

**Unaudited Full Year Financial Statement And Related Announcement for the Year Ended 31 December 2019**

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF FULL YEAR RESULTS**

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

1(a)(i) **CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTERS ENDED 31 DECEMBER 2019 AND 31 DECEMBER 2018**

**Consolidated Income Statement**

	<b>Group 4Q2019</b>	<b>Group 4Q2018</b>	<b>Increase/ (Decrease)</b>	<b>Group FY2019</b>	<b>Group FY2018</b>	<b>Increase/ (Decrease)</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>%</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>%</b>
Revenue	258,856	271,669	(4.7%)	976,976	1,255,975	(22.2%)
Cost of sales	(247,118)	(257,651)	(4.1%)	(922,790)	(1,188,142)	(22.3%)
<b>Gross profit</b>	<b>11,738</b>	<b>14,018</b>	<b>(16.3%)</b>	<b>54,186</b>	<b>67,833</b>	<b>(20.1%)</b>
Other income	64	70	(8.6%)	1,592	942	69.0%
Sales and distribution expenses	(7,344)	(7,121)	3.1%	(31,857)	(34,655)	(8.1%)
General and administrative expenses	(3,084)	(4,253)	(27.5%)	(14,691)	(18,559)	(20.8%)
Impairment losses on financial assets	(153)	(87)	75.9%	(1,734)	(409)	N.M
Interest expense	(1,133)	(1,837)	(38.3%)	(5,561)	(6,756)	(17.7%)
<b>Profit before taxation</b>	<b>88</b>	<b>790</b>	<b>(88.9%)</b>	<b>1,935</b>	<b>8,396</b>	<b>(77.0%)</b>
Income tax credit/ (expense)	220	1,108	(80.1%)	(336)	(293)	14.7%
<b>Profit after taxation</b>	<b>308</b>	<b>1,898</b>	<b>(83.8%)</b>	<b>1,599</b>	<b>8,103</b>	<b>(80.3%)</b>
<b>Profit attributable to:-</b>						
Equity holders of the Company	308	1,898	(83.8%)	1,599	8,103	(80.3%)

Note:-

N.M. = Not meaningful

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year (Cont'd).

1(a)(i) CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTERS ENDED 31 DECEMBER 2019 AND 31 DECEMBER 2018 (CONT'D)

Consolidated Statement of Other Comprehensive Income

	Group 4Q2019	Group 4Q2018	Increase/ (Decrease)	Group FY2019	Group FY2018	Increase/ (Decrease)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
<b>Profit after taxation</b>	<b>308</b>	<b>1,898</b>	<b>(83.8%)</b>	<b>1,599</b>	<b>8,103</b>	<b>(80.3%)</b>
<b>Other comprehensive income:-</b>						
<b>Item that will not be reclassified subsequently to profit or loss:-</b>						
Net fair value changes on equity instrument at fair value through other comprehensive income ("FVOCI")	21	(90)	N.M	484	(202)	N.M
<b>Items that may be reclassified subsequently to profit or loss:-</b>						
Foreign currency translation	24	(72)	N.M	63	(27)	N.M
<b>Other comprehensive income for the period</b>	<b>45</b>	<b>(162)</b>	<b>N.M</b>	<b>547</b>	<b>(229)</b>	<b>N.M</b>
<b>Total comprehensive income for the period</b>	<b>353</b>	<b>1,736</b>	<b>(79.7%)</b>	<b>2,146</b>	<b>7,874</b>	<b>(72.7%)</b>
<b>Total comprehensive income attributable to:-</b>						
Equity holders of the Company	353	1,736	(79.7%)	2,146	7,874	(72.7%)

1(a)(ii) NOTES TO THE CONSOLIDATED INCOME AND STATEMENT OF COMPREHENSIVE INCOME

Notes to the consolidated income and statement of comprehensive income	Group 4Q2019	Group 4Q2018	Group FY2019	Group FY2018
	US\$'000	US\$'000	US\$'000	US\$'000
Interest income	21	6	485	22
Interest expenses on loans and borrowings	(1,088)	(1,837)	(5,341)	(6,756)
Interest expenses on lease liabilities	(45)	-	(220)	-
Impairment losses on trade debtors	(153)	(87)	(1,734)	(409)
Bad debt written back	-	-	108	-
Reversal of stocks written down	381	721	2,127	2,959
Stocks written down/ off	(463)	(1,019)	(1,444)	(3,093)
Net (loss)/ gain on disposal of property, plant and equipment	-	(15)	55	(16)
Property, plant and equipment written off	(9)	-	(10)	-
Depreciation of property, plant and equipment	(371)	(337)	(1,516)	(1,271)
Depreciation of right-of-use ("ROU") assets	(731)	-	(2,884)	-
Net gain on disposal of club membership	-	11	-	117
Net foreign exchange gain/ (loss)	53	(97)	(676)	(1,333)
Net fair value change on derivatives	(259)	(22)	(328)	(84)
Dividend income from investment security	-	-	39	195

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.

STATEMENT OF FINANCIAL POSITION	Group 31/12/2019	Group 31/12/2018	Company 31/12/2019	Company 31/12/2018
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Non-current assets</b>				
Property, plant and equipment	3,202	3,411	–	–
Right-of-use assets	3,644	–	–	–
Intangible assets	752	752	–	–
Investments in subsidiaries	–	–	27,878	25,878
Other investments	2,852	2,418	632	2,198
Deferred tax assets	89	142	–	–
<b>Total non-current assets</b>	<b>10,539</b>	<b>6,723</b>	<b>28,510</b>	<b>28,076</b>
<b>Current assets</b>				
Trade and other debtors	158,464	191,521	11,987	13,555
Prepayments	339	455	2	2
Stocks	147,375	164,422	–	–
Derivatives	3	386	–	–
Cash and short-term deposits	14,483	20,571	701	1,484
<b>Total current assets</b>	<b>320,664</b>	<b>377,355</b>	<b>12,690</b>	<b>15,041</b>
<b>Current liabilities</b>				
Trade and other creditors	(139,996)	(150,765)	(207)	(1,522)
Contract liabilities	(4,366)	(4,037)	–	–
Interest-bearing loans and borrowings	(104,643)	(148,947)	–	–
Lease liabilities	(2,429)	–	–	–
Provision for taxation	(1,751)	(2,459)	(82)	(134)
<b>Total current liabilities</b>	<b>(253,185)</b>	<b>(306,208)</b>	<b>(289)</b>	<b>(1,656)</b>
<b>Net current assets</b>	<b>67,479</b>	<b>71,147</b>	<b>12,401</b>	<b>13,385</b>
<b>Non-current liability</b>				
Lease liabilities	(1,306)	–	–	–
<b>Total non-current liability</b>	<b>(1,306)</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Net assets</b>	<b>76,712</b>	<b>77,870</b>	<b>40,911</b>	<b>41,461</b>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	39,056	38,859	39,056	38,859
Reserves	37,656	39,011	1,855	2,602
	<b>76,712</b>	<b>77,870</b>	<b>40,911</b>	<b>41,461</b>

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

**Amount repayable in one year or less, or on demand**

<b>At 31/12/2019 (US\$'000)</b>		<b>At 31/12/2018 (US\$'000)</b>	
Secured	Unsecured	Secured	Unsecured
–	104,643	–	148,947

**Amount repayable after one year, or on demand**

<b>At 31/12/2019 (US\$'000)</b>		<b>At 31/12/2018 (US\$'000)</b>	
Secured	Unsecured	Secured	Unsecured
–	–	–	–

**Details of any collateral**

There is no collateral on the Group's interest-bearing loans and borrowings as at 31 December 2019.

As at 31 December 2019, the Company has provided corporate guarantees to banks and institutions in connection with credit facilities provided to its subsidiaries, of which US\$104,714,000 (31 December 2018: US\$148,947,000) of the credit facilities have been utilised.

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.

	Group 4Q2019	Group 4Q2018	Group FY2019	Group FY2018
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Operating activities</b>				
Profit before taxation	88	790	1,935	8,396
Adjustments for:-				
Interest income	(21)	(6)	(485)	(22)
Interest expense	1,133	1,837	5,561	6,756
Depreciation of property, plant and equipment	371	337	1,516	1,271
Depreciation of right-of-use assets	731	–	2,884	–
Net loss/ (gain) on disposal of property, plant and equipment	–	15	(55)	16
Net gain on disposal of club membership	–	(11)	–	(117)
Property, plant and equipment written off	9	–	10	–
Impairment losses on trade debtors	153	87	1,734	409
Net stock written down/ (reversal) of stocks written down	82	298	(683)	134
Dividend income from investment security	–	–	(39)	(195)
Net fair value changes on derivatives	259	22	328	84
Share based payments under EPSS	163	264	197	306
<b>Operating cash flows before changes in working capital</b>	<b>2,968</b>	<b>3,633</b>	<b>12,903</b>	<b>17,038</b>
Decrease in stocks	6,272	44,274	17,730	10,424
Decrease in trade and other debtors and prepayments	8,877	35,328	31,430	6,936
Decrease in trade and other creditors and contract liabilities	(21,377)	(54,917)	(10,440)	(14,476)
<b>Cash flows (used in)/ generated from operations</b>	<b>(3,260)</b>	<b>28,318</b>	<b>51,623</b>	<b>19,922</b>
Interest received	21	6	485	22
Interest paid	(1,133)	(1,837)	(5,561)	(6,756)
Income tax paid	(100)	(1,000)	(992)	(1,984)
<b>Net cash flows (used in)/ generated from operating activities</b>	<b>(4,472)</b>	<b>25,487</b>	<b>45,555</b>	<b>11,204</b>
<b>Investing activities</b>				
Purchase of investments	–	–	(2,000)	(220)
Purchase of property, plant and equipment	(122)	(446)	(1,320)	(2,100)
Proceeds from disposal of property, plant and equipment	–	8	55	12
Purchase of club membership	–	–	–	(339)
Proceeds from disposal of club membership	–	11	–	176
Purchase of derivatives	–	–	–	(496)
Proceeds from derivatives	1	14	64	18
Proceed from disposal of investment security	–	–	2,050	–
Dividend income from investment security	–	–	39	150
<b>Net cash flows used in investing activities</b>	<b>(121)</b>	<b>(413)</b>	<b>(1,112)</b>	<b>(2,799)</b>
<b>Financing activities</b>				
Net (decrease)/ increase in interest-bearing loans and borrowings	(3,426)	(17,546)	(44,304)	6,227
Dividend paid on ordinary shares	–	–	(3,501)	(4,028)
Payment of principal portion of lease liabilities	(657)	–	(2,791)	–
<b>Net cash flows (used in)/ generated from financing activities</b>	<b>(4,083)</b>	<b>(17,546)</b>	<b>(50,596)</b>	<b>2,199</b>
Net (decrease)/ increase in cash and cash equivalents	(8,676)	7,528	(6,153)	10,604
Effects of exchange rate changes on cash and cash equivalents	22	(81)	65	(12)
Cash and cash equivalents at beginning of period	23,137	13,124	20,571	9,979
<b>Cash and cash equivalents at end of period</b>	<b>14,483</b>	<b>20,571</b>	<b>14,483</b>	<b>20,571</b>

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 equity holders of the Company									
Group	Equity, total US\$'000	Share capital US\$'000	Reserves, total US\$'000	Other reserve US\$'000	Fair value reserve US\$'000	Statutory reserve US\$'000	Foreign currency translation reserve US\$'000	Revenue reserve US\$'000	
<b><u>FY2019</u></b>									
<b>Opening balance at 1 January 2019</b>	<b>77,870</b>	<b>38,859</b>	<b>39,011</b>	<b>227</b>	<b>602</b>	<b>25</b>	<b>(21)</b>	<b>38,178</b>	
Profit for the period	1,599	–	1,599	–	–	–	–	1,599	
Other comprehensive income for the period	547	–	547	–	484	–	63	–	
Total comprehensive income for the period	2,146	–	2,146	–	484	–	63	1,599	
<b><u>Contributed by and distribution to owners:-</u></b>									
Issuance of new shares	197	197	–	–	–	–	–	–	
Dividends on ordinary shares	(3,501)	–	(3,501)	–	–	–	–	(3,501)	
Transaction with owners in their capacity as owners	(3,304)	197	(3,501)	–	–	–	–	(3,501)	
<b><u>Others:-</u></b>									
Transfer of fair value reserve of equity instrument at FVOCI upon disposal	–	–	–	–	(840)	–	–	840	
<b>Closing balance at 31 December 2019</b>	<b>76,712</b>	<b>39,056</b>	<b>37,656</b>	<b>227</b>	<b>246</b>	<b>25</b>	<b>42</b>	<b>37,116</b>	
<b><u>FY2018</u></b>									
<b>Opening balance at 1 January 2018</b>	<b>73,718</b>	<b>38,553</b>	<b>35,165</b>	<b>227</b>	<b>804</b>	<b>25</b>	<b>6</b>	<b>34,103</b>	
Profit for the period	8,103	–	8,103	–	–	–	–	8,103	
Other comprehensive income for the period	(229)	–	(229)	–	(202)	–	(27)	–	
Total comprehensive income for the period	7,874	–	7,874	–	(202)	–	(27)	8,103	
<b><u>Contributed by and distribution to owners:-</u></b>									
Issuance of ordinary shares under EPSS	306	306	–	–	–	–	–	–	
Dividends on ordinary shares	(4,028)	–	(4,028)	–	–	–	–	(4,028)	
Transaction with owners in their capacity as owners	(3,722)	306	(4,028)	–	–	–	–	(4,028)	
<b>Closing balance at 31 December 2018</b>	<b>77,870</b>	<b>38,859</b>	<b>39,011</b>	<b>227</b>	<b>602</b>	<b>25</b>	<b>(21)</b>	<b>38,178</b>	

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.

Group	Attributable to equity holders of the Company							
	Equity, total	Share capital	Reserves, total	Other reserve	Fair value reserve	Statutory reserve	Foreign currency translation reserve	Revenue reserve
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>4Q2019</b>								
<b>Opening balance at 1 October 2019</b>	<b>76,196</b>	<b>38,893</b>	<b>37,303</b>	<b>227</b>	<b>225</b>	<b>25</b>	<b>18</b>	<b>36,808</b>
Profit for the period	308	–	308	–	–	–	–	308
Other comprehensive income for the period	45	–	45	–	21	–	24	–
<b>Total comprehensive income for the period</b>	<b>353</b>	<b>–</b>	<b>353</b>	<b>–</b>	<b>21</b>	<b>–</b>	<b>24</b>	<b>308</b>
<b>Contributed by and distribution to owners:-</b>								
Issuance of new shares	163	163	–	–	–	–	–	–
<b>Closing balance at 31 December 2019</b>	<b>76,712</b>	<b>39,056</b>	<b>37,656</b>	<b>227</b>	<b>246</b>	<b>25</b>	<b>42</b>	<b>37,116</b>
<b>4Q2018</b>								
<b>Opening balance at 1 October 2018</b>	<b>75,870</b>	<b>38,595</b>	<b>37,275</b>	<b>227</b>	<b>692</b>	<b>25</b>	<b>51</b>	<b>36,280</b>
Profit for the period	1,898	–	1,898	–	–	–	–	1,898
Other comprehensive income for the period	(162)	–	(162)	–	(90)	–	(72)	–
<b>Total comprehensive income for the period</b>	<b>1,736</b>	<b>–</b>	<b>1,736</b>	<b>–</b>	<b>(90)</b>	<b>–</b>	<b>(72)</b>	<b>1,898</b>
<b>Contributed by and distribution to owners:-</b>								
Issuance of ordinary shares under EPSS	264	264	–	–	–	–	–	–
<b>Closing balance at 31 December 2018</b>	<b>77,870</b>	<b>38,859</b>	<b>39,011</b>	<b>227</b>	<b>602</b>	<b>25</b>	<b>(21)</b>	<b>38,178</b>

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 (Cont'd).

Company	Attributable to equity holders of the Company					
	Equity, total US\$'000	Share capital US\$'000	Reserves, total US\$'000	Other reserve US\$'000	Fair value reserve US\$'000	Revenue reserve US\$'000
<b>FY2019</b>						
<b>Opening balance at 1 January 2019</b>	<b>41,461</b>	<b>38,859</b>	<b>2,602</b>	<b>227</b>	<b>602</b>	<b>1,773</b>
Profit for the period	2,270	–	2,270	–	–	2,270
Other comprehensive income for the period	484	–	484	–	484	–
Total comprehensive income for the period	2,754	–	2,754	–	484	2,270
<b>Contributed by and distribution to owners:-</b>						
Issuance of new shares	197	197	–	–	–	–
Dividends on ordinary shares	(3,501)	–	(3,501)	–	–	(3,501)
Transaction with owners in their capacity as owners	(3,304)	197	(3,501)	–	–	(3,501)
<b>Others:-</b>						
Transfer of fair value reserve of equity instrument at FVOCI upon disposal	–	–	–	–	(840)	840
<b>Closing balance at 31 December 2019</b>	<b>40,911</b>	<b>39,056</b>	<b>1,855</b>	<b>227</b>	<b>246</b>	<b>1,382</b>
<b>FY2018</b>						
<b>Opening balance at 1 January 2018</b>	<b>41,316</b>	<b>38,553</b>	<b>2,763</b>	<b>227</b>	<b>804</b>	<b>1,732</b>
Profit for the period	4,069	–	4,069	–	–	4,069
Other comprehensive income for the period	(202)	–	(202)	–	(202)	–
Total comprehensive income for the period	3,867	–	3,867	–	(202)	4,069
<b>Contributed by and distribution to owners:-</b>						
Issuance of ordinary shares under EPSS	306	306	–	–	–	–
Dividends on ordinary shares	(4,028)	–	(4,028)	–	–	(4,028)
Transaction with owners in their capacity as owners	(3,722)	306	(4,028)	–	–	(4,028)
<b>Closing balance at 31 December 2018</b>	<b>41,461</b>	<b>38,859</b>	<b>2,602</b>	<b>227</b>	<b>602</b>	<b>1,773</b>



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 (Cont'd).

Company	Attributable to equity holders of the Company					
	Equity, total US\$'000	Share capital US\$'000	Reserves, total US\$'000	Other reserve US\$'000	Fair value reserve US\$'000	Revenue reserve US\$'000
<b>4Q2019</b>						
<b>Opening balance at 1 October 2019</b>	<b>40,621</b>	<b>38,893</b>	<b>1,728</b>	<b>227</b>	<b>225</b>	<b>1,276</b>
Profit for the period	106	–	106	–	–	106
Other comprehensive income for the period	21	–	21	–	21	–
Total comprehensive income for the period	127	–	127	–	21	106
<b>Contributed by and distribution to owners:-</b>						
Issuance of new shares	163	163	–	–	–	–
<b>Closing balance at 31 December 2019</b>	<b>40,911</b>	<b>39,056</b>	<b>1,855</b>	<b>227</b>	<b>246</b>	<b>1,382</b>
<b>4Q2018</b>						
<b>Opening balance at 1 October 2018</b>	<b>40,696</b>	<b>38,595</b>	<b>2,101</b>	<b>227</b>	<b>692</b>	<b>1,182</b>
Profit for the period	591	–	591	–	–	591
Other comprehensive income for the period	(90)	–	(90)	–	(90)	–
Total comprehensive income for the period	501	–	501	–	(90)	591
<b>Contributed by and distribution to owners:-</b>						
Issuance of ordinary shares under EPSS	264	264	–	–	–	–
<b>Closing balance at 31 December 2018</b>	<b>41,461</b>	<b>38,859</b>	<b>2,602</b>	<b>227</b>	<b>602</b>	<b>1,773</b>

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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.**

	FY2019		FY2018	
	No. of shares	US\$'000	No. of shares	US\$'000
<b>Issued share capital</b>				
At beginning of financial period	119,192,840	38,859	118,502,940	38,553
Issuance of ordinary shares under EPSS	564,300	197	689,900	306
At end of financial period	119,757,140	39,056	119,192,840	38,859

**Grant of Share Awards Pursuant to the Excelpoint Performance Share Scheme ("EPSS")**

In May 2018, the Company issued and allotted 80,000 ordinary shares in the share capital of the Company at the Market Price of US\$0.517 (S\$0.685) under the EPSS.

In November 2018, the Company issued and allotted 609,900 ordinary shares in the share capital of the Company at the Market Price of US\$0.433 (S\$0.600) under the EPSS.

In May 2019, the Company issued and allotted 80,000 ordinary shares in the share capital of the Company at the Market Price of US\$0.419 (S\$0.570) under the EPSS.

In November 2019, the Company issued and allotted 484,300 ordinary shares in the share capital of the Company at the Market Price of US\$0.338 (S\$0.460) under the EPSS.

- 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.**

The total number of issued ordinary shares excluding treasury shares as at 31 December 2019 is 119,757,140 (31 December 2018: 119,192,840). There were no treasury shares as at 31 December 2019 (31 December 2018: Nil).

- 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 sales, transfers, cancellation and/ or use of treasury share during the current financial period reported on.

- 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.**

There were no subsidiary holdings during the current financial period reported on.

- 2. Whether the figures have been audited or reviewed, 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 modifications or emphasis of a matter).**

Not applicable ("N.A.").

**3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer opinion:-**

- (a) Updates on the efforts taken to resolve each outstanding audit issue.  
 (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

N.A.

**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's accounting policies adopted are consistent with those disclosed in the FY2018 audited financial statements except that in the current financial period, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 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 adoption of the new and revised standards did not have material effect on the financial position or financial performance of the Group, except for the SFRS(I) 16 Leases as described below.

SFRS(I) 16 – Leases

The Group recognised right-of-use assets and leases liabilities of US\$6,353,000 respectively for its leases previously classified as operating leases at the date of initial application, 1 January 2019, without restating prior period's information.

**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.**

	Group			
	4Q2019	4Q2018	FY2019	FY2018
Basic and diluted earnings per share (US cent)	0.26	1.60	1.34	6.83
Weighted average number of ordinary shares	119,499,198	118,868,002	119,301,840	118,626,736

The basic and diluted earnings per share of the Group were the same, as there were no share options and warrants granted.

**7. Net asset value (for the issuer and Group) per ordinary share based on the total number of issued share 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	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Net asset value per ordinary share based on existing issued share capital as at end of period reported on (US cents)	64.06	65.33	34.16	34.78
Number of ordinary shares, excluding treasury shares	119,757,140	119,192,840	119,757,140	119,192,840

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.**

#### **COMPARING 4Q2019 TO 4Q2018**

##### **INCOME STATEMENT**

The Group's revenue decreased by 4.7% from US\$271.7 million to US\$258.9 million and gross profit decreased by 16.3% from US\$14.0 million to US\$11.7 million, mainly due to lower sales from the Singapore and Hong Kong business units.

Sales and distribution costs increased by 3.1% from US\$7.1 million to US\$7.3 million and general and administrative expense decreased by 27.5% from US\$4.3 million to US\$3.1 million. These were mainly due to lower staff costs including directors' remuneration.

Interest expense decreased by 38.3% from US\$1.8 million to US\$1.1 million, due to lower borrowings.

Overall, the Group reported profit after taxation of US\$0.3 million for 4Q2019.

#### **COMPARING FY2019 TO FY2018**

##### **INCOME STATEMENT**

The Group's revenue decreased by 22.2% from US\$1,256.0 million to US\$977.0 million, and gross profit decreased by 20.1% from US\$67.8 million to US\$54.2 million, due to lower sales from the Singapore and Hong Kong business units.

Other income increased by 69.0% from US\$0.9 million to US\$1.6 million mainly due to non-recurring engineering income recognised in FY2019.

Sales and distribution costs decreased by 8.1% from US\$34.7 million to US\$31.9 million, and general and administrative expenses decreased by 20.8% from US\$18.6 million to US\$14.7 million, mainly due to lower staff costs including directors' remuneration, lower foreign exchange loss arising from the translation of foreign currency denominated balances into functional currency and reduced travelling expenses from cost savings initiatives.

Interest expense decreased by 17.7% from US\$6.8 million to US\$5.6 million mainly due to lower borrowings.

Overall, the Group reported profit after taxation of US\$1.6 million for FY2019.

#### **CASHFLOW AND FINANCIAL POSITION**

The Group's net cash flows generated from operating activities was US\$45.6 million in FY2019 as compared to US\$11.2 million in FY2018. This was mainly due to lower working capital requirements.

Net cash flows used in investing activities was US\$1.1 million in FY2019 as compared to US\$2.8 million in FY2018. This was mainly due to lower purchase of property, plant and equipment.

Net cash flows used in financing activities was US\$50.6 million in FY2019 as compared to net cash flows generated from financing activities of US\$2.2 million in FY2018. This was mainly due to lower borrowings.

Cash and short-term deposits was US\$14.5 million as at 31 December 2019 as compared to US\$20.6 million as at 31 December 2018.

Non-current assets increased from US\$6.7 million to US\$10.5 million as at 31 December 2019 mainly due to the recognition of right-of-use assets upon adoption of SFRS(I) 16 on 1 January 2019 and purchase of other investment. This was partially offset by the disposal of investment security.

Current assets decreased from US\$377.4 million to US\$320.7 million as at 31 December 2019 mainly due to:-

- a) decrease in trade and other debtors of US\$33.1 million due to lower sales;
- b) decrease in stocks of US\$17.0 million due to lower purchase of stocks; and

c) decrease in cash and short-term deposits of US\$6.1 million.

Current liabilities decreased from US\$306.2 million to US\$253.2 million as at 31 December 2019 mainly due to:-

a) decrease in interest-bearing loans and borrowings of US\$44.3 million;

b) decrease in trade and other creditors of US\$10.8 million; and

c) partially offset by increase in current lease liabilities of US\$2.4 million due to recognition of lease liabilities upon adoption of SFRS(I) 16.

Non-current liabilities of US\$1.3 million as at 31 December 2019 was mainly due to the recognition of lease liabilities upon adoption of SFRS(I) 16.

Overall, shareholders' equity decreased from US\$77.9 million to US\$76.7 million as at 31 December 2019, mainly due to the dividend on ordinary shares of US\$3.5 million. This was partially offset by net profit of US\$1.6 million and fair value changes on equity instrument of US\$0.5 million.

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

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

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

While the effects of the US-China trade tensions may have abated, the global economic and political landscape remains uncertain. With the recent viral outbreak, it will inevitably impact market sentiments across the globe and we are closely monitoring the situation.

Moving forward, the Group will continue to stay vigilant and center our efforts towards enhancing our core capabilities to provide more value-added services to our partners. The segments we are in remain our focus and we see potential in the infrastructure and industrial space with the rise of 5G. With strategies in place, we believe the team is ready to capture new business opportunities and strengthen our positioning in the market.

**11. Dividend**

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

Any dividend recommended for the current financial period reported on? **No.**

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

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

Name of Dividend (First and Final)	Ordinary	Special
Dividend Type	Cash	Cash
Dividend Amount per Ordinary Share (in Singapore cent)	3.00 (tax exempt one-tier)	1.00 (tax exempt one-tier)
Tax Rate	Tax Exempted	Tax Exempted

**(c) Date payable**

N.A.

**(d) Record date**

N.A.

**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 for the current financial year reported on due to the current uncertain business environment to maintain the Group's working capital.

**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.**

No IPT mandate has been obtained.

The aggregate value of all interested person transactions during the financial year ended 31 December 2019 were as follows:-

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Description of the transaction entered into with the interested person during the financial year under review	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Albert Phuay Yong Hen	US\$76,000	Rental of premises	N.A.

**PART II – ADDITIONAL INFORMATION REQUIRED FOR ANNOUNCEMENT OF FULL 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.**

**Sales Revenue and results by Business Units**

	Hong Kong Business Unit		Singapore Business Unit		Corporate Business Unit		Adjustment and Eliminations		Total	
	FY2019	FY2018	FY2019	FY2018	FY2019	FY2018	FY2019	FY2018	FY2019	FY2018
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Revenue</b>										
External customers	555,539	628,307	421,437	627,668	–	–	–	–	976,976	1,255,975
Inter-segment	347	169	4,440	16,613	–	–	(4,787)	(16,782)	–	–
Total revenue	555,886	628,476	425,877	644,281	–	–	(4,787)	(16,782)	976,976	1,255,975
<b>Results</b>										
Interest income	44	17	439	4	2	1	–	–	485	22
Interest expense	(3,015)	(3,753)	(2,546)	(3,003)	–	–	–	–	(5,561)	(6,756)
Net (loss)/ gain on disposal of property, plant and equipment	–	(16)	55	–	–	–	–	–	55	(16)
Property, plant and equipment written off	–	–	(10)	–	–	–	–	–	(10)	–
Depreciation of property, plant and equipment and ROU assets	(2,957)	(793)	(1,443)	(478)	–	–	–	–	(4,400)	(1,271)
Other non-cash expenses:-										
- Reversal of stocks written down	1,096	1,588	1,031	1,371	–	–	–	–	2,127	2,959
- Stocks written down/ off	(659)	(1,606)	(785)	(1,487)	–	–	–	–	(1,444)	(3,093)
- Impairment losses on trade debtors	(108)	(63)	(1,626)	(346)	–	–	–	–	(1,734)	(409)
Segment profit/ (loss) before tax	5,860	2,135	(4,224)	5,049	298	1,210	1	2	1,935	8,396
Income tax (expenses)/ credit	(401)	88	128	(234)	(63)	(147)	–	–	(336)	(293)
<b>Assets</b>										
Additions to non-current assets	86	1,579	1,234	860	–	–	–	–	1,320	2,439
Segment assets	201,517	231,099	126,078	149,043	3,606	3,936	2	–	331,203	384,078
<b>Liabilities</b>										
Segment liabilities	(155,364)	(172,843)	(98,830)	(131,703)	(297)	(1,662)	–	–	(254,491)	(306,208)

- 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. (Cont'd)**

**By geographical**

	Revenue		Non-current assets	
	FY2019	FY2018	FY2019	FY2018
	US\$'000	US\$'000	US\$'000	US\$'000
Hong Kong/ PRC	719,051	952,095	4,325	2,364
South-East Asia	158,840	207,350	2,766	1,660
India	59,624	59,469	461	139
Others	39,461	37,061	46	–
	<b>976,976</b>	<b>1,255,975</b>	<b>7,598</b>	<b>4,163</b>

Non-current assets information presented above consist of property, plant and equipment, right-of-use assets and intangible assets.

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 paragraph 8.

16. **A breakdown of sales.**

	Group FY2019	Group FY2018	Increase/ (Decrease)
	US\$'000	US\$'000	US\$'000
(a) Sales reported for first half year	470,894	635,043	(164,149)
(b) Profit after tax before deducting non-controlling interests reported for first half year	1,172	3,669	(2,497)
(c) Sales reported for second half year	506,082	620,932	(114,850)
(d) Profit after tax before deducting non-controlling interests reported for second half year	427	4,434	(4,007)

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

	FY2019	FY2018
	US\$'000	US\$'000
(a) Ordinary	3,501	4,028
(b) Preference	Nil	Nil
<b>Total</b>	<b>3,501</b>	<b>4,028</b>



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(13) 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 held	Details of changes in duties and position held, if any, during the year
Phuay Yong Hua	57	Younger brother of Chairman and Group CEO, Albert Phuay Yong Hen  Elder brother of Executive Director, Tonny Phuay Yong Choon	(i) Group Senior Vice President, HR & Administration since 2016.  Responsible for the overall Group Human Resources & Administrative departments.  (ii) Appointed Directors for:- - Excelpoint Systems (H.K.) Limited - Excelpoint Systems (India) Pvt Ltd - Synergy Electronics (H.K.) Limited	Appointed as Director of Synergy Electronics (H.K.) Limited effective from 30 August 2019.
Phuay Li Ying	30	Daughter of Chairman and Group CEO, Albert Phuay Yong Hen	(i) Deputy Director, Corporate Development from 1 July 2018.  Responsible for overseeing Corporate Development including the Group's branding and corporate communication strategies, as well as corporate matters.  (ii) Appointed Director for PlanetSpark Pte Ltd.	N.A.
Ivy Chan Yuk Wah	54	Wife of Executive Director, Herbert Kwok Fei Lung	(i) Vice President of Sales Administration of Excelpoint Systems (H.K.) Limited since 2012.  Responsible for over-seeing sales and administration and logistic departments in Excelpoint Systems (H.K.) Limited.  (ii) Appointed Directors for:- - Excelpoint Systems (H.K.) Limited - Synergy Electronics (H.K.) Limited	Appointed as Director of Synergy Electronics (H.K.) Limited effective from 30 August 2019.

**19. Use of Placement Proceeds as at Date of this Announcement**

The Company refers to the net proceeds of approximately S\$7,825,000 raised from the placement of 15 million new ordinary shares at S\$0.525 each in the issued and paid-up share capital of the Company on 5 October 2016 (the "Net Proceeds") (as defined in the Company's announcement dated 2 September 2016).

The status on the use of the Net Proceeds is as follows:-

<b>Intended Uses</b>	<b>Approximate Amount (S\$'000)</b>	<b>Estimated Percentage Allocation of Net Proceeds</b>	<b>Amount Utilised as at Date of this Announcement (S\$'000)</b>	<b>Balance as at Date of this Announcement (S\$'000)</b>
Strategic Investments and Acquisitions	5,000	63.9%	(3,054)	1,946
Development of New Technology and Application	1,700	21.7%	(1,055)	645
Investments in Research and Development Expertise	1,125	14.4%	(986)	139
Total	7,825	100.0%	(5,095)	2,730

**20. Confirmation Pursuant to Rule 720(1) of the Listing Manual**

The Company has procured 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.

**BY ORDER OF THE BOARD**

Wong Yoen Har  
Company Secretary  
12 February 2020