

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

Full Year Financial Statement And Dividend Announcement for the Year Ended 30 June 2019

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

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

	GROUP		
	Latest Year 30 June 2019 S\$'000	Previous Year 30 June 2018 S\$'000 (Restated)	% Increase / (Decrease)
Revenue	14,138	13,582	4
Cost of sales	(11,704)	(12,231)	(4)
Gross profit	<hr/> 2,434	<hr/> 1,351	80
Other income	47	75	(37)
Distribution and selling expenses	(1,449)	(1,274)	14
Administrative expenses	(1,564)	(1,623)	(4)
Other operating expenses	(1,018)	(214)	376
Financial costs	(9)	(14)	(36)
Financial income	8	6	33
Loss before tax	<hr/> (1,551)	<hr/> (1,693)	(8)
Taxation	(42)	231	n.m
Loss for the year	<hr/> (1,593)	<hr/> (1,462)	9
Loss attributable to equity holders of the Company	<hr/> (1,593)	<hr/> (1,462)	9

	GROUP		
	Latest Year 30 June 2019 S\$'000	Previous Year 30 June 2018 S\$'000 (Restated)	% Increase / (Decrease)
Loss for the year	(1,593)	(1,462)	9
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit and loss:</i>			
Adjustment to revaluation reserve relating to deferred tax liabilities	-	1,201	n.m
Foreign currency translation	(37)	(-*)	n.m
Total other comprehensive income for the year	(37)	1,200	n.m
Total comprehensive income for the year	(1,630)	(262)	522
Total comprehensive income attributable to equity holders of the Company	(1,630)	(262)	522

* Denotes less than S\$1,000

n.m – not meaningful

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

	GROUP	
	Latest Year 30 June 2019 S\$'000	Previous Year 30 June 2018 S\$'000
Other income	47	75
Interest Income	8	6
Interest expense	(9)	(14)
Depreciation and amortisation	(159)	(740)
Allowance for stocks obsolescence (net)	(29)	(15)
Foreign exchange loss	(108)	(212)
Loss in diminution of value of leasehold property	(833)	-
(Under)/over provision of tax in respect of prior years	(165)	6
Loss on disposal of property, plant and equipment	-	(-*)

* Denotes less than S\$1,000

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

	GROUP		COMPANY	
	30 June 2019 S\$'000	30 June 2018 S\$'000 (Restated)	30 June 2019 S\$'000	30 June 2018 S\$'000
Non-current assets				
Property, plant and equipment	4,255	472	83	112
Investments in subsidiary companies	-	-	8,113	8,113
Intangible assets	50	62	-*	-*
Deferred tax assets	79	-	7	7
	<u>4,384</u>	<u>534</u>	<u>8,203</u>	<u>8,232</u>
Current assets				
Inventories	2,143	1,700	-	-
Trade receivables	2,420	3,740	-	-
Other receivables	70	84	-	-
Prepayments	60	433	12	12
Loan to a subsidiary company	-	-	4,030	4,030
Due from subsidiary companies (non-trade)	-	-	1,851	1,769
Cash and cash equivalents	3,552	7,048	133	48
	<u>8,245</u>	<u>13,005</u>	<u>6,026</u>	<u>5,859</u>
Assets of a subsidiary classified as held for sale	10,375	11,208	-	-
	<u>18,620</u>	<u>24,213</u>	<u>6,026</u>	<u>5,859</u>
Current liabilities				
Trade payables	1,231	1,604	-	-
Other payables	1,266	1,058	376	336
Provision for taxation	223	24	30	14
Obligations under finance leases	75	72	37	35
	<u>2,795</u>	<u>2,758</u>	<u>443</u>	<u>385</u>
Net current assets	15,825	21,455	5,583	5,474
Non-current liabilities				
Obligations under finance leases	125	200	31	68
Deferred tax liabilities	-	75	-	-
	<u>125</u>	<u>275</u>	<u>31</u>	<u>68</u>
Net assets	<u>20,084</u>	<u>21,714</u>	<u>13,755</u>	<u>13,638</u>
Equity attributable to equity holders of the Company				
Share capital	12,852	12,852	12,852	12,852
Accumulated (losses)/retained earnings	(2,226)	(659)	903	786
Revaluation reserve	9,521	9,521	-	-
Translation reserve	(63)	-*	-	-
	<u>20,084</u>	<u>21,714</u>	<u>13,755</u>	<u>13,638</u>

* Denotes less than S\$1,000.

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

As at 30/06/2019		As at 30/06/2018	
Secured	Unsecured	Secured	Unsecured
S\$	S\$	S\$	S\$
75,000	0	72,000	0

Amount repayable after one year

As at 30/06/2019		As at 30/06/2018	
Secured	Unsecured	Secured	Unsecured
S\$	S\$	S\$	S\$
125,000	0	200,000	0

Details of any collateral

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

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

	GROUP	
	30 June 2019	30 June 2018
	S\$'000	S\$'000
Cash flows from operating activities		
Loss before tax	(1,551)	(1,693)
Adjustments:		
Depreciation of property, plant and equipment	146	726
Amortisation of intangible assets	13	14
Write-off of property, plant and equipment	-	-*
Loss in diminution of value of leasehold property	833	-
Interest expense	9	14
Interest income	(8)	(6)
Unrealised exchange loss	(20)	(3)
Operating cash flows before working capital changes	(578)	(948)
Inventories	(443)	239
Trade receivables	1,320	(184)
Other receivables and prepayments	(2)	(61)
Trade payables	(373)	(836)
Other payables	208	(277)
Cash flows from operations	132	(2,067)
Interest received	8	6
Income taxes paid, net	3	(2)
Net cash flows generated from/(used in) operating activities	143	(2,063)
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,544)	(14)
Purchase of intangible assets	(1)	(1)
Down payment for purchase of property, plant and equipment	-	(389)
Net cash flows used in investing activities	(3,545)	(404)
Cash flows from financing activities		
Repayment of loans and borrowings	-	(81)
Repayment of finance leases	(72)	(70)
Interest paid	(9)	(14)
Net cash flows used in financing activities	(81)	(165)
Net decrease in cash and cash equivalents	(3,483)	(2,632)
Effect of exchange rate changes on cash and cash equivalents	(13)	(5)
Cash and cash equivalents at beginning of year	7,048	9,685
Cash and cash equivalents at end of year	3,552	7,048

* Denotes less than S\$1,000.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of changes in equity for the year ended 30 June 2019.

GROUP

	Share capital	(Accumulated losses)/ retained earnings	Revaluation reserve	Translation reserve	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 July 2017	12,852	803	8,320	1	21,976
Loss net of tax	-	(1,703)	-	-	(1,703)
Prior year adjustment	-	241	-	-	241
Loss net of tax (Restated)	-	(1,462)	-	-	(1,462)
Adjustment to revaluation reserve relating to deferred tax liabilities	-	-	852	-	852
Foreign currency translation	-	-	-	(-*)	(-*)
Prior year adjustment	-	-	349	-	349
Other Comprehensive income for the year, net of tax	-	-	1,201	(-*)	1,200
Total comprehensive income for the year	-	(1,462)	1,201	(-*)	(262)
Balance at 30 June 2018 (Restated)	12,852	(659)	9,521	-*	21,714
Balance at 1 July 2018 (Restated)	12,852	(659)	9,521	-*	21,714
Loss net of tax	-	(1,593)	-	-	(1,593)
Foreign currency translation	-	-	-	(37)	(37)
Realisation of translation reserve on strike off of subsidiary	-	26	-	(26)	-
Other Comprehensive income for the year, net of tax	-	26	-	(63)	(37)
Total comprehensive income for the year	-	(1,567)	-	(63)	(1,630)
Balance at 30 June 2019	12,852	(2,226)	9,521	(63)	20,084

* Denotes less than S\$1,000.

COMPANY

	Share capital	Retained earnings	Total
	S\$'000	S\$'000	S\$'000
Balance at 1 July 2017	12,852	647	13,499
Total comprehensive income for the year	-	139	139
Balance at 30 June 2018	12,852	786	13,638
Balance at 1 July 2018	12,852	786	13,638
Total comprehensive income for the year	-	117	117
Balance at 30 June 2019	12,852	903	13,755

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

The issued and paid-up capital of the Company was S\$12,852,187 as at 30 June 2019 (30 June 2018: S\$12,852,187).

There were no share options as at 30 June 2019 (30 June 2018: Nil).

There was no shares held as treasury shares and subsidiary holdings or other convertible as at 30 June 2019 (30 June 2018: Nil).

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

As at 30 June 2019, the total number of issued shares of the Company was 107,580,980 shares (30 June 2018: 107,580,980).

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

There were no treasury shares as at 30 June 2019.

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

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

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

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

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

Not applicable.

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

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year ended 30 June 2019 compared to the audited financial statements as at 30 June 2018.

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

The Group has consistently applied the same accounting policies and methods of computation in the financial statements for the financial year ended 30 June 2019 compared with those of the audited financial statements for the financial year ended 30 June 2018, except for the adoption Singapore Financial Reporting Framework (International) ("SFRS(I)") ,a new financial reporting framework identical to the International Financial Reporting Standards. The Group adopted SFRS(I) on 1 July 2018, including improvements to SFRS(I) and Interpretations of SFRS(I) that are mandatory for financial years beginning on or after 1 January 2018. The adoption of the SFRS(I) is not expected to have material impact on the financial statements in the year of initial application.

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

Loss per ordinary share of the Group:	Latest year	Previous year (Restated)
(a) Based on the weighted average number of ordinary shares on issue; and	(1.48) cents	(1.36) cents
(b) On a fully diluted basis (detailing any adjustments made to the earnings)	(1.48) cents	(1.36) cents

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

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

	Latest year	Previous year (Restated)
Loss attributable to ordinary shareholders for basic and diluted loss per share (S\$'000)	(1,593)	(1,462)
Weighted average number of ordinary shares (in thousands) on issue applicable to basic loss per share	107,581	107,581
Weighted average number of ordinary shares (in thousands) applicable to diluted loss per share	107,581	107,581

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

	GROUP		COMPANY	
	Latest	Previous	Latest	Previous
	financial year 30 June 2019	financial year 30 June 2018 (Restated)	financial year 30 June 2019	financial year 30 June 2018
Net asset value per ordinary share based on issued share capital of the issuer at the end of the financial year reported on	18.67 cents	20.18 cents	12.79 cents	12.68 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.**

FY2019 vs FY2018 Review of Income Statement

Revenue increased by 4.1% from S\$13.58 million in FY2018 to S\$14.14 million in FY2019. The increase was mainly due to higher sales derived from the Group's Trading & Distribution Division ("**T&D**") at S\$5.33 million in FY2019, an increase of S\$1.05 million or 24.5% compared to S\$4.28 million in FY2018. This increase was mainly due to higher demand from the security/access control systems business. On the other hand, the above increase was partially offset by the Group's Precision Engineering Division's ("**PE**") revenue at S\$8.81 million, a decrease of S\$0.50 million or 5.3% compared to prior corresponding year. The decrease in sales in PE compared to prior year was mainly due to the lower sales arising from weaker demand from its fibre optics connectors, data storage and oil & gas sectors.

The Group's gross profit was substantially higher at S\$2.43 million in FY2019 compared to S\$1.35 million in FY2018 resulting in higher gross profit margin of approximately 17.2% in FY2019. This was mainly due to reduction in production overhead mainly arising from the lower depreciation expense and reduction in payroll cost. The decrease in depreciation expense by approximately S\$0.58 million in FY2019 was mainly due to a decrease in depreciation charge by S\$0.29 million on plant and machinery as more machines became fully depreciated as well as the absence of depreciation charge of approximately S\$0.29 million on the leasehold property of a wholly-owned subsidiary (the "**Property**") in FY2019 following the reclassification of the Property to assets of a subsidiary classified as held for sale in the second half of the previous financial year FY2018.

The significantly higher other operating expenses in FY2019 of S\$1.018 million, an increase of 376% compared to S\$0.214 million in the previous corresponding year was mainly due to the S\$0.833 million

loss in diminution of value of the Property which was classified as held for sale following the grant of an option to purchase (the “**Option**”) dated 27 June 2019 to an independent third party purchaser (the “**Purchaser**”), for the sale of the Property for an aggregate consideration of S\$10.50 million (“**Consideration**”) (“**Proposed Disposal**”) less the estimated transactional expenses of approximately S\$0.125 million to be incurred in connection with the Proposed Disposal as announced on 27 June 2019. Further, as announced on 10 July 2019, the Purchaser has exercised the Option on 10 July 2019 and the Group has received the balance deposit of 10% of the Consideration less the option money that was paid earlier in accordance with the terms of the Option. The Option and the Proposed Disposal are subject to, *inter alia*, the JTC’s Approval of the Purchaser’s application to purchase the Property and approval of the Shareholders (unless such requirement for Shareholders’ approval is waived by the Singapore Exchange Securities Trading Limited).

Other operating income decreased by S\$0.03 million mainly due to lower government grant received and sale of scraps as well as absence of write-back of payables in FY2019. The increase in distribution and selling expenses by S\$0.175 million to S\$1.45 million was mainly due to higher payroll cost and freight charges in FY2019 in line with the higher turnover. The lower administrative expenses of S\$1.56 million in FY2019 compared to S\$1.62 million in the previous corresponding year was mainly due to lower administrative payroll expenses in FY2019. The decrease in financial costs by approximately S\$5,000 in FY2019 was the result of reduced interest expense arising from the lower finance lease obligations during FY2019 compared to FY2018.

A lower loss before tax of S\$1.55 million was registered for FY2019 compared to S\$1.69 million in the previous year.

The prior year FY2018 tax expense of S\$0.01 million was restated to a tax credit of S\$0.23 million via a prior year adjustment of S\$0.24 million as explained in following paragraphs. As stated earlier, during FY2018, the Group reclassified the Property from property, plant and equipment (“PPE”) to assets of a subsidiary classified as held for sale. As the Property had previously claimed Industrial Building Allowance (“IBA”), this had resulted in a taxable temporary difference of which deferred tax liability was provided for. With the previous proposed disposal as announced on 25 July 2018, a balancing charge would arise upon completion of the proposed disposal. The tax balancing charge on the temporary difference between the original qualifying cost of \$4.04million and the depreciated accounting base of \$2.25million as at 30 June 2018, amounting to \$0.30 million should be taken to other comprehensive income (“OCI”) whilst that on the temporary difference arising from the depreciated accounting base and tax written down value (“TWDV”) of S\$0.38 million tax expense accounted for in profit or loss in FY2018. Unrecognised tax credits in the form of unutilized tax losses and unabsorbed capital allowances of \$3.67mil have been applied against the balancing charge resulting in tax credit of S\$0.62 million. Therefore, a total net tax credit of S\$0.24 million is adjusted in FY2018 profit & loss which would result in a decrease in loss after tax and an increase in retained earnings of \$0.24 million and a corresponding decrease in deferred tax liabilities by the same amount. Revaluation reserve and total OCI would increase by \$0.35 million and a corresponding decrease in deferred tax liabilities by the same amount. As such, the deferred tax liabilities as at 30 June 2018 would decrease by a total of S\$0.59 million and is restated from S\$0.67 million to S\$0.08 million. As at 30 June 2019, there is a deferred tax assets balance of S\$0.08 million instead of a deferred tax liabilities due to the further recognition of unutilised tax losses and unabsorbed capital allowance brought forward from prior years.

The loss after tax for FY2019 was S\$1.59 million compared to the loss after tax for FY2018 of S\$1.46 million which was restated from a loss of S\$1.70 million. The Group’s basic and diluted loss per share were both 1.48 cents for FY2019 versus the prior year restated basic and diluted loss per share of 1.36 cents.

Review of Financial Position

The increase in property, plant and equipment by S\$3.78 million was mainly due to the completion of the acquisition of a factory property in Johor Malaysia on 27 November 2018 by the Group’s new subsidiary in Malaysia as announced on 12 December 2018.

The decrease in trade receivables by S\$1.32 million as at 30 June 2019 versus 30 June 2018 was mainly due to faster collection of trade receivables in FY2019 versus FY2018. The increase in inventories by S\$0.44 million was mainly due to higher inventories build to meet the higher sales order from customers as at end of FY2019. The decrease in prepayment by S\$0.37 million was mainly due to the reclassification of the down payment of S\$0.39 million for the acquisition of the factory property in Johor Malaysia to property, plant and equipment as the acquisition was completed as explained earlier.

The decrease in assets of a subsidiary classified as held for sale by S\$0.833 million to S\$10.375 million as at 30 June 2019 versus S\$11.208 million as at 30 June 2018 was due to the loss in diminution of value of the leasehold property classified as held for sale following the grant of the Option for the Proposed Disposal as explained earlier.

The decrease in trade payables by S\$0.37 million was in line with the lower cost of sales arising from lower turnover in second half of FY2019 compared to the prior corresponding period. The increase in other payables by S\$0.21 million was mainly due to the deposit received for the Proposed Disposal and higher accruals of payroll expenses and sales commission as at 30 June 2019. The higher provision for taxation of S\$0.22 million mainly arose from the under provision of tax in respect of prior years.

The decrease in cash and cash equivalent by S\$3.50 million from S\$7.05 million to S\$3.55 million is explained in the cash flow explanation in the following paragraph below. The decrease in finance lease obligations by approximately S\$0.07 million was a result of repayments made during FY2019.

Review of Cash Flow

The Group's operations generated net cash flows from operating activities of approximately S\$0.14 million in FY2019 compared to net cash flows used in operating activities of S\$2.06 million in the previous corresponding year. This was mainly attributable to a lower loss before tax recorded in FY2019 as well as cash inflow arising from working capital changes (which mainly due to decline in trade receivables and increase in other payables which were partially offset by increase in inventories and decline in trade payables).

Net cash used in investing activities was higher at S\$3.54 million in FY2019 compared to \$0.40million in FY2018 mainly as a result of the full payment of S\$3.14 million for the acquisition of a factory property in Johor Malaysia and payment of S\$0.40 million for renovation of factory in FY2019.

The decrease in net cash used in financing activities during the year by S\$0.08 million to S\$0.08 million was mainly due to the absence of repayments of bank borrowings in FY2019 compared to previous corresponding year. Overall, cash and cash equivalents decreased by S\$3.50 million during FY2019 to S\$3.55 million as at 30 June 2019 compared to the balance of S\$7.05 million as at 30 June 2018.

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

Not applicable.

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

The market in which the Group operates remains competitive and demanding going forward in the current financial year ending 30 June 2020 ("FY2020"). Challenges remain in terms of pricing and costs as well as foreign exchange volatility as in prior years.

As part of its effort for cost rationalization and optimisation and streamlining of the Group's operations, the Group had completed its acquisition of a new factory property in Johor Malaysia (as announced on 12 December 2018) and is currently in the process of gradually relocating in stages its current manufacturing facility from Singapore to this new factory in Johor for better management of cost and availabilities of labour in the long term which will also enhance the Group's competitiveness. However, there will be additional costs such as shifting, set-up and employees training costs etc expected over the short term in FY2020.

In line with the above Group's strategy, the Group has announced on 27 June 2019 the grant of an option to purchase (the "Option") dated 27 June 2019 to an independent third party purchaser (the "Purchaser"), for the sale of the leasehold property of a wholly-owned subsidiary (the "Property") for an aggregate consideration of S\$10.50 million ("Consideration") ("Proposed Disposal"). Further, as announced on 10 July 2019, the Purchaser has exercised the Option on 10 July 2019 and the Group has received the balance deposit of 10% of the Consideration less the option money that was paid earlier in accordance with the terms of the Option. The Option and the Proposed Disposal are subject to, *inter alia*, the JTC's Approval of the Purchaser's application to purchase the Property and approval of the Shareholders (unless such requirement for Shareholders' approval is waived by the Singapore Exchange Securities Trading Limited). The Company will make further announcements in relation to the Proposed Disposal as and when there are material developments.

In addition, the Board and the Management will continue to seek opportunities which offer potential growth for the Group and enhancement of value for the Shareholders as and when appropriate.

11. Dividend

(a) Current Financial Period Reported On

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

(b) If Corresponding Period of the Immediately Preceding Year

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

(c) Date payable

Not Applicable.

(d) Books closure date

Not Applicable.

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

No dividend has been declared or recommended for the financial year ended 30 June 2019. This is to conserve cash for working capital and capital expenditure purposes.

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

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

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

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

Segment information

(a) Operating segments

FY 2019					
	Precision Engineering & Assembly	Trading & Distribution	Investment and Management Services	Inter – segment Eliminations	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Continuing Operations: -					
Revenue					
External sales	8,811	5,327	-	-	14,138
Inter-segment sales	-	-	1,192	(1,192)	-
Total revenue	8,811	5,327	1,192	(1,192)	14,138
Results					
Interest income	8	-	-	-	8
Interest expense	(6)	-	(3)	-	(9)
Depreciation & amortisation	(129)	(1)	(29)	-	(159)
Other non-cash expenses	(882)	-	-	-	(882)
Taxation	(14)	(15)	(13)	-	(42)
Segment loss	(1,895)	177	117	8	(1,593)
Group: -					
Assets					
Additions to non-current assets	3,933	-	-	-	3,933
Segment assets	21,630	1,514	14,230	(14,370)	23,004
Liabilities					
Segment liabilities	7,442	1,260	475	(6,257)	2,920

FY 2018 (Restated)					
	Precision Engineering & Assembly	Trading & Distribution	Investment and Management Services	Inter – segment Eliminations	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Continuing Operations: -					
Revenue					
External sales	9,305	4,277	-	-	13,582
Inter-segment sales	-	-	1,270	(1,270)	-
Total revenue	9,305	4,277	1,270	(1,270)	13,582

Results					
Interest income	6	-	-	-	6
Interest expense	(10)	-	(4)	-	(14)
Depreciation & amortisation	(708)	-	(32)	-	(740)
Other non-cash expenses	(68)	-	-	-	(68)
Taxation	244	(6)	(7)	-	231
Segment (loss)/profit	(1,749)	148	139	-	(1,462)
Group: -					
Assets					
Additions to non-current assets	14	-	1	-	15
Segment assets	23,481	1,458	14,085	(14,277)	24,747
Liabilities					
Segment liabilities	7,365	1,385	448	(6,165)	3,033

* Denotes less than S\$1,000.

(b) Geographical segments

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

	Turnover	Non Current Assets
	S\$'000	S\$'000
FY 2019		
Singapore	283	471
Asean (excluding Singapore)	6,289	3,913
North Asia	102	-
America & Europe	7,353	-
Others	111	-
Total	14,138	4,384

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

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

Please refer to item 8.

16. A breakdown of sales.

	Group S\$'000		%
	30-June-19	30-June-18 (Restated)	Increase/ (Decrease)
<u>Continuing Operations</u>			
Sales reported for first half year	8,260	6,459	28
Profit/(Loss) attributable to shareholders reported for first half year	75	(1,132)	n.m
Sales reported for second half year	5,878	7,123	(17)
Loss attributable to shareholders reported for second half year	(1,668)	(330)	405

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

Total Annual Dividend

	FY2019 (S\$'000)	FY2018 (S\$'000)
Ordinary	0	0
Preference	0	0
Total:	0	0

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

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Mr Tan Sin Hock	58	Brother of Mr Tan Chee Hawaii (Group Managing Director and Substantial Shareholder) and Mr Tan Ah Wo (Substantial Shareholder). Brother-in-law of Ms Heng Kheng Hwai (Non-Executive Director and Substantial Shareholder).	Executive Director since year 2001. He is currently responsible for equipment upgrading and plant maintenance.	Nil
Ms Heng Kheng Hwai	61	Sister-in-law of Mr Tan Sin Hock (Executive Director and Substantial Shareholder) and Mr Tan Ah Wo (Substantial Shareholder). Spouse of Mr Tan Chee Hawaii (Group Managing Director and Substantial Shareholder).	Non-Executive Director since year 2001. Member of the Audit Committee.	Nil
Mr Tan Chee Hawaii	69	Brother of Mr Tan Sin Hock (Executive Director and Substantial Shareholder) and Mr Tan Ah Wo (Substantial Shareholder). Spouse of Ms Heng Kheng Hwai (Non-Executive Director and Substantial Shareholder).	Group Managing Director since year 2012. Mr Tan's main duties include overseeing the planning and review of corporate strategies and policies as well as coordinating overall management functions of the Group.	Nil

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

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

BY ORDER OF THE BOARD

Lai Foon Kuen
Company Secretary
29 August 2019

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

This announcement has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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