



JUBILEE INDUSTRIES HOLDINGS LIMITED
Company Registration Number: 200904797H

UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

This announcement has been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

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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PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR

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

	Group		
	For the 12 months ended		
	31-Mar-20 S\$'000 (unaudited)	31-Mar-19 S\$'000 (audited)	Increase / (Decrease)
Revenue	133,848	163,691	-18.2%
Cost of sales	(127,083)	(150,907)	-15.8%
Gross profit	6,765	12,784	-47.1%
Other income			
- Interest income from bank deposit	7	28	-75.0%
- Others	277	213	30.0%
Other (losses)/gains, net			
- Impairment loss on financial assets at amortised cost	(392)	(184)	113.0%
- Others	(399)	1,072	-137.2%
Expenses:			
Distribution and marketing	(910)	(1,425)	-36.1%
Administrative	(8,174)	(8,727)	-6.3%
Finance	(1,136)	(1,081)	5.1%
Share of profit of associated company	88	662	-86.7%
(Loss)/profit before income tax	(3,874)	3,342	-215.9%
Income tax expense	(316)	(463)	-31.7%
Net (loss)/profit	(4,190)	2,879	-245.5%
Other comprehensive (loss)/income:			
Items that may be reclassified subsequently to profit or loss:			
- Share of other comprehensive (loss)/income of associated company	(73)	132	-155.3%
- Currency translation differences arising from consolidation	389	682	-43.0%
	316	814	-61.2%
Items that will not be reclassified subsequently to profit or loss:			
- Fair value loss on financial assets, at FVOCI	(495)	(258)	91.9%
Other comprehensive (loss)/income, net of tax	(179)	556	-132.2%
Total comprehensive (loss)/income	(4,369)	3,435	-227.2%
Net (loss)/profit attributable to:			
Equity holders of the Company	(4,276)	2,705	-258.1%
Non-controlling interests	86	174	-50.6%
	(4,190)	2,879	-245.5%
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company	(4,455)	3,261	-236.6%
Non-controlling interests	86	174	-50.6%
	(4,369)	3,435	-227.2%

nm: Not meaningful



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1(a)(ii) Notes to the Income Statement

The Group's profit/loss before income tax is arrived at after charging/(crediting):

Group			
For the 12 months ended			
	31-Mar-20	31-Mar-19	Increase /
	S\$'000	S\$'000	(Decrease)
	(unaudited)	(audited)	
Depreciation of property, plant and equipment	900	739	21.8%
Amortisation of intangible assets	398	467	-14.8%
Depreciation of right-of-use assets	411	-	nm
Loss on disposal of property, plant and equipment	-	1	nm
Gain from bargain purchase	-	(1,124)	nm
Impairment loss of trade receivables	392	184	113.0%
Bad debts written off	-	15	nm
Inventory write-down	333	566	-41.2%
Government grants	(20)	(34)	-41.2%
Foreign exchange loss, net	399	51	682.4%
Interest income	(7)	(28)	-75.0%
Sale of scrap and other materials	(116)	(99)	17.2%
Miscellaneous income	(128)	(71)	80.3%
Dividends received	(13)	(9)	44.4%
Interest on borrowings	1,136	1,081	5.1%

nm: Not meaningful



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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 period.

	Group			Company		
	31-Mar-20 S\$'000	31-Mar-19 S\$'000	Increase / (Decrease)	31-Mar-20 S\$'000	31-Mar-19 S\$'000	Increase / (Decrease)
	(unaudited)	(audited)		(unaudited)	(audited)	
ASSETS						
<u>Current assets</u>						
Cash and cash equivalents	8,372	5,334	57.0%	34	117	-70.9%
Financial assets, at FVPL	33	33	0.0%	-	-	nm
Financial assets, at FVOCI	482	934	-48.4%	482	934	-48.4%
Trade and other receivables	29,421	30,547	-3.7%	18,403	21,970	-16.2%
Inventories	9,082	20,193	-55.0%	-	-	nm
Other current assets	8,311	8,763	-5.2%	11	3	266.7%
	55,701	65,804	-15.4%	18,930	23,024	-17.8%
<u>Non-current assets</u>						
Financial assets, at FVOCI	47	90	-47.8%	47	90	-47.8%
Investment in subsidiary corporations	-	-	nm	24,456	24,456	0.0%
Investment in associated company	11,316	11,301	0.1%	10,934	10,934	0.0%
Property, plant and equipment	7,491	7,460	0.4%	1	1	0.0%
Intangible assets	1,769	2,167	-18.4%	-	8	-100.0%
	20,623	21,018	-1.9%	35,438	35,489	-0.1%
Total Assets	76,324	86,822	-12.1%	54,368	58,513	-7.1%
LIABILITIES						
<u>Current liabilities</u>						
Trade and other payables	22,839	25,758	-11.3%	14,171	13,818	2.6%
Current income tax liabilities	477	326	46.3%	-	-	nm
Borrowings	13,074	18,692	-30.1%	1,446	2,698	-46.4%
	36,390	44,776	-18.7%	15,617	16,516	-5.4%
<u>Non-current liabilities</u>						
Borrowings	2,292	46	4882.6%	2,000	-	100.0%
Deferred income tax liabilities	127	116	9.5%	-	-	nm
	2,419	162	1393.2%	2,000	-	100.0%
Total liabilities	38,809	44,938	-13.6%	17,617	16,516	6.7%
Net Assets	37,515	41,884	-10.4%	36,751	41,997	-12.5%
EQUITY						
Capital and Reserves attributable to Equity						
Holders of the Company						
Share capital	74,429	73,279	1.6%	74,429	73,279	1.6%
Treasury shares	(736)	(736)	0.0%	(736)	(736)	0.0%
Warrants reserve	-	1,150	-100.0%	-	1,150	-100.0%
Statutory reserves	2,257	2,257	0.0%	-	-	nm
Capital reserves	(142)	(142)	0.0%	(142)	(142)	0.0%
Other reserves	398	577	-31.0%	(1,547)	(1,052)	47.1%
Accumulated losses	(39,897)	(35,621)	12.0%	(35,253)	(30,502)	15.6%
	36,309	40,764	-10.9%	36,751	41,997	-12.5%
Non-controlling interests	1,206	1,120	7.7%	-	-	nm
Total equity	37,515	41,884	-10.4%	36,751	41,997	-12.5%

nm: Not meaningful



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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-Mar-20 (unaudited)		As at 31-Mar-19 (audited)	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
10,001	3,073	17,767	925

Amount repayable after one year

As at 31-Mar-20 (unaudited)		As at 31-Mar-19 (audited)	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
292	2,000	46	-

Details of any collateral

- 1) Bank overdrafts of the Group are secured by the immediate and ultimate holding corporation's bank deposits, certain bank deposits of the Group, personal guarantee by the directors of the subsidiary corporations, debenture of the subsidiary corporations and certain leasehold properties of the Group.
- 2) Bank borrowings of the Group and of the Company are secured by the investment in an associated company, certain bank deposits of the Group, and also secured by the corporate guarantee of the immediate and ultimate holding corporation.
- 3) Finance lease liabilities of the Group are effectively secured over the leased motor vehicles as the legal title are retained by the respective lessors and will be transferred to the Group upon full settlement of the finance lease liabilities. The financial lease liabilities are also secured by the corporate guarantee of the Company.

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

	Group	
	For the 12 months ended	
	31-Mar-20	31-Mar-19
	S\$'000	S\$'000
	(unaudited)	(audited)
<u>Cash flows from operating activities</u>		
Net (loss)/profit	(4,190)	2,879
Adjustments for:		
- Income tax expense	316	463
- Amortisation, depreciation and impairment	1,709	1,206
- Loss on disposal of property, plant and equipment	-	1
- Gain from bargain purchase	-	(1,124)
- Share of profit of associated company	(88)	(662)
- Dividend income	(13)	(9)
- Interest income - bank deposits	(7)	(28)
- Interest expense	1,136	1,081
- Unrealised currency translation losses	353	692
	(784)	4,499
Changes in working capital:		
- Trade and other receivables	1,126	(867)
- Inventories	11,111	(3,910)
- Other current assets	452	(186)
- Trade and other payables	(2,919)	(12,374)
Cash generated from/(used in) operations	8,986	(12,838)
- Interest paid	(219)	(152)
- Income tax paid	(154)	(211)
Net cash generated from/(used in) operating activities	8,613	(13,201)
<u>Cash flows from investing activities</u>		
Acquisition of subsidiary corporations, net of cash acquired	-	(1,528)
Additions to intangible assets	-	(2)
Additions to investment in associated company	-	(342)
Additions to property, plant and equipment	(483)	(594)
Disposal of financial assets, at FVOCI	-	120
Disposal of property, plant and equipment	-	8
Interest paid	10	-
Dividend received	13	9
Interest received	7	28
Net cash used in investing activities	(453)	(2,301)
<u>Cash flows from financing activities</u>		
(Repayment)/drawdown of bank borrowings	(2,384)	10,982
Repayment of loan from immediate and ultimate holding corporation	(925)	(17)
Repayment of lease liabilities	(408)	(29)
Interest paid	(917)	(880)
Withdrawal of short-term bank deposits	-	1,667
Net cash flows (used in)/generated from financing activities	(4,634)	11,723
Net increase/(decrease) in cash and cash equivalents	3,526	(3,779)
Cash and cash equivalents at beginning of financial year	2,635	6,441
Effects of currency translation on cash and cash equivalents	6	(27)
Cash and cash equivalents at end of financial year	6,167	2,635
Cash and cash equivalents comprised:		
Cash and bank balances	8,372	5,334
Less : Bank deposits pledged for banking facilities	(1,000)	(958)
Less : Bank overdrafts	(1,205)	(1,741)
	6,167	2,635



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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 comparative statement for the corresponding period of the immediately preceding financial period.

<u>Group</u> (unaudited)	Attributable to Equity Holders of the Group							Non-controlling interests S\$'000	Total S\$'000
	Share capital S\$'000	Treasury share S\$'000	Warrants reserve S\$'000	Statutory reserve S\$'000	Capital reserve S\$'000	Other reserves S\$'000	Accumulated losses S\$'000		
Balance as at 1 April 2019	73,279	(736)	1,150	2,257	(142)	577	(35,621)	1,120	41,884
Total comprehensive income/(loss) for the financial year	-	-	-	-	-	(179)	(4,276)	86	(4,369)
Transfer upon expiration of warrants	1,150	-	(1,150)	-	-	-	-	-	-
Balance as at 31 March 2020	74,429	(736)	-	2,257	(142)	398	(39,897)	1,206	37,515

<u>(audited)</u>	Attributable to Equity Holders of the Group							Non-controlling interests S\$'000	Total S\$'000
	Share capital S\$'000	Treasury share S\$'000	Warrants reserve S\$'000	Statutory reserve S\$'000	Capital reserve S\$'000	Other reserves S\$'000	Accumulated losses S\$'000		
Balance as at 1 April 2018	70,279	(736)	1,150	2,257	(142)	(85)	(38,220)	-	34,503
Total comprehensive income/(loss) for the financial year	-	-	-	-	-	556	2,705	174	3,435
Transfer upon disposal of financial assets	-	-	-	-	-	106	(106)	-	-
Issuance of placement shares	1,000	-	-	-	-	-	-	-	1,000
Issuance of new ordinary shares	2,000	-	-	-	-	-	-	946	2,946
Balance as at 31 March 2019	73,279	(736)	1,150	2,257	(142)	577	(35,621)	1,120	41,884

<u>Company</u> (unaudited)	Share Capital S\$'000	Treasury share S\$'000	Warrants reserve S\$'000	Capital reserve S\$'000	Other reserves S\$'000	Accumulated losses S\$'000	Total S\$'000
Balance as at 1 April 2019	73,279	(736)	1,150	(142)	(1,052)	(30,502)	41,997
Total comprehensive loss for the financial year	-	-	-	-	(495)	(4,751)	(5,246)
Transfer upon expiration of warrants	1,150	-	(1,150)	-	-	-	-
Balance as at 31 March 2020	74,429	(736)	-	(142)	(1,547)	(35,253)	36,751

<u>(audited)</u>	Share Capital S\$'000	Treasury share S\$'000	Warrants reserve S\$'000	Capital reserve S\$'000	Other reserves S\$'000	Accumulated Losses S\$'000	Total S\$'000
Balance as at 1 April 2018	70,279	(736)	1,150	(142)	(900)	(37,072)	32,579
Total comprehensive income for the financial year	-	-	-	-	(152)	6,570	6,418
Issuance of placement shares	1,000	-	-	-	-	-	1,000
Issuance of new ordinary shares	2,000	-	-	-	-	-	2,000
Balance as at 31 March 2019	73,279	(736)	1,150	(142)	(1,052)	(30,502)	41,997


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

Issued and fully paid	Number of ordinary shares	Share Capital (\$)
Balance as at 1 April 2019	1,027,431,606	73,279,154
Share consolidation completed on 8 August 2019	(770,573,733)	-
Expiration of outstanding warrants on 28 February 2020	-	1,150,259
Balance as at 31 March 2020	<u>256,857,873</u>	<u>74,429,413</u>

The Company has no outstanding warrants as of 31 March 2020 and no warrant has been exercised for the financial year ended 31 March 2020.

The outstanding convertibles and treasury shares as at 31 March 2020 are as follow:

Purchased and fully paid	Number of ordinary shares	Share Capital (\$)
Balance as at 1 April 2019	13,682,000	736,384
Share consolidation completed on 8 August 2019	(10,261,500)	-
Balance as at 31 March 2020	<u>3,420,500</u>	<u>736,384</u>

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

	At 31-Mar-20	At 31-Mar-19
Total number of issued shares excluding treasury shares	<u>253,437,373</u>	<u>1,013,749,606</u>

There were no treasury shares purchased during the period from 1 April 2019 to 31 March 2020.

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

Not applicable. There were no uses of treasury shares during and as at the end of the current financial year ended 31 March 2020.

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.



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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 independent auditor.

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

Not applicable.

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

(a) Updates on the effort 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.

Not applicable.

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

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year compared with those for the audited financial statements for the financial year ended 31 March 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 adopted the new/revised Singapore Financial Reporting Standards (International) (SFRS(I)) that are effective for annual periods on or after 1 April 2019. Changes to the Group's accounting policies have been made as required in accordance with the transitional provisions in the respective SFRS(I) and SFRS(I) Interpretation.

The following are the new SFRS(I) and SFRS(I) Interpretations that are relevant to the Group:

* SFRS(I) 16 Leases

* SFRS(I) INT 23 Uncertainty Over Income Tax Treatments

The adoption of the above SFRS(I) and SFRS(I) Interpretations did not have any significant impact on the financial statements of the Group except for the following:

Adoption of SFRS(I) 16

SFRS(I) 16 is effective for financial years beginning on or after 1 January 2019. The Group has applied the simplified transition approach and will not reinstate the comparative amount for the preceding financial year prior to the adoption of SFRS(I) 16. SFRS(I) 16 has resulted in almost all leases being recognised on the balance sheet of the Group as at 1 April 2019, 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 leases and leases of low value assets. The accounting for lessors has not changed significantly.

Right-of-use assets are measured using the cost model and are carried at cost less accumulated depreciation and accumulated impairment loss, if any, subsequent to initial recognition. The carrying amount for lease liabilities subsequent to initial recognition would take into account interest on the lease liabilities, lease payment made and any reassessment or lease modifications.

Lease liabilities are included as part of net debt and are taken into consideration when deriving the net gearing ratio.



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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	
	For the 12 months ended	
	31-Mar-20	31-Mar-19
Net profit attributable to equity holders of the Company (S\$'000)	(4,276)	2,705
Weighted average number of ordinary shares outstanding for basic earnings per share	253,437,373	979,935,145
Adjustments for outstanding warrants	-	255,613,108
Weighted average number of ordinary shares outstanding for diluted earnings per share	253,437,373	1,235,548,253
Basic earnings per share (cents per share)	(1.69)	0.28
Diluted earnings per share (cents per share)	(1.69)	0.28

Basic earnings per share is computed by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

There are no outstanding warrants as at financial year ended 31 March 2020. All outstanding warrants have expired on 28 February 2020.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital (excluding treasury shares) of the issuer at the end of the

- (a) Current financial period reported on; and
(b) Immediately preceding financial year.

	Group		Company	
	31-Mar-20 S\$ cent	31-Mar-19 S\$ cent	31-Mar-20 S\$ cent	31-Mar-19 S\$ cent
Net asset value ("NAV") per ordinary share	14.80	4.13	14.50	4.14

The NAV per ordinary share for the Group and Company as at 31 March 2019 ("FY2019") and 31 March 2020 ("FY2020") were calculated based on 1,013,749,606 and 253,437,373 ordinary shares in issue as at the respective balance sheet dates.

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, cost, 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 FOR THE GROUP

	For the 12 months ended			
	31-Mar-20 MBU	31-Mar-20 EBU	31-Mar-20 OTHERS ⁽¹⁾	31-Mar-20 JBH GROUP
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue	24,681	109,167	-	133,848
Cost of sales	(22,505)	(104,578)	-	(127,083)
Gross profit	2,176	4,589	-	6,765
Add:				
Other income	224	21	39	284
Other (losses)/gains, net	119	(1,408)	498	(791)
Expenses:				
Distribution and marketing	(142)	(701)	(67)	(910)
Administration	(2,535)	(4,688)	(951)	(8,174)
Finance	(188)	(779)	(169)	(1,136)
Share of profit of associated company			88	88
Loss before income tax	(346)	(2,966)	(562)	(3,874)
Income tax expense	(129)	(188)	1	(316)
Net loss	(475)	(3,154)	(561)	(4,190)

(1): Others comprised of entities in the Group whose nature of business is investment holding.

(2): The loss of S\$4.190 million includes S\$2.8 million of non-cash expenses. These are unrealised foreign exchange loss of S\$0.4million, impairment of trade receivables of S\$0.4 million, allowance for inventory obsolescence of S\$0.3 million and depreciation/amortisation of S\$1.7 million.


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Revenue	Group		
	FY2020 S\$'000 (unaudited)	FY2019 S\$'000 (audited)	% Change
Mechanical business unit (MBU)	24,681	18,666	32.2%
Electronic components distribution business unit (EBU)	109,167	145,025	-24.7%
Total Revenue	133,848	163,691	-18.2%

The Group's revenue decreased by approximately S\$29.9 million or 18.2% from S\$163.7 million in FY2019 to S\$133.8 million in FY2020.

Revenue from MBU increased by S\$6.0 million or 32.2% from S\$18.7 million in FY2019 to S\$24.7 million in FY2020. The increase in revenue is due to (a) the inclusion of full year sales revenue from Honfoong Plastics Industries Pte.Ltd. and its subsidiary corporation, which contributed S\$18.7 million in revenue accounting for 14.0% of total revenue and (b) the significant increase in sales orders from new and existing customers who are changing their source of purchase to the ASEAN region due to existing trade tensions.

Revenue from EBU decreased significantly from S\$145.0 million in FY2019 to S\$109.2 million in FY2020. The decline of S\$35.9 million was due to the impact of the global Covid-19 pandemic and weak global demand as a result of the prolonged trade tariff war between the USA and China. The USA/China trade war and sanctions against Huawei by the US government affected our Chinese customers badly as many of their projects were delayed, ploughing down demands. The partial lifting of the Huawei sanction created a product allocation issue for us as we were not able to procure enough allocation to satisfy the orders of our Chinese customers. The Covid-19 pandemic which started spreading throughout China in early 2020 added more adverse effects. The imposition of a full lockdown by the Chinese government resulted in 5 full weeks of no shipment in Wuhan curtailing manufacturing output and affected every link in the electronics manufacturing value and supply chain. Revenue contribution from our largest segment, China, lost S\$22.0 million from S\$61.0 million in FY2019 to S\$39.0 million in FY2020.

Cost of sales	Group		
	FY2020 S\$'000 (unaudited)	FY2019 S\$'000 (audited)	% Change
MBU	22,505	16,775	34.2%
EBU	104,578	134,132	-22.0%
Total cost of sales	127,083	150,907	-15.8%

The Group's cost of sales decreased by approximately S\$23.8 million or 15.8% from S\$150.9 million in FY2019 to S\$127.1 million in FY2020. The decrease in cost of sales was due to similar decline in revenue.

Gross profit	Group		
	FY2020 S\$'000 (unaudited)	FY2019 S\$'000 (audited)	% Change
MBU	2,176	1,891	15.1%
EBU	4,589	10,893	-57.9%
Gross profit	6,765	12,784	-47.1%
Gross profit margin	5.1%	7.8%	-35.3%

The gross profit of the Group decreased by S\$6.0 million from S\$12.8 million in FY2019 to S\$6.8 million in FY2020. Gross profit margin was 5.1% in FY2020 as compared to 7.8% in FY2019. The decrease was a result of EBU's decision to liquidate some of its inventory at a loss to reduce inventory holding cost amidst a gloomy outlook of a global contraction of the semiconductor industry and a lower quarter on quarter pricing trend. The cost saving measure took a loss of S\$1.2 million in gross profit. The softened demand for semiconductors and passive components affected EBU's top 2 product lines, Samsung and SK Hynix. The revenue for these 2 product lines dropped by 19.5% from S\$94.9 million in FY2019 to S\$76.4 million in FY2020 and gross profit shifted from S\$7.4 million in FY2019 to S\$1.8 million in FY2020.

Other (losses)/gains, net

The Group's other income have increased by S\$0.1 million from S\$0.2 million in FY2019 to S\$0.3 million in FY2020. Other income in FY2020 is largely due to sales of scraps, and service income.

Other losses of S\$0.4 million for FY2020 was due solely to the foreign exchange losses in EBU, predominantly the United States Dollar ("USD"), which is also the primary trade currency for the business unit. Comparatively in FY2019, there was a gain from bargain purchase of S\$1.2 million from the acquisition of Honfoong Plastics Industries Pte. Ltd., offset by a foreign exchange loss of S\$0.1 million, resulting in a net gain of \$1.1 million. Impairment losses on trade receivables have also increased from S\$0.2 million in FY2019 to S\$0.4 million in FY2020.



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Distribution and marketing expenses

Distribution and marketing costs decreased by approximately S\$0.5 million or 36.1% mainly due lower staff and related costs, commission payouts and other sales related expenses associated with the electronic components distribution business as a result of the reduction of sales in FY2020.

Administrative expenses

Administrative expenses included staff costs, professional fees and depreciation. The decrease of S\$0.5 million or 6.3% from S\$8.7 million in FY2019 to S\$8.2 million in FY2020 was mainly due to lower staff related costs and professional fees associated to acquisition activities. In view of the challenging operating environment and the impact of Covid-19 in the last quarter of the financial year, the Company implemented various cost containment measures to mitigate the compounding challenges. These measures resulted in a reduction of S\$0.2 million in staff costs. As there were no corporate acquisition exercises during the year, professional fees decreased by S\$0.3 million from S\$0.5 million in FY2019 to S\$0.2 million.

Finance expenses

The Group's finance expenses was relatively unchanged at S\$1.1 million for FY2019 and FY2020. In FY2020, there was increase in factoring costs, letter of credit/trust receipts financing expenses and interest on lease liabilities and these were offset by the absence of insurance bond premiums and a reduction in overdraft usage.

Income tax expense

The Group's tax expense decreased from S\$0.5 million in FY2019 to S\$0.3 million in FY2020 due to lower chargeable income for both segments of S\$0.1 million respectively.

REVIEW OF FINANCIAL POSITION

Current assets

The Group's current assets decreased by approximately S\$10.1 million or 15.4% from S\$65.8 million in FY2019 to S\$55.7 million in FY2020. Cash and cash equivalent increased by S\$3.0 million from S\$5.3 million in FY2019 to S\$8.4 million in FY2020 and was offset by a decrease in financial assets, at FVOCI of \$0.4 million from S\$0.9 million in FY2019 to S\$0.5 million in FY2020 arising from fair value adjustment. The decrease in trade and other receivables by S\$1.1 million is due lower sales achieved by EBU in FY2020 offset by longer payment terms for certain customers in the Group. Inventories and other current assets decreased by S\$11.1 million and S\$0.5 million due to lower inventories held by EBU and a reduction in prepayments and deposits.

Non-current assets

Non-current assets decreased by S\$0.4 million or 1.9% from S\$21.0 million in FY2019 to S\$20.6 million in FY2020, mainly due to the decrease in intangible assets by S\$0.4 million from S\$2.2 million in FY2019 to S\$1.8 million in FY2020 as a result of amortisation costs of S\$0.4 million. The effects of depreciation costs of S\$0.9 million was offset by an investment in plant, property & equipment of S\$0.5 million and increase in rights of use assets of S\$0.4 million following the adoption of SFRS(I) 16. Investment in associated company, EG Industries Berhad, remains unchanged for FY2020 at S\$11.3 million amidst challenges arising from supply chain disruptions caused by the COVID-19 pandemic and a slower global economy due to uncertainties from the ongoing US-China trade war.

Current liabilities

Current liabilities decreased by approximately S\$8.4 million or 18.7% from S\$44.8 million in FY2019 to S\$36.4 million in FY2020. Trade and other payables decreased by S\$2.0 million from S\$25.8 million in FY2019 to S\$22.8 million in FY2020 mainly due to lower purchases and other payables. Borrowings declined by S\$5.6 million from S\$18.7 million in FY2019 to S\$13.1 million in FY2020 attributed largely by the reduction in use for the LC discounting facility of S\$5.0 million as there was a significant drop in LCs from our Chinese customers affected by the Covid-19 pandemic. This decline was offset by new borrowing of S\$0.6 million for general working capital needs of the Group.

Non-current liabilities

Non-current liabilities increased by S\$2.2 million from S\$0.2 million in FY2019 to S\$2.4 million in FY2019. The increase was largely due to a loan of S\$2.0 million and an increase in lease liabilities of S\$0.1 million following the adoption of SFRS(I) 16 on leases, and hire purchases of S\$0.1 million taken out on asset financing.

Working capital

The Group reported a decrease in working capital of S\$1.7 million from S\$21.0 million in FY2019 to S\$19.3 million in FY2020. The decrease is contributed by the decrease in trade and other receivables of S\$1.1 million, inventories of S\$11.1 million, other current assets of S\$0.5 million, increase in income tax liabilities of S\$0.2 million, offset by an increase in cash and cash equivalent of S\$3.0 million, decrease in trade and other payables of S\$3.0 million and decrease in borrowings of S\$5.6 million.



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REVIEW OF CASHFLOW STATEMENT

Net cash flow generated from operating activities for FY2020 was S\$8.6 million, comprising operating loss before working capital changes of S\$0.8 million and a working capital inflow of S\$9.8 million. The working capital inflow was mainly due to a decrease in trade and other receivables of S\$1.1 million, inventories of S\$11.1 million, other current assets of S\$0.5 million, offset by an increase in trade and other payables of S\$2.9 million.

Net cash used in investing activities of S\$0.5 million was mainly due to additions to property, plant and equipment of S\$0.3 million for MBU and of S\$0.2 million for EBU.

The cash used in financing activities of S\$4.6 million was mainly due to repayment of short term bank borrowings, bank margin facilities amount to S\$2.4 million and to ultimate holding corporation of S\$0.9 million, repayment of lease liabilities of S\$0.4 million and \$0.9 million in interest paid out for borrowings made to support the business growth and expansion of the Group.

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

Not applicable. No prospect statement or forecast has been previously disclosed to shareholders.

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

The Group continues to closely monitor the state of the Asian markets in which it operates and the uncertainties in the global economic outlook amidst the US-China trade tensions. The Covid-19 pandemic has disrupted global supply chains and upended global demand and supply. The Group expects the operating environment to be increasingly challenging with cost pricing pressures from customers. The Group will continue its cost containment measures to mitigate the impact of Covid-19 such as tiered cost-saving measures in the suspension of some kinds of allowances, annual and no-pay leave as well as flexi work arrangements to optimise operating efficiency. The Group will remain vigilant on cost, credit, and cashflow management and will remain focused on improving machine utilisation rates to help achieve cost savings and will seek to position itself as the preferred supplier amongst its customers for both its business segments, MBU and EBU.

As a plastic component provider into the worldwide supply chains of OEMs, MBU continues to face headwinds in the form of pricing pressures from customers and foreign exchange volatility. The underlying fundamental conflict between US and China has changed the business landscape as global supply chains adjust themselves to new challenges. The rapid onset of Covid-19 wreaked havoc and we were impacted when the Malaysian government announced a movement control order ("MCO") on 18 March 2020. The first phase of the MCO required all government and private sector premises to cease operating with the exception of those providing essential services. To mitigate the impact during this unprecedented time, we have been conducting a review of all our processes to make improvements in productivity and operational efficiency for the longer term and tightening costs/capital expenditure with prudent assessments on new project returns to justify the expenditure. We are strategising to diversify our customer base and expand our product offerings for higher margin plastic components beyond our current automotive and consumer products which have been sluggish in the global economy. Automotive demands are expected to experience a longer road to recovery as orders will remain low due to the impact of Covid-19 across US, Europe and Asia. The consumer products had a softening demand but from August 2020, we have been seeing a gradual recovery with new orders secured for new projects from new and existing customers for deliveries in December 2020. The medical segment continues its momentum, having secured a new project from a new customer and is expanding into vitreoretinal.

FY2020 was an uncertain period for semiconductors, or at least for our company. We started the financial year with a deep trench which we lost US\$1.0 million from Samsung and Hynix. The unprecedented loss was due to higher costs from suppliers in previous quarters and we sold to contain losses when market prices took a plunge. Our suppliers acknowledged the tactical decision to liquidate our high cost inventories. With help from suppliers, business gradually recovered and we were exhibiting progressive growth. Unfortunately, the trade war between USA and China started in July 2019 created a convoluted business environment. While we tried to exploit the intricate economy for our distribution channels, the deadly Covid-19 struck and the global economy tanked in January 2020. With the upheavals, many customers were not spared and some had to cease operations. EBU was also gravely impacted by the economy doldrums and closed the financial year with a revenue of S\$109.2 million.

11. Dividend

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

No dividend was declared for FY2020.

b) Corresponding Period of the Immediately Preceding Financial Period

Dividend declared for the corresponding period of the immediately preceding financial period?

No

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

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) Book closure date.

Not applicable.



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

No dividend has been declared or recommended for the current financial year ended 31 March 2020, as the Company deemed it necessary to preserve cash for working capital requirements.

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

Please see Section 8 and Section 15.

14. A breakdown of sales is provided as follows:-

	Group		
	FY2020 S\$'000 (unaudited)	FY2019 S\$'000 (audited)	% Change
(i) Sales reported for:			
First half year ended 30 September 2019 ("HY2020") and 30 September 2018 ("HY2019")	78,081	88,411	-11.7%
Second half year ended 31 March 2020 ("FY2020") and 31 March 2019 ("FY2019")	55,767	75,280	-25.9%
	133,848	163,691	-18.2%
(ii) Profit/(loss) after tax reported for:			
First half year ended 30 September 2019 ("HY2020") and 30 September 2018 ("HY2019")	(1,543)	2,492	-161.9%
Second half year ended 31 March 2020 ("FY2020") and 31 March 2019 ("FY2019")	(2,647)	387	-784.0%
	(4,190)	2,879	-245.5%

15. 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.

Geographical information:

The following table provides an analysis of the revenue by geographical market, irrespective of the origin of the goods.

	Group		
	FY2020 S\$'000 (unaudited)	FY2019 S\$'000 (audited)	% Change
Revenue:			
People's Republic of China (PRC)	62,110	71,037	-12.6%
United States of America (USA)	2,607	7,408	-64.8%
India	1,934	6,820	-71.6%
Singapore	17,727	30,097	-41.1%
Malaysia	7,618	16,460	-53.7%
Indonesia	11,928	4,700	153.8%
Thailand	9,835	8,764	12.2%
Vietnam	10,573	9,692	9.1%
Other Countries	9,516	8,713	9.2%
Total	133,848	163,691	-18.2%

With the exception of Indonesia, Thailand and Vietnam, the Group's revenue in all regions decreased in FY2020 compared to FY2019, due to lower sales as the global demand was dampened by the lock downs, movement control and circuit breaker measures to curb the spread of the Covid-19 virus. The increase in revenue by Indonesia was due to the inclusion of full year billings by the Indonesian subsidiary of Honfoong. As for Thailand, the increase was due to an expansion of products sold to existing customers. Samsung Electronics HCMC is the largest revenue contributor for Vietnam as more global tech giants are expanding their operations in the country.

Refer to point 8 for segmented revenue by respective business units.



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16. If the Group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

There was no IPT greater than S\$100,000 for FY2020. The Group does not have a general mandate from its shareholders for IPT's.

17. 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) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, the Company confirms that there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a Director, Chief Executive Officer or substantial shareholder of the Company.

18. Confirmation by the Board pursuant to Rule 720(1) of the listing manual

On behalf of the Board of Directors of the Company, we hereby confirm that we have procured all the required undertakings to comply with the Exchange's listing rules from all the Directors and Executive Officers of the Company.

19. Use of proceeds

As at the date of this announcement, the net proceeds of S\$966,418 from issue of rights cum warrants of 23,698,179 new shares of the Company at the issue price S\$0.045 per share had been utilised as follows:

	Amount allocated S\$'000	Amount utilised S\$'000	Balance S\$'000
General working capital	386	386	-
Merger and Acquisition Activities	290	290	-
Machine Capacity Expansion	290	290	-
Total	966	966	-

BY ORDER OF THE BOARD

Terence Tea Yeok Kian
Executive Chairman & Chief Executive Officer

29 September 2020