



## Unaudited Full Year (“FY”) Financial Results for the Year Ended 30 September 2020

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

|                                                                                | Year ended 30 September |              |               |
|--------------------------------------------------------------------------------|-------------------------|--------------|---------------|
|                                                                                | 2020                    | 2019         | + / (-)       |
|                                                                                | \$'000                  | \$'000       | %             |
| <b><u>Continuing operations</u></b>                                            |                         |              |               |
| Revenue                                                                        | 14,699                  | 18,591       | (20.9)        |
| Cost of sales                                                                  | (8,613)                 | (10,639)     | (19.0)        |
| Gross profit                                                                   | 6,086                   | 7,952        | (23.5)        |
| Other income                                                                   | 2,341                   | 1,710        | 36.9          |
| Other gains – net                                                              | 1,498                   | 2,486        | (39.7)        |
| Expenses                                                                       |                         |              |               |
| - Distribution and marketing                                                   | (1,949)                 | (2,219)      | (12.2)        |
| - Administrative                                                               | (5,957)                 | (6,855)      | (13.1)        |
| - Finance                                                                      | (2,303)                 | (2,029)      | 13.5          |
| Share of profit of associated companies                                        | 1,769                   | 1,391        | 27.2          |
| Share of loss of a joint-venture company                                       | (59)                    | (166)        | (64.5)        |
| <b>Profit before income tax</b>                                                | <b>1,426</b>            | <b>2,270</b> | <b>(37.2)</b> |
| Income tax expense                                                             | (306)                   | (231)        | 32.5          |
| <b>Profit from continuing operations</b>                                       | <b>1,120</b>            | <b>2,039</b> | <b>(45.1)</b> |
| <b>Discontinued operations<sup>1</sup></b>                                     |                         |              |               |
| Loss from discontinued operations                                              | -                       | (328)        | (100.00)      |
| <b>Total profit</b>                                                            | <b>1,120</b>            | <b>1,711</b> | <b>(34.5)</b> |
| <b>Other comprehensive loss, net of tax:</b>                                   |                         |              |               |
| Items that may be reclassified subsequently to profit or loss:                 |                         |              |               |
| - Shares of other comprehensive income of associated companies                 | 6                       | (39)         | N/M           |
| - Currency translation differences arising from consolidation                  | (63)                    | 22           | N/M           |
| <b>Other comprehensive loss, net of tax</b>                                    | <b>(57)</b>             | <b>(17)</b>  | <b>N/M</b>    |
| <b>Total comprehensive income</b>                                              | <b>1,063</b>            | <b>1,694</b> | <b>(37.2)</b> |
| <b>Profit/(loss) attributable to:</b>                                          |                         |              |               |
| Equity holders of the Company                                                  | 1,533                   | 2,531        | (39.4)        |
| Non-controlling interests                                                      | (413)                   | (820)        | (49.6)        |
|                                                                                | <b>1,120</b>            | <b>1,711</b> | <b>(34.5)</b> |
| <b>Profit/(loss) attributable to equity holders of the Company relates to:</b> |                         |              |               |
| Profit from continuing operations                                              | 1,533                   | 2,698        | (43.2)        |
| Loss from discontinued operations                                              | -                       | (167)        | (100.0)       |
|                                                                                | <b>1,533</b>            | <b>2,531</b> | <b>(39.4)</b> |
| <b>Total comprehensive income/(loss) attributable to:</b>                      |                         |              |               |
| Equity holders of the Company                                                  | 1,483                   | 2,508        | (40.9)        |
| Non-controlling interests                                                      | (420)                   | (814)        | (48.4)        |
|                                                                                | <b>1,063</b>            | <b>1,694</b> | <b>(37.2)</b> |

<sup>1</sup>The results of Unicasa Pty Ltd (“Unicasa”) for FY2019 were re-presented as “Discontinued operations” as Unicasa was disposed in FY2019.

N/M - not meaningful

**1(a) Notes to the statement of comprehensive income**

|                                                                            | Year ended 30 September |              |               |
|----------------------------------------------------------------------------|-------------------------|--------------|---------------|
|                                                                            | 2020                    | 2019         | + / (-)       |
|                                                                            | \$'000                  | \$'000       | %             |
| <b>Continuing operations</b>                                               |                         |              |               |
| <b>Other income</b>                                                        |                         |              |               |
| Interest income from bank deposits                                         | 2                       | 27           | (92.6)        |
| Government grant                                                           | 692                     | -            | N/M           |
| Rental income from lease                                                   | 424                     | 448          | (5.4)         |
| Service income – at a point in time                                        | 1,195                   | 1,180        | 1.3           |
| Others                                                                     | 28                      | 55           | (49.1)        |
|                                                                            | <b>2,341</b>            | <b>1,710</b> | <b>36.9</b>   |
| <b>Other gains – net</b>                                                   |                         |              |               |
| Currency translation gains – net                                           | 84                      | 115          | (27.0)        |
| Gain on amortisation of interest-free non-current payables                 | 1,414                   | 2,325        | (39.2)        |
| Gain on disposal of a subsidiary corporation                               | -                       | 46           | (100.0)       |
|                                                                            | <b>1,498</b>            | <b>2,486</b> | <b>(39.7)</b> |
| <b>The following were charged to the income statement:</b>                 |                         |              |               |
| Amortised interest on non-current payables                                 | 2,173                   | 1,654        | 31.4          |
| Loss allowance on trade receivables – non-related parties                  | -                       | 23           | (100.0)       |
| Loss allowance on non-trade receivables –related parties                   | 44                      | -            | N/M           |
| Cost of inventories recognised as an expense (included in 'cost of sales') | 8,359                   | 10,296       | (18.8)        |
| Depreciation of property, plant and equipment                              | 625                     | 588          | (6.3)         |
| Employee compensation (included Directors' remuneration)                   | 4,124                   | 4,426        | (6.8)         |
| Interest expense on borrowings                                             | 29                      | 330          | (91.2)        |
| Interest expense on lease liabilities                                      | 68                      | 2            | N/M           |
| Provision for warranty                                                     | 492                     | 542          | (9.2)         |
| Reversal of loss allowance of trade receivables – non-related parties      | -                       | (33)         | (100.0)       |

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.**

|                                                                           | <b>Group</b>  |               | <b>Company</b> |               |
|---------------------------------------------------------------------------|---------------|---------------|----------------|---------------|
|                                                                           | <b>30 Sep</b> | <b>30 Sep</b> | <b>30 Sep</b>  | <b>30 Sep</b> |
|                                                                           | <b>2020</b>   | <b>2019</b>   | <b>2020</b>    | <b>2019</b>   |
|                                                                           | <b>\$'000</b> | <b>\$'000</b> | <b>\$'000</b>  | <b>\$'000</b> |
| <b>ASSETS</b>                                                             |               |               |                |               |
| <b>Current assets</b>                                                     |               |               |                |               |
| Cash and cash equivalents                                                 | 5,081         | 1,752         | 490            | 95            |
| Trade and other receivables                                               | 3,277         | 4,243         | 34,568         | 34,108        |
| Inventories                                                               | 3,361         | 4,632         | -              | -             |
|                                                                           | <b>11,719</b> | <b>10,627</b> | <b>35,058</b>  | <b>34,203</b> |
| <b>Non-current assets</b>                                                 |               |               |                |               |
| Development properties                                                    | 55,283        | 55,419        | -              | -             |
| Investments in associated companies                                       | 16,119        | 15,080        | 9,945          | 10,305        |
| Investment in a joint venture company                                     | 2,904         | 2,648         | -              | -             |
| Investments in subsidiary corporations                                    | -             | -             | 12,241         | 13,644        |
| Property, plant and equipment                                             | 10,669        | 9,531         | -              | -             |
|                                                                           | <b>84,975</b> | <b>82,678</b> | <b>22,186</b>  | <b>23,949</b> |
| <b>Total assets</b>                                                       | <b>96,694</b> | <b>93,305</b> | <b>57,244</b>  | <b>58,152</b> |
| <b>LIABILITIES</b>                                                        |               |               |                |               |
| <b>Current liabilities</b>                                                |               |               |                |               |
| Trade and other payables                                                  | 4,110         | 5,522         | 8,670          | 11,956        |
| Current income tax liabilities                                            | 336           | 278           | -              | -             |
| Borrowings                                                                | 373           | 506           | -              | -             |
| Lease liabilities                                                         | 51            | 13            | -              | -             |
| Provision                                                                 | 483           | 457           | -              | -             |
|                                                                           | <b>5,353</b>  | <b>6,776</b>  | <b>8,670</b>   | <b>11,956</b> |
| <b>Non-current liabilities</b>                                            |               |               |                |               |
| Other payables                                                            | 30,188        | 29,238        | -              | -             |
| Borrowings                                                                | 1,525         | 404           | -              | -             |
| Lease liabilities                                                         | 1,545         | -             | -              | -             |
| Provisions                                                                | 165           | 165           | -              | -             |
| Deferred income tax liabilities                                           | 133           | -             | -              | -             |
|                                                                           | <b>33,556</b> | <b>29,807</b> | <b>-</b>       | <b>-</b>      |
| <b>Total liabilities</b>                                                  | <b>38,909</b> | <b>36,583</b> | <b>8,670</b>   | <b>11,956</b> |
| <b>NET ASSETS</b>                                                         | <b>57,785</b> | <b>56,722</b> | <b>48,574</b>  | <b>46,196</b> |
| <b>EQUITY</b>                                                             |               |               |                |               |
| <b>Capital and reserves attributable to equity holders of the Company</b> |               |               |                |               |
| Share capital                                                             | 32,315        | 32,315        | 32,315         | 32,315        |
| Currency translation reserve                                              | 492           | 542           | -              | -             |
| Retained profits                                                          | 25,297        | 23,764        | 16,259         | 13,881        |
|                                                                           | <b>58,104</b> | <b>56,621</b> | <b>48,574</b>  | <b>46,196</b> |
| <b>Non-controlling interests</b>                                          | <b>(319)</b>  | <b>101</b>    | <b>-</b>       | <b>-</b>      |
| <b>Total equity</b>                                                       | <b>57,785</b> | <b>56,722</b> | <b>48,574</b>  | <b>46,196</b> |

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

|                                                    | As at 30 Sep 2020 |                     | As at 30 Sep 2019 |                     |
|----------------------------------------------------|-------------------|---------------------|-------------------|---------------------|
|                                                    | Secured<br>\$'000 | Unsecured<br>\$'000 | Secured<br>\$'000 | Unsecured<br>\$'000 |
| Amount repayable in one year or less, or on demand | 373               | -                   | 506               | -                   |
| Amount repayable after one year                    | 1,525             | -                   | 404               | -                   |
|                                                    | <b>1,898</b>      | <b>-</b>            | <b>910</b>        | <b>-</b>            |

**Details of any collateral**

Bank borrowings of the Group are secured over Company's corporate guarantee, joint and several guarantees issued by the directors and asset under construction.

**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.**

|                                                               | <b>Year ended 30 September</b> |                |
|---------------------------------------------------------------|--------------------------------|----------------|
|                                                               | <b>2020</b>                    | <b>2019</b>    |
|                                                               | <b>\$'000</b>                  | <b>\$'000</b>  |
| <b>Cash flows from operating activities</b>                   |                                |                |
| Total profit                                                  | 1,120                          | 1,711          |
| Adjustments for:                                              |                                |                |
| - Income tax expense                                          | 306                            | 231            |
| - Depreciation of property, plant and equipment               | 625                            | 594            |
| - Gain on amortisation of interest-free non-current payables  | (1,414)                        | (2,325)        |
| - Gain on disposal of a subsidiary corporation                | -                              | (46)           |
| - Loss on disposal of property, plant and equipment           | -                              | 5              |
| - Interest income                                             | (2)                            | (27)           |
| - Finance expense                                             | 2,303                          | 2,029          |
| - Share of profit of associated companies                     | (1,769)                        | (1,391)        |
| - Share of loss of a joint venture company                    | 59                             | 166            |
| - Unrealised currency translation (gains)/losses              | 4                              | 19             |
|                                                               | <b>1,232</b>                   | <b>966</b>     |
| Change in working capital:                                    |                                |                |
| - Development properties                                      | (50)                           | (25)           |
| - Inventories                                                 | 1,271                          | 128            |
| - Trade and other receivables                                 | 966                            | 1,850          |
| - Trade and other payables                                    | (713)                          | 203            |
| Cash generated from operations                                | <b>2,706</b>                   | <b>3,122</b>   |
| Income tax paid                                               | <b>(115)</b>                   | <b>(381)</b>   |
| <b>Net cash provided by operating activities</b>              | <b>2,591</b>                   | <b>2,741</b>   |
| <b>Cash flows from investing activities</b>                   |                                |                |
| Additions to property, plant and equipment                    | (99)                           | (60)           |
| Disposal of a subsidiary corporation, net of cash disposed of | -                              | (662)          |
| Disposal of property, plant and equipment                     | -                              | 2              |
| Loan to a joint-venture company                               | (228)                          | (403)          |
| Dividends received from an associated company                 | 650                            | 555            |
| Interest received                                             | 2                              | 27             |
| <b>Net cash provided by/(used in) investing activities</b>    | <b>325</b>                     | <b>(541)</b>   |
| <b>Cash flows from financing activities</b>                   |                                |                |
| Bank deposits released from pledge                            | -                              | 1,015          |
| Proceeds from bank borrowings                                 | 3,879                          | 5,854          |
| Proceeds from related parties' borrowings                     | 286                            | 2,664          |
| Repayment of bank borrowings                                  | (3,096)                        | (15,905)       |
| Repayment of bills payable                                    | (467)                          | (442)          |
| Repayment of lease liabilities                                | (62)                           | (27)           |
| Interest paid                                                 | (130)                          | (375)          |
| <b>Net cash provided by/(used in) financing activities</b>    | <b>410</b>                     | <b>(7,216)</b> |
| <b>Net increase/(decrease) in cash and cash equivalents</b>   | <b>3,326</b>                   | <b>(5,016)</b> |
| <b>Cash and cash equivalents</b>                              |                                |                |
| Beginning of the financial year                               | 1,752                          | 6,757          |
| Effects of currency translation on cash and cash equivalents  | 3                              | 11             |
| <b>End of the financial year</b>                              | <b>5,081</b>                   | <b>1,752</b>   |

**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 equity holders of the Company → |                              |                  |               | Non-controlling interests | Total equity  |
|------------------------------------------------|---------------------------------------------------|------------------------------|------------------|---------------|---------------------------|---------------|
|                                                | Share capital                                     | Currency translation reserve | Retained profits | Total         |                           |               |
|                                                | \$'000                                            | \$'000                       | \$'000           | \$'000        | \$'000                    | \$'000        |
| <b>Group</b>                                   |                                                   |                              |                  |               |                           |               |
| <b>2020</b>                                    |                                                   |                              |                  |               |                           |               |
| <b>Balance as at 1 October 2019</b>            | <b>32,315</b>                                     | <b>542</b>                   | <b>23,764</b>    | <b>56,621</b> | <b>101</b>                | <b>56,722</b> |
| Total comprehensive income/(loss) for the year | -                                                 | (50)                         | 1,533            | 1,483         | (420)                     | 1,063         |
| <b>Balance as at 30 September 2020</b>         | <b>32,315</b>                                     | <b>492</b>                   | <b>25,297</b>    | <b>58,104</b> | <b>(319)</b>              | <b>57,785</b> |
| <b>2019</b>                                    |                                                   |                              |                  |               |                           |               |
| <b>Balance as at 1 October 2018</b>            | <b>32,315</b>                                     | <b>559</b>                   | <b>21,233</b>    | <b>54,107</b> | <b>597</b>                | <b>54,704</b> |
| Total comprehensive income/(loss) for the year | -                                                 | (23)                         | 2,531            | 2,508         | (814)                     | 1,694         |
| Disposal of a subsidiary corporation           | -                                                 | 6                            | -                | 6             | 318                       | 324           |
| <b>Balance as at 30 September 2019</b>         | <b>32,315</b>                                     | <b>542</b>                   | <b>23,764</b>    | <b>56,621</b> | <b>101</b>                | <b>56,722</b> |
| <b>Company</b>                                 |                                                   |                              |                  |               |                           |               |
| <b>2020</b>                                    |                                                   |                              |                  |               |                           |               |
| <b>Balance as at 1 October 2019</b>            | <b>32,315</b>                                     |                              | <b>13,881</b>    | <b>46,196</b> |                           |               |
| Total comprehensive income for the year        | -                                                 |                              | 2,378            | 2,378         |                           |               |
| <b>Balance as at 30 September 2020</b>         | <b>32,315</b>                                     |                              | <b>16,259</b>    | <b>48,574</b> |                           |               |
| <b>2019</b>                                    |                                                   |                              |                  |               |                           |               |
| <b>Balance as at 1 October 2018</b>            | <b>32,315</b>                                     |                              | <b>13,664</b>    | <b>45,979</b> |                           |               |
| Total comprehensive income for the year        | -                                                 |                              | 217              | 217           |                           |               |
| <b>Balance as at 30 September 2019</b>         | <b>32,315</b>                                     |                              | <b>13,881</b>    | <b>46,196</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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There were no change to the Company's issued and paid up share capital in FY2020.

There were no outstanding convertibles as at 30 September 2020 and 30 September 2019 where shares may be issued upon conversion.

The Company did not hold any treasury shares as at 30 September 2020 and 30 September 2019.

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

|                                                                                          | <b>Company</b>            |                           |
|------------------------------------------------------------------------------------------|---------------------------|---------------------------|
|                                                                                          | <b>30 Sep 2020</b>        | <b>30 Sep 2019</b>        |
| Number of issued shares excluding treasury shares and subsidiary holdings of the Company | <b><u>209,826,140</u></b> | <b><u>209,826,140</u></b> |

- 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.

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

The figures as shown in the announcement have not been audited or reviewed by the Company's auditor.

- 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:- ( to update if there is any)**

**(a) Update on the efforts taken to resolve each outstanding audit issue.**

**(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

**This is not required for any audit issue that is a material uncertainty relating to going concern.**

On 19 December 2019, the Company's Independent Auditor, Nexia TS Public Accounting Corporation, issued a qualified audit opinion on the Group's financial statements for the financial year ended 30 September 2019 based on the following:

"...Fiamma is a company listed on the Main Market of Bursa Malaysia. The Component Auditor cited Listing Rules of Bursa Malaysia as a factor in not being able to allow us access to themselves or their audit working papers. The Component Auditor was not agreeable to discuss the financial affairs and the audit of Fiamma. Due to the above restrictions, we were also not able to perform any other satisfactory alternative procedures for us to fulfil the requirements of *Singapore Standard on Auditing 600, Special Considerations – Audit of Group Financial Statements (including the Work of Component Auditors)*. Therefore, we were unable to obtain sufficient appropriate evidence to ascertain the carrying amount of the Group's investment in Fiamma as at 30 September 2019, the Group's share of Fiamma's results and other comprehensive income for the financial year then ended and the related financial information of Fiamma as disclosed in Note 20 to the financial statements, and were unable to determine whether adjustments, if any, to these amounts were necessary..."

- (a) As of the date of this announcement, discussions between the Company's independent auditor and the Component Auditor to find a workable solution or reach an agreement in complying with their respective regulatory and SSA 600 requirements, is on-going.
- (b) The Board confirmed that the impact of all outstanding issues on the financial statements have been adequately disclosed.

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

These financial results have been prepared based on accounting policies and methods of computation consistent with those adopted in the most recently audited annual financial statements for the financial year ended 30 September 2019, except as stated in Note 5.

Certain comparatives have been reclassified to conform with current year's presentation. The reclassification has no impact on the profit and loss accounts of the Company and the Group.

**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.**

In adopting SFRS(I) on 1 October 2019, the Group was required to apply all of the specific transition requirements in SFRS(I) 16 Leases and SFRS(I) INT 23 Uncertainty Over Income Tax Treatments.

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

SFRS(I) 16 will result in almost all leases being recognised on the statements of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low-value leases. The accounting for lessors will not change significantly.

The Group has applied the standard from its mandatory adoption date of 1 October 2019. The Group applied the simplified transition approach and did not restate comparative amounts for the year prior to first adoption. Right-of-use assets were measured at the amount of the lease liability.

The Group recognised right-of-use assets under the category of property, plant and equipment of approximately \$1,645,000 and lease liabilities approximately \$1,645,000 on 1 October 2019.

Operating cash flows increased and financing cash flows decreased by approximately \$117,000 as repayment of the principal portion of the lease liabilities were classified as cash flows from financing activities.

The Group's activities as a lessor are not material and the Group does not expect any significant impact on the financial statements.

- (b) SFRS(I) INT 23 Uncertainty Over Income Tax Treatments (effective for annual periods beginning on or after 1 January 2019)

The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

how to determine the appropriate unit of account, and that each uncertain tax treatment should be considered separately or together as a group, depending on which approach better predicts the resolution of the uncertainty;

that the entity should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, i.e. that detection risk should be ignored;

that the entity should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment;

that the impact of the uncertainty should be measured using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty; and

that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

No additional tax liability was recognised arising from the uncertain tax positions on the adoption of the interpretation.

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                 |             |                         |             |
|-------------------------------------------------------------------------------------------------------|-----------------------|-------------|-------------------------|-------------|
|                                                                                                       | Continuing operations |             | Discontinued operations |             |
|                                                                                                       | 30 Sep 2020           | 30 Sep 2019 | 30 Sep 2020             | 30 Sep 2019 |
| Earnings per share ("EPS") for profit attributable to equity holders of the Company (cents per share) |                       |             |                         |             |
| (a) Based on weighted average number of ordinary shares on issue                                      | 0.73                  | 1.29        | NA                      | (0.08)      |
| (b) On a fully diluted basis                                                                          | 0.73                  | 1.29        | NA                      | (0.08)      |

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     |             |
|--------------------------------------------|-------------|-------------|-------------|-------------|
|                                            | 30 Sep 2020 | 30 Sep 2019 | 30 Sep 2020 | 30 Sep 2019 |
| Net asset value per ordinary share (cents) | 27.69       | 26.98       | 23.15       | 22.02       |

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 STATEMENT OF COMPREHENSIVE INCOME**

##### **Overview**

The Group recorded a net profit attributable to equity holders of the Company of \$1.5 million in FY2020, decrease by \$1.0 million against \$2.5 million in FY2019.

##### **Revenue**

Revenue decreased by 20.9% to \$14.7 million in FY2020 (FY2019: \$18.6 million) due to impact of COVID-19 on retail sales, especially in months when circuit breaker measures to fight coronavirus pandemic kicked in.

##### **Cost of sales**

The Group's cost of sales decreased by 19.0% to \$8.6 million in FY2020 (FY2019: \$10.6 million) which is in line with decrease in sales.

##### **Gross profit**

Gross profit decreased by 23.5% to \$6.0 million in FY2020 (FY2019: \$8.0 million), consistent with the decrease of sales and cost of sales, resulting from decrease in sales of higher margin products.

##### **Other income**

Other income increased by 36.9% to \$2.3 million in FY2020 (FY2019: \$1.7million). The increase is mainly due to the government grant received from IRAS relate to Jobs Support Scheme amounted to \$0.7 million (FY2019: nil).

##### **Other gains**

Other gains decreased by 39.7% to \$1.5 million in FY2020 (FY2019: \$2.5 million). The decrease is mainly due to the decrease in interest rate used to compute the gain on amortization of interest-free non-current payables to 4.2% per annum (FY2019: 6.7% per annum) resulting in the recognition of a lower gain on amortisation of interest-free non-current payables amounting to \$1.4 million (FY2019: \$2.3 million). The interest rate used is consistent with the reduction in bank base rate and LIBOR rate.

##### **Distribution and marketing expenses**

Distribution and marketing expenses decreased by 12.2% to \$1.9 million in FY2020 (FY2019: \$2.2 million). The decrease is mainly due to the decrease of commission by 20.0% to \$0.4 million in FY2020 (FY2019: \$0.5 million) as a result of decrease of sales as well as decrease of advertising and promotion expense by 33.3% to \$0.2 million in FY2020 (FY2019: \$0.3 million).

**8. Review of Group Performance (continued)**

**REVIEW OF STATEMENT OF COMPREHENSIVE INCOME (continued)**

**Administrative expenses**

Administrative expenses decreased by 13.1% to \$6.0 million in FY2020 (FY2019: \$6.9 million). The decrease is mainly due to decrease in employee compensation by 9.8% to \$3.7 million in FY2020 (FY2019: \$4.1 million) as some of the employees who are stuck at overseas are on no-pay leave, as well as decrease in legal and professional fee of \$0.1 million. The decrease in administrative expense is in line with the decrease in business activities during COVID-19 which resulted in less operational spending.

**Finance expenses**

Finance expenses increased by 13.5% to \$2.3 million in FY2020 (FY2019: \$2.0 million). The increase is due to amortised interest in interest-free non-current payables which increased by 31.4% to \$2.2 million in FY2020 (FY2019: \$1.7 million). It is partially offset by decrease in interest on borrowings by 91.2% to \$29,000 in FY2020 (FY2019: \$0.3 million) due to repayment in borrowings.

**Share of profit of associated companies**

Share of profit of associated companies increased by 27.2% to \$1.8 million in FY2020 (FY2019: \$1.4 million). The increase is largely due to the increase in share of profit of an associated company as a result of improved performance.

**Income tax expense and profit attributable to equity holders of the Company**

Tax expense increased by 32.5% to \$0.3 million in FY2020 (FY2019: \$0.2 million) due to the adoption of SFRS(I) 16 Leases for the Group's non-cancellable operating lease with JTC result in the increment of deferred income tax expense of \$0.1 million. (FY2019: nil).

As a result, profit attributable to owners of the Company was \$1.5 million in FY2020 (FY2019: \$2.5 million).

**REVIEW OF BALANCE SHEET**

**Cash and cash equivalents**

Cash and cash equivalents increased by \$3.3 million to \$5.1 million in FY2020 (FY2019: \$1.8 million) mainly due to cash generated from operating activities of \$2.6 million, cash generated from investing activities of \$0.3 million and cash generated from financing activities of \$0.4 million.

**Trade and other receivables**

Trade and other receivables decreased by 22.8% to \$3.3 million in FY2020 (FY2019: \$4.2 million), mainly due to decrease in trade receivables as a result of lower sales volume in FY2020 and decrease in other receivables as consideration receivable for the disposal of subsidiary Unicasa of \$0.4 million was received in FY2020.

**Inventories**

Inventories decreased by 27.4% to \$3.4 million in FY2020 (FY2019: \$4.6 million), due to supply chain disruption and delay in stock deliveries as factories' productivity are negatively impacted by labor shortages, as well as material shortages.

**Development properties**

Development properties comprises of residential and commercial properties in Malaysia, and they are classified as non-current assets as the Group does not expect to realise the assets within the normal operating cycle from the reporting period. Development properties decreased marginally by 0.2% to \$55.3 million in FY2020 (FY2019: \$55.4 million), mainly due to the foreign currency translation loss arising from the depreciation of Malaysian Ringgit against Singapore dollar during the year.

**8. Review of Group Performance (continued)**

**REVIEW OF BALANCE SHEET (continued)**

**Investments in associated companies**

Investments in associated companies increased by 6.9% to \$16.1 million in FY2020 (FY2019: \$15.1 million), due to share of profit of \$1.8 million less dividend received of \$0.7 million.

**Investment in a joint venture company**

Investment in a joint venture company increased by 9.7% to \$2.9 million in FY2020 (FY2019: \$2.6 million), largely due to an increase in loan to joint venture company classified under cost of investment.

**Property, plant and equipment**

Property, plant and equipment increased by 11.9% to \$10.7 million in FY2020 (FY2019: \$9.5 million), mainly due to the adoption of SFRS(I) 16 Leases for the Group's non-cancellable operating lease with Jurong Town Corporation ("JTC") which is classified as right-of-use under the group of property, plant and equipment amounted to \$1.6 million. The increase is offset by the depreciation charge of \$0.6 million during the year.

**Trade and other payables, current**

Trade payables and other payables decreased by 25.6% to \$4.1 million in FY2020 (FY2019: \$5.5 million) mainly due to decrease in bills payables by \$0.5 million to \$1.1 million in FY2020 (FY2019: \$1.6 million) resulting from supply chain disruption and delay in stock delivery due to COVID-19, repayment of trade payables of \$0.6 million, decrease in accruals for staff related costs of \$0.1 million and decrease in trade receivables financing liabilities of \$0.2 million.

**Borrowings**

Borrowings increased to \$1.9 million in FY2020 (FY2019: \$0.9 million) mainly due to proceeds from additional bank borrowings of \$1.5 million net off against repayments of borrowings amounting to \$0.5 million.

**Lease liabilities and deferred income tax liabilities**

Lease liabilities and deferred income tax liabilities arise due to the adoption of SFRS(I) 16 Leases for the Group's non-cancellable operating lease with JTC group under borrowings \$1.6 million.

**Other payables, non-current**

Other payables comprises of non-trade payables to related parties. Other payables increased by 3.2% to \$30.2 million in FY2020 (FY2019: \$29.2 million) due to increase in related parties' loan by \$0.3 million and net increase of \$0.7 million due to amortisation of imputed interest for interest free advances from shareholders recognized to measure the interest free advances at fair value.

**Non-controlling interests**

Non-controlling interests decreased due to net loss recorded in foreign subsidiary corporations.

**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 was made previously in respect of the results for FY2020.

**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 US-China trade tensions and the COVID-19 pandemic has resulted in disruptions and delays in the supply chain, in terms of sourcing and supply of goods, and increasing freight charges. However, we remain committed to deliver our goods and services to our customers.

We are cautiously optimistic of pent up demand for new homes as soon as the construction and renovation industry resume to the new normal.

We are also hopeful that there is ongoing demand from the replacement market for kitchen appliances as more people adopt the habits of working and cooking from home. We continue to work within the current supply chain disruptions in order to honour our commitment to our customers and continually look at ways to improve our efficiency, in spite of the operational challenges we faced during the phase 1 and 2 of circuit breaker, and complying with the workplace safety requirements.

We foresee the following months to remain challenging but we remain steadfast and committed to introduce our new brand, "Kith" and continue to bring to market new products through multiple sales channels.

**11. If a decision regarding dividend has been made:-**

**(a) Whether an interim (final) ordinary dividend has been declared (recommended); and**

Yes. The final dividend in respect of FY2020, as proposed below has been recommended.

|                                             |                              |
|---------------------------------------------|------------------------------|
| <b>Name of dividend</b>                     | Final                        |
| <b>Dividend type</b>                        | Cash                         |
| <b>Dividend amount per share (in cents)</b> | 0.5 cents per ordinary share |
| <b>Tax rate</b>                             | Tax exempt (one-tier)        |

**(b) Corresponding period of the immediately preceding financial year**

No ordinary dividend has been declared/recommended for the previous corresponding period.

**(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).**

The proposed final dividend of 0.5 cents per share will be tax exempt (one-tier).

**(d) The date the dividend is payable.**

The proposed final dividend, if approved by the shareholders at the forthcoming AGM to be held on 25 January 2021, will be paid on 26 February 2021.

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

Registrable transfers received by the Company's Share Registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road, #02-00, Singapore 068898 up to 5.00 p.m. on 18 January 2021 will be registered before entitlements to the Final Dividend are determined and the Register of Members and the Transfer Books of the Company will be closed on 19 January 2021 for purpose of preparing dividend warrants.

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

Not applicable.

- 13. If the Group has obtained a general mandate from 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.**

|                                                                  | Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) |
|------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name and Nature of Interested Person</b>                      | <b>\$'000</b>                                                                                                                                                                                                           |
| Rental income received from Multicable Manufacturing (S) Pte Ltd | 420                                                                                                                                                                                                                     |
| Purchase of home appliances from Arda (Zhejiang) Electric Co Ltd | 301                                                                                                                                                                                                                     |
| <b>Total</b>                                                     | <b>721</b>                                                                                                                                                                                                              |

No IPT mandate has been obtained.

- 14. Negative confirmation pursuant to Rule 705(5) of the Listing Manual**

Not required for announcement on full year results.

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

The Company hereby confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

**PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**  
**(This part is not applicable to Half Year Results)**

16. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

|                                                             | <b>Trading</b><br>\$'000 | <b>Property<br/>Development</b><br>\$'000 | <b>Unallocated</b><br>\$'000 | <b>Total</b><br>\$'000 |
|-------------------------------------------------------------|--------------------------|-------------------------------------------|------------------------------|------------------------|
| <b>(a) Business segments</b>                                |                          |                                           |                              |                        |
| <u>2020</u>                                                 |                          |                                           |                              |                        |
| <b>Sales to external parties from continuing operations</b> | <b>14,699</b>            | <b>-</b>                                  | <b>-</b>                     | <b>14,699</b>          |
| <b>Segment profit/(loss) from continuing operations</b>     | <b>1,691</b>             | <b>740</b>                                | <b>(414)</b>                 | <b>2,017</b>           |
| Interest income                                             | -                        | 2                                         | -                            | 2                      |
| Share of profit of associated companies                     | -                        | -                                         | 1,769                        | 1,769                  |
| Share of loss of a joint-venture company                    | -                        | -                                         | (59)                         | (59)                   |
| Interest expense                                            | (209)                    | (2,094)                                   | -                            | (2,303)                |
| Profit before income tax                                    |                          |                                           |                              | 1,426                  |
| Income tax expense                                          |                          |                                           |                              | (306)                  |
| Profit from continuing operations                           |                          |                                           |                              | 1,120                  |
| <b>Segment assets</b>                                       | <b>20,507</b>            | <b>56,617</b>                             | <b>19,570</b>                | <b>96,694</b>          |
| Segment assets includes:                                    |                          |                                           |                              |                        |
| Investments in associated companies                         | -                        | -                                         | 16,119                       | 16,119                 |
| Investments in a joint-venture company                      | -                        | -                                         | 2,904                        | 2,904                  |
| Additions to:                                               |                          |                                           |                              |                        |
| - investment in a joint-venture company                     | -                        | -                                         | 228                          | 228                    |
| - property, plant and equipment                             | 99                       | -                                         | -                            | 99                     |
| <b>Segment liabilities</b>                                  | <b>9,125</b>             | <b>29,555</b>                             | <b>229</b>                   | <b>38,909</b>          |
| <u>2019</u>                                                 |                          |                                           |                              |                        |
| <b>Sales to external parties from continuing operations</b> | <b>18,591</b>            | <b>-</b>                                  | <b>-</b>                     | <b>18,591</b>          |
| <b>Segment profit/(loss) from continuing operations</b>     | <b>1,772</b>             | <b>1,579</b>                              | <b>(304)</b>                 | <b>3,047</b>           |
| Interest income                                             | -                        | 21                                        | 6                            | 27                     |
| Share of profit of associated companies                     | -                        | -                                         | 1,391                        | 1,391                  |
| Share of loss of a joint-venture company                    | -                        | -                                         | (166)                        | (166)                  |
| Interest expense                                            | (163)                    | (1,866)                                   | -                            | (2,029)                |
| Profit before income tax                                    |                          |                                           |                              | 2,270                  |
| Income tax expense                                          |                          |                                           |                              | (231)                  |
| Profit from continuing operations                           |                          |                                           |                              | 2,039                  |
| <b>Segment assets</b>                                       | <b>17,612</b>            | <b>57,378</b>                             | <b>18,315</b>                | <b>93,305</b>          |
| Segment assets includes:                                    |                          |                                           |                              |                        |
| Investments in associated companies                         | -                        | -                                         | 15,080                       | 15,080                 |
| Investments in a joint-venture company                      | -                        | -                                         | 2,648                        | 2,648                  |
| Additions to:                                               |                          |                                           |                              |                        |
| - investment in a joint-venture company                     | -                        | -                                         | 403                          | 403                    |
| - property, plant and equipment                             | 60                       | -                                         | -                            | 60                     |
| <b>Segment liabilities</b>                                  | <b>7,270</b>             | <b>29,038</b>                             | <b>275</b>                   | <b>36,583</b>          |

16. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year. (continued)**

|                                  | Revenue<br>from<br>continuing<br>operations<br>\$'000 | Non-current<br>assets<br>\$'000 | Capital<br>expenditure<br>\$'000 |
|----------------------------------|-------------------------------------------------------|---------------------------------|----------------------------------|
| <b>(b) Geographical segments</b> |                                                       |                                 |                                  |
| <u>2020</u>                      |                                                       |                                 |                                  |
| Singapore                        | 14,373                                                | 24,864                          | 99                               |
| Malaysia                         | -                                                     | 59,184                          | -                                |
| Morocco                          | -                                                     | 927                             | -                                |
| Other countries                  | 326                                                   | -                               | -                                |
| Total                            | 14,699                                                | 84,975                          | 99                               |
| <u>2019</u>                      |                                                       |                                 |                                  |
| Singapore                        | 18,114                                                | 22,146                          | 60                               |
| Malaysia                         | -                                                     | 59,609                          | -                                |
| Morocco                          | -                                                     | 923                             | -                                |
| Other countries                  | 477                                                   | -                               | -                                |
| Total                            | 18,591                                                | 82,678                          | 60                               |

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

Other than those stated under item 8 above, there were no major factors leading to material changes in contributions to turnover and earnings by the business or geographical segments

18. **A breakdown of sales as follows**

|                                                                                                        | Year ended 30 September |                |              |
|--------------------------------------------------------------------------------------------------------|-------------------------|----------------|--------------|
|                                                                                                        | 2020<br>\$'000          | 2019<br>\$'000 | + / (-)<br>% |
| <b>Continuing operations</b>                                                                           |                         |                |              |
| (a) Sales reported for first half year                                                                 | 8,046                   | 9,345          | (13.9)       |
| (b) Operating profit/(loss) after tax before deducting minority interests reported for first half year | 578                     | (129)          | N/M          |
| (c) Sales reported for second half year                                                                | 6,653                   | 9,246          | (28.0)       |
| (d) Operating profit after tax before deducting minority interests reported for second half year       | 542                     | 2,168          | (75.0)       |

**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:-**

|                | <b>2020</b>   | <b>2019</b>   |
|----------------|---------------|---------------|
|                | <b>\$'000</b> | <b>\$'000</b> |
| (a) Ordinary   | -             | -             |
| (b) Preference | -             | -             |
| (c) Total      | -             | -             |

**20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiary corporations who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

There is no person occupying a managerial position in the Company or any of its subsidiary corporations who is a relative of a director or chief executive officer or substantial shareholder of the Company.

**BY ORDER OF THE BOARD**

Lim Soo Kong @ Lim Soo Chong  
Director and Chief Executive Officer  
26 November 2020