



SMARTFLEX HOLDINGS LIMITED  
(Company Registration No: 201003501R)

**UNAUDITED FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT  
FOR YEAR ENDED 31 DECEMBER 2016**

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

*This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST 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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**SMARTFLEX HOLDINGS LIMITED**  
(Company Registration No: 201003501R)

**PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

**1(a)(i) 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.**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

|                                                                          | <b>Group</b>                |                                 |                   |
|--------------------------------------------------------------------------|-----------------------------|---------------------------------|-------------------|
|                                                                          | <b>Financial year ended</b> |                                 | <b>Increase /</b> |
|                                                                          | <b>31/12/2016</b>           | <b>31/12/2015<sup>(1)</sup></b> | <b>(Decrease)</b> |
|                                                                          | US\$'000                    | US\$'000                        | %                 |
| <b><u>Continuing operations</u></b>                                      |                             |                                 |                   |
| Other income                                                             | 71                          | 1                               | 7,000.0           |
| Administrative expenses                                                  | (1,186)                     | (206)                           | 475.7             |
| <b>Loss before tax from continuing operations</b>                        | <b>(1,115)</b>              | <b>(205)</b>                    | <b>443.9</b>      |
| Income tax expense                                                       | -                           | -                               | N.M.              |
| <b>Loss from continuing operations, net of tax</b>                       | <b>(1,115)</b>              | <b>(205)</b>                    | <b>443.9</b>      |
| <b><u>Discontinued operations</u></b>                                    |                             |                                 |                   |
| <b>Profit from discontinued operations, net of tax<sup>(2)</sup></b>     | <b>3,755</b>                | <b>5,432</b>                    | <b>(30.9)</b>     |
| <b>Profit net of tax</b>                                                 | <b>2,640</b>                | <b>5,227</b>                    | <b>(49.5)</b>     |
| <b>Other comprehensive income for the year, net of tax</b>               |                             |                                 |                   |
| Total comprehensive income attributable to equity holders of the Company | <b>2,640</b>                | <b>5,227</b>                    | <b>(49.5)</b>     |
| <b>Earnings per share (US cents)</b>                                     |                             |                                 |                   |
| Basic                                                                    | 2.09                        | 4.13                            |                   |
| Diluted                                                                  | 2.09                        | 4.13                            |                   |

*N.M. denotes Not Meaningful*

**Notes:**

- (1) On 29 January 2016, the Company announced that it had entered into a non-binding term sheet in respect of the disposal of the entire issued share capital of Smartflex Technology Pte Ltd ("SFT") and Smartflex Innovation Pte Ltd ("SFI") held by the Company (the "Disposal") for a consideration of up to S\$26,080,000.

The Disposal was approved in the Extraordinary General Meeting held on 8 July 2016 and was completed on 20 July 2016. Accordingly, the comparative figures have been re-presented to report the profit and loss items of the continuing and discontinued operations separately.

- (2) Profit from discontinued operations, net of tax

|                                                            | Financial year ended |              |
|------------------------------------------------------------|----------------------|--------------|
|                                                            | 31/12/2016           | 31/12/2015   |
|                                                            | US\$'000             | US\$'000     |
| <b><u>Discontinued operations</u></b>                      |                      |              |
| Revenue                                                    | 15,621               | 27,521       |
| Cost of sales                                              | (12,330)             | (19,656)     |
| Gross profit                                               | 3,291                | 7,865        |
| Other income                                               | 87                   | 2,799        |
| Selling and distribution expenses                          | (51)                 | (65)         |
| Administrative expenses                                    | (2,097)              | (4,877)      |
| Finance costs                                              | (50)                 | (56)         |
| Share of results of joint venture                          | -                    | (359)        |
| Profit before tax from discontinued operations             | 1,180                | 5,307        |
| Income tax (expense)/credit                                | (117)                | 125          |
| Gain on disposal of subsidiaries, net of transaction costs | 2,692                | -            |
| <b>Profit from discontinued operations, net of tax</b>     | <b>3,755</b>         | <b>5,432</b> |

# 1(a)(ii) Notes to consolidated statement of comprehensive income

The Group's profit before tax is arrived at after charging/(crediting):

|                                                   | Financial year ended |            | Increase / |      |
|---------------------------------------------------|----------------------|------------|------------|------|
|                                                   | 31/12/2016           | 31/12/2015 | (Decrease) | Note |
|                                                   | US\$'000             | US\$'000   | %          |      |
| <b><u>Continuing Operations</u></b>               |                      |            |            |      |
| Interest income                                   | 71                   | -          | 100.0      | (a)  |
| Foreign exchange (loss)/gain                      | (898)                | 1          | N.M.       | (b)  |
| <b><u>Discontinued Operations<sup>#</sup></u></b> |                      |            |            |      |
| Gain on disposal of subsidiaries                  | 2,692                | -          | 100.0      | (c)  |
| Depreciation on plant and equipment               | (183)                | (1,894)    | (90.3)     | (d)  |
| Interest income                                   | 4                    | 128        | (96.9)     | (e)  |
| Foreign exchange (loss)/gain                      | (67)                 | 187        | N.M.       | (f)  |

## Notes:

- # Included in the discontinued operations are the profits of its subsidiaries up to the date of disposal.
- (a) Interest income earned on fixed deposit balances of the Company.
- (b) The foreign exchange loss was attributable to the depreciation of SGD on the Company's SGD cash equivalents against USD.
- (c) Gain on disposal of subsidiaries was attributable to the disposal of all of its subsidiaries on 20 July 2016.
- (d) Following the signing of the non-binding term sheet with Novoflex Pte. Ltd. in respect of the Disposal as announced on 29 January 2016 by the Company, the investment in its subsidiaries has been classified as held for sale in accordance with FRS 105 Non-current Assets Held for Sale and Discontinued Operations. Accordingly, the depreciation on plant and equipment had been adjusted thereafter with the application of FRS 105.
- (e) Interest income in FY2015 came mainly from interest earned on advances to SFI, then a joint venture company, and advances to joint venture partner. SFI became a wholly-owned subsidiary of the Group in 2H2015 and all outstanding advance balances with the joint venture partner were settled as at acquisition date. In FY2016, interest income was solely from bank balances. Accordingly, interest income decreased from US\$128,000 in FY2015 to US\$4,000 in FY2016.
- (f) A foreign exchange loss was recorded in FY2016 vis-à-vis a gain in FY2015, due to the weakening of the USD against other operating currencies on the EUR and SGD payables and loans and borrowings as compared to FY2015.

**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**

|                                                           | <b>Company</b>          |                         | <b>Group<sup>(1)</sup></b> |
|-----------------------------------------------------------|-------------------------|-------------------------|----------------------------|
|                                                           | <b>As at</b>            |                         | <b>As at</b>               |
|                                                           | <b>31 December 2016</b> | <b>31 December 2015</b> | <b>31 December 2015</b>    |
|                                                           | <b>US\$'000</b>         | <b>US\$'000</b>         | <b>US\$'000</b>            |
| <b>ASSETS</b>                                             |                         |                         |                            |
| <b>Non-current assets<sup>(2)</sup></b>                   |                         |                         |                            |
| Plant and equipment                                       | -                       | -                       | 10,108                     |
| Investment in subsidiary                                  | -                       | 8,292                   | -                          |
| Provisional goodwill                                      | -                       | -                       | 254                        |
| Intellectual property                                     | -                       | -                       | 4,200                      |
|                                                           | -                       | 8,292                   | 14,562                     |
| <b>Current assets</b>                                     |                         |                         |                            |
| Inventories                                               | -                       | -                       | 2,523                      |
| Trade and other receivables <sup>(3)</sup>                | 1,353                   | -                       | 5,106                      |
| Prepayments                                               | 3                       | 4                       | 133                        |
| Cash and cash equivalents                                 | 12,639                  | 4,811                   | 9,985                      |
|                                                           | 13,995                  | 4,815                   | 17,747                     |
| <b>Total assets</b>                                       | <b>13,995</b>           | <b>13,107</b>           | <b>32,309</b>              |
| <b>LIABILITIES</b>                                        |                         |                         |                            |
| <b>Current liabilities</b>                                |                         |                         |                            |
| Trade payables                                            | -                       | -                       | 3,722                      |
| Other payables and accruals                               | 122                     | 105                     | 1,541                      |
| Loans and borrowings                                      | -                       | -                       | 4,475                      |
| Tax payable                                               | -                       | -                       | 53                         |
|                                                           | 122                     | 105                     | 9,791                      |
| <b>Net current assets</b>                                 | <b>13,873</b>           | <b>4,710</b>            | <b>7,956</b>               |
| <b>Non-current liabilities<sup>(2)</sup></b>              |                         |                         |                            |
| Loans and borrowings                                      | -                       | -                       | 1,286                      |
| Deferred tax liabilities                                  | -                       | -                       | 1,077                      |
| Provision for reinstatement                               | -                       | -                       | 252                        |
|                                                           | -                       | -                       | 2,615                      |
| <b>Total liabilities</b>                                  | <b>122</b>              | <b>105</b>              | <b>12,406</b>              |
| <b>Net Assets</b>                                         | <b>13,873</b>           | <b>13,002</b>           | <b>19,903</b>              |
| <b>EQUITY</b>                                             |                         |                         |                            |
| Share capital                                             | 12,914                  | 12,914                  | 12,914                     |
| Revenue reserve                                           | 959                     | 88                      | 11,977                     |
| Merger reserve                                            | -                       | -                       | (4,988)                    |
| <b>Total equity attributable to owners of the Company</b> | <b>13,873</b>           | <b>13,002</b>           | <b>19,903</b>              |

**Notes:**

- (1) Upon the disposal of all of its subsidiaries on 20 July 2016, the Company became a cash company with no subsidiaries. As such, only the financial position of the Company was presented for FY2016.
- (2) Following the disposal of its subsidiaries, there were neither non-current assets nor non-current liabilities in the Company as at 31 December 2016.
- (3) Trade and other receivables pertain mainly to the retention sum withheld by Novoflex Pte. Ltd. from the disposal of its subsidiaries.

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

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

| <b>As at 31 Dec 2016</b> |           | <b>As at 31 Dec 2015</b> |           |
|--------------------------|-----------|--------------------------|-----------|
| Secured                  | Unsecured | Secured                  | Unsecured |
| US\$'000                 | US\$'000  | US\$'000                 | US\$'000  |
| -                        | -         | 1,176                    | 3,299     |

**Amount repayable after one year**

| <b>As at 31 Dec 2016</b> |           | <b>As at 31 Dec 2015</b> |           |
|--------------------------|-----------|--------------------------|-----------|
| Secured                  | Unsecured | Secured                  | Unsecured |
| US\$'000                 | US\$'000  | US\$'000                 | US\$'000  |
| -                        | -         | 1,286                    | -         |

**Note:**

The banking facilities of the Group in prior year were free of any guarantee or collaterals except that the term loans of an aggregate principal amount of US\$2.46 million were secured by a pledge over certain equipment of SFT.

Upon the disposal of all of its subsidiaries, the continuing operations of the Group did not hold any borrowings and debt securities as at 31 December 2016.

**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.**

**STATEMENT OF CASH FLOWS**

|                                                                | <b>Group</b>                |                   |
|----------------------------------------------------------------|-----------------------------|-------------------|
|                                                                | <b>Financial year ended</b> |                   |
|                                                                | <b>31/12/2016</b>           | <b>31/12/2015</b> |
|                                                                | <b>US\$'000</b>             | <b>US\$'000</b>   |
| <b>Cash flows from operating activities</b>                    |                             |                   |
| Loss before tax from continuing operations                     | (1,115)                     | (205)             |
| Profit before tax from discontinued operations                 | 3,872                       | 5,307             |
| <b>Profit before tax</b>                                       | <b>2,757</b>                | <b>5,102</b>      |
| Adjustments for:                                               |                             |                   |
| Depreciation                                                   | 183                         | 1,894             |
| Interest Income                                                | (75)                        | (128)             |
| Interest expense                                               | 50                          | 56                |
| Gain on disposal of subsidiaries, net of transaction costs     | (2,692)                     | -                 |
| Unrealised exchange loss                                       | 59                          | 137               |
| Share of results of joint venture                              | -                           | 359               |
| Gain on investment                                             | -                           | (2,342)           |
| <b>Operating profit before working capital changes</b>         | <b>282</b>                  | <b>5,078</b>      |
| Increase in trade and other receivables                        | (2,865)                     | (1,911)           |
| (Increase)/Decrease in prepayments                             | (28)                        | 440               |
| (Increase)/Decrease in inventories                             | (376)                       | 931               |
| (Decrease)/Increase in trade and other payables                | (386)                       | 2,032             |
| <b>Cash (used in)/ generated from operations</b>               | <b>(3,373)</b>              | <b>6,570</b>      |
| Interest received                                              | 73                          | 15                |
| Interest paid                                                  | (41)                        | (50)              |
| Income tax paid                                                | (17)                        | (111)             |
| <b>Net cash (used in)/ generated from operating activities</b> | <b>(3,358)</b>              | <b>6,424</b>      |
| <b>Cash flows from investing activities</b>                    |                             |                   |
| Purchase of property, plant and equipment                      | (329)                       | (2,503)           |
| Net cash inflow on disposal of subsidiaries <sup>(1)</sup>     | 13,076                      | -                 |
| <b>Net cash generated from/ (used in) investing activities</b> | <b>12,747</b>               | <b>(3,370)</b>    |
| <b>Cash flows from financing activities</b>                    |                             |                   |
| Proceeds from loans and borrowings                             | -                           | 718               |
| Proceeds from hire purchase                                    | 1,000                       | -                 |
| Repayment of loans and borrowings                              | (602)                       | (916)             |
| Repayment of hire purchase                                     | (74)                        | -                 |
| Proceeds from trade financing facilities                       | 1,611                       | 1664              |
| Dividend paid                                                  | (8,670)                     | (1,095)           |
| <b>Net cash (used in)/ generated from financing activities</b> | <b>(6,735)</b>              | <b>371</b>        |
| Net increase in cash and cash equivalents                      | 2,654                       | 3,425             |
| Cash and cash equivalents at beginning of year                 | 9,985                       | 6,560             |
| <b>Cash and cash equivalents at end of year</b>                | <b>12,639</b>               | <b>9,985</b>      |
| <b><u>Cash and cash equivalents comprise:</u></b>              |                             |                   |
| Bank balances                                                  | 145                         | 9,985             |
| Restricted deposits                                            | 10,758                      | -                 |
| Fixed Deposits                                                 | 1,736                       | -                 |
| <b>Cash and cash equivalents</b>                               | <b>12,639</b>               | <b>9,985</b>      |

Note:

(1) Net cash inflow on disposal of subsidiaries

|                                                              | <b>FY2016</b> |
|--------------------------------------------------------------|---------------|
|                                                              | US\$000       |
| <b>Net assets disposed</b>                                   |               |
| Non-current assets                                           | 14,708        |
| Current assets (excluding cash and cash equivalents)         | 11,211        |
| Current liabilities                                          | (12,737)      |
| Non-current liabilities                                      | (1,376)       |
| Cash and cash equivalents                                    | 4,448         |
|                                                              | <hr/>         |
|                                                              | 16,254        |
| Gain on disposal of subsidiaries (gross)                     | 3,089         |
|                                                              | <hr/>         |
| <b>Total cash consideration</b>                              | 19,343        |
| Less: Transaction costs paid                                 | (368)         |
| Consideration receivable                                     | (1,451)       |
|                                                              | <hr/>         |
| <b>Net cash consideration received</b>                       | 17,524        |
| Less: Cash and cash equivalents of subsidiaries disposed off | (4,448)       |
|                                                              | <hr/>         |
| <b>Net cash inflow on disposal of subsidiaries</b>           | 13,076        |

**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.**

|                                                   | Share capital | Revenue reserves | Merger reserve | Total         |
|---------------------------------------------------|---------------|------------------|----------------|---------------|
|                                                   | US\$'000      | US\$'000         | US\$'000       | US\$'000      |
| <b><u>Company</u></b>                             |               |                  |                |               |
| Balance as at 1 January 2016                      | 12,914        | 88               | -              | 13,002        |
| Total comprehensive income for the financial year | -             | 9,541            | -              | 9,541         |
| Dividends paid <sup>(1)</sup>                     | -             | (8,670)          | -              | (8,670)       |
| <b>Balance as at 31 December 2016</b>             | <b>12,914</b> | <b>959</b>       | <b>-</b>       | <b>13,873</b> |
| Balance as at 1 January 2015                      | 12,914        | 86               | -              | 13,000        |
| Total comprehensive income for the financial year | -             | 1,097            | -              | 1,097         |
| Dividends paid <sup>(1)</sup>                     | -             | (1,095)          | -              | (1,095)       |
| <b>Balance as at 31 December 2015</b>             | <b>12,914</b> | <b>88</b>        | <b>-</b>       | <b>13,002</b> |

**Group**

|                                                   |               |               |                |               |
|---------------------------------------------------|---------------|---------------|----------------|---------------|
| Balance as at 1 January 2016                      | 12,914        | 11,977        | (4,988)        | 19,903        |
| Total comprehensive income for the financial year | -             | 2,640         | -              | 2,640         |
| Dividends paid <sup>(1)</sup>                     | -             | (8,670)       | -              | (8,670)       |
| Disposal of subsidiaries                          | -             | (4,988)       | 4,988          | -             |
| <b>Balance as at 31 December 2016</b>             | <b>12,914</b> | <b>959</b>    | <b>-</b>       | <b>13,873</b> |
| Balance as at 1 January 2015                      | 12,914        | 7,846         | (4,988)        | 15,772        |
| Total comprehensive income for the financial year | -             | 5,226         | -              | 5,226         |
| Dividends paid <sup>(1)</sup>                     | -             | (1,095)       | -              | (1,095)       |
| <b>Balance as at 31 December 2015</b>             | <b>12,914</b> | <b>11,977</b> | <b>(4,988)</b> | <b>19,903</b> |

**Note:**

- (1) A final tax exempt (one-tier) dividend of S\$0.0085 per ordinary share in respect of FY2015 was paid on 19 May 2016 and a special tax exempt (one-tier) dividend of S\$0.085 per ordinary share in respect of FY2016 was paid on 5 October 2016.

Save for the foregoing, there are no other (i) changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders.

**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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.**

The Company has no shares that may be issued on conversion of outstanding convertibles or treasury shares as at the end of the current financial year reported on and as at the end of the corresponding period of the immediately preceding financial year.

- 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.**

|                               | <b>As at<br/>31 Dec 2016</b> | <b>As at<br/>31 Dec 2015</b> |
|-------------------------------|------------------------------|------------------------------|
| Total number of issued shares | 126,440,002                  | 126,440,002                  |
| Treasury shares               | Nil                          | Nil                          |

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

Not applicable.

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

The figures have not been audited or reviewed by the independent auditor.

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

Not applicable.

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

The Group and the Company have applied the same accounting policies and methods of computation in the unaudited financial statements for the financial year ended 31 December 2016 as in the Group's most recent financial statements for the financial year ended 31 December 2015, except for the adoption of new and revised Financial Reporting Standards (FRSs) which are effective for its financial year beginning 1 January 2016.

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

The Group and the Company have adopted the new and revised FRSs which are effective for its financial year beginning 1 January 2016. The adoption of the new and revised FRSs did not result in any material impact on the Group's and the Company's financial statements.

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

**Earnings Per Share ("EPS")**

|                                                                                | <b>Group</b>                |                    |
|--------------------------------------------------------------------------------|-----------------------------|--------------------|
|                                                                                | <b>Financial year ended</b> |                    |
|                                                                                | <b>31 Dec 2016</b>          | <b>31 Dec 2015</b> |
| Earnings attributable to equity holders of the Company (US\$'000)              | 2,640                       | 5,226              |
| Basic EPS attributable to equity holders of the Company (US cents)             | 2.09                        | 4.13               |
| Fully diluted EPS (US cents)                                                   | 2.09                        | 4.13               |
| Weighted average number of shares used in computation of basic and diluted EPS | 126,440,002                 | 126,440,002        |

Basic EPS is computed by dividing the earnings attributable to the equity holders of the Company in each financial period by the weighted average number of ordinary shares outstanding as at the end of the respective financial year.

Fully diluted EPS for FY2016 and FY2015 were the same as the basic EPS as the Company did not have any outstanding instruments convertible into, rights to subscribe for and options in respect of its ordinary shares during the respective financial years.

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

**Net Asset Value ("NAV")**

|                                                       | <b>Company</b>               |                              | <b>Group</b>                 |
|-------------------------------------------------------|------------------------------|------------------------------|------------------------------|
|                                                       | <b>As at<br/>31 Dec 2016</b> | <b>As at<br/>31 Dec 2015</b> | <b>As at<br/>31 Dec 2015</b> |
| NAV per ordinary share (US cents)                     | 10.97                        | 10.28                        | 15.74                        |
| Number of shares used in computation of NAV per share | 126,440,002                  | 126,440,002                  | 126,440,002                  |

- 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.**

Continuing operations

The Company became a cash company upon the completion of the disposal of all of the subsidiaries to Novoflex Pte. Ltd. on 20 July 2016. The Group's results and financial position reflected the disposal of its subsidiaries. The increase in cash balance was attributable to gain on the disposal of its subsidiaries. Please refer to notes on page 3, 4, 5 and 8 for details.

A special dividend of US\$7,870,321 (S\$10,747,000) was paid on 5 October 2016.

Discontinued operations

The results of the discontinued operations for FY2016 comprise the revenue and expenses for the period from 1 January 2016 to the date of disposal. Therefore, the comparison of the results with the previous financial year ended 31 December 2015 is not meaningful.

The Company is deemed a cash company under Rule 1017 of the Catalist Rules of the Singapore Exchange Securities Trading Limited ("Catalist Rules") with effect from 20 July 2016.

- 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.**

As disclosed in its announcement on 20 July 2016, the Company became a cash company upon the completion of the disposal of all of its subsidiaries to Novoflex Pte. Ltd. The board of directors is currently considering various options available to the Company to maximize value for its shareholders. Shareholders will be informed in due course once a definitive decision has been made.

Shareholders should note that under Rule 1017(2) of the Catalist Rules, the SGX-ST will proceed to remove an issuer from the Official List if it is unable to meet the requirements within twelve(12) months from the time it becomes a cash company. The issuer may (through its sponsor) apply to the SGX-ST for a maximum six(6)-month to twelve(12)-month extension period if it has already signed a definitive

agreement for the acquisition of a new business, of which the acquisition must be completed in the six(6)-month extension period. The extension is subject to the issuer providing information to investors on its progress in meeting key milestones in the transaction. In the event the issuer is unable to meet its milestones, or complete the relevant acquisition despite the extension granted, no further extension will be granted and the issuer will be required to delist and a cash exit offer in accordance with Rule 1308 of the Catalist Rules be made to its shareholders within six(6) months.

## 11 Dividend

**(a) Current financial period reported on**  
Any dividend declared for the current financial period reported on?

Yes.

| Name of dividend                         | Special dividend      | Final dividend (Proposed) |
|------------------------------------------|-----------------------|---------------------------|
| Dividend type                            | Cash                  | Cash                      |
| Dividend amount per ordinary share (S\$) | 0.085                 | 0.010                     |
| Tax rate                                 | Tax-exempt (one-tier) | Tax-exempt (one-tier)     |
| Date paid/payable                        | 10 October 2016       | 12 May 2017               |

**(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                   | Final dividend        |
|------------------------------------|-----------------------|
| Dividend type                      | Cash                  |
| Dividend amount per ordinary share | S\$0.0085             |
| Tax rate                           | Tax-exempt (one-tier) |

**(c) Date payable**

The proposed Final Dividend shall be payable on 12 May 2017, if approved by Company's shareholders at the forthcoming annual general meeting of the Company.

**(d) Books closure date**

The Share Transfer Books and Register of Members of the Company will be closed on 2 May 2017 for the purpose of determining the entitlements of the Company's shareholders ("Shareholders") to a final tax exempt (one-tier) dividend of 1.00 Singapore cent per ordinary share.

For the avoidance of doubt, in the case where the registered Shareholder is the Central Depository (Pte) Limited ("CDP"), the dividend warrants shall be issued to the CDP and credited to the depositors' securities accounts with the CDP in proportion to the number of shares of the Company standing to the credit of each depositor's securities account with the CDP as at 5.00 pm (Singapore time) on 2 May 2017.

Duly completed registrable transfers received by the Company's Share Registrar, RHT Corporate Advisory Pte. Ltd., 9 Raffles Place, #29-01, Republic Plaza Tower 1, Singapore 048619 up to 5.00 p.m. on 2 May 2017 will be registered to determine entitlements to the said dividend.

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

Not applicable.

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

- The Group has not obtained a general mandate from shareholders for IPTs and there were no IPTs in FY2016.
- 14 Negative confirmation pursuant to Rule 705(5) (Not required for announcement on full year results.)**

Not applicable

- 15 Confirmation pursuant to Rule 720(1)**

The Company hereby confirms that it has procured undertakings from all its Directors and Executive Officers in accordance with Rule 720(1).

**Part II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (this part is not applicable to Q1,Q2,Q3 or half annual financial statements, with comparative information for the immediately preceding year)**

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

Below Segmental reporting is related to the discontinued operations:

**(a) Business segments**

For management purposes, the Group is organised as a single operating segment entity as it is principally engaged in the fabrication and packaging of smart card chip modules. The management of the Group regularly reviews the segment performance and adequacy of resources.

**(b) Geographical segments**

**(i) Revenue**

Revenue based on geographical locations of customers for the years ended 31 December 2016 and 2015 are as follows:

| Geographical information | 2016          |            | 2015          |            |
|--------------------------|---------------|------------|---------------|------------|
|                          | US\$'000      | %          | US\$'000      | %          |
| East Asia                | 4,043         | 26         | 4,362         | 16         |
| South Asia               | 9,575         | 61         | 16,451        | 60         |
| Europe                   | 1,749         | 11         | 6,337         | 23         |
| Others                   | 254           | 2          | 371           | 1          |
| <b>Total</b>             | <b>15,621</b> | <b>100</b> | <b>27,521</b> | <b>100</b> |

**(ii) Non-current assets**

Non-current assets were nil as at 31 December 2016 due to disposal of all subsidiaries during the year (FY2015: US\$14.56 million).

**(iii) Information about major customers**

Revenue from top ten customers of the Group's single segment represents 96.6% (2015: 92.0%) of the Group's total revenue.

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

Please refer to paragraph 8.

**18 A breakdown of sales as follows:**

Below breakdown of sales is related to the discontinued operations:

|                                                                                                  | <b>Group</b> |             |                                 |
|--------------------------------------------------------------------------------------------------|--------------|-------------|---------------------------------|
|                                                                                                  | <b>2016</b>  | <b>2015</b> | <b>Increase/<br/>(Decrease)</b> |
|                                                                                                  | US\$'000     | US\$'000    | %                               |
| (a) Sales reported for first half year*                                                          | 14,294       | 13,258      | 7.8                             |
| (b) Operating profit after tax before deducting minority interests reported for first half year  | 1,086        | 1,280       | (15.2)                          |
| (c) Sales reported for second half year*                                                         | 1,327        | 14,263      | (90.7)                          |
| (d) Operating profit after tax before deducting minority interests reported for second half year | 1,554        | 3,947       | (60.6)                          |

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

|                                 | <b>2016</b>      | <b>2015</b>      |
|---------------------------------|------------------|------------------|
|                                 | US\$             | US\$             |
| Ordinary (net of tax)           |                  |                  |
| - Interim                       | 7,870,321        | 760,745          |
| - Final (proposed) <sup>#</sup> | 873,627          | 760,373          |
| <b>Total annual dividend</b>    | <b>8,743,948</b> | <b>1,521,118</b> |

<sup>#</sup> FY2016 final dividend is computed based on the number of ordinary shares outstanding as at the end of the financial year and translated at exchange rate of US\$1:S\$1.4473 as at 31 December 2016.

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

There was no 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).

**BY ORDER OF THE BOARD**

Tan Tong Guan  
Executive Chairman & CEO

24 February 2017