

Unaudited Full Year Financial Statement And Dividend Announcement for the Year Ended 31/12/2017

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

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

	Group		Increase / (Decrease) %
	2017 S\$'000	2016 S\$'000	
Revenue	50,584	77,687	(34.89)
Cost of sales	(48,655)	(65,379)	(25.58)
Gross Profit	<u>1,929</u>	<u>12,308</u>	(84.33)
Other operating income	-	112	(100.00)
Selling and distribution expenses	(3,369)	(5,057)	(33.38)
General and administrative expenses	(11,079)	(8,025)	38.06
Other operating expenses	(1,555)	(1)	N.M.
Finance income	<u>437</u>	<u>436</u>	0.23
Finance expenses	<u>(779)</u>	<u>(802)</u>	(2.87)
Finance expenses, net	<u>(342)</u>	<u>(366)</u>	(6.56)
Loss before tax	(14,416)	(1,029)	N.M.
Income tax	<u>(287)</u>	<u>(454)</u>	(36.78)
Loss after tax	<u>(14,703)</u>	<u>(1,483)</u>	891.44
Other comprehensive income :			
Currency translation difference	<u>(326)</u>	<u>(2,428)</u>	(86.57)
Other comprehensive income, net of tax	<u>(326)</u>	<u>(2,428)</u>	(86.57)
Total comprehensive income	<u>(15,029)</u>	<u>(3,911)</u>	284.28
Loss attributable to:			
Owners of the parent	(9,628)	(1,466)	556.75
Non-controlling interests	<u>(5,075)</u>	<u>(17)</u>	N.M.
	<u>(14,703)</u>	<u>(1,483)</u>	891.44
Total comprehensive income attributable to:			
Owners of the parent	(9,707)	(3,145)	208.65
Non-controlling interests	<u>(5,322)</u>	<u>(766)</u>	594.78
	<u>(15,029)</u>	<u>(3,911)</u>	284.28

N.M. - Not meaningful

Other notes :

Profit / (loss) from operations is arrived at after charging / (crediting) the following.

	Group		Increase / (Decrease)
	2017 S\$'000	2016 S\$'000	%
Depreciation of property, plant and equipment	1,788	2,008	(10.96)
Amortisation of land use rights	70	70	-
Amortisation of intangible assets	27	9	200.00
Cost of inventories sold	46,418	60,801	(23.66)
Impairment of trade receivables	1,048	11	N.M.
Research and development	(30)	31	N.M.
Allowance of inventory obsolescence	1,463	25	N.M.
Foreign exchange loss	443	13	N.M.
Loss / (gain) on disposal of property, plant and equipment	629	(5)	N.M.
Property, plant and equipment written off	666	-	N.M.
Interest expense	779	802	(2.87)
Interest income	(437)	(436)	0.23

N.M. - Not meaningful

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	
	Dec-2017	Dec-2016	Dec-2017	Dec-2016
	S\$'000	S\$'000	S\$'000	S\$'000
Non-Current Assets				
Property, plant and equipment	14,335	16,352	206	249
Land use right	806	889	-	-
Intangible assets	14	43	-	4
Investment in subsidiaries	-	-	13,055	12,055
Investment properties	36	36	-	-
Trade and notes receivables	1,216	1,917	1,188	1,889
Current Assets				
Inventories	11,657	17,810	33	80
Trade and notes receivables	17,717	28,792	2,115	2,374
Other receivables	868	1,247	1,500	897
Advance to suppliers	3,795	970	-	-
Prepayment	424	292	22	24
Fixed deposits	2,723	4,692	900	3,004
Cash at bank and at hand	8,895	3,342	237	234
	46,079	57,145	4,807	6,613
Current Liabilities				
Trade Payables	7,215	6,132	5	-
Bills Payable to banks	175	2,575	-	-
Other payables and accruals	6,914	7,823	639	504
Advances from customers	93	73	-	-
Tax Payable	250	327	-	-
Finance lease liabilities	15	22	5	11
Term loan	8,930	5,702	-	500
Deferred tax liabilities	208	-	-	-
	23,800	22,654	649	1,015
Net Current Assets	22,279	34,491	4,158	5,598
Non-Current Liabilities				
Finance lease liabilities	26	39	-	4
	26	39	-	4
Net Assets	38,660	53,689	18,607	19,791
Equity				
Share capital	23,406	23,406	23,406	23,406
Capital reserve	294	294	-	-
General reserve	4,369	4,369	-	-
Enterprise expansion fund	4,369	4,369	-	-
Translation reserve	(79)	-	-	-
Retained earnings / (losses)	(4,288)	5,340	(4,799)	(3,615)
	28,071	37,778	18,607	19,791
Non-controlling interest	10,589	15,911	-	-
Total Equity	38,660	53,689	18,607	19,791

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31/12/2017		As at 31/12/2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
8,532	588	7,799	500

Amount repayable after one year

As at 31/12/2017		As at 31/12/2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
26	-	39	-

Details of any collateral

Secured borrowings

As at 31 December 2017, our Group's borrowings are secured by the following:

- i) Short-term loan of approximately S\$8,517k (31 December 2016: S\$7,777k) granted to the subsidiaries of the company used mainly as working capital and for financing of purchases made in the ordinary course of business; and
- ii) Finance lease obligations of approximately S\$41k (31 December 2016: S\$61k) secured by the underlying assets acquired with total net book values of approximately S\$49k as of 31 December 2017 (31 December 2016: S\$72k).

Unsecured borrowings

- i) S\$588k (31 December 2016: S\$500k) unsecured term loan and trade financing being a drawdown of the Group's credit facility.

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.

	Note	2017 S\$'000	2016 S\$'000
Cash flow from operating activities			
Net loss before taxation		(14,416)	(1,029)
Adjustments for:			
Depreciation of property, plant and equipment		1,788	2,008
Amortisation of land use rights		70	70
Amortisation of intangible assets		27	31
Loss / (gain) from disposal of property, plant & equipment		629	(5)
Property, plant and equipment written off		666	-
Impairment of trade receivables		1,048	11
Allowance of inventory obsolescence		1,463	25
Interest expense		779	802
Interest income		(437)	(436)
Translation adjustments		(352)	(88)
Operating (loss) / profit before working capital changes		(8,735)	1,389
Decrease in inventories		4,429	2,256
Decrease in trade and other receivables		6,147	6,201
Increase in advances to suppliers		(2,826)	(746)
Increase in prepayment		(135)	(75)
Increase / (decrease) in trade and other payables		344	(3,294)
Increase / (decrease) in advances from customers		21	(9)
Increase in tax payables		208	-
Cash (used in) / generated from operations		(547)	5,722
Interest received		437	436
Interest paid		(779)	(802)
Income tax refunded / (paid)		4	(704)
Net cash (used in) / generated from operations		(885)	4,652
Cash flow from investing activities			
Purchase of property, plant and equipment		(1,149)	(2,018)
Purchase of intangible assets		(5)	-
Proceeds from disposal of property, plant and equipment		262	6
Net cash used in investing activities		(892)	(2,012)

	2017 S\$'000	2016 S\$'000
Cash flow from financing activities		
Decrease / (increase) in restricted cash	905	(905)
Proceeds from loans and borrowings	3,383	-
Repayment of loans and borrowings	(67)	(5,207)
Repayment of finance lease obligations	(20)	(13)
Decrease / (increase) in note receivables from banks	4,543	(4,365)
(Decrease) / increase in bill payables to banks	(2,378)	2,557
Net cash generated from / (used in) financing activities	6,366	(7,933)
Net increase / (decrease) in cash & cash equivalents	4,589	(5,293)
Effect of exchange rate changes on cash and cash equivalents	(100)	(582)
Cash and cash equivalents at beginning of financial period	7,129	13,004
Cash and cash equivalents at end of financial period	11,618	7,129

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Note A: Cash and cash equivalents

Cash and cash equivalents consists of bank balances and fixed deposits

Cash and cash equivalents included in consolidated statement of cash flows comprise the following balance sheet amounts:

	2017 S\$'000	2016 S\$'000
Cash and bank balances	8,895	3,342
Fixed deposits	2,723	4,692
	11,618	8,034
Less : Restricted cash*	-	(905)
Cash and cash equivalents	11,618	7,129

*As at 31 December 2017, there was no cash at bank held by the Group (31 December 2016: S\$905k) placed with the local banks of subsidiary companies, which was used to pledge as collateral for the short term loan and issuance of commercial bills.

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.

	Attributable to owners of parent						Non-controlling interest	Total
	Share capital	Capital reserve	General reserve	Enterprise expansion fund	Translation reserve	Retained earnings / (losses)		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group								
As at 01-January-2016	23,406	294	4,369	4,369	1,679	6,806	16,677	57,600
Loss for the year	-	-	-	-	-	(1,466)	(17)	(1,483)
Other comprehensive income for the year	-	-	-	-	(1,679)	-	(749)	(2,428)
Total comprehensive income for the year	-	-	-	-	(1,679)	(1,466)	(766)	(3,911)
As at 31-December-2016	23,406	294	4,369	4,369	-	5,340	15,911	53,689
As at 01-January-2017	23,406	294	4,369	4,369	-	5,340	15,911	53,689
Loss for the year	-	-	-	-	-	(9,628)	(5,075)	(14,703)
Other comprehensive income for the year	-	-	-	-	(79)	-	(247)	(326)
Total comprehensive income for the year	-	-	-	-	(79)	(9,628)	(5,322)	(15,029)
As at 31-December-2017	23,406	294	4,369	4,369	(79)	(4,288)	10,589	38,660
Company								
As at 01-January-2016	23,406	-	-	-	-	(2,073)	-	21,333
Loss for the year	-	-	-	-	-	(1,542)	-	(1,542)
As at 31-December-2016	23,406	-	-	-	-	(3,615)	-	19,791
As at 01-January-2017	23,406	-	-	-	-	(3,615)	-	19,791
Loss for the year	-	-	-	-	-	(1,184)	-	(1,184)
As at 31-December-2017	23,406	-	-	-	-	(4,799)	-	18,607

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 subsidiary holdings held against the total 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.

There were no changes in the Company's share capital since the end of the previous period reported on, being 31 December 2016. There were no outstanding convertibles, treasury shares or subsidiary holdings held by the Company as at 31 December 2017 and 31 December 2016.

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.

There were no treasury shares as at the end of 31 December 2017 and 31 December 2016. Share capital of the Company comprises 267,392,320 ordinary shares (31 December 2016 : 267,392,320).

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

Not applicable. The Company does not have any treasury shares as at 31 December 2017 and 31 December 2016.

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 2016 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.

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.

The Group and Company have applied the same accounting policies and methods of computation for the current reporting period compared with audited financial statement as at 31 December 2016.

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.

There was no change in the accounting policies and methods of computation required for the year.

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.

Loss per share based on loss attributable to shareholders:

		Year ended 31 December	
		2017	2016
		Cents	Cents
(a)	Based on weighted average number of ordinary shares	(3.60)	(0.61)
(b)	Based on a fully diluted basis	(3.60)	(0.61)
	Weighted average number of ordinary shares in issue	267,392,320	267,392,320

Loss per share was calculated based on 267,392,320 ordinary shares in issue for both FY 2017 and FY 2016.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of 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	
	Cents		Cents	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Net asset value per ordinary share based on total number of issued shares excluding treasury shares at the end of the respective period	10.50	14.13	6.96	7.40

Net asset value per share as of 31 December 2017 was computed based on 267,392,320 ordinary shares (31 December 2016 : 267,392,320 ordinary shares).

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of financial performance

Revenue

The Group recorded a total revenue of S\$50.6m for the full year ended 31 December 2017 ("FY2017"), a drop of S\$27.1m or 34.9% in comparison to S\$77.7m for the corresponding year ended 31 December 2016 ("FY2016"). The reduction in sales during the year is as a result of decline in production, as we are in process of converting from the less efficient coal-burning heaters to higher efficiency and more environmental gas-burning heaters at our Taixin plant in order to comply with the Chinese Government's order. Though the second phase of transforming the fuel source has also been completed, but the production has yet achieved its optimum as likewise in the first phase, the second phase is currently undergoing the testing stage. We are targetting to achieve full capacity production by first quarter, of this year.

Gross Profit

As a result of the decline in revenue and with much of the direct cost such as labour cost remaining status quo, the Group's FY2017 gross profit has decreased by S\$10.4m or 84.3% to S\$1.9m (FY2016: S\$12.3m).

Net Operating Expenses

Net operating expenses have increased by S\$3.0m from S\$13.0m in FY2016 to S\$16.0m in FY2017. The increase is due to a significant increase in general and administrative expenses by S\$3.1m or 38.1%, mainly due to impairment of past long overdue trade receivables of S\$1.0m; allowance of inventory obsolescence for about S\$1.4m and impairment of obsoleted plant and equipment of S\$0.7m.

The increase is partially offset by the decrease in selling and distribution expenses by S\$1.7m or 33.4%, mainly attributed by decrease in both sales commission paid to sales agents and transportation cost. The reduction of these costs were as a result of decline in sales.

Net Financial Expense

The Group recorded a net financial expense of S\$342k in FY2017, as compared to an amount of S\$366k in FY2016. The decrease in net financial expense is mainly due to decrease in financial cost of S\$24k.

Tax

Taxation is in line with profits made by profitable subsidiaries in China and the reduction in tax amount incurred in FY2017, was due to lower profits generated for the year. There is no such tax charge for other entities in the Group due to their unutilised losses carried forward. The losses made by these entities cannot be used to offset the profits generated by the profitable subsidiaries, as they are not assessed by the same tax jurisdiction.

Net Results

As a result of the above, the Group registered a loss before tax of S\$14.4m for FY2017 as compared to loss before tax of S\$1.0m for FY2016. The loss after tax attributable to equity holders of the Company is approximately S\$9.7m in FY2017, as compared to the loss after tax of S\$1.5m recorded in FY2016.

Review of financial position

The Group's property, plant and equipment ("PPE") including land use rights are at S\$15.1m and S\$17.2m as at 31 December 2017 and 31 December 2016 respectively. The reduction in PPE was attributed by depreciation and amortisation charges of S\$1.9m, S\$0.7m of fixed assets being disposed and S\$0.7m of fixed assets were written off. The reduction in PPE was partially offset by approximately S\$1.2m incurred for capital expenditure in FY2017. The capital expenditure was largely incurred for constructing the natural gas burner, due to regulation set by China to use a cleaner fuel source.

Inventories are at S\$17.8m and S\$11.7m as at 31 December 2016 and 31 December 2017 respectively. As a result of lower production, the inventories has declined by S\$6.1m.

Trade and notes receivables has decreased from S\$30.7m for FY2016 to S\$18.9m for FY2017, mainly due to the reduction in sales.

Other receivables has decreased from S\$1.2m for FY2016 to S\$0.9m for FY2017.

Cash and cash equivalents for the year increased from S\$7.1m as at 31 December 2016 to S\$11.6m as at 31 December 2017. The increase in cash was mainly due to increase in short term loan.

Trade payables has increased from S\$6.1m in FY2016 to S\$7.2m in FY2017. The increase in trade payables was due to longer credit term granted by suppliers.

Term loan has increased from S\$5.7m in FY2016 to S\$8.9m in FY2017. Approximately S\$3.3m of short term was drawn down by one of the Group's PRC subsidiary in the last quarter of FY2017 and this is partially offset by loan repayment made by a Singapore subsidiary of about S\$0.1m. As a result, cash balance was proportionately increased.

Overall, Group's equity as at 31 December 2017 was S\$38.7m, a reduction of S\$15.3m or 28.3% from the position as at 31 December 2016. This is mainly attributed to loss incurred during FY2017.

Review of cash flow

Net cash used in operating activities

In FY2017, approximately S\$0.9m of net cash was used in operating activities, which was a result of operating loss before changes in working capital of S\$8.7m, net working capital inflows of approximately S\$8.1m and net interest expense of S\$0.3m.

Net cash used in investing activities

In FY2017, the Group's net cash outflow from investing activities amounted to approximately S\$0.9m, which was mainly due to purchases of property, plant and equipment of S\$1.1m, partially offset by proceeds from disposal of property, plant and equipment of approximately S\$0.2m.

Net cash from financing activities

In FY2017, the Group's net cash inflow from financing activities amounted to approximately S\$6.3m. This was mainly due to decline in restricted cash of S\$0.9m; net proceeds from short term loan of approximately S\$3.3m; decrease in note receivables from banks of approximately S\$4.5m and offset by decrease in bill payables to bank of S\$2.4m.

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

There has not been any forecast or prospect statement in relation to the Group's results 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.

Year 2018 is expected to be a challenging year for the global economy. Key themes that are expected to play out during the year include US-led conflict over trade, even stricter environmental controls and a continued rise in disruptive technologies.

Companies will need to cope with disruptive macro trends that have now become the norm: more orders in smaller quantities and shorter lead time, rapid technology advancement, the pressures of e-commerce and fast fashion, the need for manufacturers to upgrade their capabilities including digitalisation of their processes.

Fashion brands and retailers are facing strong pressure on growth and margins, which will continue well into 2018. Faced with consumer demand for fast fashion at competitive prices and a proliferation of choice, retailers are struggling with high inventories and slow sales. In parallel, rising apparel sourcing and production costs are heavily impacting margins, which will translate to cost pressure on the group.

Although China is the largest textile market and consumer of textile dyes and chemicals in the world, a good part of its export still depends on the US and European markets to sustain production orders at the group's customers. With the current uncertainty in global demand for textile and textile dyes and chemicals, along with the rising competitiveness from India, the group expects continued stiff price competition. The group is putting all efforts to retain and maintain its market share. It also hopes to speedily commercialize its innovative solutions to allow it to differentiate and create sustainable profits for new markets.

Due to the sudden surge in consumption and a limited supply of natural gas in China, the group is faced with further cost increases and has to better manage its resources to mitigate that. The group's upgrade of its less efficient coal burners to more efficient and environmentally friendly gas burners has also been further delayed due to increased regulatory checks and requirements. It expects to meet these requirements soonest and target to have the upgrade to complete by the first half of 2018.

Barring any unforeseen circumstances, the group expects production in 2018 to improve as compared to 2017.

11 Dividend

(a) Current Financial Period Reported On

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

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared/(recommended) for the corresponding period of the immediately preceding financial year?

None.

(c) Whether the dividend is before tax, net of tax or tax exempt

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 has been declared/(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 Group has not obtained a general mandate from shareholders for interested person transactions.

During the financial year, there were interested person transactions based on the terms agreed between the parties as follows:

	Group	
	31/12/2017	31/12/2016
	S\$'000	S\$'000
Fees incurred or paid to a law firm which a director, Mr Wang Dao Fu is a partner	12	-

14 Negative confirmation pursuant to the Rule 705(5).

Not applicable for full year results announcement.

15 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 has procured undertakings from all its directors and executive officers in the format as set out in Appendix 7H of the Catalist Rules, in accordance with Rule 720(1) of Catalist Rules.

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.

	PRC		Other Asia Pacific		Eliminations		Group	
	FY2017 S\$'000	FY2016 S\$'000	FY2017 S\$'000	FY2016 S\$'000	FY2017 S\$'000	FY2016 S\$'000	FY2017 S\$'000	FY2016 S\$'000
Segment revenue								
Sales to external customers	43,202	64,957	7,382	12,730	-	-	50,584	77,687
Inter-segment sales	21,837	36,687	326	515	(22,163)	(37,202)	-	-
Total revenue	65,039	101,644	7,708	13,245			50,584	77,687
Segment results	(11,681)	882	(1,316)	(1,636)	(1,077)	91	(14,074)	(663)
Financial expense, net							(342)	(366)
Loss before tax							(14,416)	(1,029)
Income tax							(287)	(454)
Loss after tax							(14,703)	(1,483)
Non-controlling interest							5,075	17
Loss attributable to owners of the parent							(9,628)	(1,466)

The revenue of the Group is primarily derived from the manufacturing and sales of dye stuffs and auxiliary chemicals. As such, no operating segment revenue and results have been prepared.

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 a review of the performance of the Group.

18 A breakdown of sales.

	Group		Increase / (Decrease) %
	FY2017 S\$'000	FY2016 S\$'000	
Sales reported for first half year	27,281	42,647	(36.03)
Operating (loss) / profit after tax before deducting non-controlling interests reported for first half year	(3,970)	17	N.M.
Sales reported for second half year	23,303	35,040	(33.50)
Operating loss after tax before deducting non-controlling interests reported for second half year	(10,733)	(1,500)	615.53

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

No dividends were declared for FY2016 and FY2017.

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 Catalist Rules, we set out below the persons holding managerial positions in the Group who are related to the Directors, Chief Executive Officer or substantial shareholders of the Company or of any of its principal subsidiaries:

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
Tan Pang Sim	68	Brother of Dr Tan Pang Kee, MD & CEO	Appointed as a Director of Unimatex Sdn Bhd, a subsidiary in Malaysia since 2004; responsible for its management and development of corporate policies and procedures.	NA
Tan Pang Jang	49	Brother of Dr Tan Pang Kee, MD & CEO	Appointed as Senior Sales & Marketing Manager of Unimatex Sdn Bhd, a subsidiary in Malaysia since 2013; responsible for looking into the sales & marketing.	NA
Tan Guan Liang	36	Son of Dr Tan Pang Kee, MD & CEO	Appointed as Executive Director in 2010; responsible for managing operational readiness and effectiveness, promoting Matex's image and brand locally and abroad, all business projects work, developing cost-effective plans and project schedule.	NA
Lim Kooi Yee	33	Daughter-in-law of Dr Tan Pang Kee, MD & CEO; and wife of Mr Tan Guan Liang, ED	Appointed as Assistant Marketing Manager in 2015; responsible for effective management of marketing and to develop strategies and delivery of sales and after-sales services to customers.	NA

BY ORDER OF THE BOARD

Dr Tan Pang Kee
Chief Executive Officer / Managing Director
27 February 2018

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, CIMB Bank Berhad, Singapore Branch (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"), this being the SGX-ST Listing Manual Section B: Rules of Catalist. 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.

The contact persons for the Sponsor are Mr Yee Chia Hsing, Head, Catalist, Investment Banking and Mr Lee Chee Cheong, Associate Director, Investment Banking, CIMB Bank Berhad, Singapore Branch. The contact particulars are 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, Telephone: +65 6337 5115.