190	11,508	4,281	238,840	-	238,840
Associated and joint venture companies	246	16,196	-	532	16,974	-	16,974
Unallocated assets	2,622	36	-	-	2,658	-	2,658
Total assets	219,729	22,422	11,508	4,813	258,472	-	258,472
Segment liabilities	130,191	357	4,343	3,116	138,007	-	138,007
Unallocated liabilities	3,460	-	-	-	3,460	-	3,460
Total liabilities	133,651	357	4,343	3,116	141,467	-	141,467
Other segment information							
Additions to non-current assets							
- Property, plant and equipment	1,859	11	76	2	1,948	-	1,948
Significant non-cash expenses :							
Amortisation and depreciation of property, plant and equipment	6,225	331	181	67	6,804	-	6,804
Allowance for doubtful trade receivables (Write-back of)/allowance for inventory obsolescence	2,374	-	30	67	2,471	-	2,471
Write-back of impairment on property, plant and equipment	(147)	114	(107)	(86)	(226)	-	(226)
Bad debts recovered directly to profit and loss account	(6)	-	-	-	(6)	-	(6)
	-	-	(4)	-	(4)	-	(4)
Depreciation -Right-of-use assets	1,817	276	369	189	2,651	-	2,651

Geographical segment Group 2019	Southeast				Total segments S\$'000	Elimination S\$'000	Consolidated S\$'000
	Asia S\$'000	North Asia S\$'000	Africa S\$'000	Other S\$'000			
Revenue							
External revenue	190,985	11,881	14,068	12,441	229,375	-	229,375
Inter-segment revenue	25,184	2,305	-	-	27,489	(27,489)	-
Other revenue							
- Interest income	112	37	107	-	256	-	256
- Others	2,442	1,997	5	99	4,543	-	4,543
Total revenue	218,723	16,220	14,180	12,540	261,663	(27,489)	234,174
Finance costs	(4,350)	(50)	(82)	(126)	(4,608)	447	(4,161)
Segment result	2,975	14	(321)	(1,118)	1,550	447	1,997
Less : Unallocated expenses							(59)
Share of profits of joint ventures	-	1,008	-	(711)	297	-	297
Profit before taxation							2,235
Taxation							(1,761)
Profit for the financial year							474
Other information							
Segment assets	206,330	5,735	11,561	5,730	229,356	-	229,356
Associated and joint venture companies	242	15,483	-	1,210	16,935	-	16,935
Unallocated assets	2,621	35	-	134	2,790	-	2,790
Total assets	209,193	21,253	11,561	7,074	249,081	-	249,081
Segment liabilities	112,951	1,916	2,760	3,448	121,075	-	121,075
Unallocated liabilities	4,380	-	-	-	4,380	-	4,380
Total liabilities	117,331	1,916	2,760	3,448	125,455	-	125,455
Other segment information							
Additions to non-current assets							
- Property, plant and equipment	2,385	97	89	6	2,577	-	2,577
Significant non-cash expenses :							
Amortisation and depreciation of property, plant and equipment	6,696	360	200	19	7,275	-	7,275
Allowance for/(write-back of) doubtful trade receivables	330	(28)	-	80	382	-	382
(Write-back of)/allowance for inventory obsolescence	(735)	30	(138)	54	(789)	-	(789)
Write-back of impairment on property, plant and equipment	(9)	-	-	-	(9)	-	(9)
Bad debts recovered directly to profit and loss account	-	-	(5)	(3)	(8)	-	(8)

Business Segments

	Revenue		Non-current Assets	
	FY2020	FY2019	FY2020	FY2019
	S\$'000	S\$'000	S\$'000	S\$'000
Distribution	174,498	201,436	76,272	71,534
Manufacturing	25,353	32,738	10,402	11,642
	<u>199,851</u>	<u>234,174</u>	<u>86,674</u>	<u>83,176</u>

15. 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 the item no. 8.

16. A breakdown of sales.

A breakdown of sales as follows:

	Group		% Increase/ (Decrease)
	Latest year \$'000	Previous year \$'000	
Turnover reported for first half year	108,265	121,698	-11.04%
Operating profit/loss after tax before deducting minority interests reported for first half year	(741)	131	-665.65%
Turnover reported for second half year	87,440	107,677	-18.79%
Operating profit/loss after tax before deducting minority interests reported for second half year	(3,272)	343	-1053.94%

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

	Latest Full Year (\$'000)	Previous Full Year (\$'000)
Ordinary	<u>1,184</u>	<u>2,362</u>

18. Aggregate value of interested person transactions entered into by the Company and/or its subsidiaries during the year.

The Company does not have a general mandate for IPT.

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Wah Holdings Pte Ltd**	S\$182,400	Nil

** Mr Wee Kok Wah, Mrs Dawn Wee Wai Ying and Dr Wee Li Ann are directors/shareholders of Wah Holdings Pte Ltd

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(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
Mr Wee Kok Wah	74	See Note (1)	President (1989)	N.A.
Mrs Daw n Wee Wai Ying	71	See Note (1)	Executive Director (1989)	N.A.
Dr Wee Li Ann	49	See Note (1)	Executive Director (2018)	N.A.

Note (1) :
 Mr Wee Kok Wah and Mrs Daw n Wee Wai Ying are directors and substantial shareholders of the Company.
 Mr Wee Kok Wah and Mrs Daw n Wee Wai Ying are husband and wife.
 Dr Wee Li Ann is the daughter of Mr and Mrs Wee Kok Wah.

20. 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 confirmed that it has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Dr. Wee Li Ann
 Director
 27 July 2020