



ALLIED TECHNOLOGIES LIMITED

Full Year Financial Statement for the year ended 31 December 2018

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

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

	GROUP					
	3 months ended		+ / (-) %	12 months ended		+ / (-) %
	4Q FY18 S\$'000	4Q FY17 S\$'000		12M FY18 S\$'000	12M FY17 S\$'000	
Continuing operations						
Turnover	29,256	25,345	15%	126,643	94,804	34%
Cost of sales	(25,632)	(21,617)	19%	(114,565)	(83,298)	38%
Gross profit	3,624	3,728	(3%)	12,078	11,506	5%
Other operating income	218	1,502	(85%)	857	2,202	(61%)
Marketing and distribution costs	(8)	-	n.m.	(381)	-	n.m.
General and administrative expenses	(2,993)	(5,168)	(42%)	(9,889)	(9,987)	(1%)
Finance costs	(118)	(25)	372%	(256)	(94)	172%
Profit before tax	723	37	1854%	2,409	3,627	(34%)
Tax expense	(171)	(125)	37%	(346)	(163)	112%
Profit/(loss) from continuing operations, net of tax	552	(88)	n.m.	2,063	3,464	(40%)
Discontinued operation						
(Loss)/profit from discontinued operation, net of tax	-	(394)	n.m.	97	(189)	n.m.
Profit/(loss) for the period	552	(482)	n.m.	2,160	3,275	(34%)
Attributable to:						
Owners of the Company						
Profit/(loss) from continuing operations, net of tax	707	(88)	n.m.	1,881	3,464	(46%)
(Loss)/profit from discontinued operation, net of tax	-	(394)	n.m.	97	(189)	n.m.
Profit/(loss) for the period attributable to owners of the Company	707	(482)	n.m.	1,978	3,275	(40%)
Non-controlling interests						
(Loss)/profit from continuing operations, net of tax	(155)	-	n.m.	182	-	n.m.
Profit from discontinued operation, net of tax	-	-	n.m.	-	-	n.m.
(Loss)/profit for the period attributable to non-controlling interests	(155)	-	n.m.	182	-	n.m.
Statement of comprehensive income						
Profit/(loss) for the period	552	(482)	n.m.	2,160	3,275	(34%)
Other comprehensive income:						
Items that will not be reclassified to profit or loss						
Net fair value loss on equity instrument at fair value through other comprehensive income	(245)	-	n.m.	(245)	-	n.m.
Items that may be reclassified to profit or loss						
Disposal of subsidiaries	-	-	n.m.	12	-	n.m.
Liquidation of subsidiaries	-	-	n.m.	-	(152)	n.m.
Foreign currency translation	(60)	631	n.m.	419	(317)	n.m.
Total comprehensive income for the period	247	149	n.m.	2,346	2,806	(16%)
Attributable to:						
Owners of the Company						
Total comprehensive income from continuing operations, net of tax	406	149	172%	2,138	2,806	(24%)
Non-controlling interests	(159)	-	n.m.	208	-	n.m.
Total comprehensive income for the period	247	149	66%	2,346	2,806	(16%)
Attributable to:						
Owners of the Company						
Total comprehensive income from continuing operations, net of tax	406	467	(13%)	1,755	3,231	(46%)
Total comprehensive income from discontinued operation, net of tax	-	(318)	n.m.	383	(425)	n.m.
Total comprehensive income for the period	406	149	172%	2,138	2,806	(24%)

Note:

(i) n.m. - not meaningful

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

Profit before income tax from continuing and discontinued operation is arrived at after charging/(crediting) the following:

	GROUP					
	4Q FY18	4Q FY17	+/(-) %	12M FY18	12M FY17	+/(-) %
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
(a) Cost of sales:						
Allowance for/(write back of) inventory obsolescence	30	(402)	n.m.	107	96	11%
(b) Other operating income:						
Interest income from bank deposits	(43)	(10)	330%	(95)	(62)	53%
Interest income from other debtor	-	-	n.m.	(202)	-	n.m.
Dividend income from other investment	-	(110)	n.m.	(195)	(110)	77%
Gain on disposal of intangible assets	-	-	n.m.	(30)	-	n.m.
Loss/(gain) on disposal of property, plant and equipment	35	(10)	n.m.	2	(28)	n.m.
Gain on liquidation of subsidiaries	-	-	n.m.	-	(141)	n.m.
Amortisation of deferred interest income	-	(1,541)	n.m.	(19)	(1,783)	(99%)
Amortisation of deferred compensation income	-	(121)	n.m.	(40)	(483)	(92%)
Rental income	(14)	(55)	(75%)	(100)	(140)	(29%)
(c) Operating profit is stated after (crediting)/charging:						
(Write back of)/allowance for impairment on:						
- trade debtors	(19)	678	n.m.	(73)	2,237	n.m.
- other debtors	-	41	n.m.	-	41	n.m.
Impairment loss on:						
- trade debtors	7	-	n.m.	7	-	n.m.
- other debtors	286	-	n.m.	286	-	n.m.
Impairment loss on assets of disposal group classified as held for sale	-	245	n.m.	-	245	n.m.
Loss on disposal of subsidiaries	-	-	n.m.	98	-	n.m.
Foreign exchange (gain)/losses	(76)	504	n.m.	453	1,223	(63%)

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		COMPANY	
	31/12/18 S\$'000	31/12/17 S\$'000	31/12/18 S\$'000	31/12/17 S\$'000
Non-current assets				
Intangible assets	55,517	124	-	-
Property, plant and equipment	24,084	20,572	-	93
Investment in subsidiaries	-	-	83,625	12,602
Investment in joint venture	-	-	-	-
Loan receivables from subsidiaries	-	-	7,326	13,638
Other investments	1,960	2,205	-	2,081
Prepayments	2,056	-	-	-
	<u>83,617</u>	<u>22,901</u>	<u>90,951</u>	<u>28,414</u>
Current assets				
Inventories	15,053	10,332	-	-
Amount due from subsidiaries	-	-	-	4,760
Trade debtors	21,320	20,582	-	1,953
Other debtors	8,350	3,527	12	398
Prepayments and advances to suppliers	601	962	8	46
Fixed deposits	4,957	1,757	-	-
Cash and bank balances	43,558	58,051	33,576	51,215
	<u>93,839</u>	<u>95,211</u>	<u>33,596</u>	<u>58,372</u>
Assets of disposal group classified as held for sale	-	54,407	-	19,044
	<u>93,839</u>	<u>149,618</u>	<u>33,596</u>	<u>77,416</u>
Current liabilities				
Amount due to a subsidiary	-	-	139	139
Trade creditors	29,046	22,772	-	177
Other creditors and accruals	10,483	8,798	1,897	3,314
Hire purchase creditor	-	4	-	-
Deposit received	-	2,000	-	2,000
Amount due to a non-controlling shareholder	238	-	-	-
Income tax payable	172	118	-	-
Loans and borrowings	3,823	3,258	-	-
	<u>43,762</u>	<u>36,950</u>	<u>2,036</u>	<u>5,630</u>
Liabilities of disposal group classified as held for sale	-	32,728	-	-
	<u>43,762</u>	<u>69,678</u>	<u>2,036</u>	<u>5,630</u>
Net current assets	50,077	79,940	31,560	71,786
Non-current liabilities				
Other creditors and accruals	-	1,183	-	1,183
Loans and borrowings	6,840	1,877	-	-
Deferred tax liabilities	6	-	-	-
	<u>6,846</u>	<u>3,060</u>	<u>-</u>	<u>1,183</u>
TOTAL NET ASSETS	<u>126,848</u>	<u>99,781</u>	<u>122,511</u>	<u>99,017</u>
Equity attributable to owners of the Company				
Share capital	115,899	90,738	115,899	90,738
Foreign currency translation reserve	986	872	-	-
Statutory reserve fund	118	16	-	-
Other reserves	189	189	189	189
Fair value adjustment reserve	(245)	-	-	-
Retained earnings	9,998	6,319	6,423	8,090
Reserves of disposal group classified as held for sale	-	1,647	-	-
	<u>126,945</u>	<u>99,781</u>	<u>122,511</u>	<u>99,017</u>
Non-controlling interests	(97)	-	-	-
TOTAL EQUITY	<u>126,848</u>	<u>99,781</u>	<u>122,511</u>	<u>99,017</u>

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 December 2018		As at 31 December 2017	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
3,823	1,291	3,262	-

Amount repayable after one year

As at 31 December 2018		As at 31 December 2017	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
6,840	-	1,877	-

Details of any collateral

The Group's borrowings comprise of the following:

- (i) hire purchase creditor;
- (ii) amounts due to bankers;
- (iii) amount due to a non-controlling shareholder; and
- (iv) amount due to a company related to a director (included in other creditors and accruals)

The hire purchase creditor relates to an asset of the Company's subsidiary, which is financed under hire purchase.

The amounts due to bankers are secured facilities granted to the Company's subsidiaries (collectively, the "**Group**"). The secured facilities granted are secured by:

- (1) fixed deposits placement by the Company's respective subsidiaries;
- (2) lands and properties of the respective subsidiaries; and
- (3) an agreed amount of corporate guarantee provided by the Company and its subsidiary.

The amounts due to a non-controlling shareholder and a company related to a director are non-trade related, unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

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.

Consolidated cash flow statement for the year ended 31 December

	3 months ended		12 months ended	
	4Q FY18 S\$'000	4Q FY17 S\$'000	12M FY18 S\$'000	12M FY17 S\$'000
Cash flows from operating activities				
Profit before tax from continuing operations	723	37	2,409	3,627
(Loss)/profit before tax from discontinued operation	-	(394)	97	(189)
Profit/(loss) before tax, total	<u>723</u>	<u>(357)</u>	<u>2,506</u>	<u>3,438</u>
Adjustments for:				
Loss/(gain) on disposal of property, plant and equipment	35	(10)	2	(28)
Gain on disposal of intangible assets	-	-	(30)	-
Gain on liquidation of subsidiaries	-	-	-	(141)
Gain on termination of club membership	-	(15)	-	(56)
Loss on disposal of subsidiaries	-	-	98	-
Depreciation of property, plant and equipment	484	871	2,426	3,462
Amortisation of intangible assets	-	3	1	11
Impairment loss on assets of disposal group held for sale	-	245	-	245
Amortisation of deferred interest income	-	(1,541)	(19)	(1,783)
Amortisation of deferred compensation income	-	(121)	(40)	(483)
Interest income from bank deposits	(43)	(10)	(95)	(62)
Interest income from other receivable	-	-	(202)	-
Interest expense	118	130	305	454
Dividend income from other investment	-	(110)	(195)	(110)
Exchange differences	(347)	195	(59)	623
Operating profit/(loss) before working capital changes	970	(720)	4,698	5,570
Increase in inventories	(3,262)	(1,883)	(4,717)	(1,333)
Decrease in trade debtors and other debtors	4,973	10,606	3,140	2,921
(Decrease)/increase in trade creditors and other creditors	<u>(3,676)</u>	<u>11,137</u>	<u>(4,937)</u>	<u>7,037</u>
Cash (used in)/generated from operations	(995)	19,140	(1,816)	14,195
Interest paid	(118)	(130)	(305)	(454)
Interest received	245	10	297	62
Tax paid	(79)	(55)	(303)	(71)
Net cash (used in)/generated from operating activities	(947)	18,965	(2,127)	13,732
Cash flows from investing activities				
Net cash outflow on acquisition of subsidiaries	-	-	(54,214)	-
Proceeds from disposal of property, plant and equipment	570	477	789	495
Proceeds from termination of club membership	-	15	152	60
Purchase of property, plant and equipment	(892)	(5,667)	(6,347)	(10,729)
Prepayment for purchase of land	(2,056)	-	(2,056)	-
Dividend receipt from other investment	-	110	195	110
Net cashflow on disposal of subsidiaries	-	-	20,083	-
Deposit received from disposal of subsidiaries	-	2,000	-	2,000
Net cash used in investing activities	(2,378)	(3,065)	(41,398)	(8,064)
Cash flows from financing activities				
Proceeds from issuance of ordinary shares (net of transaction costs)	-	33,401	25,161	33,401
Dividend paid on ordinary shares	-	-	(135)	-
Net decrease in hire purchase creditors	-	(2)	(4)	(8)
Drawdown of bank borrowings	9,920	3,234	19,236	19,879
Repayment of bank borrowings	(4,429)	(3,381)	(13,664)	(12,196)
Increase in fixed deposits	<u>(2,636)</u>	<u>(282)</u>	<u>(3,221)</u>	<u>(684)</u>
Net cash generated from financing activities	2,855	32,970	27,373	40,392
Net (decrease)/increase in cash and cash equivalents	(470)	48,870	(16,152)	46,060
Cash and cash equivalents at beginning of period	44,007	10,576	59,618	13,939
Effects of exchange rates on opening cash and cash equivalents	21	172	92	(381)
Cash and cash equivalents at end of period	43,558	59,618	43,558	59,618
Cash and cash equivalents at end of period comprise:				
- Cash and bank balances	43,558	58,051	43,558	58,051
- Cash and bank balances classified as held for sale	-	1,567	-	1,567
	43,558	59,618	43,558	59,618

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 period.

**Consolidated Statement of Changes in Shareholders' Equity for the period ended 31 December
(In S\$'000)**

	Share Capital	Foreign currency translation reserve	Statutory reserve fund	Other reserves	Fair value adjustment reserve	Retained earnings	Reserve of disposal group classified as held for sale	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
Group										
Balance as at 1 January 2018	90,738	872	16	189	-	6,319	1,647	99,781	-	99,781
Profit for the period	-	-	-	-	-	516	-	516	-	516
Other comprehensive income	-	742	-	-	-	-	-	742	-	742
Attributable to disposal group	-	(279)	-	-	-	97	279	97	-	97
Disposal of subsidiaries	-	(12)	-	-	-	1,938	(1,926)	-	-	-
Balance as at 31 March 2018	90,738	1,323	16	189	-	8,870	-	101,136	-	101,136
Profit for the period	-	-	-	-	-	635	-	635	424	1,059
Acquisition of a subsidiaries	-	-	-	-	-	-	-	-	(396)	(396)
Dividend paid during the period	-	-	-	-	-	(135)	-	(135)	-	(135)
Other comprehensive income	-	(151)	-	-	-	-	-	(151)	26	(125)
Transfer between reserves	-	-	143	-	-	(143)	-	-	-	-
Balance as at 30 June 2018	90,738	1,172	159	189	-	9,227	-	101,485	54	101,539
Profit/(loss) for the period	-	-	-	-	-	23	-	23	(87)	(64)
Issuance of ordinary shares (net of transaction costs)	25,161	-	-	-	-	-	-	25,161	-	25,161
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	94	94
Other comprehensive income	-	(130)	-	-	-	-	-	(130)	4	(126)
Balance as at 30 September 2018	115,899	1,042	159	189	-	9,250	-	126,539	65	126,604
Profit/(loss) for the period	-	-	-	-	-	707	-	707	(155)	552
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	(3)	(3)
Other comprehensive income	-	(56)	-	-	(245)	-	-	(301)	(4)	(305)
Transfer between reserves	-	-	(41)	-	-	41	-	-	-	-
Balance as at 31 December 2018	115,899	986	118	189	(245)	9,998	-	126,945	(97)	126,848
Balance as at 1 January 2017	57,337	1,050	1,938	189	-	3,060	-	63,574	-	63,574
Total comprehensive income for the period	-	(897)	-	-	-	1,562	-	665	-	665
Balance as at 31 March 2017	57,337	153	1,938	189	-	4,622	-	64,239	-	64,239
Total comprehensive income for the period	-	(302)	-	-	-	1,733	-	1,431	-	1,431
Balance as at 30 June 2017	57,337	(149)	1,938	189	-	6,355	-	65,670	-	65,670
Total comprehensive income for the period	-	99	-	-	-	462	-	561	-	561
Balance as at 30 September 2017	57,337	(50)	1,938	189	-	6,817	-	66,231	-	66,231
Total comprehensive income for the period	-	631	-	-	-	(482)	-	149	-	149
Issuance of ordinary shares	33,401	-	-	-	-	-	-	33,401	-	33,401
Reserve attributable to the disposal group classified as held for sale	-	291	(1,938)	-	-	-	1,647	-	-	-
Transfer between reserves	-	-	16	-	-	(16)	-	-	-	-
Balance as at 31 December 2017	90,738	872	16	189	-	6,319	1,647	99,781	-	99,781

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 period.

(In S\$'000)

	Share capital	Other reserves	Retained earnings	Total equity attributable to owners of the Company
<u>Company</u>				
Balance as at 1 January 2018	90,738	189	8,090	99,017
Total comprehensive income for the period	-	-	(344)	(344)
Balance as at 31 March 2018	90,738	189	7,746	98,673
Total comprehensive income for the period	-	-	(476)	(476)
Dividend paid during the period	-	-	(135)	(135)
Balance as at 30 June 2018	90,738	189	7,135	98,062
Total comprehensive income for the period	-	-	(413)	(413)
Issuance of ordinary shares (net of transaction costs)	25,161	-	-	25,161
Balance as at 30 September 2018	115,899	189	6,722	122,810
Total comprehensive income for the period	-	-	(299)	(299)
Balance as at 31 December 2018	115,899	189	6,423	122,511
Balance as at 1 January 2017	57,337	189	2,537	60,063
Total comprehensive income for the period	-	-	(512)	(512)
Balance as at 31 March 2017	57,337	189	2,025	59,551
Total comprehensive income for the period	-	-	3,526	3,526
Balance as at 30 June 2017	57,337	189	5,551	63,077
Total comprehensive income for the period	-	-	926	926
Balance as at 30 September 2017	57,337	189	6,477	64,003
Total comprehensive income for the period	-	-	1,613	1,613
Issuance of ordinary shares	33,401	-	-	33,401
Balance as at 31 December 2017	90,738	189	8,090	99,017

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.

Details of any changes in the Company's issued share capital

	No. of ordinary shares (‘000)	Amount (S\$'000)
As at 1 January 2018	1,350,329	90,738
Shares placement completed during the year	420,000	25,161
As at 31 December 2018	1,770,329	115,899

As at 31 December 2018 and 31 December 2017, the Company did not have any outstanding convertibles, treasury shares or subsidiary holdings.

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.

	31 December 2018	31 December 2017
Total number of issued shares (‘000) (excluding treasury shares)	1,770,329	1,350,329

There were no treasury shares as at 31 December 2018 and 31 December 2017.

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 as the Company did not have any treasury shares as at 31 December 2018 and 31 December 2017.

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 as the Company did not hold any subsidiary holdings as at 31 December 2018 and 31 December 2017.

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

The figures have not been audited or reviewed by the Company's auditors. The management is still in the midst of discussion with the auditors on some further documentation on certain transactions that need to be furnished to the auditors. The Company's sponsor (the "Sponsor") will also be following up with the auditors for updates on this matter. The Board will work closely with both the auditors and the Sponsor and ensure that the Company make the relevant update announcements as and when there are material developments on this matter.

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 preparation of the financial statements for the current financial period as compared to those applied in the audited financial statements for the financial year ended 31 December 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.

As required by the listing requirements of the Singapore Exchange, the Group has adopted the Singapore Financial Reporting Standards (International) ("**SFRS(I)s**") that are relevant to the Group on 1 January 2018. The adoption of SFRS(I)s did not result in a restatement of prior periods' financial information nor any material impact to the financial statements for the current financial period.

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

Earnings Per Share

The Group	3 months ended		12 months ended	
	<u>4Q FY18</u>	<u>4Q FY17</u>	<u>12M FY18</u>	<u>12M FY17</u>
<u>Earnings (S\$'000)</u>				
<u>Attributable to the equity holders of the Company</u>				
Profit/(loss) from continuing operations, net of tax	707	(88)	1,881	3,464
Profit/(loss) for the period	707	(482)	1,978	3,275
Earnings per share from continuing operations (cents)				
- Basic and diluted	0.04	(0.01)	0.12	0.43
Earnings per share (cents)				
- Basic and diluted	0.04	(0.04)	0.13	0.41
Weighted average number of ordinary shares ('000)	1,770,329	1,155,884	1,559,754	796,332

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.

Net asset value per ordinary share

	Group		Company	
	31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17
Net asset value per ordinary share based on issued share capital at end of the period (in cents)	7.17	7.39	6.92	7.33
Net asset value as at end of period (S\$'000)	126,848	99,781	122,511	99,017
No. of ordinary shares ('000)	1,770,329	1,350,329	1,770,329	1,350,329

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 period 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 period reported on.

a. Turnover

Continuing operations

The Group's turnover has increased to S\$29.26 million and S\$126.64 million in 4Q FY2018 and 12M FY2018 respectively, compared to S\$25.35 million and S\$94.80 million in 4Q FY2017 and 12M FY2017. The increase is contributed mainly by the Company's subsidiaries located in Malaysia, Vietnam and the newly acquired subsidiaries during 12M FY2018.

The Company has ceased to generate revenue since 4Q FY2018 due to the change of its principal business activities to investment holding company, as a result of the Group's internal restructuring to streamline the subsidiaries into two business segments, namely precision metal stamping and e-commerce.

Precision Metal Stamping

In 4Q FY2018 and 12M FY2018, the Company's subsidiary located in Singapore (incorporated in January 2018) reported turnover of S\$0.21 million and S\$0.87 million respectively.

Its subsidiaries located in Malaysia reported an increase in turnover of S\$4.77 million and S\$15.49 million respectively, as compared to 4Q FY2017 and 12M FY2017. The increase is mainly resulting from higher sales demand from the existing projects.

The subsidiary located in Vietnam reported higher turnover in both 4Q FY2018 and 12M FY2018 due to increase in sales demand from customers. As a result, its revenue in 12M FY2018 rose from S\$51.13 million to S\$58.22 million.

Subsidiary located in Thailand recorded a lower turnover amounting to S\$1.60 million and S\$6.67 million in 4Q FY2018 and 12M FY2018 respectively, as compared to that in 4Q FY2017 and 12M FY2017, resulting from lower orders received from its existing main customer.

E-commerce

E-commerce segment consists of Asia Box Office Pte. Ltd. (“**ABO**”) and its subsidiary, Asia Box Office (HK) Limited (“**ABO HK**”) (collectively “**ABO Group**”) and Activpass Holdings Pte. Ltd. (“**Activpass**”). The acquisitions of both ABO Group and Activpass were completed in April and July 2018 respectively.

In 4Q FY2018, the ABO Group recorded a turnover of S\$0.34 million derived from the consultancy services rendered to a third party in relation to event management.

In 12M FY2018, ABO Group achieved a turnover of S\$14.23 million in total, which was mainly contributed by one of its major events, Cirque Du Soleil Inc.’s Big Top touring show “KOOZA”, which was held in Hong Kong in 2Q FY2018.

Activpass reported a turnover of S\$0.22 million and S\$0.32 million in 4Q FY2018 and 12M FY2018 respectively. Activpass’ turnover mainly consists of subscription revenue, commission revenue, software hosting and maintenance revenue, software development revenue and cash and media sponsorship.

Discontinued operation

Discontinued operation relates to the results of the Company’s former subsidiary, Allied Technologies (Suzhou) Co, Ltd (“**ATSU**”), which was disposed of with effect from January 2018. Hence, meaningful comparison could not be made against the results of 4Q FY2017 and 12M FY2017.

b. Operating results

Continuing operations

The Group recorded profit before tax (“**PBT**”) of S\$0.72 million and S\$2.41 million in 4Q FY2018 and 12M FY2018 respectively, compared to PBT of S\$0.04 million and S\$3.63 million in 4Q FY2017 and 12M FY2017. The PBT in 4Q FY2018 and 12M FY2018 is mainly contributed by the Company’s subsidiaries in precision metal stamping segment.

Precision Metal Stamping

The PBT in 4Q FY2018 and 12M FY2018 is lower than that in 4Q FY2017 and 12M FY2017 despite higher turnover recorded. This is mainly due to higher operation costs arising from higher staff cost and depreciation expenses incurred by one of the subsidiaries located in Malaysia, which commenced its operation in end of December 2017. The higher staff cost is due to the increase in headcount to meet the operation needs and higher depreciation expenses were resulted from additions of property, plant and equipment (“**PPE**”).

E-commerce

In 4Q FY2018, the ABO Group reported a loss before tax (“**LBT**”) of S\$0.23 million. This is mainly due to the absence of major event in 4Q FY2018 as most events were held in Q2 FY2018 and Q3 FY2018. In 12M FY2018, ABO group reported a PBT of S\$0.61 million. The profit is mainly generated from one of the major events, which is the Cirque Du Soleil Inc.’s Big Top touring show “KOOZA” in Hong Kong during 12M FY2018.

Activpass reported a LBT of S\$0.09 million and S\$0.24 million in 4Q FY2018 and 12M FY2018 respectively. Losses incurred mainly due to high administrative expenses.

Overall, the Group’s continuing operations recorded a profit after tax of S\$0.55 million and S\$2.06 million in 4Q FY2018 and 12M FY2018.

Cost of sales

The Group's cost of sales ("**COS**") consists of material cost, labour cost, overhead cost and procurement cost of e-commerce services. The COS in 4Q FY2018 and 12M FY2018 increased by 19% and 38%, respectively compared to 4Q FY2017 and 12M FY2017.

The increase is higher than the increase in turnover which is mainly due to change in material mix for the precision metal stamping segment's new products, which requires a higher percentage of raw material used, resulting in higher material cost. Other than the material cost, the increase is also due to higher labour cost incurred and costs arising from the new acquired e-commerce segment.

Other operating income

Other operating income of the Group's continuing operations comprises mainly of rental income, dividend income, interest income, amortisation of deferred compensation income and gain on disposal of PPE.

Other operating income of the Group's continuing operations in 4Q FY2018 and 12M FY2018 are lower than that in 4Q FY2017 and 12M FY2017 by 85% and 61% respectively. This is mainly due to absence of amortisation of interest income and gain on liquidation of subsidiaries.

Marketing and distribution costs

Marketing and distribution cost relates entirely to the advertising and promotion expenses incurred for the events held by the ABO Group.

General and administrative expenses

General and administrative expenses mainly include marketing and distribution expenses, professional fees, staff salaries, directors' fee, office expenses and foreign exchange loss.

These expenses have decreased by 42% and 1% in 4Q FY2018 and 12M FY2018 respectively, as compared to 4Q FY2017 and 12M FY2017.

The decrease is mainly due to the non-recurring compensation sum for termination of service agreement to the Company's former directors that was recorded in 4Q FY2017 of S\$2.75 million. The decrease is partially offset by the consolidation of post-acquisition general & administrative expenses incurred by ABO Group and Activpass as well as the recognition of professional fees arising from the acquisitions of ABO Group and Activpass during 12M FY2018.

Finance costs

The Group's finance costs have increased by S\$0.09 million and S\$0.16 million in 4Q FY2018 and 12M FY2018 respectively, due to increase in bank borrowings drawdown by the Group during the period.

Discontinued operation

Discontinued operation includes the results of ATSU until its disposal in January 2018. Hence, meaningful comparison could not be made against the results of 4Q FY2017.

c. Balance Sheet

Group

As at 31 December 2018, the intangible assets balance of S\$55.52 million solely relates to the recognition of provisional goodwill arising from the acquisitions of ABO Group and Activpass, which were completed in 2Q FY2018 and 3Q FY2018 respectively. Other intangible assets recorded as at 31 December 2017 have been fully disposed of during the year.

The increase in PPE from S\$20.57 million as at 31 December 2017 to S\$24.08 million as at 31 December 2018 is mainly due to additions of PPE, which is partially offset by the depreciation charged in 12M FY2018.

The Group has 50% interest in the ownership and voting rights in a joint venture (“JV”), ABO Labs Pte. Ltd. that is held by ABO, amounting to S\$50. This joint venture is incorporated in Singapore and its principal business activities are software consultancy and development. The Group jointly controls the venture with other partner under the contractual agreement. The carrying amount of the JV is nil as at 31 December 2018.

Other investment balance as at 31 December 2018 has decreased from S\$2.21 million to S\$1.96 million. This is due to the net fair value loss on the equity instrument at fair value through comprehensive income.

Prepayments balance under non-current assets of S\$2.06 million relates to the prepayments made for land acquired by one of the subsidiaries located in Malaysia.

As at 31 December 2018, inventories balance increased to S\$15.05 million in order to meet the sales demand in the coming quarter.

The Group also recorded a higher trade debtors balance of S\$21.32 million as at 31 December 2018 as a result of higher revenue achieved

The Group's other debtors balance has increased to S\$8.35 million as at 31 December 2018 from S\$3.53 million as at 31 December 2017. The increase is mainly due to a refundable deposit amounting to S\$1.93 million for an event which had been cancelled. The increase in the Group's other debtors balance is also due to a receivable by ABO for the rights of a professional tennis tournament amounting to S\$2.18 million, for which ABO has withdrawn from before year end.

The Group's prepayments and advances to suppliers balances under current assets as at 31 December 2018 have decreased by S\$0.36 million, mainly due to the downpayment and prepayments made to suppliers to purchase materials and machineries as at 31 December 2017. These balances have been reclassified to inventories and PPE respectively.

Trade creditors balance has increased to S\$29.05 million as at 31 December 2018 mainly due to higher purchases made by the precision metal stamping subsidiaries located in Malaysia.

The other creditors and accruals balances (total current and non-current balances) have increased from S\$9.98 million as at 31 December 2017 to S\$10.48 million as at 31 December 2018. The increase is mainly attributable to an amount paid on behalf by a company related to a director for ABO Group's KOOZA show expenses. The increase is partially offset by repayment of compensation sum for termination of service agreement payable to the Company's former director during the year.

As at 31 December 2018, the Group's loans and borrowings have increased to S\$10.66 million from S\$5.14 million. This is mainly due to the drawdown of bank borrowings by the Group's overseas subsidiaries for land acquisition and working capital purposes. However, the increase is partially offset by repayments of bank borrowings, which had matured during the year.

Deferred tax liability in the Group's balance sheet relates to the deferred tax liability recognised on the unremitted earnings of an overseas subsidiary.

Amount due to a non-controlling shareholder relates to advances provided to Activpass by its non-controlling shareholder for its working capital purposes. The non-controlling shareholder is also a director of Activpass.

The equity attributable to owners of the Company has increased by S\$27.16 million to S\$126.95 million as at 31 December 2018. The increase is due to issuance of 420,000,000 ordinary shares in July 2018, profit generated during the year and favourable foreign currency translation reserve movement. However, the increase is also partially offset by the net fair value loss attributable to other investment amounting to S\$0.25 million.

Company

The increase in the investment in subsidiaries is due to the internal restructuring exercise undertaken by the Company to organise the Precision Metal Stamping subsidiaries, to be held by a newly incorporated subsidiary located in Singapore - Allied Technologies Holdings Pte. Ltd. as well as the acquisitions of 51% ordinary shares each in both ABO Group and Activpass.

d. Cash Flow Statements

In 12M FY2018, the Group recorded a net cash used in operating activities of S\$2.13 million compared to net cash generated from operating activities of S\$13.73 million in 12M FY2017. The cash outflow is mainly due to increase in inventories balance and repayment made to other creditors.

The Group recorded a net cash used in investing activities in 12M FY2018 of S\$41.40 million. It is mainly due to net cash outflow of S\$54.21 million for the acquisitions of ABO Group and Activpass, purchase of PPE of S\$6.35 million and prepayment for purchase of land of S\$2.06 million in 12M FY2018. The net cash outflow has been partially offset by the receipt of balance consideration from the purchaser of ATSU, amounting to S\$20.08 million.

In financing activities, the Group has recorded a net cash inflow of S\$27.37 million, mainly derived from the proceeds from issuance of ordinary shares (net of transaction cost), amounting to S\$25.16 million and net proceeds from drawdown of bank borrowings of S\$5.57 million in 12M FY2018. The increase is partially offset by the placement of S\$3.22 million fixed deposit and payment of final one-tier tax exempt dividend of 0.01 Singapore cents per share in respect of FY2017, amounting to S\$0.14 million.

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

No forecast or prospect statement has been previously disclosed to shareholders.

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

The business environment remains challenging for the Group in light of the uncertain global economic outlook. Besides streamlining its operations, the Group is also exploring possible avenues for business opportunities in both its precision engineering and e-commerce business segments. With the economic uncertainties ahead, the Group expects to face challenging business conditions in the next 12 months.

11 Dividend

(a) Whether an interim (final) ordinary dividend has been declared or recommended

None.

(b) (i) Amount per share

Not applicable.

(i) Previous corresponding period

None.

(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) Date payable

Not applicable.

(e) Books closure date

Not applicable.

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

No dividend for the period ended 31 December 2018 has been declared or recommended.

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 Company has not obtained a general mandate from shareholders for interested person transactions.

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 of the Catalist Rules) under Rule 720(1) of the Catalist Rules.

15 Use of proceeds

On 31 October 2017, the Company completed the issuance of 675,164,460 ordinary shares via placement and raised net proceeds of S\$33.40 million (“**Net Proceeds**”).

On 4 April 2018, the Company announced the completion of proposed acquisition of 51% of the entire issued and fully paid-up capital of Asia Box Office Pte. Ltd. (“**Proposed Acquisition**”). Consideration sum of S\$30.00 million and the Proposed Acquisition related transaction costs of S\$0.10 million have been paid to professional parties.

The table below reflected the status on the use of Net Proceeds as at the date of announcement:

Use of Net Proceeds	<u>Allocation of Net Proceeds</u> S\$ million	<u>Net Proceeds utilised as at the date of announcement</u> S\$ million	<u>Balance of Net Proceeds as at the date of announcement</u> S\$ million
(i) Business expansion through acquisitions, joint ventures and collaborations and funding needs of such business expansion	30.1	(30.1)	-
(ii) General working capital purposes	3.3	-	3.3
	<u>33.4</u>	<u>(30.1)</u>	<u>3.3</u>

On 3 July 2018, the Company completed the issuance of 420,000,000 ordinary shares via placement and raised net proceeds of S\$25.16 million. The net proceeds have been fully utilized by the Company in the proposed acquisition of 51% of the entire issued and fully paid-up capital of Activpass Holdings Pte. Ltd.

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

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

Year 2018 (S\$'000)	Precision Metal Stamping						E-commerce		Elimination	Group	
	Corporate Singapore	Continuing Operations					Discontinued operation China	Continuing Operations			
		Singapore	Malaysia	Vietnam	Thailand	Others		Singapore			Hong Kong
Segment revenue											
External customers	-	1,885	45,313	58,222	6,670	-	3,404	1,014	13,539	-	130,047
Inter segment revenue	-	-	-	-	-	1,121	-	-	-	(1,121)	-
Total revenue	-	1,885	45,313	58,222	6,670	1,121	3,404	1,014	13,539	(1,121)	130,047
Segment (loss)/profit	(2,167)	1,106	89	2,253	786	145	146	421	32	-	2,811
Finance costs											(305)
Profit before taxation											2,506
Taxation											(346)
Net profit after taxation											2,160
Segment assets	33,596	2,506	43,262	29,042	4,262	952	-	61,825	51	-	175,496
Unallocated assets											1,960
											177,456
Other segment information											
Additions to non-current assets	-	191	5,473	393	125	35	17	113	-	-	6,347
Depreciation and amortization	-	46	1,044	416	710	3	157	51	-	-	2,427
Allowance for/(write-back of) inventory obsolescence	-	-	117	(13)	(6)	-	9	-	-	-	107
(Write back of)/allowance for impairment on - trade debtors	-	(12)	(62)	-	-	-	-	1	-	-	(73)
Loss/(gain) on disposal of property, plant and equipment	-	11	1	(13)	3	-	-	-	-	-	2
Impairment loss on - trade debtors	-	-	-	-	-	-	-	7	-	-	7
- other debtors	-	-	-	-	-	-	-	286	-	-	286

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

Year 2017	Corporate		Precision Metal Stamping					Discontinued operation	Elimination	Group
	Continuing operations									
(S\$'000)	Singapore	Singapore*	Malaysia	China	Vietnam	Thailand	Others	China		
Segment revenue										
External customers	-	7,086	29,822	-	51,125	6,771	-	42,548	-	137,352
Inter segment revenue			-	-	-	-	-	1,391	(1,391)	-
Total revenue	-	7,086	29,822	-	51,125	6,771	-	43,939	(1,391)	137,352
Segment (loss)/profit	(3,484)	848	3,392	(78)	2,022	998	23	171	-	3,892
Finance cost										(454)
Profit before taxation										3,438
Taxation										(163)
Net profit after taxation										3,275
Segment assets	53,706	-	30,102	-	27,616	4,483	-	51,686	-	167,593
Unallocated assets										4,926
										172,519
Other segment information										
Additions to non-current assets	-	82	11,855	-	90	41	-	332	-	12,400
Depreciation and amortization	-	28	386	-	426	716	-	1,917	-	3,473
Allowance for/(write-back of)										
inventory obsolescence	-	-	14	-	113	(1)	-	(30)	-	96
Allowance for impairment on										
- trade debtors	-	5	14	-	-	-	-	2,218	-	2,237
- other debtors	-	-	-	-	-	-	-	41	-	41
Impairment loss on assets of disposal group held for sale	-	-	-	-	-	-	-	245	-	245
Gain on disposal of property, plant and equipment	-	-	(10)	-	(7)	-	-	(11)	-	(28)

* For comparative purpose, the Company's result in FY2017 has been re-organised into two segments, which are Corporate and Precision Metal Stamping.

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

Please refer to paragraph 8 of this announcement for the review of the performance of the Group.

18 A breakdown of sales.

A breakdown of sales from continuing and discontinued operation as follows:

	FY 2018 S\$'000 Group	FY 2017 S\$'000 Group	% (decrease)/ increase Group
Sales reported for first half year	69,570	65,662	6%
Operating profit after tax before deducting minority interests reported for first half of the year	1,672	3,295	(49%)
Sales reported for second half year	60,477	71,690	(16%)
Operating profit/(loss) after tax before deducting minority interests reported for second half of the year	488	(20)	n.m.

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

Total dividends (paid and proposed) in respect of the financial year ended 31 December 2018 and 31 December 2017 will be as follows:

Proposed but not recognised as a liability as at 31 December:	FY2018 S\$'000	FY2017 S\$'000
Ordinary One-tier tax exempt	-	135
Preference	-	-
Total	<u>-</u>	<u>135</u>

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(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(10) of the Listing Manual Section B: Rules of Catalist of SGX-ST, the Company confirms that there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a Director, Chief Executive Officer or substantial shareholder of the Company.

ON BEHALF OF THE BOARD

Low Si Ren Kenneth
Executive Director

1 March 2019

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Stamford Corporate Services Pte Ltd (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST. The SGX-ST and the Sponsor assume 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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