



**KLW HOLDINGS LIMITED**

Company Registration No.199504141D

**UNAUDITED FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2019**

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, R & T Corporate Services Pte. Ltd. ("Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this announcement including the accuracy or completeness of any of the figures used, statements, opinions or other information made or disclosed.*

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*The contact person for the Sponsor is Mr Howard Cheam Heng Haw (Telephone: +65 6232 0685) at R & T Corporate Services Pte. Ltd., 9 Battery Road, #25-01, Singapore 049910.*

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR FINANCIAL RESULTS**

- 1 (a) (i) **An income statement (for the group) together with a comparative statement for the corresponding year of the immediately preceding financial year.**

**Results for the twelve (12) months ended 31 March 2019 (hereinafter referred as "FY2019") and comparative figures for the twelve (12) months ended 31 March 2018 (hereinafter referred as "FY2018").**

|                                   | <u>Full Year</u> |                  | Increase/<br>(Decrease)<br>% |
|-----------------------------------|------------------|------------------|------------------------------|
|                                   | FY2019<br>\$'000 | FY2018<br>\$'000 |                              |
| Revenue                           | <b>30,295</b>    | 33,308           | (9)                          |
| Cost of sales                     | <b>(25,204)</b>  | (31,135)         | (19)                         |
| <b>Gross profit</b>               | <b>5,091</b>     | 2,173            | N/M                          |
| Other income                      | <b>4,165</b>     | 844              | N/M                          |
| Selling and distribution expenses | <b>(731)</b>     | (974)            | (25)                         |
| Administrative expenses           | <b>(9,284)</b>   | (10,308)         | (10)                         |
| Loss from operations              | <b>(759)</b>     | (8,265)          | (91)                         |
| Finance costs                     | <b>(214)</b>     | (573)            | (63)                         |
| <b>Loss before tax</b>            | <b>(973)</b>     | (8,838)          | (89)                         |
| Tax (expense)/credit              | <b>(513)</b>     | 820              | N/M                          |
| <b>Loss for the year</b>          | <b>(1,486)</b>   | (8,018)          | (81)                         |
| <b>Loss attributable to:</b>      |                  |                  |                              |
| Equity holders of the Company     | <b>(1,379)</b>   | (7,972)          | (83)                         |
| Non-controlling interest          | <b>(107)</b>     | (46)             | N/M                          |
|                                   | <b>(1,486)</b>   | (8,018)          | (81)                         |

N/M: Not Meaningful

|  | <b>FY2019</b>  | FY2018   | Increase/<br>(Decrease) |
|--|----------------|----------|-------------------------|
|  | <b>\$'000</b>  | \$'000   | %                       |
| Loss for the year  | <b>(1,486)</b> | (8,018)  | (81)                    |
| Other comprehensive loss:  |                |          |                         |
| <i>Items that may be reclassified subsequently to profit or loss:</i>  |                |          |                         |
| Currency translation differences arising from consolidation and representing other comprehensive income for the year, net of tax | <b>(160)</b>   | (3,085)  | (95)                    |
| Other comprehensive loss for the year, net of tax  | <b>(160)</b>   | (3,085)  | (95)                    |
| <b>Total comprehensive loss for the year</b>   | <b>(1,646)</b> | (11,103) | (85)                    |
| <b>Total comprehensive loss attributable to:</b>   |                |          |                         |
| Equity holders of the Company  | <b>(1,510)</b> | (10,377) | (85)                    |
| Non-controlling interest   | <b>(136)</b>   | (726)    | (81)                    |
|  | <b>(1,646)</b> | (11,103) | (85)                    |

N/M: Not Meaningful

**(ii) The following items have been included in arriving at profit / (loss) from operations:-**

|  | <b>FY2019</b>  | FY2018 | Increase/<br>(Decrease) |
|--|----------------|--------|-------------------------|
|  | <b>\$'000</b>  | \$'000 | %                       |
| Depreciation of property, plant and equipment      | <b>1,065</b>   | 1,034  | (3)                     |
| Interest expense                                   | <b>214</b>     | 573    | (63)                    |
| Interest income                                    | <b>(185)</b>   | (437)  | 58                      |
| Loss on disposal of property, plant and equipment  | <b>90</b>      | 26     | N/M                     |
| Foreign currency exchange loss                     | <b>781</b>     | 997    | (22)                    |
| Impairment loss on property, plant and equipment   | <b>-</b>       | 41     | N/M                     |
| (Written back) / provision for stock obsolescence  | <b>(405)</b>   | 820    | N/M                     |
| Allowance for doubtful debt                        | <b>147</b>     | -      | 100                     |
| Recovery from impairment loss of other receivables | <b>(3,750)</b> | -      | 100                     |

N/M: Not Meaningful

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

|   | The Group     |                       |                       | The Company   |               |
|---|---------------|-----------------------|-----------------------|---------------|---------------|
|   | 31-Mar-2019   | 31-Mar-2018           | 1-Apr-2017            | 31-Mar-2019   | 31-Mar-2018   |
|   |               | (Restated)            | (Restated)            |               |               |
|   | \$'000        | \$'000                | \$'000                | \$'000        | \$'000        |
| <b>ASSETS</b>   |               |                       |                       |               |               |
| <b>Non-current assets</b>   |               |                       |                       |               |               |
| Property, plant and equipment   | 17,545        | 18,666 <sup>^</sup>   | 21,169                | 2,414         | 2,520         |
| Subsidiaries  | -             | -                     | -                     | 54,919        | 53,509        |
| Financial assets at fair value through profit or loss                           | *             | *                     | *                     | -             | -             |
| Prepayments, trade and other receivables  | 52            | 121                   | 428                   | -             | -             |
|   | <b>17,597</b> | <b>18,787</b>         | <b>21,597</b>         | <b>57,333</b> | <b>56,029</b> |
| <b>Current assets</b>   |               |                       |                       |               |               |
| Development properties  | 41,181        | 41,774                | 14,208                | -             | -             |
| Prepayments, trade and other receivables  | 8,804         | 7,952                 | 16,053                | 21,861        | 20,905        |
| Inventories   | 5,388         | 6,591                 | 7,155                 | -             | -             |
| Cash and cash equivalents   | 15,795        | 15,471                | 28,080                | 3,807         | 7,512         |
|   | <b>71,168</b> | <b>71,788</b>         | <b>65,496</b>         | <b>25,668</b> | <b>28,417</b> |
| Assets held for sale  | -             | 5,815                 | 36,594                | -             | -             |
| Disposal group assets classified as held for sale                               | 6,965         | -                     | -                     | -             | -             |
|   | <b>78,133</b> | <b>77,603</b>         | <b>102,090</b>        | <b>25,668</b> | <b>28,417</b> |
| <b>Total assets</b>   | <b>95,730</b> | <b>96,390</b>         | <b>123,687</b>        | <b>83,001</b> | <b>84,446</b> |
| <b>LIABILITIES</b>  |               |                       |                       |               |               |
| <b>Non-current liabilities</b>  |               |                       |                       |               |               |
| Borrowings  | 3,118         | 3,221                 | 3,327                 | -             | -             |
| Deferred income   | 14            | -                     | -                     | -             | -             |
| Deferred tax liabilities  | 1,378         | 909 <sup>^</sup>      | 4,003                 | -             | -             |
|   | <b>4,510</b>  | <b>4,130</b>          | <b>7,330</b>          | <b>-</b>      | <b>-</b>      |
| <b>Current liabilities</b>  |               |                       |                       |               |               |
| Trade and other payables  | 6,414         | 5,337                 | 5,624                 | 11,948        | 12,627        |
| Shares with preference rights   | -             | -                     | 4,740                 | -             | -             |
| Borrowings  | 974           | 1,484                 | 15,962                | -             | -             |
| Liabilities directly associated with disposal group classified as held for sale | 85            | -                     | -                     | -             | -             |
| Income tax payable  | -             | 46                    | 700                   | -             | -             |
|   | <b>7,473</b>  | <b>6,867</b>          | <b>27,026</b>         | <b>11,948</b> | <b>12,627</b> |
| <b>Total liabilities</b>  | <b>11,983</b> | <b>10,997</b>         | <b>34,356</b>         | <b>11,948</b> | <b>12,627</b> |
| <b>Net assets</b>   | <b>83,747</b> | <b>85,393</b>         | <b>89,331</b>         | <b>71,053</b> | <b>71,819</b> |
| <b>EQUITY</b>   |               |                       |                       |               |               |
| Share capital   | 103,171       | 103,171               | 103,171               | 103,171       | 103,171       |
| Revaluation and other reserves  | (4,864)       | (4,742) <sup>^</sup>  | 950 <sup>^</sup>      | -             | -             |
| Reserve of disposal group classified as held for sale                           | (9)           | -                     | -                     | -             | -             |
| Accumulated losses  | (24,231)      | (22,852) <sup>^</sup> | (14,790) <sup>^</sup> | (32,118)      | (31,352)      |
| Equity holders of the company   | <b>74,067</b> | <b>75,577</b>         | <b>89,331</b>         | <b>71,053</b> | <b>71,819</b> |
| Non-controlling interest  | 9,680         | 9,816                 | -                     | -             | -             |
| <b>Total equity</b>   | <b>83,747</b> | <b>85,393</b>         | <b>89,331</b>         | <b>71,053</b> | <b>71,819</b> |

\* Amounts less than \$1,000

<sup>^</sup> Restated-please refer to paragraph 5 of this announcement

**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 2019   |                       | As at 31 March 2018 |                       |
|---------------------|-----------------------|---------------------|-----------------------|
| Secured<br>(\$'000) | Unsecured<br>(\$'000) | Secured<br>(\$'000) | Unsecured<br>(\$'000) |
| 974                 | -                     | 1,484               | -                     |

**Amount repayable after one year**

| As at 31 Mar 2019   |                       | As at 31 March 2018 |                       |
|---------------------|-----------------------|---------------------|-----------------------|
| Secured<br>(\$'000) | Unsecured<br>(\$'000) | Secured<br>(\$'000) | Unsecured<br>(\$'000) |
| 3,118               | -                     | 3,221               | -                     |

**Details of any collateral**

The obligations under finance leases are secured by a charge over the leased motor vehicles of the Group to the lessor.

The foreign currency loan against import of the Group is secured by the following:-

- (a) a corporate guarantee from the Company;
- (b) a negative pledge over certain asset of the Group; and
- (c) legal charges over certain properties of the Group.

The term loan of the Group is secured by the following:-

- (a) legal charges over the Group's leasehold land and building in Singapore; and
- (b) a corporate guarantee from the Company.

1(c) **A cash flow statement (for the group), together with a comparative statement for the corresponding year of the immediately preceding financial year**

|   | <u>The Group</u> |                  |
|---|------------------|------------------|
|   | FY2019<br>\$'000 | FY2018<br>\$'000 |
| <b>Cash flows from operating activities</b>                   |                  |                  |
| Loss before income tax  | (973)            | (8,838)          |
| Adjustments for:  |                  |                  |
| Depreciation of property, plant and equipment                 | 1,065            | 1,034            |
| Loss on disposal of property, plant and equipment             | 90               | 26               |
| Interest expense  | 214              | 573              |
| Interest income   | (185)            | (437)            |
| Impairment loss on property, plant and equipment              | -                | 41               |
| Recovery from impairment loss on other receivables            | (3,750)          | -                |
| Operating loss before working capital changes                 | (3,539)          | (7,601)          |
| Changes in operating assets and liabilities                   |                  |                  |
| Development properties  | (21)             | (29,523)         |
| Inventories   | 1,019            | 875              |
| Trade and other receivables                                   | 2,364            | 8,315            |
| Trade and other payables                                      | (193)            | (1,533)          |
| Currency translation adjustments                              | 547              | (248)            |
| <b>Cash used in operations</b>                                | 177              | (29,715)         |
| Interest income received                                      | 185              | 432              |
| Income tax paid   | (66)             | (2,950)          |
| <b>Net cash generated from/(used in) operating activities</b> | 296              | (32,233)         |
| <b>Cash flows from investing activities</b>                   |                  |                  |
| Proceeds from disposal of property held-for-sale              | -                | 35,842           |
| Purchase of property, plant and equipment                     | (680)            | (4,009)          |
| Other receivables - commitment fees                           | 250              | -                |
| Deposit received relating to disposal group held for sale     | 1,366            | -                |
| Proceeds from disposal of property, plant and equipment       | 394              | 17               |
| <b>Net cash generated from investing activities</b>           | 1,330            | 31,850           |
| <b>Cash flows from financing activities</b>                   |                  |                  |
| Repayments of borrowings                                      | (3,632)          | (18,651)         |
| Capital Contribution from non-controlling interest            | -                | 10,542           |
| Loan from non-controlling interest                            | 45               | 1,155            |
| Acquisition of non-controlling interest                       | -                | (8,443)          |
| Proceeds from borrowings                                      | 3,018            | 4,202            |
| Interest paid   | (214)            | (573)            |
| <b>Net cash used in financing activities</b>                  | (783)            | (11,768)         |
| <b>Net increase/(decrease) in cash and cash equivalents</b>   | 843              | (12,151)         |
| Cash and cash equivalents at beginning of the year            | 15,471           | 28,080           |
| Effect of exchange rate changes on cash and cash equivalents  | 152              | (458)            |
| <b>Cash and cash equivalents at end of the year</b>           | 16,466           | 15,471           |

For the purpose of the consolidated cash flow statement, the consolidated cash and cash equivalents comprise the following:

|   | 31 March 2019<br>\$'000 | 31 March 2018<br>\$'000 |
|---|-------------------------|-------------------------|
| Cash and bank balances  | 11,822                  | 8,292                   |
| Fixed deposits  | 3,973                   | 7,179                   |
| Cash and cash equivalents as per balance sheets                       | 15,795                  | 15,471                  |
| Cash and cash equivalents   |                         |                         |
| - Continuing operations   | 15,795                  | 15,471                  |
| - Disposal group assets classified as held for sale                   | 671                     | -                       |
| Cash and cash equivalents as per consolidated statement of cash flows | 16,466                  | 15,471                  |

1(d) 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 year of the immediately preceding financial year.

|  | ← Attributable to equity holders of the Company → |                           |   |                                      |                 |                    | Non-controlling interest | Total equity |          |
|--|---|---------------------------|---|--------------------------------------|-----------------|--------------------|--------------------------|--------------|----------|
|  | Share capital                                     | Asset revaluation reserve | Reserve of disposal group classified as held for sale | Foreign currency translation reserve | Warrant Reserve | Accumulated losses |                          |              | Total    |
| <b>The Group</b>   | \$'000  | \$'000                    | \$'000  | \$'000                               | \$'000          | \$'000             | \$'000                   | \$'000       |          |
| Balance at 1-Apr-2018  | 103,171   | 4,766                     | -   | (4,742)                              | -               | (26,825)           | 76,370                   | 9,816        | 86,186   |
| Effect of adoption of SFRS(1)                                      | -   | (4,766)                   | -   | -                                    | -               | 3,973              | (793)                    | -            | (793)    |
| At 1-Apr-2018, as restated   | 103,171   | -                         | -   | (4,742)                              | -               | (22,852)           | 75,577                   | 9,816        | 85,393   |
| Loss for the year  | -   | -                         | -   | -                                    | -               | (1,379)            | (1,379)                  | (107)        | (1,486)  |
| Other comprehensive loss   | -   | -                         | -   | (131)                                | -               | -                  | (131)                    | (29)         | (160)    |
| Total comprehensive loss for the year                              | -   | -                         | -   | (131)                                | -               | (1,379)            | (1,510)                  | (136)        | (1,646)  |
| Reserve attributable to disposal group classified as held for sale | -   | -                         | (9)   | 9                                    | -               | -                  | -                        | -            | -        |
| Balance at 31-Mar-2019   | 103,171   | -                         | (9)   | (4,864)                              | -               | (24,231)           | 74,067                   | 9,680        | 83,747   |
| Balance at 1-Apr-2017  | 103,171   | 3,973                     | -   | (2,337)                              | 3,287           | (18,763)           | 89,331                   | -            | 89,331   |
| Effect of adoption of SFRS(1)                                      | -   | (3,973)                   | -   | -                                    | -               | 3,973              | -                        | -            | -        |
| At 1-Apr-2017, as restated   | 103,171   | -                         | -   | (2,337)                              | 3,287           | (14,790)           | 89,331                   | -            | 89,331   |
| Loss for the year  | -   | -                         | -   | -                                    | -               | (7,972)            | (7,972)                  | (46)         | (8,018)  |
| Other comprehensive loss   | -   | -                         | -   | (2,405)                              | -               | -                  | (2,405)                  | (680)        | (3,085)  |
| Total comprehensive loss for the year                              | -   | -                         | -   | (2,405)                              | -               | (7,972)            | (10,377)                 | (726)        | (11,103) |
| Expiry of warrant  | -   | -                         | -   | -                                    | (3,287)         | 3,287              | -                        | -            | -        |
| Reinstatement of NCI upon expiry of put option                     | -   | -                         | -   | -                                    | -               | (3,377)            | (3,377)                  | 8,443        | 5,066    |
| Acquisition of non-controlling interest                            | -   | -                         | -   | -                                    | -               | -                  | -                        | (8,443)      | (8,443)  |
| Contribution by non-controlling interest                           | -   | -                         | -   | -                                    | -               | -                  | -                        | 10,542       | 10,542   |
| Balance at 31-Mar -2018  | 103,171   | -                         | -   | (4,742)                              | -               | (22,852)           | 75,577                   | 9,816        | 85,393   |

| <u>The Company</u>                             | <u>Share capital</u> | <u>Warrant reserve</u> | <u>Accumulated Losses</u> | <u>Total</u>  |
|--|----------------------|------------------------|---------------------------|---------------|
|  | \$'000               | \$'000                 | \$'000                    | \$'000        |
| Balance at 1-Apr-2018                          | 103,171              | -                      | (31,352)                  | 71,819        |
| Loss and total comprehensive loss for the year | -                    | -                      | (766)                     | (766)         |
| <b>Balance at 31-Mar-2019</b>                  | <b>103,171</b>       | <b>-</b>               | <b>(32,118)</b>           | <b>71,053</b> |
| Balance at 1-Apr-2017                          | 103,171              | 3,287                  | (32,935)                  | 73,523        |
| Expiry of warrant                              | -                    | (3,287)                | 3,287                     | -             |
| Loss and total comprehensive loss for the year | -                    | -                      | (1,704)                   | (1,704)       |
| <b>Balance at 31-Mar-2018</b>                  | <b>103,171</b>       | <b>-</b>               | <b>(31,352)</b>           | <b>71,819</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 year 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 year reported on and as at the end of the corresponding year 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 year reported on and as at the end of the corresponding year of the immediately preceding financial year.**

**Issued and fully paid ordinary share capital**

|                             | <b>Number of shares</b> | <b>\$</b>      |
|-----------------------------|-------------------------|----------------|
|                             | <b>'000</b>             | <b>'000</b>    |
| Balance as at 31 March 2019 | <b>5,380,556</b>        | <b>103,171</b> |

No change in the Company's share capital since the end of the previous year reported on. The Company does not have any treasury shares and there were no subsidiary holdings as at 31 March 2019. (31 March 2018: nil)

The Company did not have any outstanding convertible securities as at 31 March 2019.

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

The total number of issued shares in the capital of the Company as at the end of the current financial year ended 31 March 2019 was 5,380,556,316 (31 March 2018: 5,380,556,316). The Company does not have any treasury shares as at 31 March 2019. (31 March 2018: nil)

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

The Company did not have any sales, transfers, cancellation and/or use of treasury shares during the current financial year reported on.

There were no treasury shares held by the Company as at 31 March 2019 and 31 March 2018.

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

The Company did not have any sales, transfers, cancellation and/or use of subsidiary holdings during the current financial year reported on.

There were no subsidiary holdings as at 31 March 2019 and 31 March 2018.

**2 Whether the figures have been audited, or reviewed and in accordance with which standard or practice (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

The financial statements have not been audited or reviewed by the Company's auditors.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting year compared with the audited financial statements for the financial year ended 31 March 2018, except for those disclosed under paragraph 5 below.

**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**

Pursuant to the SGX-ST listing requirements, the Group has adopted a new financial reporting framework, Singapore Financial Reporting Standards (International) ("SFRS(I)") that are effective from 1 January 2018. In addition to adopting all the applicable standards under SFRS(I), the Group also took the opportunity to review the relevance of the accounting policy choices with the application of SFRS(I) *First-time Adoption of Singapore Financial Reporting Standards (International)*. The Group is required to retrospectively apply all SFRS(I) effective at the end of the first SFRS(I) reporting year (financial year ending 31 March 2019), subject to mandatory exceptions and optional exemptions under SFRS(I). The Group elected for the optional exemption in SFRS(I) 1 to measure the leasehold land and buildings classified under property, plant and equipment held by the Group at the date of transition to SFRS(I) on 1 April 2017 at fair value and use that fair value as its deemed cost in its SFRS(I) financial statements. Any amount in asset revaluation reserve relating to the properties is transferred to accumulated losses directly. As a result, the Group reclassified \$4.0 million of asset revaluation reserve to the accumulated losses as at 1 April 2017. As at 31 March 2018, the Group's asset revaluation reserve, deferred tax liabilities, accumulated losses and carrying amount of leasehold land and building decrease by \$4.8 million, \$0.3 million, \$4.0 million and \$1.1 million respectively.

Except for the above, the adoption of new SFRS(I) does not result in any significant changes to the accounting policies of the Group and the Company and has no material effect on the amounts reported for the current and prior year.

**6 Earnings per ordinary share of the group for the current year reported on and the corresponding year of the immediately preceding financial year, after deducting any provision for preference dividends, (a) based on the weighted average number of ordinary shares on issue and (b) on a fully diluted basis (detailing any adjustments made to the earnings).**

|                | Full year ended |             |
|----------------|-----------------|-------------|
|                | 31-Mar-2019     | 31-Mar-2018 |
| Loss per share | Cents           | Cents       |
| - basic        | (0.03)          | (0.15)      |
| - diluted      | (0.03)          | (0.15)      |

The weighted average number of ordinary shares for the purposes of basic and diluted loss per share is 5,380,556,316 shares for the financial year ended 31 March 2019 (31 March 2019: 5,380,556,316 shares).



Basic loss per share is calculated by dividing the loss after tax attributable to shareholders by the weighted average number of fully paid ordinary shares in issue during the financial year.

For the purposes of calculating diluted loss per share, the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. As at 31 March 2019, the Company does not have any outstanding share options. As at 31 March 2018, there were no outstanding warrants as 2,440,278,158 warrants had expired on 30 June 2017.

**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 year reported on and (b) immediately preceding financial year**

|   | 31-Mar-2019 | 31-Mar-2018 |
|---|-------------|-------------|
| Net asset value per ordinary share based on existing issued share capital as at end of/year | Cents       | Cents       |
| - Group   | 1.38        | 1.40        |
| - Company   | 1.32        | 1.33        |

Net asset value per ordinary share is calculated based on 5,380,556,316 shares as at 31 March 2019. (31 March 2018: 5,380,556,316).

**8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial year reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial year reported on**

**Income Statement Review**

| Revenue by business activities | FY2019 | FY2018 | Increase/<br>(Decrease) | Increase/<br>(Decrease) |
|--------------------------------|--------|--------|-------------------------|-------------------------|
|                                | \$'000 | \$'000 | \$'000                  | %                       |
| Door business                  | 30,295 | 33,215 | (2,920)                 | (9)                     |
| Property business              | -      | 93     | (93)                    | (100)                   |
| Total                          | 30,295 | 33,308 | (3,013)                 | (9)                     |
|                                |        |        |                         |                         |

**Revenue**

The Group registered revenue of \$30.29 million for FY2019, representing a decrease of 9% as compared to \$33.31 million for FY2018. The decline was primarily due to lower export sales for the Door business.

**Cost of sales**

The Group's cost of sales decreased by 19% from \$31.13 million in FY2018 to \$25.20 million in FY2019. This is due to lower production cost, lower back-charges from project installations, and a reversal of provision for stock obsolescence of \$0.40 million in FY2019 as compared to a stock provision of \$0.82 million in FY2018.

**Gross Profit**

The Group's gross profit increased from \$2.17 million in FY2018 to \$5.09 million in FY2019 and the gross margin increased from 7% in FY2018 to 17% in FY2019. This was mainly attributable to higher yield in raw materials usage, lower back-charges from project installations, and a reversal of provision for stock obsolescence.

**Other income**

Other income increased to \$4.17 million in FY2019 as compared to \$0.84 million in FY2018. The increase was mainly due to the reversal of impairment loss of other receivables from the partial recovery of the legal claims initiated by the Company against Mr. Michael Chan and offset against the lower interest income earned as less fixed deposits amounts were placed in FY2019 as compared to FY2018.

#### Selling and distribution expenses

Selling and distribution expenses decreased by 25% from \$0.97 million in FY2018 to \$0.73 million in FY2019. The decrease was mainly due to lower commission payment, travelling related expenses and absence of exhibition expense.

#### Administrative expenses

Administrative expenses decreased by 10% from \$10.31 million in FY2018 to \$9.28 million in FY2019. The decrease was mainly due to the lower unrealized foreign exchange loss, legal fees and lower allocation of social security fund contribution in China.

#### Finance costs

Finance costs decreased by 63% from \$0.57 million in FY2018 to \$0.21 million in FY2019. The decrease was mainly due to saving in interest payable to Koperasi Permodalan Felda Malaysia Berhad (“Felda”) amounting to \$0.33 million after the completion of the acquisition of the remaining 30% share capital of KLW Resources Sdn. Bhd. from Felda in February 2018.

#### Tax expense

Tax expense increase from \$0.82 million as a tax credit in FY2018 to a \$0.51 million as a tax expense in FY2019. The tax credit in FY2018 was due to reversal of tax provision. The tax expense in FY2019 pertains to tax payable on profits from our subsidiary in Malaysia.

#### Loss for the year

The Group posted a loss of \$1.49 million in FY2019 as compared to \$8.02 million in FY2018.

### **Review of the Balance Sheet of the Group**

#### Non- current assets

Property, plant and equipment decreased by 6% from \$18.67 million as at 31 March 2018 to \$17.55 million as at 31 March 2019 mainly due to depreciation of property, plant and equipment and disposal of two units of residential properties in Vietnam.

#### Current assets

Prepayments, trade and other receivables increased by 11% from \$7.95 million as at 31 March 2018 to \$8.8 million as at 31 March 2019 mainly due to the reversal of impairment loss of other receivables from the partial recovery of the legal claims initiated by the Company against Mr. Michael Chan offset against refund of the prepaid VAT from first tranche of land purchase in Indonesia. Inventories decreased by 18% from \$6.59 million as at 31 March 2018 to \$5.39 million as at 31 March 2019 mainly due to better utilisation of raw material. Assets held for sale of \$5.82 million as at 31 March 2018 had been reclassified to assets of disposal group classified as held for sale of \$6.97 million as at 31 March 2019. This refers to the assets held by Key Bay Furniture Co., Ltd in Vietnam as at 31 March 2019 instead of the net book value of its factory building as at 31 March 2018.

#### Non-current liabilities

Deferred income of \$0.01 million as at 31 March 2019 refers to grants related to fixed assets improvement in our China’s subsidiary. Deferred tax increased by 52% from \$0.91 million as at 31 March 2018 to \$1.38 million as at 31 March 2019 mainly due to underprovision in prior year, followed by reduction in unabsorbed capital allowances and increase in temporary difference arising from book value over tax value of Property, plant and equipment.

#### Current liabilities

Trade and other payables increased by 20% from \$5.34 million as at 31 March 2018 to \$6.41 million as at 31 March 2019 mainly due to deposits received in relation to the proposed disposal of Key Bay Furniture Co., Ltd in Vietnam. Borrowings decreased by 34% from \$1.48 million as at 31 March 2018 to \$0.97 million as at 31 March 2019. This was mainly due to lower amount of import loans outstanding for the Door business. Liabilities directly associated with disposal group classified as held-for-sale refers to the liabilities held by Key Bay Furniture Co., Ltd in Vietnam as at 31 March 2019.

#### Equity

Total equity decreased by 2% from \$85.39 million as at 31 March 2018 to \$83.75 million as at 31 March 2019 mainly due to loss incurred in FY2019.

## **Cash Flow Statement Review**

The Group's net cash generated from operating activities for FY2019 was \$0.30 million as compared to net cash used of \$32.23 million for FY2018. Net cash generated from FY2019 was mainly due to the changes in working capital for inventories, receivables and payables.

Net cash generated from investing activities for FY2019 was \$1.33 million as compared to \$31.85 million for FY2018. Net cash generated from FY2019 was mainly from the deposit received from disposal of group held for sale and recovery of commitment fee.

Net cash used in financing activities for FY2019 was \$0.78 million as compared to \$11.77 million for FY2018. Net cash used in FY2019 was mainly due to the net payment of the import loans for the Door business.

As a result of the above, the Group's net cash and cash equivalents stood at \$16.47 million as at 31 March 2019.

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

Not applicable.

**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 year and the next 12 months.**

For the Door business, export sales for doors remain the Group's core focus. However, the macroeconomic environment in which the Group operates continues to be challenging and this is negatively affecting sales orders from our customers. As the Group's export revenue is derived mainly from the United Kingdom, the uncertainty of Brexit has affected the market demand of our doors. Besides, the escalation of US-China trade war is expected to continue to adversely affect our China factory's import of raw materials from United States, thereby increasing the Group's cost of sales. In order to mitigate such effect, the Group will continue to implement cost control measures and initiatives to increase productivity at the factory floor, and explore new markets outside United Kingdom.

For the Property business, the Group's strategy is to focus on obtaining the necessary permits and licenses within a reasonable time frame so that the Group is able to proceed with its construction and sales plan. The Group keeps a close watch on the property cycle of its development properties and is open to exploring options to maximise the return of these development properties.

The Group remains cautious with regards to market conditions and will continue to be vigilant in managing costs and improving operational efficiencies going forward.

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

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

None.

**(b)(i) Amount per share**

Not applicable.

**(b)(ii) Previous corresponding year**

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. (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) **The date on which Registrable Transfers received by the company (up to 5:00pm) 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 or recommended for the financial year as the Group is currently not profit making.

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

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

| <b>Name of Interested Person</b> | Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) | Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) |
|----------------------------------|---|---|
| Not applicable                   | -   | -   |

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

The Company confirms that it has procured undertakings from all its Directors and executive officers in the format set out in Appendix 7H under Rule 720(1) of the Listing Manual of SGX-ST.

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

15. **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**

|  | <u>Investment</u> | <u>Door Business</u> | <u>Property Business</u> | <u>Total Group</u> |
|--|-------------------|----------------------|--------------------------|--------------------|
|  | \$'000            | \$'000               | \$'000                   | \$'000             |
| <b>Year ended 31 March 2019</b>                        |                   |                      |                          |                    |
| Revenue:   |                   |                      |                          |                    |
| External sales   | -                 | 30,295               | -                        | 30,295             |
| <b>Segment (loss)</b>                                  | (1,915)           | (1,254)              | (1,755)                  | (4,924)            |
| Other income   |                   |                      |                          | 4,165              |
| Finance costs  |                   |                      |                          | (214)              |
| Loss before taxation                                   |                   |                      |                          | (973)              |
| Income tax expense                                     |                   |                      |                          | (513)              |
| Loss for the year                                      |                   |                      |                          | (1,486)            |
| Consolidated total assets                              | 6,310             | 36,888               | 52,532                   | 95,730             |
| Segment liabilities                                    | 176               | 4,602                | 1,649                    | 6,427              |
| - Deferred tax liabilities                             |                   |                      |                          | 1,378              |
| - Borrowings, secured                                  |                   |                      |                          | 4,178              |
| Consolidated total liabilities                         |                   |                      |                          | 11,983             |
| <u>Other segment items</u>                             |                   |                      |                          |                    |
| Capital expenditure                                    | 1                 | 679                  | -                        | 680                |
| Depreciation   | 107               | 957                  | 1                        | 1,065              |
| Inventories write back                                 | -                 | (405)                | -                        | (405)              |
| Loss on disposal of property, plant and equipment      | -                 | 90                   | -                        | 90                 |
| Allowance for impairment of doubtful trade receivables | -                 | 147                  | -                        | 147                |
| Write back on impairment loss from other receivable    | -                 | -                    | (3,750)                  | (3,750)            |

|   | Investment | Door Business       | Property Business | Total Group      |
|---|------------|---------------------|-------------------|------------------|
|   | \$'000     | \$'000              | \$'000            | \$'000           |
| <b>Year ended 31 March 2018</b>                   |            |                     |                   |                  |
| Revenue:  |            |                     |                   |                  |
| External sales                                    | -          | 33,215              | 93                | 33,308           |
| Segment loss                                      | (3,605)    | (3,414)             | (2,090)           | (9,109)          |
| Other income                                      |            |                     |                   | 844              |
| Finance cost                                      |            |                     |                   | (573)            |
| Loss before taxation                              |            |                     |                   | (8,838)          |
| Income tax credit                                 |            |                     |                   | 820              |
| Loss for the year                                 |            |                     |                   | (8,018)          |
| Consolidated total assets                         | 10,159     | 37,042 <sup>^</sup> | 49,189            | 96,390           |
| Segment liabilities                               | 355        | 3,579               | 1,403             | 5,337            |
| -Deferred tax liabilities                         |            |                     |                   | 909 <sup>^</sup> |
| -Income tax liabilities                           |            |                     |                   | 46               |
| -Borrowings, secured                              |            |                     |                   | 4,705            |
| Consolidated total liabilities                    |            |                     |                   | 10,997           |
| <u>Other segment items</u>                        |            |                     |                   |                  |
| Depreciation                                      | 110        | 922                 | 2                 | 1,034            |
| Inventories written down                          | -          | 820                 | -                 | 820              |
| Capital expenditure                               | 65         | 3,944               | -                 | 4,009            |
| Impairment loss on property, plant and equipment  | -          | 41                  | -                 | 41               |
| Loss on disposal of property, plant and equipment | -          | 26                  | -                 | 26               |

<sup>^</sup> Restated-please refer to paragraph 5

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

Refer to paragraph (8) of this Announcement above.

**17. A breakdown of sales**

|   | The Group |         |                         |
|---|-----------|---------|-------------------------|
|   | FY2019    | FY2018  | Increase/<br>(Decrease) |
|   | \$'000    | \$'000  | %                       |
| a) Sales reported for the first half year – Continuing operation  | 17,588    | 18,476  | (5)                     |
| b) Operating loss after tax before deducting minority interest reporting for first half year            | (2,222)   | (1,153) | (93)                    |
| c) Sales reported for the second half year – Continuing operation                                       | 12,707    | 14,832  | (14)                    |
| d) Operating profit / (loss) after tax before deducting minority interest reported for second half year | 736       | (6,865) | N/M                     |

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

Total Annual Dividend

|            | FY 31 March 2019<br>(S\$) | FY 31 March 2018<br>(S\$) |
|------------|---------------------------|---------------------------|
| Ordinary   | -                         | -                         |
| Preference | -                         | -                         |
| Total      | -                         | -                         |

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

| Name        | Age | Family relationship with any director and/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 |
|-------------|-----|--|--|---|
| Wong Gloria | 35  | Daughter of Mr Wong Ben Koon, sole shareholder of Sunny Wealth Limited, which is a controlling shareholder of the Company. | Executive Director. She is responsible for business development and the Property Business since 1 <sup>st</sup> August 2016. | NIL   |

**On behalf of the Board**

Terence Lam  
Executive Director  
30 May 2019