SANTAK HOLDINGS LIMITED (Company Registration No. 200101065H)
(Incorporated In Singapore)

Full Year Financial Statement And Dividend Announcement for the Year Ended 30 June 2018

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

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

	GROUP		
	Latest Year 30 June 2018 S$'000	Previous Year 30 June 2017 S$'000	% Increase / (Decrease)
Continuing operations[1]			
Revenue	13,582	26,930	(50)
Cost of sales	(12,231)	(25,556)	(52)
Gross profit	1,351	1,374	(2)
Other income	75	112	(33)
Distribution and selling expenses	(1,274)	(1,467)	(13)
Administrative expenses	(1,623)	(2,079)	(22)
Other operating expenses	(214)	(31)	590
Financial expenses	(14)	(1,091)	(99)
Financial income	6	38	(84)
Loss before taxation	(1,693)	(3,144)	(46)
Taxation	(10)	507	n.m
Loss for the year from continuing operations	(1,703)	(2,637)	(35)
Discontinued operation[1]			
Profit for the year from discontinued operation	-	3,440	n.m
(Loss)/profit for the year	(1,703)	803	n.m
(Loss)/profit attributable to equity holders of the Company			
- From continuing operations	(1,703)	(2,637)	(35)
- From discontinued operation	-	3,440	n.m
	(1,703)	803	n.m

	GROUP		
	Latest Year **30 June 2018 S$'000**	**Previous Year 30 June 2017 S$'000**	**% Increase / (Decrease)**
(Loss) / profit for the year	(1,703)	803	n.m
Other comprehensive income:			
Items that may be reclassified subsequently to profit and loss:			
Adjustment to revaluation reserve relating to deferred tax liabilities	852	-	n.m
Net surplus on revaluation of leasehold property	-	973	n.m
Foreign currency translation	(-*)	(68)	n.m
Realisation of translation reserve on disposal of a subsidiary company	-	(2,108)	n.m
Total other comprehensive income for the year	851	(1,203)	n.m
Total comprehensive income for the year	(852)	(400)	113
Total comprehensive income attributable to equity holders of the Company	(852)	(400)	113

* Denotes less than S$1,000

Discontinued Operation[1]

Revenue	-	3,465	n.m
Cost of sales	-	(5,810)	n.m
Gross loss	-	(2,345)	n.m
Other income	-	636	n.m
Distribution and selling expenses	-	(514)	n.m
Administrative expenses	-	(406)	n.m
Other operating expenses	-	(259)	n.m
Financial income	-	5	n.m
Loss from discontinued operation before taxation	-	(2,883)	
Gain on disposal of investment in discontinued operation	-	6,323	n.m
Taxation	-	-	n.m
Profit from discontinued operation, net of taxation	-	3,440	n.m
Total comprehensive income for the year	-	3,440	n.m

n.m – not meaningful

[1] As a result of a wholly owned subsidiary of the Company, Santak Metal Manufacturing Pte Ltd having entered into a sale and purchase agreement dated 24 November 2016 with LY Investment (HK) Limited (the "Purchaser") for sale of 100% equity interest of its wholly owned subsidiary, Santak Metal Manufacturing (Wuxi) Co., Ltd. ("Santak Wuxi") to the Purchaser ("Proposed Disposal"), Santak Wuxi was classified as "Discontinued operation". The Disposal was completed on 16 March 2017 upon receiving the final instalment payment of the disposal consideration.

The loss attributable to shareholders is determined after crediting/(charging) the following:

Continuing Operations :-

	GROUP	
	Latest Year 30 June 2018 S$'000	**Previous Year 30 June 2017 S$'000**
Other income	75	112
Interest Income	6	38
Interest on borrowings	(14)	(819)
Depreciation and amortisation	(740)	(861)
Allowance for stocks obsolescence (net)	(15)	(116)
Foreign exchange loss	(212)	(31)
(Under)/over provision of tax in respect of prior years	(44)	1
(Loss)/gain on disposal of property, plant and equipment	(- *)	-*

* Denotes less than S$1,000

Discontinued Operation :-

	GROUP	
	Latest Year 30 June 2018 S$'000	**Previous Year 30 June 2017 S$'000**
Other income	-	636
Interest Income	-	5
Write-back for stocks obsolescence (net)	-	1,207
Foreign exchange loss	-	(247)
Gain on disposal of property, plant and equipment	-	174
Gain on disposal of investment in discontinued operation	-	6,323

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.

	GROUP		COMPANY	
	30 June 2018 S$'000	30 June 2017 S$'000	30 June 2018 S$'000	30 June 2017 S$'000
Non-current assets				
Property, plant and equipment	472	12,392	112	144
Investments in subsidiaries	-	-	8,113	8,113
Intangible assets	62	75	-*	-*
Loan to a subsidiary	-	-	-	4,030
Deferred tax assets	-	-	7	7
	534	12,467	8,232	12,294
Current assets				
Inventories	1,700	1,939	-	-
Trade receivables	3,740	3,556	-	-
Other receivables	84	1	-	-
Prepayments	433	66	12	21
Due from subsidiaries (non-trade)	-	-	5,799	1,684
Cash and cash equivalents	7,048	9,685	48	71
	13,005	15,247	5,859	1,776
Assets of a subsidiary classified as held for sale	11,208	-	-	-
	24,213	15,247	5,859	1,776
Current liabilities				
Trade payables	1,604	2,440	-	-
Other liabilities	1,058	1,335	336	430
Provision for taxation	24	13	14	4
Loans and borrowings (secured) – current portion	-	88	-	-
Obligations under finance leases	72	70	35	34
	2,758	3,946	385	468
Net current assets	21,455	11,301	5,474	1,308
Non-current liabilities				
Obligations under finance leases	200	272	68	103
Deferred tax liabilities	665	1,520	-	-
	865	1,792	68	103
Net assets	21,124	21,976	13,638	13,499
Equity attributable to equity holders of the Company				
Share capital	12,852	12,852	12,852	12,852
Accumulated (losses)/retained earnings	(900)	803	786	647
Revaluation reserve	9,172	8,320	-	-
Translation reserve	-*	1	-	-
	21,124	21,976	13,638	13,499

* Denotes less than S$1,000.

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

As at 30/06/2018		As at 30/06/2017	
Secured	Unsecured	Secured	Unsecured
S$	S$	S$	S$
72,000	0	158,000	0

Amount repayable after one year

As at 30/06/2018		As at 30/06/2017	
Secured	Unsecured	Secured	Unsecured
S$	S$	S$	S$
200,000	0	272,000	0

Details of any collateral

1) The loans and borrowings are secured as follows:

   (a) S$Nil (2017: S$88,000) is secured by way of a legal mortgage over a subsidiary's leasehold property classified as held for sale with a net book value as at 30 June 2018 of S$11,208,000 (2017: S$11,500,000) and a corporate guarantee from the Company and

2) Finance lease obligations are secured over the motor vehicles as well as corporate guarantees from the Company.

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

	GROUP	
	30 June 2018 S$'000	30 June 2017 S$'000
Cash flows from operating activities		
Loss before taxation from continuing operations	(1,693)	(3,144)
Profit before taxation from discontinued operation	-	3,440
Adjustments:		
Depreciation of property, plant and equipment	726	844
Amortisation of intangible assets	14	17
Loss/(gain) on disposal of property, plant and equipment	-*	(174)
Gain on disposal of investment in discontinued operation	-	(6,323)
Interest expenses	14	819
Interest income	(6)	(43)
Unrealised exchange gain	(3)	(697)
Operating cash flows before working capital changes	(948)	(5,261)
Inventories	239	3,871
Trade receivables	(184)	4,342
Other receivables, deposits and prepayments	(61)	759
Trade payables	(836)	(3,035)
Other liabilities	(277)	(2,036)
Cash flows from operations	(2,067)	(1,360)
Interest received	6	43
Income taxes paid, net	(2)	32
Net cash flows used in operating activities	(2,063)	(1,285)
Cash flows from investing activities		
Purchase of property, plant and equipment	(14)	(548)
Purchase of intangible assets	(1)	-
Downpayment for purchase of property, plant and equipment	(389)	-
Proceeds from disposal of property, plant and equipment	-	191
Proceeds from disposal of investment in discontinued operation, net of cash balance of discontinued operation and disposal cost[1]	-	26,416
Net cash flows (used in)/generated from investing activities	(404)	26,059
Cash flows from financing activities		
Repayment of loans and borrowings, net	(81)	(28,684)
Repayment of finance leases, net	(70)	(63)
Interest paid	(14)	(819)
Redemption of restricted fixed deposits	-	3,605
Net cash flows used in financing activities	(165)	(25,961)
Net decrease in cash and cash equivalents	(2,632)	(1,187)
Effect of exchange rate changes on cash and cash equivalents	(5)	(90)
Cash and cash equivalents at beginning of year	9,685	10,962
Cash and cash equivalents at end of year	7,048	9,685

* Denotes less than S$1,000.

[1] Consists of gross proceeds of S$27.69 million less cash balance in discontinued operation of S$1.02 million as well as the professional and travelling expenses of S$0.25 million incurred in relation to the disposal of discontinued operation.

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.

Statement of changes in equity for the year ended 30 June 2018.

GROUP

	Share capital	(Accumulated losses)/ retained earnings	Revaluation reserve	Statutory reserve	Translation reserve	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 July 2016	12,852	(947)	7,347	947	2,177	22,376
Profit net of tax	-	803	-	-	-	803
Net surplus on revaluation of leasehold property	-	-	973	-	-	973
Foreign currency translation	-	-	-	-	(68)	(68)
Realisation of translation reserve on disposal of a subsidiary	-	-	-	-	(2,108)	(2,108)
Other comprehensive income for the year, net of tax	-	-	973	-	(2,176)	(1,203)
Total comprehensive income for the year	-	803	973	-	(2,176)	(400)
Contributions by and distributions to owners						
Reclassification of reserve to retained earnings upon disposal of interests in a subsidiary	-	947	-	(947)	-	-
Balance at 30 June 2017	12,852	803	8,320	-	1	21,976

Balance at 1 July 2017	12,852	803	8,320	-	1	21,976
Loss net of tax	-	(1,703)	-	-	-	(1,703)
Adjustment to revaluation reserve relating to deferred tax liabilities	-	-	852	-	-	852
Foreign currency translation	-	-	-	-	(-*)	(-*)
Other Comprehensive income for the year, net of tax	-	-	852	-	(-*)	851
Total comprehensive income for the year	-	(1,703)	852	-	(-*)	(852)
Balance at 30 June 2018	12,852	(900)	9,172	-	-*	21,124

* Denotes less than S$1,000.

COMPANY

	Share capital S$'000	Retained earnings S$'000	Total S$'000
Balance at 1 July 2016	12,852	641	13,493
Total comprehensive income for the year	-	6	6
Balance at 30 June 2017	12,852	647	13,499
Balance at 1 July 2017	12,852	647	13,499
Total comprehensive income for the year	-	139	139
Balance at 30 June 2018	12,852	786	13,638

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.

The issued and paid-up capital of the Company was S$12,852,187 as at 30 June 2018 (30 June 2017: S$12,852,187).

There were no share options as at 30 June 2018 (30 June 2017: Nil).

There was no share held as treasury shares and subsidiary holdings or other convertible as at 30 June 2018 (30 June 2017: Nil).

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

As at 30 June 2018, the total number of issued shares of the Company was 107,580,980 shares (30 June 2017: 107,580,980).

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.

There were no treasury shares as at 30 June 2018.

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

Not Applicable. The Company did not have any subsidiary holdings during and at the end of the current financial year reported on.

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

The figures have not been audited nor reviewed by the auditors.

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

Not applicable.

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

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year ended 30 June 2018 compared to the audited financial statements as at 30 June 2017.

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

The Group has adopted all the new and revised FRS and Interpretations of FRS (“INT FRS”) that are relevant to its operations and effective for annual periods beginning on or after July

1, 2017. The adoption of these new/revised FRS and INT FRS does not result in changes to the Group's accounting policies and has no material effects on the amounts reported for the current or prior periods.

The management has considered and anticipated that the adoption of FRS, INT FRS and amendments to FRS that were issued but not effective until future periods will not have a material impact on the financial statements of the Group in the period of their initial adoption.

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

Loss per ordinary share of the Group:	Latest year	Previous year
(a) Based on the weighted average number of ordinary shares on issue; and	(1.58) cents	0.75 cents
(i) Loss from continuing operations attributable to ordinary shareholders of the parent	(1.58) cents	(2.45) cents
(ii) Profit/(Loss) from discontinued operation attributable to ordinary equity holders of the parent	Nil cents	3.20 cents
(b) On a fully diluted basis (detailing any adjustments made to the earnings)	(1.58) cents	0.75 cents
(i) Loss from continuing operations attributable to ordinary shareholders of the parent	(1.58) cents	(2.45) cents
(ii) Profit/(Loss) from discontinued operation attributable to ordinary equity holders of the parent	Nil cents	3.20 cents

Basic and diluted earnings/(loss) per share are calculated by dividing the net profit/(loss) for the year attributable to ordinary shareholders by the weighted average number of ordinary shares for basic earnings/(loss) per share computation.

The following reflects the income and share data used in the basic and diluted earnings/(loss) per share computations:

	Latest year	Previous year
Loss from continuing operations attributable to ordinary shareholders for basic and diluted loss per share (S$'000)	(1,703)	(2,637)
Net Profit from discontinued operation attributable to ordinary shareholders for basic and diluted loss per share (S$'000)	-	3,440
Weighted average number of ordinary shares (in thousands) on issue applicable to basic loss per share	107,581	107,581
Weighted average number of ordinary shares (in thousands) applicable to diluted loss per share	107,581	107,581

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-
(a) current financial period reported on; and
(b) immediately preceding financial year.

	GROUP		COMPANY	
	Latest financial year 30 June 2018	Previous financial year 30 June 2017	Latest financial year 30 June 2018	Previous financial year 30 June 2017
Net asset value per ordinary share based on issued share capital of the issuer at the end of the financial year reported on	19.64 cents	20.43 cents	12.68 cents	12.55 cents

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.

FY2018 vs FY2017
Continuing Operations

Revenue decreased by 49.6% from S$26.93 million in FY2017 to S$13.58 million in FY2018. The decrease was mainly due to lower sales derived from the Group's Precision Engineering Division ("PE") at S$9.3 million, a decrease of S$13.5 million or 59.2% compared to prior year. The decrease in sales in PE compared to previous year was mainly due to the cessation of sales contracts resulting from the disposal of 100% equity interest of Santak Metal Manufacturing (Wuxi) Co., Ltd., an indirect wholly owned subsidiary of the Company ("Santak Wuxi"). On the other hand, the Group's Trading & Distribution Division registered higher sales at S$4.28 million in FY2018 compared to S$4.13 million in FY2017 mainly due to higher demand from the security/access control systems business. The Group's gross profit was slightly lower at S$1.35 million in FY2018 compared to S$1.37 million in FY2017 following the decrease in turnover. The higher gross profit margin of approximately 9.9% in FY2018 was mainly due to operation cost reduction and higher sales of in house manufactured products which has higher gross margin.

Other operating income decreased by approximately S$0.04 million or 33.0% mainly due to lower wage credit scheme grant received and lower write-back of payables in FY2018. Other operating expenses increased by S$0.18 million or 590% in FY2018 compared to previous year mainly due to higher foreign exchange loss of S$0.21 million in FY2018 arising from the weakening of USD against SGD during FY2018.

The decrease in distribution and selling expenses by S$0.19 million to S$1.27 million was mainly due to lower freight charges and sales commission in FY2018 in line with the lower turnover. The lower administrative expenses of S$1.62 million in FY2018 compared to S$2.08 million in the previous year was mainly due to lower payroll expenses, bank charges, audit fees as well as advisory & consultancy fees in FY2018. The decrease in financial expenses by approximately S$1.08 million to approximately S$0.01 million in FY2018 was the result of reduced bank interest expenses arising from the significantly lower bank borrowings balance during FY2018 compared to FY2017.

A lower loss before tax of S$1.69 million was registered for FY2018 compared to S$3.14 million in the previous year. The tax credit of S$0.51 million in previous year was mainly due to the decrease in the deferred tax liabilities arising from higher tax losses and capital allowances balances as at 30 June 2017. The loss after tax for FY2018 was S$1.70 million. The Group's basic and diluted loss per share were both 1.58 cents for FY2018 versus basic and diluted loss per share of 2.45 cents in the prior year.

Discontinued Operation

As a result of a wholly owned subsidiary of the Company, Santak Metal Manufacturing Pte Ltd having entered into a sale and purchase agreement dated 24 November 2016 with LY Investment (HK) Limited (the "Purchaser") for sale of 100% equity interest of Santak Wuxi to the Purchaser (the "Disposal"), Santak Wuxi was classified as "Discontinued Operation" in the previous year. However, as the Disposal was completed on 16 March 2017 upon receiving the final instalment payment of the disposal consideration, the Discontinued Operation was no longer part of the Group during FY2018.

Review of Financial Position

The decrease in property, plant and equipment ("PPE") by S$11.92 million was mainly due to the reclassification of the leasehold property of a wholly-owned subsidiary of S$11.21 million to assets of a subsidiary classified as held for sale following the proposed disposal of the leasehold property for an aggregate consideration of S$11.50 million as announced on 25 July 2018. The decrease in inventories and trade payables by S$0.24 million and S$0.84 million respectively as at 30 June 2018 versus 30 June 2017 was mainly due to lower turnover in FY2018 versus FY2017. Trade receivables was higher by S$0.18 million mainly due to higher sales recorded towards the end of the second half of FY2018 compared to the previous corresponding period.

Other receivables increased by S$0.08 million mainly due to grant receivable for enhancement of our ERP system. Prepayment increased by S$0.37 million due to down payment for the proposed acquisition of a factory property in Johor, Malaysia as announced on 23 March 2018. The decrease in other liabilities by approximately S$0.28 million was mainly due to lower accruals of payroll expenses, sales commission and audit fee arising from the cessation of audit of the Discontinued Operation in FY2018.

The decrease in cash and cash equivalent by S$2.64 million from S$9.69 million to S$7.05 million is explained in the cash flow explanation in the following paragraph below. The assets of a subsidiary classified as held for sale of S$11.21 million was due to the reclassification of leasehold property following the proposed disposal of the leasehold property as explained earlier. The absence of the loans and borrowings as at 30 June 2018 compared to the loans and borrowings balance of S$0.09 million as at 30 June 2017 was due to the full repayment made during FY2018. The decrease in finance lease obligations by approximately S$0.07 million was a result of repayments made during FY2018. The decrease in deferred tax liabilities and the increase in revaluation reserve by S$0.86 million and S$0.85 million respectively were mainly due to the partial reversal of deferred tax liabilities on revaluation reserve.

Review of Cash Flow

The higher net cash flows used in operating activities of approximately S$2.06 million by the Group's operations in FY2018 compared to S$1.29 million in the FY2017 was mainly due to the loss incurred in FY2018, payment of trade payables and other liabilities balances and increase in trade and other receivables balances as at 30 June 2018 .

Net cash flows used in investing activities of S$0.40 million in FY2018 was mainly in relation to down payment of S$0.39 million for the proposed acquisition of a factory property located in Johor, Malaysia as announced on 23 March 2018. This is compared to FY2017 where as a result of the net proceeds of S$26.42 million (consisting of gross proceeds of S$27.69 million less cash balance in Discontinued Operation of S$1.02 million as well as professional and travelling expenses of S$0.25 million incurred in relation to the Disposal of Discontinued Operation) received in relation to the Completion of the Disposal of Discontinued Operation plus proceed from the disposal of PPE of S$0.19 million and partially offset by purchase of PPE of S$0.55 million, the net cash flows generated from investing activities amounted to S$26.06 million in FY2017.

Net cash flows used in financing activities in FY2018 of S$0.17 million mainly consist of outflow of S$0.08 million to fully repay all bank loans and borrowings as well as S$0.07 million repayment of finance leases compared to net cash used in financing activities during FY2017 of S$25.96 million which arose from the repayments of bank borrowings and finance leases of S$28.75 million and interest expense payment of S$0.82 million and partially offset by the redemption of restricted fixed deposits of S$3.61 million. The gross proceeds of S$27.69 million from the Disposal of Discontinued Operation in FY2017 was mainly utilised to repay bank loans and borrowings in FY2017.

Overall, cash and cash equivalents decreased by S$2.63 million during FY2018 to S$7.05 million as at 30 June 2018 compared to the balance of S$9.69 million as at 30 June 2017.

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 period and the next 12 months.

The market in which the Group operates remains competitive and demanding going forward in the current financial year ending 30 June 2019 ("FY2019"). Challenges remain in terms of pricing and costs as well as foreign exchange volatility as in prior years.

As part of its effort for cost rationalization and optimisation and streamlining of the Continuing Operations, the Group plans to relocate its current manufacturing facility from Singapore to its recent proposed acquisition of a factory property in Johor, Malaysia (as announced on 23 March 2018) for better management of cost and availabilities of labour in the long term which will also enhance the Group's competitiveness. The Group has obtained the "Johor State Authority Consent for Foreign Ownership" dated 16 August 2018 from the Johor State Authority and is proceeding with the procedures towards the registration of transfer of title of the Johor Property. In addition, the Group has also announced on 25 July 2018 the proposed disposal of its leasehold factory property in Singapore ("Proposed Disposal") in line with the Group's strategy to relocate its current manufacturing facility from Singapore to Johor. As announced on 28 August 2018, the Singapore Exchange Securities Trading Limited has on 28 August 2018 granted the Company the waiver of the requirement of Rule 1014(2) of the Catalist Rules to seek its Shareholders' approval for the Proposed Disposal. The Board and the Management will continue to seek opportunities which offer potential growth for the Group and enhancement of value for the Shareholders as and when appropriate.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? None

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

Any dividend declared for the corresponding period of the immediately preceding financial year? None

(c) *Date payable*

Not Applicable.

(d) *Books closure date*

Not Applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended for the financial year ended 30 June 2018.

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 any general mandate for interested person transactions.

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

14. 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.

Segment information

(a) Operating segments

FY 2018					
	Precision Engineering & Assembly	**Trading & Distribution**	**Investment and Management Services**	**Inter – segment Eliminations**	**Total**
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Continuing Operations: -					
Revenue					
External sales	9,305	4,277	-	-	13,582
Inter-segment sales	-	-	1,270	(1,270)	-
Total revenue	9,305	4,277	1,270	(1,270)	13,582
Results					
Interest Income	6	-	-	-	6
Interest Expenses	(10)	-	(4)	-	(14)
Depreciation & Amortisation	(708)	-	(32)	-	(740)

Other non-cash expenses	(68)	-	-	-	(68)
Taxation	3	(6)	(7)	-	10
Segment (loss)/profit	(1,990)	148	139	-	(1,703)
Group: -					
Assets					
Additions to non-current assets	14	-	1	-	15
Segment assets	23,481	1,458	14,085	(14,277)	24,747
Liabilities					
Segment liabilities	7,955	1,385	448	(6,165)	3,623

FY 2017					
	Precision Engineering & Assembly	**Trading & Distribution**	**Investment and Management Services**	**Inter – segment Eliminations**	**Total**
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Continuing Operations: -					
Revenue					
External sales	22,797	4,133	-	-	26,930
Inter-segment sales	-	-	1,584	(1,584)	-
Total revenue	22,797	4,133	1,584	(1,584)	26,930
Results					
Interest Income	38	-*	-	-	38
Interest Expenses	(814)	-	(5)	-	(819)
Depreciation & Amortisation	(820)	(3)	(38)	-	(861)
Other non-cash expenses	(163)	-	-*	-	(163)
Taxation	517	(8)	(2)	-	507
Segment (loss)/profit	(2,748)	105	6	-	(2,637)
Discontinued Operation: -					
Revenue					
External sales	3,465	-	-	-	3,465
Total revenue	3,465	-	-	-	3,465
Results					
Interest Income	5	-	-	-	5
Other non-cash expenses	37	-	-	-	37
Segment profit	3,440	-	-	-	3,440
Group: -					
Assets					
Additions to non-current assets	104	-*	-	-	104
Segment assets	26,626	1,259	14,064	(14,235)	27,714
Liabilities					
Segment liabilities	9,962	1,334	564	(6,122)	5,738

* Denotes less than S$1,000.

(b) Geographical segments

Revenue and non-current assets information are based on the geographical locations of customers and assets respectively.

	Turnover-Continuing Operations	Turnover-Discontinued Operation	Non Current Assets
	S$'000	S$'000	S$'000
FY 2018			
Singapore	235	-	534
Asean (excluding Singapore)	6,482	-	-
North Asia	274	-	-
America & Europe	6,429	-	-
Others	162	-	-
Total	13,582	-	534

	Turnover-Continuing Operations	Turnover-Discontinued Operation	Non Current Assets
	S$'000	S$'000	S$'000
FY 2017			
Singapore	433	-	12,467
Asean (excluding Singapore)	5,351	-	-
North Asia	14,741	3,330	-
America & Europe	6,194	135	-
Others	211	-	-
Total	26,930	3,465	12,467

15. 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 item 8.

16. A breakdown of sales.

	Group S$'000		%
	30-June-18	30-June-17	Increase/ (Decrease)
Continuing Operations			
Sales reported for first half year	6,587	17,513	(62)
Loss attributable to shareholders reported for first half year	(1,132)	(1,271)	(11)
Sales reported for second half year	6,995	9,417	(26)
Loss attributable to shareholders reported for second half year	(571)	(1,366)	(58)

Discontinued Operation			
Sales reported for first half year	-	2,909	n.m
Loss attributable to shareholders reported for first half year	-	(2,072)	n.m
Sales reported for second half year	-	556	n.m
Profit attributable to shareholders reported for second half year	-	5,512	n.m

17. 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

	FY2018 (S$'000)	FY2017 (S$'000)
Ordinary	0	0
Preference	0	0
Total:	0	0

18. 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 first held	Details of changes in duties and position held, if any, during the year
Mr Tan Sin Hock	57	Brother of Mr Tan Chee Hawai (Group Managing Director and Substantial Shareholder) and Mr Tan Ah Wo (Substantial Shareholder). Brother-in-law of Ms Heng Kheng Hwai (Non-Executive Director and Substantial Shareholder).	Executive Director since year 2001. He is currently responsible for equipment upgrading and plant maintenance.	Nil
Ms Heng Kheng Hwai	60	Sister-in-law of Mr Tan Sin Hock (Executive Director and Substantial Shareholder) and Mr Tan Ah Wo (Substantial Shareholder). Spouse of Mr Tan Chee Hawai (Group Managing Director and Substantial Shareholder).	Non-Executive Director since year 2001. Member of the Audit Committee.	Nil
Mr Tan Chee Hawai	68	Brother of Mr Tan Sin Hock (Executive Director and Substantial Shareholder) and Mr Tan Ah Wo (Substantial Shareholder). Spouse of Ms Heng Kheng Hwai (Non-Executive Director and Substantial Shareholder).	Group Managing Director since year 2012. Mr Tan's main duties include overseeing the planning and review of corporate strategies and policies as well as coordinating overall management functions of the Group.	Nil

19. Confirmation Pursuant to Rule 720(1) of the Catalist Rules

The Company has procured undertakings from all its directors and executive officers in the format set out in Appendix 7(H) under Rule 720(1) of the Catalist Rules.

BY ORDER OF THE BOARD

Lai Foon Kuen
Company Secretary
29 August 2018

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), Asian Corporate Advisors Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**Exchange**"). The Company's Sponsor has not independently verified the contents of this announcement including the correctness of any of the figures used, statements or opinions made.*

This announcement has not been examined or approved by the Exchange and the Exchange 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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