

**Unaudited Full Year Financial Statement And Dividend Announcement for the Year Ended 31/12/2019**
**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

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

	Group		Increase / (Decrease) %
	2019 S\$'000	2018 S\$'000	
<b>Revenue</b>	38,303	43,346	(11.63)
Cost of sales	(34,616)	(36,965)	(6.35)
<b>Gross Profit</b>	<u>3,687</u>	<u>6,381</u>	(42.22)
Other operating income	519	497	4.43
Selling and distribution expenses	(2,612)	(2,611)	0.04
General and administrative expenses	(10,175)	(8,074)	26.02
Other operating expenses	(82)	(62)	32.26
Write back of impairment losses / (impairment losses) on financial assets	380	(676)	N.M.
Finance income	62	102	(39.22)
Finance expenses	(579)	(832)	(30.41)
Finance expenses, net	<u>(517)</u>	<u>(730)</u>	(29.18)
<b>Loss before tax</b>	(8,800)	(5,275)	66.82
Income tax	(191)	(246)	(22.36)
<b>Loss after tax</b>	<u>(8,991)</u>	<u>(5,521)</u>	62.85
<b>Other comprehensive income :</b>			
Currency translation difference	(718)	(480)	49.58
Other comprehensive income, net of tax	<u>(718)</u>	<u>(480)</u>	49.58
<b>Total comprehensive income</b>	<u>(9,709)</u>	<u>(6,001)</u>	61.79
<b>Loss attributable to:</b>			
Owners of the parent	(5,701)	(3,721)	53.21
Non-controlling interests	<u>(3,290)</u>	<u>(1,800)</u>	82.78
	<u>(8,991)</u>	<u>(5,521)</u>	62.85
<b>Total comprehensive income attributable to:</b>			
Owners of the parent	(6,200)	(3,949)	57.00
Non-controlling interests	<u>(3,509)</u>	<u>(2,052)</u>	71.00
	<u>(9,709)</u>	<u>(6,001)</u>	61.79

N.M. - Not meaningful

Other notes :

Profit / (loss) from operations is arrived at after charging / (crediting) the following.

	Group		Increase / (Decrease)
	2019 S\$'000	2018 S\$'000	%
Depreciation of property, plant and equipment	1,447	1,736	(16.65)
Depreciation of right-of-use assets	586	-	N.M
Amortisation of land use rights	-	73	(100.00)
Amortisation of intangible assets	162	2	N.M.
Cost of inventories sold	27,051	33,888	(20.18)
Write back of (impairment losses) / impairment losses on financial assets	(380)	676	N.M.
Research and development	57	107	(46.73)
Allowance of inventory obsolescence	377	6	N.M.
Foreign exchange loss / (gain)	41	(102)	N.M.
Loss / (gain) from disposal of property, plant & equipment	1	(37)	N.M.
Interest expense on borrowings and lease liabilities	579	832	(30.41)
Interest income	(62)	(102)	(39.22)

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	
	Dec-2019 S\$'000	Dec-2018 S\$'000	Dec-2019 S\$'000	Dec-2018 S\$'000
<b>Non-Current Assets</b>				
Property, plant and equipment	12,788	13,809	66	156
Right-of-use assets	1,694	-	17	-
Land use rights	-	713	-	-
Intangible assets	653	15	646	-
Investment in subsidiaries	-	-	12,055	13,055
Long term prepaid and deferred expenses	344	436	-	-
Trade and notes receivables	226	751	237	751
<b>Current Assets</b>				
Inventories	12,317	12,820	-	29
Trade and notes receivables	8,099	11,795	1,446	1,890
Other receivables	1,480	1,928	662	2,380
Tax receivables	53	-	-	-
Advance to suppliers	341	378	-	-
Prepayment	86	64	39	23
Fixed deposits	1,771	1,536	-	-
Cash and bank balances	3,218	6,843	117	134
	27,365	35,364	2,264	4,456
<b>Current Liabilities</b>				
Trade payables	6,337	5,048	-	-
Bills payable to banks	535	127	-	-
Other payables and accruals	5,801	5,051	315	515
Contract liabilities	368	215	-	-
Tax payables	28	16	-	-
Lease liabilities	446	17	7	-
Term loan	6,176	8,248	-	-
	19,691	18,722	322	515
<b>Net Current Assets</b>	7,674	16,642	1,942	3,941
<b>Non-Current Liabilities</b>				
Lease liabilities	670	53	9	-
Other long term liabilities	201	-	-	-
Deferred tax liabilities	46	142	-	-
	917	195	9	-
<b>Net Assets</b>	22,462	32,171	14,954	17,903
<b>Equity</b>				
Share capital	23,406	23,406	23,406	23,406
Capital reserve	294	294	-	-
General reserve	4,417	4,417	-	-
Enterprise expansion fund	4,417	4,417	-	-
Translation reserve	(806)	(307)	-	-
Retained losses	(14,294)	(8,593)	(8,482)	(5,503)
	17,434	23,634	14,924	17,903
Non-controlling interest	5,028	8,537	-	-
<b>Total Equity</b>	22,462	32,171	14,924	17,903

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.****Amount repayable in one year or less, or on demand**

As at 31/12/2019		As at 31/12/2018	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
6,734	-	8,444	-

**Amount repayable after one year**

As at 31/12/2019		As at 31/12/2018	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
45	-	1	-

**Details of any collateral****Secured borrowings**

As at 31 December 2019, our Group's borrowings are secured by the following:

- i) Term loan and bills payable to banks of approximately S\$6,711k (31 December 2018: S\$8,375k) granted to the subsidiaries of the company used mainly as working capital and for financing of purchases made in the ordinary course of business. The financing are secured by fixed deposit of S\$1.8m and properties, respectively owned by our Singapore and PRC subsidiaries; and
- ii) The lease liabilities reported above only consists of obligations for assets financed under the hire purchase of approximately S\$68k (31 December 2018: S\$70k) secured by the underlying assets acquired with total net book values of approximately S\$49k as of 31 December 2019 ( 31 December 2018: S\$78k), it does not include the office rental which arises from the adoption of SFRS(I) 16.

**Unsecured borrowings**

- i) There was no unsecured term loan and trade financing during the year (31 December 2018: Nil).

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.

	Note	2019 S\$'000	2018 S\$'000
<b>Cash flow from operating activities</b>			
<b>Net loss before taxation</b>		(8,800)	(5,275)
<b>Adjustments for:</b>			
Depreciation of property, plant and equipment		1,447	1,736
Depreciation of right-of-use assets		586	-
Amortisation of land use rights		-	73
Amortisation of intangible assets		162	2
Write back of (impairment losses) / impairment losses on financial assets		(380)	676
Loss / (gain) from disposal of property, plant & equipment		1	(37)
Allowance of inventory obsolescence		377	6
Interest paid on borrowings and lease liabilities		579	832
Interest income		(62)	(102)
Translation adjustments		488	(310)
<b>Operating loss before working capital changes</b>		<u>(5,602)</u>	<u>(2,399)</u>
Increase in inventories		(217)	(1,443)
Decrease in trade and other receivables		3,040	1,388
Decrease in note receivables from banks		1,729	2,492
Decrease in advances to suppliers		32	3,392
Decrease in prepayment		68	356
Increase / (decrease) in trade and other payables		2,309	(3,615)
Increase in contract liabilities		157	122
Increase / (decrease) in tax payables		104	(66)
<b>Cash generated from operations</b>		<u>1,620</u>	<u>227</u>
Interest received		62	102
Interest paid on borrowings and lease liabilities		(579)	(832)
Income tax (paid) / refunded		(231)	11
<b>Net cash generated from / (used in) operations</b>		<u>872</u>	<u>(492)</u>
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment		(1,409)	(2,021)
Purchase of intangible assets		(802)	-
Proceeds from disposal of property, plant and equipment		9	53
<b>Net cash used in investing activities</b>		<u>(2,202)</u>	<u>(1,968)</u>

	<b>2019</b>	<b>2018</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash flow from financing activities</b>		
Increase in restricted cash	(267)	(1,500)
Repayment of loans and borrowings	(1,777)	(452)
(Repayment) / addition of principle obligations under lease liabilities	(456)	29
Increase / (decrease) in bill payables to banks	397	(48)
<b>Net cash used in financing activities</b>	<u>(2,103)</u>	<u>(1,971)</u>
<b>Net decrease in cash &amp; cash equivalents</b>	<b>(3,433)</b>	<b>(4,431)</b>
Effect of exchange rate changes on cash and cash equivalents	(224)	(308)
<b>Cash and cash equivalents at beginning of financial period</b>	<b>6,879</b>	<b>11,618</b>
<b>Cash and cash equivalents at end of financial period</b>	<b>A</b> <u><u>3,222</u></u>	<u><u>6,879</u></u>

**Note A: Cash and cash equivalents**

Cash and cash equivalents consists of bank balances and fixed deposits

Cash and cash equivalents included in consolidated statement of cash flows comprise the following balance sheet amounts:

	<b>2019</b>	<b>2018</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Cash and bank balances	3,218	6,843
Fixed deposits	1,771	1,536
	<u>4,989</u>	<u>8,379</u>
Less : Restricted cash*	(1,767)	(1,500)
<b>Cash and cash equivalents</b>	<u><u>3,222</u></u>	<u><u>6,879</u></u>

\*As at 31 December 2019, there was S\$1.8m cash at bank held by the Group (31 December 2018: S\$1.5m) placed with the banks of subsidiary companies, which was used to pledge as collateral for the short term loan and issuance of commercial bills.

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

	Attributable to owners of parent								Total
	Share capital	Capital reserve	General reserve	Enterprise expansion fund	Translation reserve	Retained losses	Sub-total	Non-controlling interest	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
<b>Group</b>									
<b>As at 01-January-2018</b>	23,406	294	4,369	4,369	(79)	(4,288)	28,071	10,589	38,660
Loss for the year	-	-	-	-	-	(3,721)	(3,721)	(1,800)	(5,521)
Prior year adjustment	-	-	-	-	-	(488)	(488)	-	(488)
Other comprehensive income for the year	-	-	-	-	(228)	-	(228)	(252)	(480)
Total comprehensive income for the year	-	-	-	-	(228)	(4,209)	(4,437)	(2,052)	(6,489)
Transfer to reserves	-	-	48	48	-	(96)	-	-	-
<b>As at 31-December-2018</b>	<b>23,406</b>	<b>294</b>	<b>4,417</b>	<b>4,417</b>	<b>(307)</b>	<b>(8,593)</b>	<b>23,634</b>	<b>8,537</b>	<b>32,171</b>
<b>As at 01-January-2019</b>	23,406	294	4,417	4,417	(307)	(8,593)	23,634	8,537	32,171
Loss for the year	-	-	-	-	-	(5,701)	(5,701)	(3,290)	(8,991)
Prior year adjustment	-	-	-	-	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	(499)	-	(499)	(219)	(718)
Total comprehensive income for the year	-	-	-	-	(499)	(5,701)	(6,200)	(3,509)	(9,709)
<b>As at 31-December-2019</b>	<b>23,406</b>	<b>294</b>	<b>4,417</b>	<b>4,417</b>	<b>(806)</b>	<b>(14,294)</b>	<b>17,434</b>	<b>5,028</b>	<b>22,462</b>
<b>Company</b>									
<b>As at 01-January-2018</b>	23,406	-	-	-	-	(4,799)	18,607	-	18,607
Loss for the year	-	-	-	-	-	(614)	(614)	-	(614)
Prior year adjustment	-	-	-	-	-	(90)	(90)	-	(90)
<b>As at 31-December-2018</b>	<b>23,406</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,503)</b>	<b>17,903</b>	<b>-</b>	<b>17,903</b>
<b>As at 01-January-2019</b>	23,406	-	-	-	-	(5,503)	17,903	-	17,903
Loss for the year	-	-	-	-	-	(2,979)	(2,979)	-	(2,979)
<b>As at 31-December-2019</b>	<b>23,406</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,482)</b>	<b>14,924</b>	<b>-</b>	<b>14,924</b>

**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 subsidiary holdings held against the total percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There were no changes in the Company's share capital since the end of the previous period reported on, being 31 December 2018. There were no outstanding convertibles, treasury shares or subsidiary holdings held by the Company as at 31 December 2019 and 31 December 2018.

**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.**

There were no treasury shares as at the end of 31 December 2019 and 31 December 2018. Share capital of the Company comprises 267,392,320 ordinary shares (31 December 2018 : 267,392,320).

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

Not applicable. The Company does not have any treasury shares as at 31 December 2019 and 31 December 2018.

**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 2018 and 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.

**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 and Company have adopted the same accounting policies and methods of computation for the current financial period as those applied in the financial year ended 31 December 2018 except for the adoption of new and revised accounting standards (including the consequential amendments) and interpretations applicable for the period year beginning 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.**

The Group has adopted SFRS(I) 16 which took effect in the current financial year. Under SFRS(I) 16, the Group is required to recognise on the balance sheet a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term. (i.e. the right-of-use assets). The Group is also required to separately recognise the interest expense on the lease liability and depreciation expense on the right-of-use asset. The adoption has resulted in increase in total assets, liabilities, amortisation expense and finance cost.

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

Loss per share based on loss attributable to shareholders:

		Year ended 31 December	
		2019	2018
		Cents	Cents
(a)	Based on weighted average number of ordinary shares	(2.13)	(1.39)
(b)	Based on a fully diluted basis	(2.13)	(1.39)
	Weighted average number of ordinary shares in issue	267,392,320	267,392,320

Loss per share was calculated based on 267,392,320 ordinary shares in issue for both FY 2019 and FY 2018.



7 **Net asset value (for the issuer and group) per ordinary share based on the total number of 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	
	Cents		Cents	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
<b>Net asset value per ordinary share</b> based on total number of issued shares excluding treasury shares at the end of the respective period	6.52	8.84	5.58	6.70

Net asset value per share as of 31 December 2019 was computed based on 267,392,320 ordinary shares (31 December 2018 : 267,392,320 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 period reported on, including (where applicable) seasonal or cyclical factors; and  
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

**Review of financial performance**

**Revenue**

The Group recorded a total revenue of S\$38.3m for the full year ended 31 December 2019 ("FY2019"), a drop of S\$5.0m or 11.6% in comparison to S\$43.3m for the corresponding year ended 31 December 2018 ("FY2018"). The reduction in sales during the year was mainly attributable to the decline in our sales in PRC as a result of decline in production due to safety and environmental upgrades required by the PRC government.

**Gross Profit**

As a result of the decline in revenue and with much of the direct cost such as labour cost remains status quo, the Group's FY2019 gross profit has decreased by S\$2.7m or 42.22% to S\$3.7m (FY2018: S\$6.4m).

**Net Operating Expenses**

Net operating expenses have increased by S\$1.1m from S\$10.9m in FY2018 to S\$12.0m in FY2019. The increase is mainly as a result of an increase in general and administrative ("G&A") expenses by S\$2.1m or 26.02% where increase in depreciation of property, plant and equipment and right-of-use assets at S\$0.3m; increase in amortisation of intangible assets at S\$0.2m and an one-off expense of waste disposal fee of S\$1.4m are the main causes of increase in G&A. During the year, there was a write back of impairment losses on financial assets of S\$380k as compared to an impairment losses of S\$676k in year 2018, which was mainly due to the decrease in trade receivables at the end of the financial year. Both selling and distribution expenses and other operating expenses remained the same at approximately of S\$ 2.6m and S\$0.1m respectively for both years.

In addition to the mentioned increase in expenses, other operating income recorded for the year was about S\$0.5m, the same as per last corresponding year.

**Net Financial Expense**

The Group recorded a net financial expense of S\$517k in FY2019, as compared to an amount of S\$730k in FY2018. The decrease in net financial expense is mainly due to decrease in financial income of S\$40k as well as decrease in financial cost of S\$253k. The decrease in financial cost is mainly as a result of decline in borrowing.

**Tax**

Taxation is in line with profits made by profitable subsidiaries in China and Malaysia. The reduction in tax amount incurred in FY2019 was due to lower profits generated for the year.

**Net Results**

As a result of the above, the Group registered a loss before tax of S\$9.0m for FY2019 as compared to loss before tax of S\$5.3m for FY2018. The loss after tax attributable to equity holders of the Company is approximately S\$5.7m in FY2019, as compared to the loss after tax of S\$3.7m recorded in FY2018.

## **Review of financial position**

The Group's property, plant and equipment ("PPE") including the land use rights and right-of-use assets are at S\$15.1m and S\$14.5m as at 31 December 2019 and 31 December 2018 respectively. The increase was partly attributable to adoption of SFRS(I) 16 as mentioned with recognition of right-of-use assets at S\$1.7m. During the year, approximately S\$1.5m was incurred as capital expenditure on PPE, which was mainly for upgrading the old machines and automating part of the production facilities. The increase in intangible assets of S\$0.6m was mainly due to the capitalisation of the E-Commerce system. The increase of these assets was partially offset by depreciation and amortisation of S\$2.2m.

Long term prepaid and deferred expenses has decreased by S\$0.1m, this is mainly due to expensed off accessories for laboratory use.

Inventories are at S\$12.8m and S\$12.3m as at 31 December 2018 and 31 December 2019 respectively. The decline in inventories is in line with the decrease in revenue recorded for the year.

Current and non-current trade and notes receivables has decreased from S\$12.5m for FY2018 to S\$8.3m for FY2019, mainly due to the reduction in sales.

Other receivables has decreased by S\$0.4m in FY2019, mainly due to capitalising of deposit placed with suppliers for implementing E-Commerce System.

Advance to supplier has decreased slightly in FY2019, mainly due to lower amount of advanced payment made to trade suppliers during the year which was in line with the reduction in sales.

Cash and cash equivalents for the year decreased from S\$8.4m as at 31 December 2018 to S\$5.0m as at 31 December 2019. The decrease in cash was due to cash used in the Group's investing and financing activities.

Trade payables has increased from S\$5.0m in FY2018 to S\$6.3m in FY2019. The increase in trade payables was due a longer credit term was granted by some suppliers during the year.

Other payables and accruals has increased from S\$5.1m in FY2018 to S\$5.8m in FY2019.

Term loan has decreased from S\$8.2m in FY2018 to S\$6.2m in FY2019 which was mainly due to repayment of loan.

Overall, Group's equity as at 31 December 2019 was S\$22.5m, a reduction of approximately of S\$9.7m or 30.0% from the position as at 31 December 2018. This is mainly resulted from the loss incurred during FY2019.

## **Review of cash flow**

### **Net cash generated from operating activities**

In FY2019, approximately S\$0.9m of net cash was generated from operating activities, which was a result of operating loss before changes in working capital of S\$5.6m, net working capital inflows of approximately S\$7.2m and net interest and tax expense of S\$0.7m.

### **Net cash used in investing activities**

In FY2019, the Group's net cash outflow from investing activities amounted to approximately S\$2.2m, which was mainly due to purchases of property, plant and equipment.

### **Net cash from financing activities**

In FY2019, the Group's net cash outflow from financing activities amounted to approximately S\$2.1m. This is mainly due to increase in restricted cash of S\$0.2m, loan repayment of S\$1.8m, repayment of lease liabilities of \$0.5m and an increase in bill payables to banks of S\$0.4m.

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

There has not been any forecast or prospect statement in relation to the Group's results 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.**

Following the transformation of the fuel source at our Taixin plant and the upgrade of old equipments through automating part of our production facilities, the Group's production capacity has increased from the low of 5,000 tonnes per year to 15,000 tonnes per year currently. While the unfolding global Coronavirus pandemic is a concern, the PRC government has put in utmost effort to improve its economy and factories have resumed operation, so the Group has resumed its production and started to see increased orders.

The Group will continue to develop better supply chain partnerships, improve its internal cost controls and aim to increase its overall profit margins in its product and service solutions including developing higher valued products that yield better margins.

With these efforts, barring any unforeseen circumstances, the Group aims to improve its performance for the next 12 months.

11 **Dividend**

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

Any dividend declared/(recommended) for the current financial period reported on?

None.

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

Any dividend declared/(recommended) for the corresponding period of the immediately preceding financial year?

None.

**(c) Whether the dividend is before tax, net of tax or tax exempt**

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 has been declared/(recommended) as the Group is not profitable.

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

During the financial year, there were interested person transactions based on the terms agreed between the parties as follows:

	Group	
	31/12/2019	31/12/2018
	S\$'000	S\$'000
Fees incurred or paid to a law firm which a director, Mr Wang Dao Fu is a partner	12	12

14 **Negative confirmation pursuant to the Rule 705(5).**

Not applicable for full year results announcement.

15 **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 has procured undertakings from all its directors and executive officers in the format as set out in Appendix 7H of the Catalist Rules, in accordance with Rule 720(1) of Catalist Rules.

**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.**

	PRC		Other Asia Pacific		Eliminations		Group	
	FY2019 S\$'000	FY2018 S\$'000	FY2019 S\$'000	FY2018 S\$'000	FY2019 S\$'000	FY2018 S\$'000	FY2019 S\$'000	FY2018 S\$'000
Segment revenue								
Sales to external customers	31,026	35,987	7,277	7,359	-	-	38,303	43,346
Inter-segment sales	22,257	21,384	1,971	2,641	(24,228)	(24,025)	-	-
Total revenue	53,283	57,371	9,248	10,000			38,303	43,346
Segment results	(7,159)	(3,296)	(3,079)	(1,658)	1,955	409	(8,283)	(4,545)
Financial expense, net							(517)	(730)
Loss before tax							(8,800)	(5,275)
Income tax							(191)	(246)
Loss after tax							(8,991)	(5,521)
Non-controlling interest							3,290	1,800
Loss attributable to owners of the parent							(5,701)	(3,721)

The revenue of the Group is primarily derived from the manufacturing and sales of dye stuffs and auxiliary chemicals. As such, no operating segment revenue and results have been prepared.

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

Please refer to paragraph 8 of this announcement for a review of the performance of the Group.

**18 A breakdown of sales.**

	Group		Increase / (Decrease) %
	FY2019 S\$'000	FY2018 S\$'000	
Sales reported for first half year	19,671	25,226	(22.02)
Operating loss after tax before deducting non-controlling interests reported for first half year	(4,608)	(2,803)	64.40
Sales reported for second half year	18,632	18,120	2.83
Operating loss after tax before deducting non-controlling interests reported for second half year	(4,383)	(2,718)	61.26

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

No dividends were declared for FY2018 and FY2019.

**20 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(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 Catalyst Rules, we set out below the persons holding managerial positions in the Group who are related to the Directors, Chief Executive Officer or substantial shareholders of the Company or of any of its principal subsidiaries:

<b>Name</b>	<b>Age</b>	<b>Family relationship with any director and/or substantial shareholder</b>	<b>Current position and duties, and the year the position was first held</b>	<b>Details of changes in duties and position held, if any, during the year</b>
Tan Pang Sim	70	Brother of Dr Tan Pang Kee, MD & CEO	Appointed as a Director of Unimatex Sdn Bhd, a subsidiary in Malaysia since 2004; responsible for its management and development of corporate policies and procedures.	NA
Tan Pang Jang	50	Brother of Dr Tan Pang Kee, MD & CEO	Appointed as Senior Sales & Marketing Manager of Unimatex Sdn Bhd, a subsidiary in Malaysia since 2013; responsible for looking into the sales & marketing.	NA
Tan Guan Liang	38	Son of Dr Tan Pang Kee, MD & CEO	Appointed as Executive Director in 2010; responsible for managing operational readiness and effectiveness, promoting Matex's image and brand locally and abroad, all business projects work, developing cost-effective plans and project schedule.	NA
Lim Kooi Yee	34	Daughter-in-law of Dr Tan Pang Kee, MD & CEO; and wife of Mr Tan Guan Liang, ED	Appointed as Technical Sales Manager; responsible for technical services, product resource and development for Singapore entities of the Group.	NA

**BY ORDER OF THE BOARD**

Dr Tan Pang Kee  
Chief Executive Officer / Managing Director  
26 March 2020

This announcement has been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch (the "Sponsor") in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst (the "Catalist Rules").

This announcement has not been examined or approved by 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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