ALLIED TECHNOLOGIES LIMITED

Financial Statement for the year ended 31 December 2019

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 for the group together with a comparative statement for the corresponding period of the immediately preceding financial period.

	Note	GROUP					
		3 months ended			12 months ended		
		4Q2019	4Q2018	+/(-)	12M2019	12M2018	+/(-)
		S$'000	S$'000	%	S$'000	S$'000	%
Continuing operations							
Revenue		32,684	28,532	15%	123,351	125,919	(2%)
Cost of revenue		(28,726)	(25,632)	12%	(114,685)	(114,565)	0%
Gross profit		3,958	2,900	36%	8,666	11,354	(24%)
Other income		225	1,042	(78%)	866	1,681	(48%)
Marketing and distribution cost		-	(8)	(100%)	-	(381)	(100%)
General and administrative expenses		(30,942)	(35,228)	(12%)	(38,707)	(42,124)	(8%)
Finance costs		(360)	(117)	208%	(1,099)	(255)	331%
Loss before tax from continuing operations	A	(27,119)	(31,411)	(14%)	(30,274)	(29,725)	2%
Income tax expense	B	(46)	(95)	(52%)	(304)	(270)	13%
Loss from continuing operations, net of tax		(27,165)	(31,506)	(14%)	(30,578)	(29,995)	2%
Discontinued operation							
Loss from discontinued operation, net of tax		-	(98)	(100%)	-	(1)	(100%)
Loss for the financial period/year		**(27,165)**	**(31,604)**	(14%)	**(30,578)**	**(29,996)**	2%
Attributable to:							
Owners of the Company							
Loss from continuing operations, net of tax		(25,069)	(30,872)	(19%)	(28,076)	(29,698)	(5%)
Loss from discontinued operation, net of tax		-	(98)	(100%)	-	(1)	(100%)
Loss for the financial period/year attributable to owners of the Company		**(25,069)**	**(30,970)**	(19%)	**(28,076)**	**(29,699)**	(5%)
Non-controlling interests							
Loss from continuing operations, net of tax		(2,096)	(634)	231%	(2,502)	(297)	742%
Loss for the financial period/year attributable to non-controlling interests		**(2,096)**	**(634)**	231%	**(2,502)**	**(297)**	742%
Loss per share from continuing operations attributable to owners of the Company (cents per share)							
Basic and diluted		(1.42)	(1.74)		(1.59)	(1.90)	
Loss per share (cents per share)							
Basic and diluted		(1.42)	(1.75)		(1.59)	(1.90)	
Other comprehensive income:							
Items that may be reclassified subsequently to profit or loss:							
Net fair value gain/(loss) on equity instrument at fair value through other comprehensive income		110	(245)	n.m	110	(245)	n.m
Foreign currency translation of foreign subsidiaries		(96)	219	n.m	131	419	(69%)
Foreign currency translation recycled to profit or loss upon disposal and liquidation of subsidiaries		-	(279)	(100%)	-	12	(100%)
Total comprehensive income for the financial period/year		**(27,151)**	**(31,909)**	n.m	**(30,337)**	**(29,810)**	2%
Attributable to:							
Owners of the Company		(25,049)	(31,271)	(20%)	(27,836)	(29,539)	(6%)
Non-controlling interests		(2,102)	(638)	229%	(2,501)	(271)	823%
Total comprehensive income for the financial period/year		**(27,151)**	**(31,909)**	(15%)	**(30,337)**	**(29,810)**	2%
Attributable to owners of the Company:							
Total comprehensive income from continuing operations		(25,049)	(31,459)	(20%)	(27,836)	(29,824)	(7%)
Total comprehensive income from discontinued operation		-	188	(100%)	-	285	(100%)
Total comprehensive income for the financial period/year attributable to owners of the Company		**(25,049)**	**(31,271)**	(20%)	**(27,836)**	**(29,539)**	(6%)

Note:
n.m - not meaningful

1 (a) An income statement and statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial period. (continued)

Notes:

A: Loss before income tax from continuing and discontinued operations is arrived at after (crediting)/charging the following:

	GROUP					
	4Q2019	**4Q2018**		**12M2019**	**12M2018**	
	S$'000	**S$'000**		**S$'000**	**S$'000**	
(a) **Cost of revenue:**						
(Write-back of)/allowance for inventory obsolescence	(390)	30	n.m	54	107	(50%)
Depreciation of property, plant and equipment	674	217	211%	2,895	1,931	50%
Depreciation of right-of-use assets	199	-	n.m	674	-	n.m
Salaries, bonus and other costs	3,221	3,802	(15%)	13,973	13,839	1%
(b) **Other income:**						
Interest income	(40)	(43)	(7%)	(129)	(95)	36%
Investment return on amount due from the principal of an international sporting event	-	(202)	(100%)	-	(202)	(100%)
Consultancy fee earned from the principal of an international sporting event	-	(669)	(100%)	-	(669)	(100%)
Waiver of amount owing to Allied Technologies (Suzhou) Co., Ltd	-	(173)	(100%)	-	(173)	(100%)
Dividend income from other investments	(3)	-	n.m	(220)	(195)	13%
Gain on disposal of intangible assets	-	-	n.m	-	(30)	(100%)
(Gain)/loss on disposal of property, plant and equipment	(3)	35	n.m	(98)	-	n.m
Amortisation of deferred interest income	(53)	-	n.m	(100)	(19)	426%
Amortisation of compensation income	-	-	n.m	-	(40)	(100%)
Rental income	(14)	(14)	0%	(55)	(100)	(45%)
(c) **General and administrative expenses:**						
Legal and other professional fees	254	696	(64%)	893	1,160	(23%)
Salaries, bonus and other costs	921	1,101	(16%)	4,098	3,071	33%
Allowance for/(Write-back of) impairment on :						
- trade debtors	22	(19)	n.m	36	(73)	n.m
- other debtors	3,851	1	385000%	3,851	1	385000%
- amount due from joint venture	-	560	(100%)	-	560	(100%)
Depreciation of property, plant and equipment	127	109	17%	507	338	50%
Depreciation of right-of-use assets	139	-	n.m	338	-	n.m
Amortisation of intangible assets	101	566	(82%)	133	567	(77%)
Loss on disposal of a subsidiary	-	153	(100%)	-	256	(100%)
Impairment loss on property, plant and equipment	191	-	n.m	191	-	n.m
Impairment loss on right-of-use assets	232	-	n.m	232	-	n.m
Impairment loss on goodwill	23,948	31,274	(23%)	23,948	31,274	(23%)
Written-off of trade debtors	-	7	(100%)	5	7	(29%)
Foreign exchange loss	382	46	730%	378	571	(34%)

B: Major components of income tax expense

	4Q2019	4Q2018		12M2019	12M2018	
Current income tax - continuing operations:						
- Current income taxation	99	191	(48%)	345	364	(5%)
- Overprovision in respect of previous years	(45)	(6)	650%	(26)	(4)	550%
	54	185	(71%)	319	360	(11%)
Deferred income tax - continuing operations:						
Reversal of temporary differences	(8)	(90)	(91%)	(15)	(90)	(83%)
Income tax attributable to continuing operations	46	95	(52%)	304	270	13%
Income tax recognised in profit or loss	46	95	(52%)	304	270	13%

Note:

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	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	S$'000	S$'000	S$'000	S$'000
Non-current assets				
Intangible assets	-	24,080	-	-
Property, plant and equipment	27,257	24,084	6	-
Right-of-use assets	5,337	-	-	-
Investment in joint venture	-	-	-	-
Investment in subsidiary companies	-	-	30,925	53,083
Loan receivables from subsidiary companies	-	-	-	7,326
Other investments	2,070	1,960	-	-
Prepayments	-	2,056	-	-
	34,664	52,180	30,931	60,409
Current assets				
Inventories	15,883	15,053	-	-
Trade debtors	25,949	21,297	-	-
Other debtors	1,442	6,371	43	11
Contract assets	1,186	1,500	-	-
Prepayments and advances to suppliers	283	601	15	8
Fixed deposits	2,731	4,957	-	-
Cash and bank balances	5,946	9,016	113	127
Amount due from a law firm	33,153	34,542	33,153	33,449
	86,573	93,337	33,324	33,595
Current liabilities				
Amount due to a subsidiary	-	-	750	138
Trade creditors	30,861	29,046	-	-
Contract liabilities	490	827	-	-
Lease liabilities	780	-	-	-
Other creditors and accruals	7,114	8,069	1,834	419
Amount due to a former director	1,183	1,479	1,183	1,479
Amount due to a non-controlling shareholder of a subsidiary	412	238	-	-
Loans and borrowings	4,428	3,823	-	-
Income tax payable	165	192	-	-
	45,433	43,674	3,767	2,036
Net current assets	41,140	49,663	29,557	31,559
Non-current liabilities				
Accruals	61	-	-	-
Lease liabilities	5,014	-	-	-
Loans and borrowings	6,200	6,840	-	-
Deferred tax liabilities	14	28	-	-
	11,289	6,868	-	-
TOTAL NET ASSETS	64,515	94,975	60,488	91,968
Equity attributable to owners of the Company				
Share capital	115,898	115,898	115,898	115,898
Statutory reserve fund	231	131	-	-
Other reserves	189	189	189	189
Fair value adjustment reserve	(135)	(245)	-	-
Accumulated losses	(49,991)	(21,692)	(55,599)	(24,119)
Foreign currency translation reserve	1,116	986	-	-
	67,308	95,267	60,488	91,968
Non-controlling interests	(2,793)	(292)	-	-
	64,515	94,975	60,488	91,968

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

Amount repayable in one year or less, or on demand

GROUP 31.12.2019		GROUP 31.12.2018	
Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
4,428	897	3,823	1,413

Amount repayable after one year

GROUP 31.12.2019		GROUP 31.12.2018	
Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
6,200	-	6,840	-

Details of any collateral

The Group's borrowings comprise the following:
(i) amounts due to bankers;
(ii) amount due to a non-controlling shareholder of a subsidiary;
(iii) amount due to a director-related company (included in other creditors and accruals); and
(iv) amount due to a director (included in other creditors and accruals).

The amounts due to bankers are secured facilities granted to the Group. The secured facilities granted are secured by:

(1) fixed deposits placement by the Company's respective subsidiaries;
(2) lands and properties of the respective subsidiaries; and
(3) agreed amounts of corporate guarantee provided by the Company and/or its subsidiary.

The amounts due to a non-controlling shareholder of a subsidiary, a director-related company and a director are non-trade related, unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

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			
	3 months ended		12 months ended	
	4Q2019 S$'000	4Q2018 S$'000	12M2019 S$'000	12M2018 S$'000
Cash flows from operating activities				
Loss before tax from continuing operations	(27,119)	(31,411)	(30,274)	(29,725)
Profit before tax from discontinued operation	-	1,561	-	1,658
Loss before tax, total	(27,119)	(29,850)	(30,274)	(28,067)
Adjustments for:				
(Gain)/loss on disposal of property, plant and equipment	(3)	35	(98)	2
Gain on disposal of intangible assets	-	-	-	(30)
Loss on disposal of a subsidiary	-	153	-	256
Depreciation of property, plant and equipment	801	326	3,402	2,268
Depreciation of right-of-use assets	338	-	1,012	-
Impairment loss of goodwill	23,948	31,274	23,948	31,274
Impairment loss of property, plant and equipment	191	-	191	-
Impairment loss of right-of-use assets	232	-	232	-
Impairment loss of other debtors	3,851	-	3,851	-
Amortisation of deferred interest income	(53)	-	(100)	(19)
Amortisation of intangible assets	101	566	133	567
Amortisation of compensation income	-	-	-	(40)
Interest income	(40)	(43)	(129)	(95)
Interest expense	205	118	854	305
Interest expense - lease liabilities	155	-	245	-
Dividend income from other investments	(3)	-	(220)	(195)
Investment return on amount due from the principal of an international sporting event	-	-	-	(202)
Exchange differences	312	(303)	15	(38)
Operating cash flow before changes in working capital	**2,916**	**2,276**	**3,062**	**5,986**
Increase in inventories	(4,960)	(3,262)	(965)	(4,717)
Increase/(decrease) in trade debtors and other debtors, contract assets, prepayments and amount due from a law firm	971	5,780	(1,664)	3,745
Decrease/(increase) in trade creditors and other creditors other liabilities and accruals	3,921	(3,509)	1,078	(4,178)
Payment to a former director in relation to termination of service agreement	-	(665)	(296)	(1,257)
Cash flows generated from/(used in) operations	2,848	620	1,215	(421)
Interest paid	(205)	(118)	(854)	(305)
Interest paid for lease liabilities	(245)	-	(245)	-
Interest received	40	43	129	95
Tax paid	(99)	(78)	(344)	(302)
Net cash flows generated from/(used in) operating activities	**2,339**	**467**	**(99)**	**(933)**
Cash flows from investing activities :				
Net cash outflow on acquisition subsidiaries	-	(18)	-	(54,214)
Capital gains tax paid	-	(1,659)	-	(1,659)
Proceeds from disposal of property, plant and equipment	27	570	731	789
Proceeds from disposal of intangible assets	-	-	-	152
Purchase of property, plant and equipment	(189)	(892)	(5,486)	(6,347)
Prepayment for purchase of land	-	(2,085)	-	(2,085)
Dividend receipt from other investments	3	-	220	195
Receipt of investment return on amount due from the principal of an international sporting event	-	-	-	202
Net cashflow on disposal of subsidiaries	-	-	-	20,083
Net cash flows used in investing activities	**(159)**	**(4,084)**	**(4,535)**	**(42,884)**
Cash flows from financing activities :				
Dividend paid on ordinary shares	-	-	-	(135)
Proceeds from issuance of ordinary shares	-	-	-	25,161
Increase in amount due to non-controlling shareholder of a subsidiary	20	292	173	292
Repayment of lease liabilities	(114)	-	(847)	-
Net decrease in hire purchase creditors	-	-	-	(4)
Drawdown of bank borrowings	7,728	9,920	20,723	19,236
Repayment of bank borrowings	(8,854)	(4,429)	(20,716)	(13,664)
Net increase in fixed deposits	(28)	(2,636)	2,206	(3,221)
Net cash flows (used in)/generated from financing activities	**(1,248)**	**3,147**	**1,539**	**27,665**
Net increase/(decrease) in cash and cash equivalents	932	(470)	(3,095)	(16,152)
Cash and cash equivalents at beginning of period/year	5,059	44,007	9,016	59,618
Pending recovery of funds from JLC Advisors LLP (Note A)	-	(34,542)	-	(34,542)
Effects of exchange rates on opening cash and cash equivalents	(45)	21	25	92
Cash and cash equivalents at end of period/year	**5,946**	**9,016**	**5,946**	**9,016**

Note A:

As at 31 December 2018, cash of S$33.45 million and S$1.09 million were held in trust and/or in escrow by a Singapore law firm, JLC Advisors LLP ("**JLC**") for the Company and its subsidiary, Asia Box Office Pte. Ltd. ("**ABO**"), respectively. On 9 January 2019, the Company authorised JLC to make payment of $0.30 million to a former director of the Company in relation to the termination of his service agreement. On 2 April 2019, JLC paid the sum of S$1.09 million to the Group, being the balance funds that ABO had placed in trust with JLC as at 2 April 2019. This was pursuant to ABO's request to withdraw the funds held in trust with JLC on 23 March 2019. Consequently, the remaining balance held by the Group in escrow by JLC is $33.15 million ("**Escrow Funds**"). The Company had made repeated demands for repayment of the Escrow Funds from JLC since 23 March 2019. On 17 May 2019, the Company's legal counsel issued a letter of demand to JLC to release the Escrow Funds to the Company. As there have been alleged unauthorised payments of such Escrow Funds and on-going investigation by various authorities, the Group and the Company have classified the cash of S$33.15 million (2018: S$34.54 million) and S$33.15 million (2018: S$33.45 million) as amount due from a law firm respectively as at 31 December 2019 instead of cash and cash equivalents as the Company is currently taking all steps necessary to recover the Escrow Funds from JLC ("**JLC Issue**").

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 period.

	Ordinary shares S$'000	Foreign currency translation reserve S$'000	Statutory reserve fund S$'000	Other reserves S$'000	Fair value adjustment reserve S$'000	(Accumulated losses)/ retained earnings S$'000	Reserves of disposal group classified as held for sale S$'000	**Total equity attributable to owners of the Company S$'000**	Non-controlling interests S$'000	**Total equity S$'000**
Balance as at 1 January 2019	115,898	986	131	189	(245)	(21,692)	-	**95,267**	(292)	**94,975**
Cumulative effects of adopting SFRS(I)16	-	-	-	-	-	(66)	-	**(66)**	-	**(66)**
Loss for the period	-	-	-	-	-	(1,714)	-	**(1,714)**	(149)	**(1,863)**
Other comprehensive income:										
Foreign currency translation	-	80	-	-	-	-	-	**80**	(6)	**74**
Balance as at 31 March 2019	**115,898**	**1,066**	**131**	**189**	**(245)**	**(23,472)**	**-**	**93,567**	**(447)**	**93,120**
Loss for the period	-	-	-	-	-	(1,830)	-	**(1,830)**	(165)	**(1,995)**
Other comprehensive income:										
Foreign currency translation	-	(12)	-	-	-	-	-	**(12)**	2	**(10)**
Balance as at 30 June 2019	**115,898**	**1,054**	**131**	**189**	**(245)**	**(25,302)**	**-**	**91,725**	**(610)**	**91,115**
Profit/(loss) for the period	-	-	-	-	-	537	-	**537**	(92)	**445**
Other comprehensive income:										**-**
Foreign currency translation	-	152	-	-	-	-	-	**152**	11	**163**
Transfer to statutory reserve fund	-	-	78	-	-	(78)	-	**-**	-	**-**
Balance as at 30 September 2019	**115,898**	**1,206**	**209**	**189**	**(245)**	**(24,843)**	**-**	**92,414**	**(691)**	**91,723**
Cumulative effects of adopting SFRS(I)16	-	-	-	-	-	(56)	-	**(56)**	(1)	**(57)**
Loss for the period	-	-	-	-	-	(25,069)	-	**(25,069)**	(2,096)	**(27,165)**
Other comprehensive income:										
Foreign currency translation	-	(90)	-	-	-	-	-	**(90)**	(6)	**(96)**
Net fair value gain on equity instruments at fair value through other comprehensive income	-	-	-	-	110	-	-	**110**	-	**110**
Transfer to statutory reserve fund	-	-	22	-	-	(22)	-	**-**	-	**-**
Balance as at 31 December 2019	**115,898**	**1,116**	**231**	**189**	**(135)**	**(49,990)**	**-**	**67,309**	**(2,794)**	**64,515**
Balance as at 1 January 2018	90,738	872	16	189	-	6,319	1,647	**99,781**	-	**99,781**
Profit for the period	-	-	-	-	-	516	-	**516**	-	**516**
Other comprehensive income	-	742	-	-	-	-	-	**742**	-	**742**
Attributable to disposal group	-	(274)	-	-	-	97	274	**97**	-	**97**
Disposal of subsidiaries	-	(17)	-	-	-	1,938	(1,921)	**-**	-	**-**
Balance as at 31 March 2018	**90,738**	**1,323**	**16**	**189**	**-**	**8,870**	**-**	**101,136**	**-**	**101,136**
Profit for the period	-	-	-	-	-	635	-	**635**	424	**1,059**
Acqusition of a subsidiary	-	-	-	-	-	-	-	**-**	(396)	**(396)**
Dividend paid during the period	-	-	-	-	-	(135)	-	**(135)**	-	**(135)**
Other comprehensive income	-	(151)	-	-	-	-	-	**(151)**	26	**(125)**
Transfer to statutory reserve fund	-	-	143	-	-	(143)	-	**-**	-	**-**
Balance as at 30 June 2018	**90,738**	**1,172**	**159**	**189**	**-**	**9,227**	**-**	**101,485**	**54**	**101,539**
Profit/(loss) for the period	-	-	-	-	-	23	-	**23**	(87)	**(64)**
Issuance of ordinary shares (net of transaction costs)	25,160	-	-	-	-	-	-	**25,160**	-	**25,160**
Acqusition of a subsidiary	-	-	-	-	-	-	-	**-**	94	**94**
Other comprehensive income	-	(130)	-	-	-	-	-	**(130)**	4	**(126)**
Balance as at 30 September 2018	**115,898**	**1,042**	**159**	**189**	**-**	**9,250**	**-**	**126,538**	**65**	**126,603**
Loss for the period	-	-	-	-	-	(30,970)	-	**(30,970)**	(634)	**(31,604)**
Other comprehensive income	-	(56)	-	-	(245)	-	-	**(301)**	(4)	**(305)**
Transfer to retained earnings	-	-	(28)	-	-	28	-	**-**	-	**-**
Acqusition of a subsidiary	-	-	-	-	-	-	-	**-**	281	**281**
Balance as at 31 December 2018	**115,898**	**986**	**131**	**189**	**(245)**	**(21,692)**	**-**	**95,267**	**(292)**	**94,975**

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 period.

Company	Share capital S$'000	Other reserves S$'000	(Accumulated losses) /retained earnings S$'000	Total equity attributable to owners of the Company S$'000
Balance as at 1 January 2019	115,898	189	(24,119)	91,968
Total comprehensive income for the period	-	-	(366)	(366)
Balance as at 31 March 2019	**115,898**	**189**	**(24,485)**	**91,602**
Total comprehensive income for the period		-	(945)	(945)
Balance as at 30 June 2019	**115,898**	**189**	**(25,430)**	**90,657**
Total comprehensive income for the period	-	-	(605)	(605)
Balance as at 30 September 2019	**115,898**	**189**	**(26,035)**	**90,052**
Total comprehensive income for the period	-	-	(29,564)	(29,564)
Balance as at 31 December 2019	**115,898**	**189**	**(55,599)**	**60,488**
Balance as at 1 January 2018	90,738	189	8,090	99,017
Total comprehensive income for the period	-	-	(344)	(344)
Balance as at 31 March 2018	**90,738**	**189**	**7,746**	**98,673**
Total comprehensive income for the period	-	-	(476)	(476)
Dividend paid during the year	-	-	(135)	(135)
Balance as at 30 June 2018	**90,738**	**189**	**7,135**	**98,062**
Total comprehensive income for the period	-	-	(413)	(413)
Issuance of ordinary shares (net of transaction costs)	25,160	-	-	25,160
Balance as at 30 September 2018	**115,898**	**189**	**6,722**	**122,809**
Total comprehensive income for the period	-	-	(30,841)	(30,841)
Balance as at 31 December 2018	**115,898**	**189**	**(24,119)**	**91,968**

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.

	No. of ordinary shares '000	Amount S$'000
As at 31.12.2019, 30.09.2019 and 31.12.2018	1,770,329	115,898

As at 31 December 2019 and 31 December 2018, the Company did not have any outstanding convertibles, treasury shares or 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.

	31.12.2019	31.12.2018
Total number of issued shares ('000) (excluding treasury shares)	1,770,329	1,770,329

There were no treasury shares as at 31 December 2019 and 31 December 2018.

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 the Company did not have any treasury shares as at 31 December 2019.

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 the Company did not hold any subsidiary holdings as at 31 December 2019.

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.

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.

Reference is made to pages 62 to 64 of the FY2018 Annual Report. Other than the issue of material uncertainty relating to the going concern assumption, the disclaimer of opinion by the Company's auditor arose from the following five (5) issues:

1) Funds held with JLC Advisors LLP;
2) Purchase price allocation, impairment assessments of goodwill and interest in subsidiaries;
3) Other debtors of the Group;
4) Transactions with Executive Director and/or entity owned by an Executive Director; and
5) On-going special audit and investigation.

(a) Updates on the efforts taken to resolve each outstanding audit issue highlighted above:

In relation to issues (1) to (5) above, the Company has, as announced on 14 June 2019, appointed PricewaterhouseCoopers Risk Services Pte Ltd as the Special Auditor to undertake a special audit to look into, amongst others, the issues pertaining to issues (1) to (5) above. To date, the Special Auditor has yet to complete the special audit. As such, the Company is not in a position to comment on the resolution of these issues at the present time. Notwithstanding the foregoing, the Company has provided its full cooperation during the course of the special audit. The Board will review the findings of the special audit and use its best efforts to resolve the outstanding issues surrounding the special audit.

(b) Nonetheless, the Board confirms that the impact of all outstanding audit issues on the financial statements have been adequately disclosed in these financial statements.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period as compared to those applied in the audited financial statements for the financial year ended 31 December 2018 and new and amended Singapore Financial Reporting Standards (International) ("**SFRS(I)**") which became effective on or after 1 January 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.

Except for SFRS(I) 16 *Leases*, the adoption of the new and amended standards does not have material impact on the financial statements.

<u>SFRS(I) 16 *Leases*</u>

SFRS(I) 16 is effective for annual periods beginning on or after 1 January 2019. The Group has adopted SFRS (I) 16 retrospectively with the cumulative effect of initially applying the standard as an adjustment to the opening retained earnings as the date of initial application, 1 January 2019. The Group measures the right-of-use assets at their carrying amount as if SFRS(I) 16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as of 1 January 2019, except for leases of 'low value' assets and short-term leases.

The adoption of SFRS(I) 16 resulted in the following adjustments to the balance sheet of the Group as at 1 January 2019:

Balance sheet item	**S$'000**
Right-of-use assets	4,346
Property, plant and equipment	(42)
Prepayments	(4)
Lease liabilities	4,423
Opening retained earnings	(123)

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 3 months ended		GROUP 12 months ended	
	4Q2019	4Q2018	12M2019	12M2018
Loss (S$'000)				
Attributable to the owners of the Company				
Loss from continuing operations, net of tax	(25,069)	(30,872)	(28,076)	(29,698)
Loss for the period/year	(25,069)	(30,970)	(28,076)	(29,699)
Loss per share from continuing operations (cents)				
- Basic	(1.42)	(1.74)	(1.59)	(1.90)
- Diluted	(1.42)	(1.74)	(1.59)	(1.90)
Loss per share (cents)				
- Basic	(1.42)	(1.75)	(1.59)	(1.90)
- Diluted	(1.42)	(1.75)	(1.59)	(1.90)
Weighted average number of ordinary shares ('000)	1,770,329	1,770,329	1,770,329	1,559,754

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	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Net asset value per ordinary share based on issued share capital at end of the period/year (in cents)	3.64	5.36	3.42	5.19
Net asset value as at end of period/year ($'000)	64,515	94,975	60,488	91,968
No. of ordinary shares ('000)	1,770,329	1,770,329	1,770,329	1,770,329

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

a. Revenue

Continuing operations

The Group's revenue increased by 15% in 4Q2019 (from S$28.53 million in 4Q2018 to S$32.68 million in 4Q2019), but decreased by 2% for the year ended 12M2019 (from S$125.92 million in 12M2018 to S$123.35 million in 12M2019). For 4Q, the increase is mainly due to increase of S$3.97 million in revenue contributed by the precision metal stamping segment. For 12M, the decrease is mainly due to a decrease of S$13.64 million in revenue from the e-commerce segment, which is offset by an increase in revenue of S$11.07 million from the precision metal stamping segment.

As a result of the Group's internal restructuring to streamline the subsidiaries into two business segments, namely precision metal stamping and e-commerce, the Company ceased to generate revenue since 4Q2018 due to the change of its principal business activity to that of investment holding company.

Precision metal stamping

The Company's subsidiary located in Singapore reported revenue of S$0.36 million in 4Q2019 and S$1.20 million in 12M2019 as compared to S$0.21 million in 4Q2018 and S$0.87 million in 12M2018 respectively. The increase in 4Q2019 and 12M2019 is mainly due to a project awarded by a major customer during the period/year.

Its subsidiaries located in Malaysia reported a decrease in revenue from S$13.28 million in 4Q2018 and S$45.31 million in 12M2018 to S$11.69 million in 4Q2019 and S$42.92 million in 12M2019 respectively. The decrease in revenue in 4Q2019 and 12M2019 is mainly due to lower demand of an existing project from a major customer during the period/year.

The subsidiary located in Vietnam reported higher revenue of S$18.42 million in 4Q2019 and S$70.33 million in 12M2019 as compared to S$13.61 million in 4Q2018 and S$58.22 million in 12M2018 respectively due to new projects awarded by customers during the period/year.

The subsidiary located in Thailand recorded higher revenue of S$2.20 million in 4Q2019 and S$8.71 million in 12M2019 as compared to that of S$1.60 million in 4Q2018 and S$6.67 million in 12M2018 respectively mainly due to more orders received from its existing customers.

E-commerce

The e-commerce segment reported revenue of S$0.02 million in 4Q2019 and S$0.19 million in 12M2019 as compared to negative S$0.16 million in 4Q2018 and S$13.83 million in 12M2018 respectively. The decrease in revenue is mainly due to the fact that ABO and its subsidiary, Asia Box Office (HK) Limited (collectively, "**ABO Group**") did not promote and organise any event during the said period/year. The promotion of a major event in 12M2018 accounted for the bulk of the revenue recorded by the e-commerce segment in 12M2018.

ABO Group did not record ticketing revenue in 4Q2019 and recorded revenue of less than S$0.01 million in 12M2019. It did not record promotion of event revenue as it is facing challenges in securing contracts in light of the matters as announced on 8 May 2019. This is as compared to revenue of negative S$0.38 million in 4Q2018 as a result of reclassification of consultancy fee earned to other income and revenue of S$13.50 million in 12M2018 reported respectively.

Activpass Holdings Pte Ltd ("**Activpass**") recorded revenue of S$0.02 million in 4Q2019 and S$0.19 million in 12M2019 as compared to S$0.22 million in 4Q2018 and S$0.32 million in 12M2018 respectively. The decrease in revenue resulted from the delay in funding and execution of marketing plans locally and overseas to motivate merchants and users to join its platform in light of the matters as announced on 8 May 2019.

b. Operating results

<u>Continuing operations</u>

The Group recorded loss before tax ("**LBT**") of S$27.12 million in 4Q2019 and LBT of S$30.27 million in 12M2019 as compared to LBT of S$31.41 million in 4Q2018 and LBT of S$29.73 million in 12M2018 respectively. The LBT in 4Q and 12M is mainly attributable to the Company and the subsidiaries in e-commerce segment.

<u>Corporate</u>

The Company reported LBT of S$0.80 million in 4Q2019 and LBT of S$2.72 million in 12M2019 as compared to LBT of S$0.20 million in 4Q2018 and LBT of S$1.83 million in 12M2018 respectively. The increase in LBT is mainly due to increase in general and administrative expenses arising from increase in headcount from March 2019 and professional fees i.e. special audit and legal fee due to issues faced by the Company and the Group as announced on 8 May 2019 and the JLC issue.

<u>Precision metal stamping</u>

Precision metal stamping segment reported profit before tax ("**PBT**") of S$1.99 million in 4Q2019 and PBT of S$1.58 million in 12M2019 as compared to PBT of S$1.25 million in 4Q2018 and PBT of S$3.88 million in 12M2018 respectively. For 4Q, the increase in PBT is mainly due to increase in revenue of S$3.97 million as a result of new projects awarded by customers. For 12M, the decrease in PBT is mainly due to the loss from the first two quarters of 2019 as a result of rising cost of revenue which includes, amongst others, material cost, labour cost, sub-contractor cost and overhead, which resulted in eroding profit margin for the precision metal stamping segment.

<u>E-commerce</u>

ABO Group reported LBT of S$10.66 million in 4Q2019 and LBT of $10.95 million in 12M2019 as compared to LBT of S$24.59 million in 4Q2018 and LBT of S$23.75 million in 12M2018 respectively. Other than the fact that ABO Group did not promote any event during the period/year as highlighted in the section 8a on revenue analysis, the LBT is due to (i) impairment loss of $6.68 million recognized on goodwill arising from acquisition of ABO Group in April 2018 as the carrying amount exceeded its recoverable amount derived based on value in use calculations due to reasons mentioned in section 8a on revenue analysis (ii) allowance for impairment loss on deposit for a concert placed with an event financier in June 2018 of $1.50 million and (iii) allowance for impairment loss on an amount due from the principal of an international sporting event of S$2.15 million in relation to an investment agreement which ABO entered into in January 2018 for which the Group decided to withdraw from the investment post-acquisition of ABO.

Activpass reported LBT of S$17.65 million in 4Q2019 and LBT of S$18.18 million in 12M2019, as compared to LBT of S$7.87 million in 4Q2018 and LBT of S$8.03 million in 12M2018 respectively. The LBT is (i) due to inability to generate sufficient profit to meet its operations cost such as payroll related cost as a result of delay in funding and execution of marketing plans locally and overseas to motivate merchants and users to join its platform in light of the matters as announced on 8 May 2019 and (ii) impairment loss of $17.27 million recognized on goodwill arising from acquisition of Activpass in July 2018 as the recoverable amount derived based on value in use calculations exceeded its carrying amount due to reasons mentioned in (i).

<u>Cost of revenue</u>

Cost of revenue ("**COR**") consists of material cost, labour cost, sub-contractor cost and overhead and procurement cost of e-commerce services. The COR increased from S$25.63 million in 4Q2018 and S$114.57 million in 12M2018 to S$28.73 million in 4Q2019 and S$114.69 million in 12M2019

respectively. For 4Q and 12M, the increase in COR is in tandem with the increase in revenue as a result of the increase in revenue from the precision metal stamping segment.
The increase in COR from the precision metal stamping segment is mainly due to changes in material mix for the precision metal stamping segment's new products, which require a higher percentage of raw material used, resulting in higher material cost. Other than the material cost, the increase in COR is due to higher labour cost, sub-contractor cost and overhead incurred during the period/year.

The higher labour and sub-contractor costs are due to the increase in headcount and manpower to meet the operational needs. The increase in overhead arose due to higher depreciation expenses as a result of additions of property, plant and equipment ("**PPE**").

Other income

Other income comprises mainly dividend income from other investments for which the Group has 3.85% interest in a Taiwanese company which is in the electronics components industry, rental income, interest income, gain/(loss) on disposal of PPE, amortisation of deferred interest income and compensation income.

Other income decreased from S$1.04 million in 4Q2018 and S$1.68 million in 12M2018 to S$0.23 million in 4Q2019 and S$0.87 million in 12M2019 respectively. For 4Q and 12M, the decrease is mainly due to the absence of investment return on amount due from the principal of an international sporting event of S$0.20 million for which the Group was not informed of any profits being generated from the event in 2019 and absence of consultancy fee earned of S$0.67 million from the principal of the international sporting event due to the expiry of the consultancy service agreement on 31 December 2018. The decrease is offset by the increase in interest income arising from bank deposits and other debtors due to the increase in average cash balances placed in the banks and one-off interest on a repayment plan worked out with an event financier.

General and administrative expenses

General and administrative ("**G&A**") expenses mainly include professional fees, staff salaries, directors' fee, office expenses and foreign exchange (gain)/loss.

G&A expenses decreased from S$35.23 million in 4Q2018 and S$42.12 million in 12M2018 to S$30.94 million in 4Q2019 and S$38.71 million in 12M2019 respectively. The decrease is mainly due to lower impairment loss on goodwill arising from acquisition ABO Group and Activpass in April 2018 and July 2018 respectively recognized during the period/year (12M2019: S$23.95 million and 12M2018: S$31.27 million). The decrease is offset by the increase in payroll related cost as a result of additional headcount for operational needs. Other than payroll related cost, the increase in G&A expenses is also due to audit fee incurred by the Company as highlighted in the foregoing paragraph 8b under the sub-heading "Corporate" and the allowance of impairment loss on certain assets as mentioned in the foregoing paragraph 8b under the sub-heading "E-commerce" and impairment loss on deposit arising from the precision metal stamping segment.

Finance costs

Finance costs have increased from S$0.12 million in 4Q2018 and S$0.26 million in 12M2018 to S$0.36 million in 4Q2019 and S$1.10 million in 12M2019 respectively. The increase is due to the increase in bank borrowings by the Group from 3Q2018 and 9M2018 of S$5.27 million to S$10.63 million in 4Q2019 and 12M2019 for the financing of working capital for precision metal stamping operations.

Income tax expense

Income tax expense has decreased from S$0.10 million in 4Q2018 to S$0.05 million in 4Q2019 and increased from S$0.27 million in 12M2018 to S$0.30 million in 12M2019 respectively. The decrease in 4Q is mainly due to decrease in current tax arising from the e-commerce segment due to its tax loss position and increase in overprovision in respect of previous years arising from the finalisation of income tax of certain subsidiaries. The increase in 12M is mainly due to decrease in deferred tax credit recognized from the intangible assets arising from the acquisition of ABO Group and Activpass and the increase in overprovision in respect of previous years arising from the finalisation of income tax of certain subsidiaries.

Discontinued operation

Discontinued operation relates to the results of the Company's former subsidiary, Allied Technologies (Suzhou) Co, Ltd ("**ATSU**"), which was disposed of with effect from January 2018. Hence, no comparative is available for analysis.

c. Balance Sheet

Group

Intangible assets relate to (i) goodwill arising from the acquisitions of ABO Group and Activpass in April 2018 and July 2018 respectively (ii) contractual customer relationships arising from existing contracts in force with Activpass and (iii) corporate contract arising from a material corporate contract with a fixed fee in force with Activpass that were acquired in a business combination in July 2018. The decrease of S$24.08 million from 31 December 2018 to S$Nil as at 31 December 2019 is mainly due to the impairment loss recognized during the period/year as the carrying amount exceeded its recoverable amount derived based on value in use calculations due to reasons highlighted in the foregoing paragraph 8b under the sub-heading "E-commerce".

The increase in property, plant and equipment ("**PPE**") from S$24.08 million as at 31 December 2018 to S$27.26 million as at 31 December 2019 is mainly due to additions in PPE of S$5.49 million and reclassification of long-term prepayment on a freehold land of S$2.06 million, which is offset by the depreciation charged of $3.40 million, disposal of PPE with net book value of S$0.63 million and impairment loss on PPE of S$0.19 million recorded by Activpass due to reasons mentioned in paragraph 8b under the sub-heading "E-commerce" during the period/year.

Right-of-use assets of S$5.33 million as at 31 December 2019 relate to assets that represent the Group's right to use underlying assets for the lease term, which arise from the adoption of SFRS(I) 16 *Leases* as disclosed in section 5 of the announcement.

The Group has 50% interest in the ownership and voting rights in a joint venture ("**JV**"), ABO Labs Pte. Ltd. that is held by ABO, amounting to S$50. This JV is incorporated in Singapore and its principal business activities are software consultancy and development of other software and programming activities with its main focus to develop a proprietary e-commerce ticketing system. The Group jointly controls the venture with another partner under the contractual agreement. The JV did not generate any revenue during the period/year. The Group has stopped recognising its share of loss and recorded its investment at S$Nil as at 31 December 2019 and 31 December 2018.

Other investments relate to the unquoted shares of 3.85% interest in a Taiwanese company which is in the electronics components industry. The increase from S$1.96 million as at 31 December 2018 to S$2.07 million as at 31 December 2019 is mainly due to fair value gain recognized as a result of better financial performance of the Taiwanese company.

Prepayments recorded under non-current assets of S$Nil as at 31 December 2019 and S$2.06 million as at 31 December 2018 relate to the prepayments by one of the subsidiaries located in Malaysia to a third party to acquire a freehold land for precision metal stamping operations. The decrease is mainly due to reclassification of the amount to property, plant and equipment as vacant possession of the land has been delivered.

Inventories increased from S$15.05 million as at 31 December 2018 to S$15.88 million as at 31 December 2019 due to the increase in work-in-progress and raw materials in preparation for delivery in early 2020 which is offset by the sale of finished goods during the period/year.
Trade debtors increased from S$21.30 million as at 31 December 2018 to S$25.95 million as at 31 December 2019 which is mainly derived from the precision metal stamping segment. The increase in trade debtors is in line with the surge in revenue arising from the precision metal stamping segment during the period/year.

Other debtors decreased from S$6.37 million as at 31 December 2018 to S$1.44 million as at 31 December 2019. The decrease is mainly due to (i) full repayment of S$0.35 million between 28 January 2019 to 15 March 2019 in relation to a revolving loan extended to an event financier pursuant to an interest-free revolving loan facility on 1 October 2018 (ii) partial repayment of S$0.30 million between 28 March 2019 and 31 August 2019 of an outstanding deposit for a cancelled concert of S$1.70 million pursuant to a financing agreement dated 8 June 2018 from an event financier for which the Group had worked out a repayment plan with the event financier (iii) VAT receivable of S$0.63 million due to refund during the period/year (iv) allowance on impairment loss of the remaining S$1.50 million on the outstanding deposit mentioned in (ii) (v) allowance for impairment loss on an amount due from the principal of an international sporting event of S$2.15 million in relation to an investment agreement which ABO entered into in January 2018 for which the Group decided to withdraw from the investment post-acquisition of ABO and (vi) allowance for impairment loss of $0.20 million on deposit arising from the precision metal stamping segment.

Contract assets relate to billings from subcontractor for services rendered for construction of tooling as a result of the adoption of SFRS (I) 15 *Revenue from Contracts with Customers* in 12M2018. The decrease from S$1.50 million as at 31 December 2018 to S$1.19 million as at 31 December 2019 is due to the recognition tooling purchases upon the completion of tooling projects.

Prepayments and advances to suppliers recorded under current assets of S$0.28 million as at 31 December 2019 and S$0.60 million as at 31 December 2018 are mainly due to the downpayment and prepayments made to suppliers to purchase services, materials and machineries.

Amount due from a law firm relates to cash of $33.15 million as at 31 December 2019 and $34.54 million as at 31 December 2018 respectively which were held in trust and/or in escrow by JLC as disclosed in Note 1(c) of the announcement.

Trade creditors increased from S$29.05 million as at 31 December 2018 to S$30.86 million as at 31 December 2019. The increase is in tandem with the increase in purchases during the period to meet delivery in early 2020.

Contract liabilities relates to advanced billings to customers for tooling sales as a result of the adoption of SFRS(I) 15 *Revenue from Contracts with Customers* in 12M2018. The decrease from S$0.82 million as at 31 December 2018 to S$0.49 million as at 31 December 2019 is due to the recognition tooling sales upon the completion of tooling projects.

Lease liabilities (current and non-current) of S$5.79 million as at 31 December 2019 relate to the Group's liabilities to make lease payments during the lease term, which arise from the adoption of SFRS(I) 16 *Leases* as disclosed in section 5 of the announcement.

Other creditors and accruals decreased to S$7.11 million as at 31 December 2019 from S$8.07 million as at 31 December 2018 mainly due to payments made to sundry creditors i.e. non-trade suppliers, including suppliers for purchase of property, plant and equipment and provision of professional and legal services of S$1.84 million which is offset by the increase in accrued operating expenses for payroll related costs, professional fees and other miscellaneous expenses of S$0.95 million during the period/year.

Amount due to a former director relates to the compensation payable to a former director of the Company arising from the termination of service agreement with the director. The decrease from S$1.48

million as at 31 December 2018 to S$1.18 million as at 31 December 2019 is due to repayment of $0.30 million made during the period/year.

Amount due to a non-controlling shareholder of a subsidiary relates to advances from the 49% non-controlling shareholder of Activpass to fund the operations of Activpass and director's fee and allowance payable to the same non-controlling shareholder, who is also one of the directors of Activpass.

Loans and borrowings (current and non-current) decreased from S$10.66 million as at 31 December 2018 to S$10.63 million at 31 December 2019. This is mainly due to drawdown of bank borrowings of S$20.72 million for operational needs which is offset by repayment of bank borrowings of S$20.72 million made during the period/year.

Deferred tax liabilities mainly relate to temporary differences between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, which include, amongst others, differences in depreciation and amortisation, fair value adjustments on acquisition of subsidiaries and unabsorbed capital allowances. The decrease from S$0.03 million as at 31 December 2018 to S$0.01 million as at 31 December 2019 is mainly due to the reversal of the temporary differences during the period/year.

Equity attributable to owners of the Company has decreased from S$95.27 million as at 31 December 2018 to S$67.30 million as at 31 December 2019. The decrease is mainly due to loss for the financial year of S$28.08 million.

Company

The decrease in investment in subsidiary companies from S$53.08 million as at 31 December 2018 to S$30.93 million as at 31 December 2019 is mainly due to (i) the impairment loss of S$24.66 million recognized in investments in ABO Group and Activpass during the year as the carrying amounts exceeded their recoverable amounts derived based on value in use calculations due to reasons highlighted in the foregoing paragraph 8b under the sub-heading "E-commerce" and (ii) the partial capitalisation of S$2.50 million loan owed by one of the subsidiaries in the precision metal stamping segment by way of allotment of 2.50 million ordinary shares to the Company.

The decrease in loan receivables from subsidiaries from S$7.33 million as at 31 December 2018 to S$Nil million as at 31 December 2019 is due to (i) the reason mentioned in the foregoing paragraph (ii) repayments made by the subsidiaries during the year and (iii) allowance on impairment loss of S$4.10 million in relation to loan receivables from ABO Group and Activpass.

d. Consolidated Cash Flow Statement

The Group recorded net cash flows generated from operating activities of S$2.34 million in 4Q2019 and net cash flows used in operating activities of S$0.10 million in 12M2019 as compared to net cash flows generated from operating activities of S$0.47 million in 4Q2018 and net cash flows used in operating activities of S$0.93 million in 12M2018 respectively. For 4Q, the positive cash flows from operating activities are mainly due to profits generated from the precision metal stamping segment. For 12M, the negative cash flows from operating activities are mainly due to payment of interests and tax.

The Group recorded net cash flows used in investing activities of S$0.16 million in 4Q2019 and S$4.54 million in 12M2019 as compared to S$4.08 million in 4Q2018 and S$42.88 million in 12M2018 respectively. The decrease is mainly due to absence of net cash outflow on acquisitions of subsidiaries of S$0.02 million in 4Q2019 and S$54.20 million in 12M2019 as the Group did not engage in any acquisition during the period, which is offset by net cash inflow on disposal of a subsidiary of S$20.08 million as the Group did not engage in any disposal during the period/year.

The Group recorded net cash flows used in financing activities of S$1.25 million in 4Q2019 and net cash flows generated from financing activities of S$1.54 million in 12M2019 as compared to net cash flows generated from financing activities of S$3.15 million in 4Q2018 and S$27.67 million in 12M2018. The decrease in net cash flows generated from financing activities is mainly due to the absence of proceeds from issuance of ordinary shares as the Group did not engage in any placement exercise during the period/year.

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 has been previously disclosed to shareholders.

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 business environment within the next 12 months is expected to remain challenging for the Group in light of the weak global economic outlook and the JLC issue as disclosed in Note 1(c) of the announcement. The worsening business environment is further exacerbated by the recent COVID-19 issue that has particularly affected economics in Asia. While the Group is still assessing the impact caused by the COVID-19 issue given that the COVID-19 issue is a relatively recent one, the Group expects that the financial performance for FY2020 might be adversely affected, given that certain supplies for the metal stamping segment come from China, and that COVID-19 has a wide impact on business sentiments throughout Asia.

Besides streamlining its operations, the Group is also exploring possible avenues for business opportunities in both its precision metal stamping and e-commerce business segments. The Group will also look at ways to reduce expenditure. The Group will review and assess its existing business strategies and overall financial performance of the Group concurrently and carry out reorganisation and restructuring of the Group as and when appropriate.

The Group is also working towards completing the special audit, and resolving the audit issues highlighted by our auditor as announced on 8 May 2019. The Group is also taking all steps necessary to recover the Escrow Funds placed with JLC. Notwithstanding the foregoing, the Group will continue to engage and maintain good relationships with the stakeholders of the Group and provide assurance to these stakeholders that business is as usual for the Group.

11 Dividend

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

None.

(b) (i) Amount per share

Not applicable.

(i) Previous corresponding period

None.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) Date payable

Not applicable.

(e) Books closure date

Not applicable.

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

No dividend for the period ended 31 December 2019 has been declared or recommended as the Company is in a loss-making position.

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.

The Company has not obtained a general mandate from shareholders for interested person transactions.

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

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H of the Catalist Rules) under Rule 720(1) of the Catalist Rules.

15 Use of proceeds

On 31 October 2017, the Company completed the issuance of 675,164,460 ordinary shares via placement and raised net proceeds of S$33.40 million ("**Net Proceeds**").

On 4 April 2018, the Company announced the completion of acquisition of 51% of the entire issued and fully paid-up capital of ABO Group ("**ABO Acquisition**"). Consideration sum of S$30.00 million and the ABO Acquisition related transaction costs of S$0.15 million had been paid to professional parties.

The table below reflected the status on the use of Net Proceeds as at the date of announcement:

	Use of Net Proceeds	**Allocation of Net Proceeds**	**Net Proceeds utilised as at the date of announcement**	**Balance of Net Proceeds as at the date of announcement**
		S$ 'million	S$ 'million	S$ 'million
(i)	Business expansion through acquisitions, joint ventures and collaborations and funding needs of such business expansion	30.06	(30.06)	-
(ii)	General working capital purposes	3.34	(0.09)	3.25
		33.40	(30.15)	3.25

The balance of net proceeds is held with JLC as part of the Escrow Funds pending recovery from JLC as disclosed in Note 1(c) of the announcement.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

16 Segmented revenue and results for operating 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.

Year 2019	Corporate	Precision Metal Stamping					E-commerce			
(S$'000)	Singapore	Singapore	Malaysia	Vietnam	Thailand	Others	Singapore	Hong Kong	Elimination	Group
Segment revenue										
External customers	-	1,195	42,921	70,332	8,712	-	191	-	-	123,351
Inter segment revenue		-	-	-	6	1,889	-	-	(1,895)	-
Total revenue	-	1,195	42,921	70,332	8,718	1,889	191	-	(1,895)	123,351
Segment (loss)/profit	(2,718)	(145)	(1,288)	3,012	1,127	(42)	(28,935)	(186)	-	(29,175)
Finance costs										(1,099)
Loss before tax										(30,274)
Income tax expense										(304)
Loss for the year										(30,578)
Segment assets	33,331	1,156	45,015	34,006	4,906	665	84	4	-	119,167
Unallocated assets										2,070
										121,237
Other segment information										
Additions to non-current assets	395	-	6,756	366	9	-	13	-	-	7,539
Depreciation and amortization	15	110	2,918	492	638	23	351	-	-	4,547
Allowance for/(write-back of) inventory obsolescence	-	-	96	(73)	31	-	-	-	-	54
(Write-back of)/allowance for impairment on:										
- trade debtors	(2)	(2)	(4)	1	1	-	-	42	-	36
- other debtors	-	-	-	199	-	-	3,652	-	-	3,851
Loss/(gain) on disposal of property, plant and equipment	60	-	(132)	(4)	(22)	-	-	-	-	(98)
Impairment loss on:										
- property, plant & equipment	-	-	-	-	-	-	191	-	-	191
- right-of-use assets	-	-	-	-	-	-	232	-	-	232
- goodwill	-	-	-	-	-	-	23,948	-	-	23,948
Written-off of:										
- trade debtors	-	-	-	-	-	-	5	-	-	5

16 Segmented revenue and results for operating 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.

Year 2018	Corporate	Precision Metal Stamping						E-commerce			
		Continuing Operations					Discontinued operation	Continuing Operations			
(S$'000)	Singapore	Singapore	Malaysia	Vietnam	Thailand	Others	China	Singapore	Hong Kong	Elimination	Group
Segment revenue											
External customers	-	1,885	45,313	58,222	6,670	-	3,404	345	13,483	-	129,322
Inter segment revenue	-	-	-	-	-	1,121	-	-	-	(1,121)	-
Total revenue	-	1,885	45,313	58,222	6,670	1,121	3,404	345	13,483	(1,121)	129,322
Segment (loss)/profit	(2,069)	1,106	89	2,253	786	145	48	(31,811)	32	-	(29,421)
Finance costs											(305)
Loss before tax											(29,726)
Income tax expense											(270)
Loss for the year											(29,996)
Segment assets	33,596	2,506	43,262	29,042	4,262	952	-	29,886	51	-	143,557
Unallocated assets											1,960
											145,517
Other segment information											
Additions to non-current assets	-	191	5,473	393	125	35	17	113	-	-	6,347
Depreciation and amortization	-	46	1,044	416	710	3	-	616	-	-	2,835
Allowance for/(write-back of) inventory obsolescence	-	-	117	(13)	(6)	-	9	-	-	-	107
Loss/(gain) on disposal of property, plant and equipment	-	11	1	(13)	3	-	-	-	-	-	2
(Write-back of)/allowance for impairment on:											
- trade debtors	-	(12)	(62)	-	-	-	-	1	-	-	(73)
- other debtors	-	-	-	-	-	-	-	1	-	-	1
- amount due from joint venture	-	-	-	-	-	-	-	560	-	-	560
Impairment loss on:											
- goodwill	-	-	-	-	-	-	-	31,274	-		31,274
Written-off of:											
- trade debtors	-	-	-	-	-	-	-	7	-	-	7

17 A breakdown of sales.

A breakdown of sales from continuing and discontinued operation as follows:

Group	12M2019 S$'000	12M2018 S$'000	+/(-) %
Sales reported for first half year	56,511	66,167	(15%)
Operating (loss)/profit after tax before deducting non-controlling interests reported for first half of the year	(3,858)	1,672	n.m
Sales reported for second half year	66,840	59,752	12%
Operating loss after tax before deducting non-controlling interests reported for second half of the year	(26,720)	(31,668)	(16%)

Note:

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

Pursuant to Rule 704(10) of the Listing Manual Section B: Rules of Catalist of SGX-ST, the Company confirms that there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a Director, Chief Executive Officer or substantial shareholder of the Company.

ON BEHALF OF THE BOARD

Leow Wee Kia Clement
Chief Executive Officer and Executive Director

28 February 2020

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*This announcement has been reviewed by the Company's sponsor, Stamford Corporate Services Pte Ltd (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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