

(Company Registration No : 198300506G)

## 2019 FULL YEAR FINANCIAL STATEMENT ANNOUNCEMENT

## 1(a) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2019

(In Singapore Dollars)

	<b>GROUP</b>		<b>% Increase/ (Decrease)</b>
	<b>31/12/2019 S\$'000</b>	<b>31/12/2018 S\$'000</b>	
Revenue	9,076	9,417	(3.6)
Cost of sales	(9,093)	(9,328)	(2.5)
<b>Gross (loss) / profit</b>	<b>(17)</b>	<b>89</b>	nm
<b>Other income</b>			
- Other operating income	244	292	(16.4)
- Finance income	565	297	90.2
<b>Expenses</b>			
- Selling & distribution expenses	(520)	(625)	(16.8)
- Administrative expenses	(3,493)	(4,280)	(18.4)
- Other operating expenses	(1,211)	(1,587)	(23.7)
- Finance cost	(445)	(94)	373.4
Share of results of associate	(492)	(192)	156.3
<b>Loss before tax</b>	<b>(5,369)</b>	<b>(6,100)</b>	(12.0)
Taxation	(486)	198	nm
<b>Loss net of tax</b>	<b>(5,855)</b>	<b>(5,902)</b>	(0.8)
<b>Other comprehensive income:</b>			
Share of foreign currency translation of associated company	9	5	80.0
<b>Other comprehensive income for the year</b>	<b>9</b>	<b>5</b>	80.0
<b>Total comprehensive loss for the year, net of tax</b>	<b>(5,846)</b>	<b>(5,897)</b>	(0.9)
<b>Total comprehensive loss attributable to:</b>			
Owners of the Company	(5,846)	(5,897)	(0.9)
	<b>(5,846)</b>	<b>(5,897)</b>	(0.9)

"nm" - not meaningful

<b>Notes to the Consolidated Statement of Comprehensive Income :</b>		
	<b>31/12/2019</b>	<b>31/12/2018</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>The loss after tax is determined after (crediting) / charging the following :</b>		
Interest income on fixed deposits	(565)	(297)
Sale of scrap	(1,169)	(1,323)
Depreciation of property, plant and equipment	1,109	1,125
Amortisation of right-of-use asset <sup>1</sup>	322	-
Impairment loss on leasehold land	1,092	1,073
Interest on term loan	-	94
Interest on finance lease <sup>2</sup>	354	-
Foreign exchange loss	20	7
(Gain) / loss on disposal of property, plant and equipment	(141)	4
Provision of doubtful debts - trade, net	67	-

<sup>1</sup> Right-of-use assets are recognised following the adoption of SFRS (I) 16 Leases in FY2019. There was no such asset in prior periods.

<sup>2</sup> Interest expense on finance lease refers to interest element on lease liability following the adoption of SFRS (I) 16 Leases in FY 2019. There was no such interest expense in prior periods.

**1(b)(i) STATEMENTS OF FINANCIAL POSITION**

	<b>Group</b>		<b>Company</b>	
	<b>31/12/2019</b>	<b>31/12/2018</b>	<b>31/12/2019</b>	<b>31/12/2018</b>
	S\$' 000	S\$' 000	S\$' 000	S\$' 000
<b>Non-current assets</b>				
Property, plant and equipment	9,060	9,900	1,843	1,921
Right-of-use asset	7,532	-	7,532	-
Leasehold land	1,650	2,914	-	-
Investment in subsidiaries	-	-	8,435	11,731
Investment in associate	1,416	1,900	-	-
Deferred tax asset	-	478	-	-
	<u>19,658</u>	<u>15,192</u>	<u>17,810</u>	<u>13,652</u>
<b>Current assets</b>				
Inventories	2,903	3,281	-	-
Trade receivables	1,632	1,609	15	16
Amounts due from subsidiaries	-	-	2,033	746
Receivable from associate	204	194	7	7
Other receivables	1,847	238	261	215
Prepaid operating expenses	42	39	7	9
Cash and cash equivalents	33,906	38,065	32,395	36,464
	<u>40,534</u>	<u>43,426</u>	<u>34,718</u>	<u>37,457</u>
<b>Current liabilities</b>				
Trade payables	1,688	929	20	213
Other payables	3,154	2,187	568	448
Current portion of term loans	370	370	-	-
Provision for taxation	50	64	50	64
Current portion of lease liability	188	-	188	-
	<u>5,450</u>	<u>3,550</u>	<u>826</u>	<u>725</u>
<b>Net current assets</b>	35,084	39,876	33,892	36,732
<b>Non-current liabilities</b>				
Non-current portion of term loans	2,004	2,374	-	-
Deferred tax liability	289	267	289	267
Non-current portion of lease liability	7,486	-	7,486	-
	<u>9,779</u>	<u>2,641</u>	<u>7,775</u>	<u>267</u>
<b>Net assets</b>	<u>44,963</u>	<u>52,427</u>	<u>43,927</u>	<u>50,117</u>
<b>Equity attributable to owners of the Company</b>				
Share capital	71,977	71,977	71,977	71,977
Treasury shares	(3,315)	(1,697)	(3,315)	(1,697)
Foreign currency translation reserves	89	80	-	-
Retained earnings	(23,788)	(17,933)	(24,735)	(20,163)
	<u>44,963</u>	<u>52,427</u>	<u>43,927</u>	<u>50,117</u>
<b>Total Equity</b>	<u>44,963</u>	<u>52,427</u>	<u>43,927</u>	<u>50,117</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 2019		As at 31 December 2018	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
370	-	370	-

**Amount repayable after one year :**

As at 31 December 2019		As at 31 December 2018	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
2,004	-	2,374	-

**Details of any collateral**

Term loan is secured by lessor's charge over the leasehold land and also by a corporate guarantee from the Company.

**Lease Liability :****Amount repayable in one year or less, or on demand :**

As at 31 December 2019		As at 31 December 2018	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
188	-	-	-

**Amount repayable after one year :**

As at 31 December 2019		As at 31 December 2018	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
7,486	-	-	-

## 1(c) CONSOLIDATED STATEMENT OF CASH FLOWS

### Group

	31/12/2019	31/12/2018
	S\$'000	S\$'000
<b>Cash flows from operating activities :</b>		
Loss before tax	(5,369)	(6,100)
Adjustments for :		
Depreciation expense	1,109	1,125
Amortisation on leasehold land	171	235
Amortisation of right-of-use asset	322	-
(Gain) / loss on disposal of property, plant and equipment	(141)	4
Impairment loss on property, plant and equipment	3	-
Impairment loss on leasehold land	1,093	1,073
Share of results of associated company	492	192
Translation differences - foreign associate	(9)	(5)
Interest expense	92	94
Interest expense on right-of-use asset	353	-
Interest income	(565)	(297)
Write-down of inventories to net realisable value	72	46
Impairment loss on financial assets	67	-
<b>Operating loss before changes in working capital</b>	<b>(2,310)</b>	<b>(3,633)</b>
Increase in receivables	(1,664)	(627)
Decrease in inventories	306	739
Increase in payables	726	195
<b>Cash used in operations</b>	<b>(2,942)</b>	<b>(3,326)</b>
Interest paid	(92)	(94)
Interest paid - lease liability	(353)	-
Income tax paid	(0)	(0)
Interest received	518	104
<b>Net cash used in operating activities</b>	<b>(2,869)</b>	<b>(3,316)</b>
<b>Cash flows from investing activities :</b>		
Proceeds from disposal of property, plant and equipment	179	-
Purchase of property, plant and equipment	(310)	(204)
<b>Net cash used in investing activities</b>	<b>(131)</b>	<b>(204)</b>
<b>Cash flow from financing activities :</b>		
Advances from Corporation owned by directors of subsidiary companies	1,000	-
Proceeds from issue of new shares	-	23,000
Share issuance expense	-	(30)
Share buyback	(1,618)	-
Repayment of finance lease obligations	(180)	-
Repayment of term loans	(370)	(370)
<b>Net cash (used in) / received from financing activities</b>	<b>(1,168)</b>	<b>22,600</b>
Net (decrease) / increase in cash and cash equivalents	(4,168)	19,080
Effect of exchange rate changes on cash and cash equivalents	9	5
Cash and cash equivalents at 1 January	38,065	18,980
<b>Cash and cash equivalents at end of the year</b>	<b>33,906</b>	<b>38,065</b>

"0" denotes amount less than \$1,000

**1(d)(i) STATEMENT OF CHANGES IN EQUITY**

<b>Group</b>	<b>Attributable to Owners of the Company</b>				
	<b>Share</b>	<b>Treasury</b>	<b>Foreign</b>	<b>Retained</b>	<b>Total</b>
			<b>Currency</b>		
	<b>Capital</b>	<b>Shares</b>	<b>Translation</b>	<b>Earnings</b>	<b>Equity</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>Reserves</b>	<b>S\$'000</b>	<b>S\$'000</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>As at 1 January 2018</b>	<b>49,007</b>	<b>(1,697)</b>	<b>75</b>	<b>(12,031)</b>	<b>35,354</b>
Loss for the year	-	-	-	(5,902)	(5,902)
Issue of ordinary shares	23,000	-	-	-	23,000
Issue of introducer shares	690	-	-	-	690
Share issuance expense	(720)	-	-	-	(720)
Other comprehensive income					
Share of foreign currency translation of associate	-	-	5	-	5
<b>As at 31 December 2018</b>	<b>71,977</b>	<b>(1,697)</b>	<b>80</b>	<b>(17,933)</b>	<b>52,427</b>
<b>As at 1 January 2019</b>	<b>71,977</b>	<b>(1,697)</b>	<b>80</b>	<b>(17,933)</b>	<b>52,427</b>
Loss for the year	-	-	-	(5,855)	(5,855)
Share buy-back	-	(1,618)	-	-	(1,618)
Other comprehensive income					
Share of foreign currency translation of associate	-	-	9	-	9
<b>As at 31 December 2019</b>	<b>71,977</b>	<b>(3,315)</b>	<b>89</b>	<b>(23,788)</b>	<b>44,963</b>
<b>Company</b>	<b>Share</b>	<b>Treasury</b>	<b>Retained</b>	<b>Total</b>	
	<b>Capital</b>	<b>Shares</b>	<b>Earnings</b>	<b>Equity</b>	
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	
<b>As at 1 January 2018</b>	<b>49,007</b>	<b>(1,697)</b>	<b>(10,018)</b>	<b>37,292</b>	
Total comprehensive income for the year	-	-	(10,145)	(10,145)	
Issue of ordinary shares	23,000	-	-	23,000	
Issue of introducer shares	690	-	-	690	
Share issuance expense	(720)	-	-	(720)	
<b>As at 31 December 2018</b>	<b>71,977</b>	<b>(1,697)</b>	<b>(20,163)</b>	<b>50,117</b>	
<b>As at 1 January 2019</b>	<b>71,977</b>	<b>(1,697)</b>	<b>(20,163)</b>	<b>50,117</b>	
Total comprehensive income for the year	-	-	(4,572)	(4,572)	
Share buy-back	-	(1,618)	-	(1,618)	
<b>As at 31 December 2019</b>	<b>71,977</b>	<b>(3,315)</b>	<b>(24,735)</b>	<b>43,927</b>	

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous 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.**

For the twelve months ended 31 December 2019, the Company purchased 2,009,200 (twelve months ended 31 Dec 2018: Nil) of its ordinary shares by way of on-market purchases at a share price between end S\$0.69061 and S\$0.96184 and these shares were held as treasury shares.

	<b>Ordinary Shares<sup>1</sup></b>	<b>Warrants</b>
<b>Balance as at 1 January 2019</b>	56,732,159	27,119,659
Share buy-back	(2,009,200)	
<b>Balance as at 31 December 2019</b>	54,722,959	27,119,659
As a percentage of total ordinary shares <sup>1</sup> issued		50%

<sup>1</sup> Excludes 1,000,000 and 3,009,200 treasury shares as at 1 January 2019 and 31 December 2019 respectively.

Save as disclosed above, the Company did not have any subsidiary holdings or other convertibles as at 31 December 2019.

- 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.**

Total number of issued shares excluding treasury shares as at 31 December 2019 was 54,722,959 (31 December 2018: 56,732,159). Total number of treasury shares as at 31 December 2019 was 3,009,200 (31 December 2018: 1,000,000). No treasury shares were re-issued for the period ended 31 December 2019.

- 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.**

None.

- 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.**

None.

- 1(d)(vi) Status on the use of proceeds from IPO and any offerings pursuant to Chapter 8 of the SGX Listing Manual and whether the use of proceeds is in accordance with the stated use.**

On 27 April 2018, approximately \$23 million net proceeds were raised from the Tranche 1 Share Subscription. As at 31 December 2019, none of the net proceeds has been utilised.

- 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 our auditors.

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

Not applicable.

**3(a) Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion.**

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 under item 5 below, the Group has the same accounting policies and methods of computation consistent with those adopted in the most recent audited financial statements for the year ended 31 December 2019.

**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 accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards and Interpretations of SFRS(I) that are effective for annual periods beginning on or after 1 January 2019.

Adoption of SFRS(I) 16

SFRS(I) 16 is effective for annual periods beginning on or after 1 January 2019. The Group has applied the modified retrospective approach and does not restate comparative amounts for the year prior to first adoption.

Under the new standard, an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset) and a liability to make lease payments (i.e. the lease liability) are recognised. Interest expense on the lease liability and the depreciation expense on the right-of-use asset are recognised separately in the income statement.

Right-of-use assets are measured using the cost model and are carried at cost less accumulated depreciation and accumulated impairment loss, if any, subsequent to initial recognition. The carrying amount for lease liabilities subsequent to initial recognition would take into account interest on the lease liabilities, lease payments made and any reassessment or lease modifications.

On the adoption of SFRS(I) 16, the Group has recognised an equal amount of right-of-use assets and lease liabilities of S\$7,854,000 for its leases previously classified as operating leases (excluding short-term leases and leases for which underlying assets are of low value) as at 1 January 2019.

**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 provision for preference dividends.**

Earnings per share (EPS)	Group	
	31/12/2019	31/12/2018
i) Based on weighted average number of ordinary shares	(10.4) cents	(12.5) cents
Weighted average number of shares	56,498,316	47,321,063
ii) On a fully diluted basis	(10.4) cents	(12.5) cents

**7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the :-**

- (a) current financial period reported on; and  
(b) immediately preceding financial year.

	Group		Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Net asset value per ordinary share based on the existing issued share capital at the respective period	82.2 cents	92.4 cents	80.3 cents	88.3 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.**

### **Group Performance Review**

The Group's revenue decreased by 3.6% to \$9.1 million for FY2019 due to continued challenging and weak worldwide demand from the HDD consumers and component markets as well as lower competitive pricing.

The Group recorded a gross loss of \$0.02 million mainly due to low sales and fixed overheads.

Other operating income decreased by 16.4% to \$0.2 million, compared to \$0.3 million in FY2018. Other operating income consists mainly of proceeds from sale of mould and die as well as old extrusion machine, and scrapping of residual parts of the old extrusion lines.

Finance income increased by 90.2% from \$0.3 million to \$0.6 million. Finance income comprised interest income earned on bank fixed deposits. This increase was due mainly to higher interest rate and higher fixed deposits balance.

Selling and distribution expenses decreased by 16.8% from \$0.6 million in FY2018 to \$0.5 million in FY2019. The decrease was due to lower packing costs, salaries and travelling expenses of sales personnel.

Administrative expenses decreased by 18.4% to \$3.5 million from \$4.3 million in FY2018. The decrease was partly due to write back of performance bonus and reduction of salaries costs and partly due to the recognition of interest expense on lease liability following the adoption of SFRS (I) 16 Leases as disclosed in paragraph 5. The interest expense on lease liability has been separately classified as finance cost.

Other operating expenses in FY2019 relates to impairment loss of \$1.1 million on Tuas South leasehold land (FY2018: \$1.1 million) as well as professional fees of \$0.1 million incurred in corporate actions relating to sale of Penjuru property and disposal of existing business (FY2018: \$0.5 million was incurred for the fund-raising exercise undertaken by the Group to fund future acquisitions).

Finance cost in FY2018 comprised interest expense of \$0.1 million on bank loans taken to finance the acquisition of Tuas South land. Finance cost in FY2019 increased by 373% due to the recognition of finance cost on lease liability following the adoption of SFRS (I) 16 Leases as disclosed in paragraph 5. There was no such finance cost on lease liability in FY2018.

Share of loss of associated company for FY2019 increased by 156% from \$0.2 million to \$0.5 million. The increase was mainly due to impairment loss on land-use rights.

At the pre-tax level, the Group reported a loss of \$5.4 million.

### **Group Balance Sheet and Cash Flow Review**

The Group's non-current assets increased by \$4.5 million from \$15.2 million as at 31 December 2018 to \$19.7 million as at 31 December 2019. The increase was due mainly to the recognition of Penjuru land lease as right-of-use asset of \$7.5 million as at end of FY2019 following the adoption of SFRS (I) 16

Leases, partially offset by (1) \$1.1 million depreciation of property, plant and equipment, (2) \$1.1 million impairment on leasehold land (3) \$0.5 million share of loss of an associated company and (4) the de-recognition of deferred tax asset of \$0.5 million.

The Group reported total current asset of \$40.5 million as at 31 December 2019, a decrease of \$2.9 million from last year end of \$43.4 million. The decrease was due to lower level of inventories and cash balances, offset by higher level of other receivables. The increase in other receivables was due to the Group's advances made to a joint venture that the Group participated in.

The Group's total liabilities increased by \$9.0 million from \$6.2 million as at 31 December 2018 and to \$15.2 million as at 31 December 2019. It was due mainly to the recognition of lease liability of \$7.5 million following the adoption of SFRS (I) 16 Leases as at end of FY2019 as well as increase in trade payables and other payables. Other payables increased due to advances received from directors of subsidiary companies. The increase was partially offset by partial repayment of term loan taken to finance the construction of Tuas South factory.

Net cash used in operating activities for FY2019 was \$2.9 million compared with net cash used of \$3.3 million for FY2018. The decrease was mainly due to higher level of trade receivables in FY2019. The negative operating cashflow in FY2019 was mainly due to operating loss and higher trade receivable balance, offset by lower level of inventory and higher level of trade payables and bank interest received.

The Group's net cash used in investing activity for FY2019 was \$0.1 million, which was \$0.1 million lower as compared to FY2018. Net cash used in investing activity for FY2019 was for the purchase of plant and equipment.

The Group's cash net cash used in financing activities in FY2019 relates to the purchase of treasury shares of \$1.6 million, repayment of term loan and lease liability as well as advances from Corporation owned by directors of subsidiary companies. As compared with \$22.6 million net cash received mainly from issuance of new shares in FY2018. Cash was also used to repay term loan in FY2018.

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

The Group's results are in line with the statement made on 8 August 2019 and the profit guidance issued on 18 February 2019.

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

Outlook for the Group's existing business will remain trying in the wake of the ongoing trade tension, geopolitical instability in the Middle East as well as uncertainty caused by the recent outbreak of COVID-19. The Group will continue to focus on improving operational efficiency, monitor market development and respond appropriately.

The Company has entered into a put and call option agreement with ACW Holdings Pte Ltd in relation to the sale of the property at 12 Penjuru Lane. (Please refer to announcement made on 30 December 2019). The Company will make necessary announcements as and when information on any further developments relating to the sale becomes available.

As announced on 27 February 2020, the Group and 3PLE1 Holdings Pte Ltd have mutually agreed to terminate the business sale and purchase agreement due to the challenging and uncertain economic conditions caused by the outbreak of COVID-19.

The Group will continue to pursue and evaluate business opportunities as contemplated by the diversification approved by the shareholders at the EGM on 27 March 2018 that will enhance the value for all stakeholders. The Company will make relevant announcements as and when information on any developments relating to the diversification becomes available.

## **11. Dividend**

### **(a) Current Financial Period Reported On**

**Any dividend declared for the current financial period reported on?**

None

### **(b) Corresponding Period of the Immediately Preceding Financial Year**

**Any dividend declared for the corresponding period of the immediately preceding financial year?**

None

### **(c) Date Payable**

Not applicable

## **12. If no dividend has been declared / recommended, a statement to that effect and the reason(s) for the decision.**

No dividend has been declared or recommended for the financial period ended 31 December 2019 as the company does not have retained earnings and had incurred losses for the current period.

**13. If the Group has obtained 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.**

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
MTBL Global Pte Ltd <sup>1</sup>	\$1,518,000 <sup>2/3</sup>	Nil <sup>4</sup>

<sup>1</sup> MTBL Global Pte Ltd, an entity associated with a director.

<sup>2</sup> The Group participated in a one-off business joint venture transaction with MTBL Global Pte Ltd for \$1,518,000 in FY2019

<sup>3</sup> Aggregate value less than 3% of the Group's latest audited net tangible assets.

<sup>4</sup> The Group does not obtain a shareholders' mandate for interested person transactions.

There are no other IPTs below \$100,000 in FY2019.

**14. Confirmation of procurement of Undertakings from all Directors and Executive Officers.**

The Company confirms that it has procured the Undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

**Part II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

**15 Segmented revenue and results for business or geographical segments (of the group) in the form present in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

	<b>Electronics and precision engineering</b>	<b>Construction and infrastructure building</b>	<b>Others</b>	<b>Consolidated</b>
	<b>31/12/2019</b>	<b>31/12/2019</b>	<b>31/12/2019</b>	<b>31/12/2019</b>
	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	7,953	1,114	9	9,076
Results :				
Segment result	(2,383)	(303)	(248)	(2,934)
Depreciation	(954)	(156)	-	(1,110)
Gain on disposal of property, plant and equipment	121	20	-	141
Impairment loss on property plant and equipment				(2)
Impairment loss on leasehold land				(1,092)
Finance income				565
Finance costs				(445)
Share of results of associate				(492)
Loss before taxation				(5,369)
Taxation				(486)
Loss for the year, net of tax				(5,855)

	<b>Electronics and precision engineering</b>	<b>Construction and infrastructure building</b>	<b>Others</b>	<b>Consolidated</b>
	<b>31/12/2018</b>	<b>31/12/2018</b>	<b>31/12/2018</b>	<b>31/12/2018</b>
	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	8,688	720	9	9,417
Results :				
Segment result	(3,333)	(270)	(306)	(3,909)
Depreciation	(1,027)	(98)	-	(1,125)
Loss on disposal of property, plant and equipment	(4)	(0)	-	(4)
Impairment loss on property, plant and equipment				(1,073)
Finance income				297
Finance costs				(94)
Share of results of associate				(192)
Loss before taxation				(6,100)
Taxation				198
Loss for the year, net of tax				(5,902)

"0" denotes amount less than \$1000.

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

Electronics & Precision Engineering customer segment

Revenue from this segment decreased by 8.5% to \$7.95 million for the year ended 31 December 2019. The Group recorded lower total sales orders from this segment due to ongoing weakness in worldwide personal computer and hard disk drive shipment. However, segment results increased due to lower labour and administrative costs incurred.

Construction & Infrastructure Segment

Revenue from this segment increased by 54.7% to \$1.1 million during the year. The increase in revenue was achieved by lowering selling price amid intense competition.

Other Segment

Revenue from this segment relates to service fee income from associated company. Segment loss in FY2019 mainly relates amortisation of Tuas Land. The decrease is due to lower amortisation expense after impairment of Tuas Land in FY2019.

**17 A breakdown of sales.**

Continuing operations	31/12/2019 S\$'000	31/12/2018 S\$'000	% Increase/ (Decrease)
Sales reported in first half year	4,135	4,918	(15.9)
Operating loss after tax before non-controlling interests reported for the first half year	(2,380)	(3,156)	(24.6)
Sales reported in second half year	4,941	4,499	9.8
Operating loss after tax before non-controlling interests reported for the second half year	(3,475)	(2,746)	26.5

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

	FY2019	FY2018
Ordinary (one tier tax exempt)	\$0	\$0
Preference	\$0	\$0
Total annual dividend	\$0	\$0

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

Name	Age	Family relationship with any director, CEO or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Tan Chu En Ian	56	Spouse of Ms Sinta Muchtar, an Executive Director of the Company	Director in AEI (China) Holdings Pte Ltd since 3/6/2008. Director in AEI Corporation (S) Pte Ltd since 3/3/2015. Responsible for subsidiaries' management and business strategies.	Resigned as CEO and Executive Director from AEI Corporation Ltd with effect from 11/11/2019.
Sinta Muchtar	57	Spouse of Mr Tan Chu En Ian, the Chief Executive Officer and Executive Director of the Company.	Director in AEI (China) Holdings Pte Ltd since 21/10/2009. Director in AEI Corporation (S) Pte Ltd since 3/3/2015. Responsible for subsidiaries' general administration human resource matters of the Company.	Resigned as Executive Director from AEI Corporation Ltd with effect from 11/11/2019.

BY ORDER OF THE BOARD  
SUN QUAN  
NON-EXECUTIVE CHAIRMAN

28 February 2020