



## TYE SOON LIMITED

Company Registration No. 195700114W

### Full Year Financial Statements and Dividend Announcement For The Year Ended 31 December 2019

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

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

Consolidated Income Statement	2019 \$'000	2018 \$'000	Increase/ (Decrease) %
Revenue	222,048	216,106	2.7
Other income	168	205	(18.0)
Changes in inventories of finished goods	841	(3,664)	nm
Cost of purchases	(179,658)	(169,208)	6.2
Staff costs	(21,963)	(22,786)	(3.6)
Depreciation expenses*	(4,929)	(622)	692.4
Other operating expenses	(12,679)	(17,489)	(27.5)
Finance costs#	(3,201)	(2,833)	13.0
Share of losses of associate (net of tax)	(64)	(104)	(38.5)
Profit/(Loss) before tax	563	(395)	nm
Tax expense	(284)	(689)	(58.8)
Profit/(Loss) for the year	279	(1,084)	nm
Profit/(loss) attributable to:			
Owners of the Company	226	(1,144)	nm
Non-controlling interests	53	60	(11.7)
<b>Profit/(Loss) for the year</b>	<b>279</b>	<b>(1,084)</b>	<b>nm</b>

\* Depreciation expenses for FY19 include depreciation charge for right-of-use assets following the adoption of SFRS(I) 16 *Leases* on 1 January 2019.

# Finance costs for FY19 include interest expense on lease liabilities following the adoption of SFRS(I) 16 *Leases* on 1 January 2019.

nm denotes not meaningful.

Consolidated Statement of Comprehensive Income	2019 \$'000	2018 \$'000	Increase/ (Decrease) %
<b>Profit/(Loss) for the year</b>	279	(1,084)	nm
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Remeasurement of defined benefit obligation of a subsidiary	(224)	(13)	1,623.1
	(224)	(13)	1,623.1
<b>Items that are or may be reclassified subsequently to profit or loss:</b>			
Foreign currency translation differences of net assets/liabilities of foreign branch, subsidiaries and associate	(701)	(1,129)	(37.9)
	(701)	(1,129)	(37.9)
<b>Other comprehensive income for the year, net of tax</b>	(925)	(1,142)	(19.0)
<b>Total comprehensive income for the year</b>	(646)	(2,226)	(71.0)
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	(699)	(2,286)	(69.4)
Non-controlling interests	53	60	(11.7)
<b>Total comprehensive income for the year</b>	(646)	(2,226)	(71.0)

- 1(a)(ii) The following items (with appropriate breakdown and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year:-

	2019 \$'000	2018 \$'000	Increase/ (Decrease) %
<b>Analysis of operating expenses:</b>			
Operating lease expenses	(1,447)	(5,288)	(72.6)
Transportation expenses	(3,157)	(3,914)	(19.3)
Impairment loss on trade receivables and bad debts written off	-	(100)	(100.0)
Write-down of inventories	(636)	(488)	30.3
Loss on sale of plant and equipment	(1)	-	nm
Foreign exchange loss	(231)	(6)	3,750.0
Others	(7,207)	(7,693)	(6.3)
	(12,679)	(17,489)	(27.5)

nm denotes not meaningful.

	2019 \$'000	2018 \$'000	Increase/ (Decrease) %
<b>Analysis of other income:</b>			
Rental income	2	3	(33.3)
Finance income	29	28	3.6
Gain on sale of plant and equipment	-	18	(100.0)
Write back of impairment losses on trade receivables	80	6	1,233.3
Others	57	150	(62.0)
	168	205	(18.0)

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group 31 Dec 2019 \$'000	Group 31 Dec 2018 \$'000	Company 31 Dec 2019 \$'000	Company 31 Dec 2018 \$'000
<b>Assets</b>				
Plant and equipment	1,161	1,610	414	542
Right-of-use assets	7,526	-	3,750	-
Goodwill on consolidation	94	96	-	-
Subsidiaries	-	-	24,546	25,175
Associate	133	198	162	162
Other investment	815	815	815	815
Deferred tax assets	1,344	1,096	-	-
Loan receivables	-	-	-	-
<b>Non-current assets</b>	11,073	3,815	29,687	26,694
Current tax assets	250	326	-	-
Inventories	103,440	102,599	33,274	33,467
Trade and other receivables	32,980	35,251	50,008	55,824
Cash and cash equivalents	17,545	14,705	7,686	6,116
<b>Current assets</b>	154,215	152,881	90,968	95,407
<b>Total assets</b>	165,288	156,696	120,655	122,101
<b>Equity</b>				
Share capital	38,057	38,057	38,057	38,057
Reserves	14,040	14,739	3,635	3,984
<b>Equity attributable to owners of the Company</b>	52,097	52,796	41,692	42,041
<b>Non-controlling interests</b>	400	347	-	-
<b>Total equity</b>	52,497	53,143	41,692	42,041

	Group 31 Dec 2019 \$'000	Group 31 Dec 2018 \$'000	Company 31 Dec 2019 \$'000	Company 31 Dec 2018 \$'000
<b>Liabilities</b>				
Loans and borrowings	-	38	-	-
Employee benefits	776	712	-	-
Deferred tax liabilities	29	33	-	-
Lease liabilities #	3,901	-	2,234	-
<b>Non-current liabilities</b>	<b>4,706</b>	<b>783</b>	<b>2,234</b>	<b>-</b>
Loans and borrowings	77,767	79,111	64,704	67,890
Contract liabilities	1,037	1,073	1,022	1,059
Trade and other payables	25,512	22,455	9,492	11,111
Current tax liabilities	157	131	-	-
Lease liabilities #	3,612	-	1,511	-
<b>Current liabilities</b>	<b>108,085</b>	<b>102,770</b>	<b>76,729</b>	<b>80,060</b>
<b>Total liabilities</b>	<b>112,791</b>	<b>103,553</b>	<b>78,963</b>	<b>80,060</b>
<b>Total equity and liabilities</b>	<b>165,288</b>	<b>156,696</b>	<b>120,655</b>	<b>122,101</b>

# Lease liabilities for FY19 include finance lease liabilities following the adoption of SFRS(I) 16 *Leases* on 1 January 2019.

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

(A) the amount repayable in one year or less, or on demand;

As at 31/12/2019		As at 31/12/2018	
Secured	Unsecured	Secured	Unsecured
\$'000 25	\$'000 77,767	\$'000 28	\$'000 79,083

(B) the amount repayable after one year;

As at 31/12/2019		As at 31/12/2018	
Secured	Unsecured	Secured	Unsecured
\$'000 61	\$'000 -	\$'000 38	\$'000 -

(C) whether the amounts are secured or unsecured; and

As disclosed in (A) and (B) above.

(D) details of any collaterals.

Nil.

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

	Group 2019	Group 2018
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Profit/(Loss) before tax	563	(395)
Adjustments for :		
Depreciation of plant and equipment	444	622
Depreciation of right-of-use assets	4,485	-
Loss/(Gain) on sale of plant and equipment	1	(18)
Share of losses of associate (net of tax)	64	104
(Reversal of impairment losses)/Impairment losses on trade receivables	(80)	94
Write-down of inventories	636	488
Interest income	(29)	(28)
Finance costs	3,201	2,833
Unrealised foreign exchange gain	(175)	(512)
	9,110	3,188
<b>Changes in working capital</b>		
Changes in inventories	(2,017)	2,148
Changes in trade and other receivables	2,225	(2,810)
Changes in trade and other payables	2,877	141
Changes in contract liabilities	(36)	(322)
Changes in bills payables and trust receipts	524	9,083
Cash generated from operating activities	12,683	11,428
Tax paid	(454)	(935)
Interest paid	(1,591)	(1,063)
<b>Net cash from operating activities</b>	<b>10,638</b>	<b>9,430</b>
<b>Cash flow from investing activities</b>		
Interest received	29	28
Proceeds from sales of plant and equipment	4	38
Acquisition of right-of-use asset	(13)	-
Acquisition of plant and equipment	(104)	(247)
<b>Net cash used in investing activities</b>	<b>(84)</b>	<b>(181)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	13,521	9,077
Repayment of borrowings	(15,032)	(16,650)
Payment of lease liabilities (2018: payment of finance lease liabilities)	(4,321)	(26)
Interest paid	(1,706)	(1,542)
Dividends paid to owners of the Company	-	(500)
<b>Net cash used in financing activities</b>	<b>(7,538)</b>	<b>(9,641)</b>

<b>Net increase/(decrease) in cash and cash equivalents</b>	3,016	(392)
Cash and cash equivalents at the beginning of the year	14,705	15,391
Effect of exchange rate changes on the balance of cash held in foreign currencies	(176)	(294)
<b>Cash and cash equivalents at the end of the year</b>	17,545	14,705

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.

Group	Attributable to owners of the Company						Non-controlling interests \$'000	Total equity \$'000
	Share capital \$'000	Other capital reserves \$'000	Fair value reserve \$'000	Translation reserve \$'000	Retained earnings \$'000	Total \$'000		
At 1 January 2018	38,057	3,501	(105)	(5,493)	19,622	55,582	322	55,904
<b>Total comprehensive income for the year</b>								
(Loss)/Profit for the year	-	-	-	-	(1,144)	(1,144)	60	(1,084)
<b>Other comprehensive income</b>								
Foreign currency translation differences of net assets/liabilities of foreign branch, subsidiaries and associate	-	-	-	(1,129)	-	(1,129)	-	(1,129)
Remeasurement of defined benefit obligation of a subsidiary	-	-	-	-	(13)	(13)	-	(13)
<b>Total other comprehensive income</b>	-	-	-	(1,129)	(13)	(1,142)	-	(1,142)
<b>Total comprehensive income for the year</b>	-	-	-	(1,129)	(1,157)	(2,286)	60	(2,226)
<b>Transactions with owners, recognised directly in equity</b>								
<b>Contributions by and distributions to owners</b>								
Dividends paid	-	-	-	-	(500)	(500)	(35)	(535)
Total contributions by and distributions to owners	-	-	-	-	(500)	(500)	(35)	(535)
At 31 December 2018	38,057	3,501	(105)	(6,622)	17,965	52,796	347	53,143
At 1 January 2019	38,057	3,501	(105)	(6,622)	17,965	52,796	347	53,143
<b>Total comprehensive income for the year</b>								
Profit for the year	-	-	-	-	226	226	53	279
<b>Other comprehensive income</b>								
Foreign currency translation differences of net assets/liabilities of foreign branch, subsidiaries and associate	-	-	-	(701)	-	(701)	-	(701)
Remeasurement of defined benefit obligation of a subsidiary	-	-	-	-	(224)	(224)	-	(224)
<b>Total other comprehensive income</b>	-	-	-	(701)	(224)	(925)	-	(925)
<b>Total comprehensive income for the year</b>	-	-	-	(701)	2	(699)	53	(646)
At 31 December 2019	38,057	3,501	(105)	(7,323)	17,967	52,097	400	52,497

Company	Share capital \$'000	Fair value reserve \$'000	Translation reserve \$'000	Retained earnings \$'000	Total \$'000
At 1 January 2018	38,057	(105)	690	3,051	41,693
<b>Total comprehensive income for the year</b>					
Profit for the year	-	-	-	879	879
<b>Other comprehensive income</b>					
Foreign currency translation differences of net assets/liabilities of foreign branch	-	-	(31)	-	(31)
<b>Total other comprehensive income</b>	-	-	(31)	-	(31)

<b>Total comprehensive income for the year</b>	-	-	(31)	879	848
<b>Transactions with owners, recognised directly in equity</b>					
<b>Contributions by and distributions to owners</b>					
Dividend declared	-	-	-	(500)	(500)
Total contributions by and distributions to owners of the Company	-	-	-	(500)	(500)
At 31 December 2018	38,057	(105)	659	3,430	42,041
At 1 January 2019	38,057	(105)	659	3,430	42,041
<b>Total comprehensive income for the year</b>					
Loss for the year	-	-	-	(362)	(362)
<b>Other comprehensive income</b>					
Foreign currency translation differences of net assets/liabilities of foreign branch	-	-	13	-	13
<b>Total other comprehensive income</b>	-	-	13	-	13
<b>Total comprehensive income for the year</b>	-	-	13	(362)	(349)
At 31 December 2019	38,057	(105)	672	3,068	41,692

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

Not applicable.

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 immediate preceding year.

	Number of ordinary Shares	Share Capital \$'000
As at 31 Dec 2018	87,265,029	38,057
As at 31 Dec 2019	87,265,029	38,057

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

Not applicable.

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

Not applicable.

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

The figures have not been audited or reviewed by the auditors.

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

Not applicable.

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

Except as disclosed in item 5 below, the Group had applied the same accounting policies and methods of computation in the financial statements for the current financial period as those applied in the Group's most recently audited financial statements for the year ended 31 December 2018.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change.

The Group has applied the following SFRS(I)s, interpretations of SFRS(I) and requirement of SFRS(I) which are mandatorily effective from 1 January 2019:

- SFRS(I) 16 *Leases*
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*
- Amendments to SFRS(I) 3 and SFRS(I) 11 *Previously Held Interest in a Joint Operation*
- Amendments to SFRS(I) 9 *Prepayment Features with Negative Compensation*
- Amendments to SFRS(I) 1-12 *Income tax consequences of payments on financial instruments classified as equity*
- Amendments to SFRS(I) 1-19 *Plan Amendment, Curtailment or Settlement*
- Amendments to SFRS(I) 1-23 *Borrowing Costs Eligible for Capitalisation*
- Amendments to SFRS(I) 1-28 *Long-Term Interests in Associates and Joint Ventures*

Except for SFRS(I) 16, the adoption of the above standards did not have any significant impact on the financial statements.

#### SFRS(I) 16

As a lessee, the Group adopted SFRS(I) 16 using the modified retrospective approach. Therefore, the cumulative effect of adopting SFRS(I) 16 were recognised as an adjustment to the opening balance of retained earnings at 1 January 2019, with no restatement of comparative information. The Group had applied the practical expedient to grandfather the definition of a lease on transition and the practical expedient to recognise ROU assets equal to its lease liabilities as at 1 January 2019. Please refer to pages 10 and 11 for further details on the effect of SFRS(I) 16.

6. Earning 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:-

Earnings per ordinary share for the year based on profit/(loss) attributable to shareholders	2019	2018
(a) Based on the weighted average number of ordinary shares in issue; and	0.26 cents	(1.31) cents
(b) On a fully diluted basis	0.26 cents	(1.31) cents

Basic earnings per share for the year ended 31 December 2019 was computed based on net profit attributable to shareholders of \$226,000 (31 December 2018: net loss of \$1,144,000) and weighted average number of ordinary shares of 87,265,029 (31 December 2018: 87,265,029).

Diluted earnings per share for the year ended 31 December 2019 was computed based on net profit attributable to shareholders of \$226,000 (31 December 2018: net loss of \$1,144,000) and number of ordinary shares of 87,265,029 (31 December 2018: 87,265,029).

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 2019	Group 2018	Company 2019	Company 2018
Net asset value per ordinary share based on issued share capital	59.7 cents	60.5 cents	47.8 cents	48.2 cents

Net asset value per ordinary share as at 31 December 2019 was computed after deducting non-controlling interest and based on existing ordinary shares of 87,265,029 (31 December 2018: 87,265,029).

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 Performance**

Turnover increased by 2.7% to \$222.0 million.

Continuing on from last year, the Group was able to leverage on its geographically diversified customer base and its large portfolio of brands to positive effect. Augmented by the effect of a lower base in 1Q18, turnover for the export-based business in Singapore increased at an above-trend rate of 10.2% for the year.

The increased strength of the SGD during the year negated some of the positive underlying business growth as revenues generated from the Group's larger overseas operations were each moderated when translated and reported in SGD, the Group's reporting currency. The business in Malaysia picked up pace and enjoyed market share improvements in several product areas. Turnover increased by 7.2% in MYR terms but by a moderated 5.6% in SGD terms. In South Korea, the business managed to increase its pace in 2H19 on the back of good demand after experiencing a slight fall of 1.7% in KRW terms in 1H19. Despite following through the strategy to de-emphasize certain lower-margin product lines, the business in South Korea ended the year with an increase of 5.5% in KRW terms but by a moderated 0.8% in SGD terms. The AUD continued to depreciate noticeably against the SGD, with the business showing a decline of 9.8% in SGD terms instead of 4.5% in AUD terms.

Total margins decreased slightly by \$0.2 million as a lower gross margin rate negated the increase in total margins arising from a higher level of turnover.

Helped by currency effects mentioned below, the continuing emphases on various cost restraint measures during the period resulted in an overall reduction in operating expenses amounting to \$1.3 million with staff costs lower by \$0.8 million. Corresponding to the moderating effect explained above of the depreciation of the MYR, KRW and AUD against the SGD on the Group's turnover, the same currency depreciation had a moderating effect on operating costs incurred in Malaysia, South Korea and Australia when translated and recorded in SGD.

Including an interest expense on lease liabilities amounting to \$0.3 million, total finance costs increased by \$0.4 million to \$3.2 million.

Largely a result of the increase in Group turnover and the reduction in costs explained above, profit from operations before foreign exchange gain/loss improved noticeably from a loss of \$0.4 million in FY18 to a profit of \$0.8 million in FY19.

Foreign exchange losses narrowed by the end of the year to \$0.2 million. These were largely unrealized and mainly arose from the Group's intercompany balances between the Company and its subsidiaries in Malaysia, South Korea and Australia due to the stronger SGD.

As a result, profit/loss before tax went from a loss of \$0.4 million in FY18 to a profit of \$0.6 million in FY19. The respective figures after tax were a loss of \$1.1 million in FY18 and a profit of \$0.3 million in FY19.

#### *Notes on Changes Relating to the Implementation of SFRS(I) 16 Leases*

The new accounting standard on leases came into effect on 1 January 2019. Implementing this new standard has largely led to various changes in the composition of the Group's operating expenses (in the Group's case, comprising staff costs, depreciation expenses and other operating expenses shown on the face of the Consolidated Income Statement).

The main effect of the new standard on leases on the composition of the Group's operating expenses can be summarized as follows:

- i) Operating lease expenses decreased by \$3.8 million.
- ii) Transportation costs decreased by \$0.8 million.
- iii) Depreciation increased by \$4.3 million.
- iv) Finance costs increased by \$0.3 million.

### **Balance Sheet Review**

Please refer to the note above relating to the implementation of the new accounting standard on leases. The main effect of the new standard on leases on the Group's balance sheet can be summarized as follows:

- i) Non-current right-of-use assets increased by \$7.5 million.
- ii) Non-current lease liabilities increased by \$3.9 million.
- iii) Current lease liabilities increased by \$3.6 million.

These balances reflect the accounting treatment prescribed by the new accounting standard and relate to operating lease rentals of operational premises, office equipment and vehicles.

Group inventory levels were at 6.9 months as at 31 December 2019 compared with 7.1 months as at 31 December 2018. Inventory turn improved slightly with inventory levels at \$103.4 million as at 31 December 2019 and \$102.6 million as at 31 December 2018.

Group receivable levels were at 1.6 months as at 31 December 2019 compared with 1.8 months as at 31 December 2018. Debtors turn improved with receivable levels at \$33.0 million as at 31 December 2019 and \$35.2 million as at 31 December 2018.

Loans and borrowings decreased by \$1.3 million, from \$79.1 million as at 31 December 2018 to \$77.8 million as at 31 December 2019.

Group payable levels increased by \$3.0 million, from \$22.5 million as at 31 December 2018 to \$25.5 million as at 31 December 2019 as the Group managed to secure further credit facilities from suppliers.

Cash balances increased by \$2.8 million, from \$14.7 million as at 31 December 2018 to \$17.5 million as at 31 December 2019.

The Group's Current Ratio was at 1.43 times as at 31 December 2019, compared with 1.49 times as at 31 December 2018.

The Group's net gearing level was at 1.16 times as at 31 December 2019 in comparison with 1.21 times as at 31 December 2018.

## Cash Flow Statement Review

Cash generated from operations before accounting for changes in working capital amounted to \$9.1 million for the year. After accounting for changes in working capital, cash flows generated from operating activities amounted to \$12.7 million. Cash flows generated from operating activities after accounting for tax and net interest paid amounted to \$10.6 million. Net cash used in investing activities amounted to \$0.1 million. Net cash used in financing activities amounted to \$7.5 million. Cash balances as at 31 December 2019 amounted to \$17.5 million.

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

The actual results are consistent with the commentary in the interim results announcement dated 7 August 2019.

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 recent emergence of COVID-19 and the subsequent evolving situation has introduced a challenging variable into the business environment. There is general acknowledgement that very few economic sectors in the region will be spared from the anticipated economic fallout. Whilst the Group cannot be expected to totally avoid the impact from this fallout, it is expected to be less severely affected in comparison with many other companies in the broader automotive sector. The Group operates in a segment commonly described as the automotive aftermarket. This is the part of the automotive sector that caters mainly to the existing vehicle population, rather than the sales of new vehicles. Vehicle parts are manufactured and distributed globally specifically to cater to the existing vehicle population as vehicle replacement parts are items of necessity to maintain the running of vehicles on the roads. The replacement of parts is the basic step necessary in the maintenance of vehicles of all types because most parts are wear-and-tear items. Hence, end-user or consumer demand should remain relatively resilient.

In addition to the inherent attributes of the automotive aftermarket segment, the Group's business platform offers another layer of resilience; the Group operates in a wide area geographically through its own expansive overseas operations on top of exports to its global external customer base. The Group aims to further leverage on this platform having just achieved the highest sales record over a six-month period in 2H19 with a turnover of \$113.1 million.

Various media reports have highlighted issues relating to business supply chains as a large part of the global economy is reliant on products made by factories located in China. Although the Group is expected to experience some delays in supplies in this regard, the resilience of its supply chain should be less fragile as a high proportion of the premium products it handles are manufactured in various countries in the EU and in Japan. A large proportion of suppliers the

Group works with are global leaders in the automotive aftermarket and, as such, have relatively diversified sources of production and resilient business continuity plans. This should help mitigate the severity of any impact from a possible slowdown in production due to COVID-19.

Continuing on its focus on improving operational results, efforts will continue to be made on keeping a tight rein on operating costs and managing the variations on foreign exchange previously discussed in more detail in the interim results announcement dated 7 August 2019.

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

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

No.

- (b) (i) Amounts per share.

Not applicable.

- (b) (ii) Previous corresponding period

Not applicable.

- (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.

Not applicable.

- (d) The date the dividend is payable

Not applicable.

- (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.

Not applicable.

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 during or recommended for the financial year reported on. In considering whether to recommend a dividend, the Board takes into account various factors including profitability, cash flow requirements, business outlook and the prevailing general economic/market conditions. The Board has decided not to recommend a dividend on prudent grounds.

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

The Group has not obtained an IPT mandate.

14. Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results)

Not applicable.

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 has procured signed undertakings from all of its directors and executive officers based on Appendix 7.7 of the SGX-ST Listing Manual.

## PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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.

The Group is principally engaged in the distribution of automotive parts. The Group has only one reportable business segment.

### Geographical information of the Group

In presenting the information on the basis of geographical segment, segment revenue is based on the geographical location of customers to which sales are made regardless of where the sales originate. Segment assets are based on the geographical location of the assets.

2019	Singapore	Malaysia	Australia	Thailand	South Korea	Other Countries	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total revenue from external customers	24,708	53,047	40,210	15,932	38,586	49,565	222,048
Non-current assets	4,298	615	3,033	-	695	273	8,914

2018	Singapore	Malaysia	Australia	Thailand	South Korea	Other Countries	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total revenue from external customers	21,002	48,562	44,579	18,413	38,293	45,257	216,106
Non-current assets	740	257	506	1	296	104	1,904

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

Please refer to paragraph 8.

18. A breakdown of sales as follows:-

	Group 2019 \$'000	Group 2018 \$'000	Increase/ (Decrease) %
(a) Sales reported for first half year	108,930	104,870	3.9
(b) Operating loss after tax before deducting non-controlling interest for first half year	(461)	(520)	(11.3)
(c) Sales reported for second half year	113,118	111,236	1.7
(d) Operating profit/(loss) after tax before deducting non-controlling interest for second half year	740	(564)	nm

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

	Latest Full Year (S\$'000)	Previous Full Year (S\$'000)
Ordinary	Nil	Nil
Total	Nil	Nil

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

Name	Age	Family relationship with a director or chief executive officer or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Ong Hock Siang @ Ong Huat Seong	86	Brother to Ong Huat Yew Peter (Executive Director / President)	Executive Director since 1966.	N.A.
Ong Huat Yew Peter	73	Brother to Ong Hock Siang @ Ong Huat Seong (Executive Director) and Father to Kelvin Ong Eng Chian (Executive Director / Deputy Managing Director)	President since 2014, involved in the overall management of the Group.	N.A.
Kelvin Ong Eng Chian	45	Son to Ong Huat Yew Peter (Executive Director / President)	Deputy Managing Director since 2014, involved in the overall management of the Group.	N.A.

BY ORDER OF THE BOARD

David Chong Tek Yew  
Managing Director  
24 February 2020