



FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2020

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

1(a)(i) A statement of profit or loss and other comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

| Group | Year ended 30.06.20 \$'000 | Year ended 30.06.19 \$'000 |
|--|---|---|
| Revenue | 276,414 | 335,706 |
| Cost of sales | (232,054) | (285,190) |
| Gross profit | 44,360 | 50,516 |
| Other operating income | 7,645 | 2,562 |
| Selling and distribution expenses | (19,350) | (19,412) |
| Administrative expenses | (18,577) | (18,547) |
| Other operating expenses | (1,153) | (1,775) |
| Finance costs | (1,089) | (1,005) |
| Share of profit of associates | 553 | 1,608 |
| Profit before income tax | 12,389 | 13,947 |
| Income tax expense | (2,388) | (1,965) |
| Profit for the year | 10,001 | 11,982 |
| Other comprehensive income (loss): | | |
| <u>Items that may be reclassified subsequently to profit or loss</u> | | |
| Exchange difference on translation of foreign operations | 309 | (1,099) |
| Changes in share of other comprehensive (loss) income of associates | (134) | 32 |
| Other comprehensive income (loss) for the year, net of tax | 175 | (1,067) |
| Total comprehensive income for the year | 10,176 | 10,915 |
| Profit for the year attributable to: | | |
| Shareholders of the Company | 9,677 | 11,749 |
| Non-controlling interests | 324 | 233 |
| | 10,001 | 11,982 |
| Total comprehensive income attributable to : | | |
| Shareholders of the Company | 9,838 | 10,672 |
| Non-controlling interests | 338 | 243 |
| | 10,176 | 10,915 |

1(a)(ii) Notes to the statement of profit or loss (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

| Group | Year ended 30.06.20 \$'000 | Year ended 30.06.19 \$'000 |
|---|---|---|
| Interest income | 78 | 21 |
| Bad debts written off | (42) | (24) |
| Loss allowance for trade receivables | (1,014) | (1,731) |
| Inventories written off | (413) | (236) |
| Reversal of (Allowance for) provision for inventories obsolescence | 25 | (3) |
| Gain on revaluation of investment in quoted shares | 2 | - |
| Fair value adjustments on derivative financial instruments taken to profit or loss | 2,642 | 437 |
| Foreign exchange gain | 451 | 139 |
| Adjustment for over provision of income tax in respect of prior years | 199 | 276 |
| Gain on disposal of property, plant and equipment | 13 | 92 |
| Property, plant and equipment written off | (97) | (20) |
| Depreciation of property, plant and equipment | (5,423) | (5,232) |
| Depreciation of investment property | (51) | (51) |
| Depreciation of right-of-use assets | (1,232) | - |
| Amortisation of intangible assets | (232) | (232) |

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

| | GROUP | | COMPANY | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| | As at 30.06.20 \$'000 | As at 30.06.19 \$'000 | As at 30.06.20 \$'000 | As at 30.06.19 \$'000 |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and bank balances | 33,501 | 16,822 | 12,918 | 5,092 |
| Trade receivables | 57,855 | 90,643 | 24,230 | 45,638 |
| Other receivables | 5,270 | 3,544 | 3,472 | 3,993 |
| Contract assets | 2,070 | 3,736 | - | - |
| Derivative financial instruments | 3,079 | 437 | 3,079 | 437 |
| Inventories | 78,920 | 68,202 | 46,525 | 42,270 |
| Total current assets | 180,695 | 183,384 | 90,224 | 97,430 |
| Non-current assets: | | | | |
| Other receivables | 12 | 111 | 638 | 1,806 |
| Subsidiaries | - | - | 43,190 | 42,671 |
| Associates | 10,108 | 9,137 | - | - |
| Investment in quoted shares | 2 | - | - | - |
| Property, plant and equipment | 38,371 | 40,329 | 13,353 | 14,143 |
| Investment property | 2,940 | 3,003 | - | - |
| Right-of-use assets | 10,913 | - | 4,740 | - |
| Leasehold prepayments | - | 124 | - | - |
| Intangible assets | 159 | 391 | - | - |
| Deferred tax assets | 93 | 106 | - | - |
| Total non-current assets | 62,598 | 53,201 | 61,921 | 58,620 |
| Total assets | 243,293 | 236,585 | 152,145 | 156,050 |
| LIABILITIES AND EQUITY | | | | |
| Current liabilities: | | | | |
| Short-term bank borrowings | 20,548 | 25,611 | 9,679 | 10,494 |
| Trade payables | 16,031 | 22,223 | 1,715 | 9,650 |
| Other payables | 9,149 | 6,765 | 2,474 | 2,101 |
| Contract liabilities | 1,202 | 1,236 | 32 | 27 |
| Current portion of finance leases | - | 113 | - | - |
| Current portion of lease liabilities | 1,137 | - | 324 | - |
| Income tax payable | 2,221 | 1,986 | 1,110 | 868 |
| Total current liabilities | 50,288 | 57,934 | 15,334 | 23,140 |
| Non-current liabilities: | | | | |
| Other payables | 159 | 115 | - | - |
| Non-current portion of finance leases | - | 136 | - | - |
| Non-current portion of lease liabilities | 9,611 | - | 4,495 | - |
| Deferred tax liabilities | 1,253 | 1,587 | 560 | 660 |
| Total non-current liabilities | 11,023 | 1,838 | 5,055 | 660 |

| | Note | GROUP | | COMPANY | |
|---|------|--------------------------|--------------------------|--------------------------|--------------------------|
| | | As at 30.06.20 \$'000 | As at 30.06.19 \$'000 | As at 30.06.20 \$'000 | As at 30.06.19 \$'000 |
| Capital, reserves and non-controlling interests: | | | | | |
| Share capital | | 63,712 | 58,641 | 63,712 | 58,641 |
| Treasury shares | | (950) | (950) | (950) | (950) |
| Reserves | | 117,646 | 117,858 | 68,994 | 74,559 |
| Equity attributable to the shareholders of the Company | | 180,408 | 175,549 | 131,756 | 132,250 |
| Non-controlling interests | | 1,574 | 1,264 | - | - |
| Total equity | | 181,982 | 176,813 | 131,756 | 132,250 |
| Total liabilities and equity | | 243,293 | 236,585 | 152,145 | 156,050 |

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

Amount repayable in one year or less, or on demand

| As at 30/06/2020 | | As at 30/06/2019 | |
|-------------------|---------------------|-------------------|---------------------|
| Secured \$'000 | Unsecured \$'000 | Secured \$'000 | Unsecured \$'000 |
| 12,006 | 9,679 | 15,230 | 10,494 |

Amount repayable after one year

| As at 30/06/2020 | | As at 30/06/2019 | |
|-------------------|---------------------|-------------------|---------------------|
| Secured \$'000 | Unsecured \$'000 | Secured \$'000 | Unsecured \$'000 |
| 9,611 | - | 136 | - |

Details of any collateral

The other bank borrowings of the Group are secured by the following:

- i. negative pledge over all assets of a subsidiary; and
- ii. corporate guarantee by the Company.

Lease liabilities are secured over the lessors' title to the leased assets.

(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 | Year ended 30.06.20 \$'000 | Year ended 30.06.19 \$'000 |
|---|-------------------------------------|-------------------------------------|
| Operating activities | | |
| Profit before income tax | 12,389 | 13,947 |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 5,423 | 5,232 |
| Depreciation of investment property | 51 | 51 |
| Depreciation of right-of-use assets | 1,232 | - |
| Amortisation of intangible assets | 232 | 232 |
| Interest income | (78) | (21) |
| Interest expense | 1,089 | 1,005 |
| Gain on disposal of property, plant and equipment | (13) | (92) |
| Property, plant and equipment written off | 97 | 20 |
| Bad debts written off | 42 | 24 |
| Loss allowance for trade receivables | 1,014 | 1,731 |
| Inventories written off | 413 | 236 |
| (Reversal of) Allowance for provision for inventories obsolescence | (25) | 3 |
| Gain on revaluation of investment in quoted shares | (2) | - |
| Fair value adjustment on derivative financial instruments taken to profit or loss | (2,642) | (437) |
| Share of profit of associates | (553) | (1,608) |
| Operating cash flows before movement in working capital | 18,669 | 20,323 |
| Trade receivables | 31,901 | (557) |
| Other receivables | (1,964) | 205 |
| Contract assets | 1,677 | (569) |
| Inventories | (10,928) | 1,406 |
| Trade payables | (6,236) | (6,029) |
| Other payables | 2,421 | (249) |
| Contract liabilities | (50) | (473) |
| Cash generated from operations | 35,490 | 14,057 |
| Income tax paid | (2,314) | (2,201) |
| Net cash from operating activities | 33,176 | 11,856 |
| Investing activities | | |
| Acquisition of quoted shares | * | - |
| Acquisition of an associate | (500) | - |
| Purchase of property, plant and equipment ^(a) | (4,047) | (11,403) |
| Proceeds from disposal of property, plant and equipment | 245 | 132 |
| Interest received | 78 | 21 |
| Net cash used in investing activities | (4,224) | (11,250) |
| Financing activities | | |
| Proceeds from short-term bank borrowings | 75,556 | 101,220 |
| Repayment of short-term bank borrowings | (80,624) | (95,025) |
| Repayment of finance lease obligations | - | (89) |
| Repayment of principal portion of lease liabilities | (1,047) | - |
| Interest paid | (1,089) | (1,005) |
| Dividend paid ^(b) | (5,031) | (7,447) |
| Dividend paid to non-controlling interests | (28) | - |
| Net cash used in financing activities | (12,263) | (2,346) |

| Group | Year ended 30.06.20 \$'000 | Year ended 30.06.19 \$'000 |
|---|---|---|
| Net increase (decrease) in cash and cash equivalents | 16,689 | (1,740) |
| Cash and cash equivalents at beginning of year | 16,822 | 18,754 |
| Effect of exchange rate changes on the balance of cash held in foreign currencies | (10) | (192) |
| Cash and cash equivalents at end of year | 33,501 | 16,822 |

* Amount less than \$1,000.

Note:

- (a) During the financial year, the Group acquired property, plant and equipment with an aggregate cost of \$4,047,000 (2019: \$11,745,000) of which \$Nil (2019: \$342,000) was acquired by means of finance leases. Cash payments of \$4,047,000 (2019: \$11,403,000) were made to purchase property, plant and equipment.
- (b) During the financial year, the Group allotted and issued 16,904,076 (2019: 7,841,974) new shares at an issue price of \$0.30 (2019: \$0.30) per share pursuant to the Scrip Dividend Scheme. Cash payments of \$5,031,000 (2019: \$7,447,000) were made for the dividends.

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 | Share capital \$'000 | Treasury shares \$'000 | Foreign currency translation reserve \$'000 | Other reserve \$'000 | Accumulated profits \$'000 | Equity attributable to shareholders of the Company \$'000 | Non-controlling interests \$'000 | Total equity \$'000 |
|---|---------------------------------|-----------------------------------|--|---------------------------------|---------------------------------------|--|---|--------------------------------|
| Balance at 1 July 2019 | 58,641 | (950) | (357) | (1,092) | 119,307 | 175,549 | 1,264 | 176,813 |
| Total comprehensive income for the year | | | | | | | | |
| Profit for the year | - | - | - | - | 9,677 | 9,677 | 324 | 10,001 |
| Other comprehensive income for the year | - | - | 161 | - | - | 161 | 14 | 175 |
| Total | - | - | 161 | - | 9,677 | 9,838 | 338 | 10,176 |
| Transactions with owners, recognised directly in equity | | | | | | | | |
| Issue of shares pursuant to Scrip Dividend Scheme | 5,071 | - | - | - | (5,071) | - | - | - |
| Share of post-acquisition reserve from an Associate | - | - | - | 52 | - | 52 | - | 52 |
| Dividend paid to non-controlling interests | - | - | - | - | - | - | (28) | (28) |
| Final dividend for the previous year paid | - | - | - | - | (1,579) | (1,579) | - | (1,579) |
| Interim dividend for the year paid | - | - | - | - | (3,452) | (3,452) | - | (3,452) |
| | 5,071 | - | - | 52 | (10,102) | (4,979) | (28) | (5,007) |
| Balance at 30 June 2020 | 63,712 | (950) | (196) | (1,040) | 118,882 | 180,408 | 1,574 | 181,982 |

| Group | Share capital \$'000 | Treasury shares \$'000 | Foreign currency translation reserve \$'000 | Other reserve \$'000 | Accumulated profits \$'000 | Equity attributable to shareholders of the Company \$'000 | Non-controlling interests \$'000 | Total equity \$'000 |
|---|---------------------------------|-----------------------------------|--|---------------------------------|---------------------------------------|--|---|--------------------------------|
| Balance at 1 July 2018, as previously reported | 56,288 | (950) | (2,818) | (1,084) | 121,881 | 173,317 | 1,183 | 174,500 |
| Effect of adoption of SFRS(I) 1 | - | - | 3,529 | - | (3,529) | - | - | - |
| Effect of adoption of SFRS(I) 9 | - | - | 9 | - | (994) | (985) | (12) | (997) |
| Balance at 1 July 2018, as restated | 56,288 | (950) | 720 | (1,084) | 117,358 | 172,332 | 1,171 | 173,503 |
| Total comprehensive income (loss) for the year | | | | | | | | |
| Profit for the year | - | - | - | - | 11,749 | 11,749 | 233 | 11,982 |
| Other comprehensive income (loss) for the year | - | - | (1,077) | - | - | (1,077) | 10 | (1,067) |
| Total | - | - | (1,077) | - | 11,749 | 10,672 | 243 | 10,915 |
| Transactions with owners, recognised directly in equity | | | | | | | | |
| Issue of shares pursuant to Scrip Dividend Scheme | 2,353 | - | - | - | (2,353) | - | - | - |
| Share of post-acquisition reserve from an Associate | - | - | - | (8) | - | (8) | - | (8) |
| Dividend paid to non-controlling interests | - | - | - | - | - | - | (150) | (150) |
| Final dividend for the previous year paid | - | - | - | - | (6,533) | (6,533) | - | (6,533) |
| Interim dividend for the year paid | - | - | - | - | (914) | (914) | - | (914) |
| Total | 2,353 | - | - | (8) | (9,800) | (7,455) | (150) | (7,605) |
| Balance at 30 June 2019 | 58,641 | (950) | (357) | (1,092) | 119,307 | 175,549 | 1,264 | 176,813 |

| Company | Share capital \$'000 | Treasury shares \$'000 | Accumulated profits \$'000 | Total equity \$'000 |
|---|---------------------------------|-----------------------------------|---------------------------------------|--------------------------------|
| Balance at 1 July 2019 | 58,641 | (950) | 74,559 | 132,250 |
| Profit for the year, representing total comprehensive income for the year | - | - | 4,537 | 4,537 |
| Transactions with owners, recognised directly in equity | | | | |
| Issue of shares pursuant to Scrip Dividend Scheme | 5,071 | - | (5,071) | - |
| Final dividend for the previous year paid | - | - | (1,579) | (1,579) |
| Interim dividend for the year paid | - | - | (3,452) | (3,452) |
| | 5,071 | - | (10,102) | (5,031) |
| Balance at 30 June 2020 | 63,712 | (950) | 68,994 | 131,756 |

| Company | Share capital \$'000 | Treasury shares \$'000 | Accumulated profits \$'000 | Total equity \$'000 |
|---|---------------------------------|-----------------------------------|---------------------------------------|--------------------------------|
| Balance at 1 July 2018, as previously reported | 56,288 | (950) | 79,602 | 134,940 |
| Effect of adoption of SFRS(I) 9 | - | - | (225) | (225) |
| Balance at 1 July 2018, as restated | 56,288 | (950) | 79,377 | 134,715 |
| Profit for the year, representing total comprehensive income for the year | - | - | 4,982 | 4,982 |
| Transactions with owners, recognised directly in equity | | | | |
| Issue of shares pursuant to Scrip Dividend Scheme | 2,353 | - | (2,353) | - |
| Final dividend for the previous year paid | - | - | (6,533) | (6,533) |
| Interim dividend for the year paid | - | - | (914) | (914) |
| Total | 2,353 | - | (9,800) | (7,447) |
| Balance at 30 June 2019 | 58,641 | (950) | 74,559 | 132,250 |

- 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.**

On 17 December 2019, the Company allotted and issued 16,904,076 new shares at an issue price of \$0.30 per share pursuant to the Scrip Dividend Scheme.

The total number of issued ordinary shares excluding treasury shares as at 30 June 2020 was 460,261,841 (30 June 2019: 443,357,765).

The number of ordinary shares held as treasury shares as at 30 June 2020 was 2,727,000 (30 June 2019: 2,727,000), constituting 0.59% of the total number of ordinary shares outstanding (30 June 2019: 0.62%).

As at 30 June 2020, there were no outstanding convertibles and no subsidiary holdings (30 June 2019: 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.**

The total number of issued ordinary shares excluding treasury shares as at 30 June 2020 was 460,261,841 (30 June 2019: 443,357,765).

- 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 shares during the current financial period reported on.

- 1(d) (iv) 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 sales, transfers, cancellation and/or use of subsidiary holdings during the current financial period 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.

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

Not applicable.

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

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 item 5 below, the Group and the Company have adopted the same accounting policies and methods of computation in the financial statements for the current reporting year as those of the audited financial statements for the year ended 30 June 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 Group and the Company adopted SFRS(I) 16 Leases that is effective for annual periods beginning on or after 1 July 2019. The Group and the Company adopted the simplified transition approach and the comparative amount for the year prior to first adoption was not restated. All right-of-use ("ROU") assets are measured at the amount equal to the lease liability (adjusted for any prepaid or accrued lease payments) at the date of initial application. Under SFRS(I) 16, qualifying lease payments were no longer taken to other operating expenses but capitalised to the statement of financial position as right-of-use assets and depreciated over the term of the lease. Cash paid for the interest portion of lease liability is presented as part of financing activities, in accordance with the Group's and the Company's accounting policy.

As at 1 July 2019, the Group has recognised the ROU assets and lease liabilities of \$11.670 million and \$11.326 million respectively. The nature of expenses related to these leases has changed as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge for ROU assets and interest expense on lease liabilities.

Statement of Financial Position

| | Previously reported | | | Previously reported | | |
|--------------------------------------|------------------------------|-------------------------------|--------------------------------------|------------------------------|-------------------------------|--------------------------------------|
| | as at 30 June 2019 \$'000 | Adoption of SFRS 16 \$'000 | Adjusted as at 1 July 2019 \$'000 | as at 30 June 2019 \$'000 | Adoption of SFRS 16 \$'000 | Adjusted as at 1 July 2019 \$'000 |
| | <u>Group</u> | | | <u>Company</u> | | |
| Current assets | | | | | | |
| Other receivables | 3,102 | (90) | 3,012 | 3,116 | - | 3,116 |
| Non-current assets | | | | | | |
| Property, plant equipment | 40,329 | (291) | 40,038 | 14,143 | - | 14,143 |
| Right-of-use assets | - | 11,670 | 11,670 | - | 5,104 | 5,104 |
| Leasehold prepayments | 130 | (130) | - | - | - | - |
| Other receivables | 494 | (82) | 412 | 2,932 | - | 2,932 |
| Current liabilities | | | | | | |
| Current portion of finance lease | 113 | (113) | - | - | - | - |
| Lease liabilities | - | 8,546 | 8,546 | - | 374 | 374 |
| Non-current liabilities | | | | | | |
| Non-current portion of finance lease | 136 | (136) | - | - | - | - |
| Lease liabilities | - | 10,471 | 10,471 | - | 4,730 | 4,730 |

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.

| | Year ended 30.06.20 | Year ended 30.06.19 |
|---|------------------------|------------------------|
| Earnings per ordinary share for the year after deducting any provision for preference dividends:- | | |
| (i) Based on the weighted average number of ordinary shares in issue; and | 2.14 cents | 2.69 cents |
| (ii) On a fully diluted basis | 2.14 cents | 2.69 cents |

**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 | |
|---|-------------------|-------------------|-------------------|-------------------|
| | As at 30.06.20 | As at 30.06.19 | As at 30.06.20 | As at 30.06.19 |
| Net asset backing per ordinary share based on existing issued share capital as at the end of the period reported on | 39.21 cents | 39.60 cents | 28.63 cents | 29.83 cents |

Net asset value per share is calculated based on the existing number of shares in issue of 460,261,841 (30 June 2019: 443,357,765 shares).

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Statement of profit or loss

For the financial year ended 30 June 2020, the Group's revenue dipped by 17.66% to \$276.414 million compared to \$335.706 million for the last financial year.

The Cable & Wire ("C&W") Segment's revenue posted a decrease of 29.38%, a drop of \$64.459 million from \$219.369 million to \$154.910 million. This is attributable to operations in Singapore, Malaysia and Vietnam. Business activities were also disrupted by safe distancing measures to combat the Covid-19 outbreak, which adversely impacted the Group's business particularly in the last quarter of the financial year.

The majority of Singapore C&W Segment's customers is from the construction sector, which were not allowed to operate due to the quarantine of foreign workers residing in Covid-19 cluster dormitories. As a result, although the Singapore operation was categorised as essential services and was operating during the Circuit Breaker Period, the business activities were drastically reduced.

The Malaysia plant was similarly affected by the Movement Control Order ("MCO") which led to suspension of their operations from mid-March to end of April 2020.

Vietnam's business was also affected by the slower business activity amid the global Covid-19 pandemic.

Despite the Covid-19 pandemic, Electrical Material Distribution ("EMD") Segment's revenue improved by 4.74%, up \$3.833 million from \$80.887 million to \$84.720 million. This was the result of strong demand from the Electronic Cluster.

Test & Inspection (“T&I”) Segment’s revenue improved marginally by \$772,000, representing an increase of 2.53% from \$30.567 million to \$31.339 million. The increase was primarily due to higher revenue from the non-destructive testing services in Malaysia and Indonesia. Revenue from Heat Treatment business in Indonesia also improved as new contracts were executed. The higher sales from Malaysia and Indonesia were partially offset by lower revenue contribution from Singapore operations which were affected by the Covid-19 outbreak.

Switchboard Segment’s revenue increased by \$562,000, up 11.51% from \$4.883 million to \$5.445 million, due to higher delivery for the local infrastructure projects.

Gross profit (“GP”) for the current year declined 12.19% or \$6.156 million to \$44.360 million from \$50.516 million in the last corresponding year. The GP margin of 16.05% was higher by 1.00% as compared to 15.05% achieved in the last corresponding year. Higher margins were attributable to the drop in copper prices during the period and lower deliveries for the low margin infrastructure projects secured 2-3 years ago that are completed.

Other operating income increased by \$5.083 million to \$7.645 million from \$2.562 million. This was the result of higher fair value gain on derivative financial instruments (i.e. copper forward contracts and foreign currency forward contracts) of \$2.642 million as the Group benefited from the increase in copper price and US Dollar exchange rate towards year end. In addition, the Group recognised grant income of \$1.3 million under the government schemes to support businesses amid the Covid-19 pandemic.

Administrative and selling and distribution expenses for the periods fluctuated marginally despite reduction in business activities. The fluctuation was mainly due to the net impact from the adoption of SFRS(I) 16 Leases which resulted in higher depreciation charge and lower rental expenses, increased in staff costs as a result of increase in salaries and provision for unutilised leave.

Other operating expenses declined by \$622,000 to \$1.153 million mainly due to lower loss allowance for trade receivables of \$1.014 million for the year.

Lower share of profit from associates was mainly attributable to lower profit contribution from Nylect International Pte Ltd, as the Nylect Group’s performance for the last quarter was affected by the Covid-19 outbreak.

The Group’s profit before income tax (“PBT”) for the year ended 30 June 2020 fell by 11.14%, which was a decline of \$1.558 million from \$13.947 million to \$12.389 million in the current year. The C&W Segment’s PBT increased marginally by \$37,000. EMD Segment’s PBT was down by \$1.557 million from \$5.231 million to \$3.674 million. The T&I Segment’s PBT also declined \$111,000 to \$2.302 million. The Switchboard Segment’s PBT however improved by \$56,000 to \$386,000.

The Group incurred income tax expenses of \$2.388 million for the current year, an increase of \$423,000 primarily due to losses incurred by certain companies which cannot be offset against the profits earned by other companies within the Group.

Statement of financial position

Cash and bank balance increased by \$16.679 million, due to higher collection from customers and lower payment to suppliers towards year end.

Trade receivables declined by \$32.788 million, mainly as a result of lower sales for the quarter ended 30 June 2020 as compared to the quarter ended 30 June 2019.

Other receivables increased by \$1.726 million mainly due to higher government grants receivables arising from the Job Support Scheme (“JSS”).

Contract assets decreased by \$1.666 million, primarily attributable to issuance of invoices during the year.

Derivative financial instruments increased by \$2.642 million from \$437,000, mainly due to unrealised fair value gain on foreign currency forward contracts and copper contracts in June 2020.

Inventories increased by \$10.718 million, mainly due to lower sales and delayed delivery of orders in the C&W and EMD Segments towards year end.

Increase in investment in associates was largely due to the acquisition of PT Elmecon Multikencana in May 2020.

Property, plant and equipment was down by \$1.958 million, mainly due to depreciation expense of \$5.423 million, transfer of assets to right-of-use (“ROU”) assets of \$291,000 following the Group’s adoption of SFRS(I) 16 *Leases*, offset partially by the acquisition of property, plant and equipment amounting to \$4.047 million.

Following the adoption of SFRS(I) 16 *Leases*, the Group’s operating leases are recognised as ROU assets with corresponding lease liabilities recorded in the balance sheet.

Short-term bank borrowings declined by \$5.063 million primarily because of lower borrowings by the C&W Segment which moved in tandem with lower purchases. T&I Segment’s bank borrowings were also lower due to repayments during the year.

Trade payables decreased by \$6.192 million, substantially due to lower purchases by the Group towards year end.

Other payables increased by \$2.384 million, mainly driven by the recognition of deferred grant income arising from the JSS.

Statement of cash flows

The cash and cash equivalents at the end of the year increased to \$33.501 million compared with \$16.822 million at the end of the previous year.

The Group’s net cash from operating activities of \$33.176 million was attributable to operating profit before working capital changes, reduction in trade receivables and higher other payables. These were offset partially by the increase in inventories and other receivables and reduction in trade payables as well as payment of income tax.

The net cash used in investing activities of \$4.224 million was mainly for purchase of property, plant and equipment and investment in an associate, net of proceeds from disposal of plant and equipment and interest received.

The net cash used in financing activities of \$12.263 million was mainly due to repayment of borrowings, lease liabilities, dividends and interest paid, net of proceeds from bank borrowings.

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

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.

The Covid-19 global pandemic, which triggered a technical recession in Singapore and severely dampened global economic activity is likely to continue to impact the Group’s performance. The domestic construction industry was most affected by the pandemic and that translated to muted demand for the Group’s products and services.

The Group expects the operating landscape to remain challenging amid rising business uncertainties from this pandemic.

Tai Sin’s focus on digitalisation since 2017 has helped alleviate the effects of the circuit breaker as most of its business arms continued to operate at lower capacity to comply with stringent safe distancing measures.

The Group will also be leveraging on the prevailing conditions to accelerate digitalisation of its capabilities and expertise, which should better position it to tap on future opportunities.

Initiatives undertaken to date prioritise long-term sustainability and will be fine-tuned in response to the ongoing effects of the Covid-19 pandemic. Meanwhile, persistent challenges such as copper price volatility and political uncertainty in neighbouring and leading nations may continue to affect the Group’s performance and will be monitored and responded to accordingly.

11. Dividend

(a) Current Financial Period Reported On

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

| | |
|--------------------------------------|------------------------------|
| Name of Dividend | Final |
| Dividend Type | Cash |
| Dividend Amount per Share (in cents) | 0.75 cent per ordinary share |
| Tax Rate | Exempt One-tier |

(b) Corresponding Period of the Immediately Preceding Financial Year

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

| | |
|--------------------------------------|------------------------------|
| Name of Dividend | Final |
| Dividend Type | Cash |
| Dividend Amount per Share (in cents) | 1.50 cent per ordinary share |
| Tax Rate | Exempt One-tier |

(c) Date payable

The proposed final one-tier exempt dividend of \$0.75 cent per ordinary share in respect of the financial year ended 30 June 2020, subject to Shareholders' approval at the forthcoming Annual General Meeting scheduled to be held on 29 October 2020, will be paid on 13 November 2020.

(d) Books closure date

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed on 7 November 2020 for the purpose of preparing dividend warrants.

Duly completed transfers received by the Company's Share Registrars, B.A.C.S. Private Limited of 8 Robinson Road #03-00 ASO Building, Singapore 048544 up to 5.00 p.m. on 6 November 2020 will be registered before entitlements to the final dividend are determined. In respect of shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the said final dividend will be paid by the Company to CDP which will distribute the dividend to holders of the securities accounts.

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

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.**

No IPT mandate has been obtained from shareholders.

14. **Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results).**

Not applicable.

15. **Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

The Company has procured undertakings from all its directors and executive officer(s) required under Rule 720(1) of the Listing Manual.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

16. **Segmented revenue and results for 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.**

| | Cable & Wire \$'000 | Electrical Material Distribution \$'000 | Test & Inspection \$'000 | Switch- board \$'000 | Others \$'000 | Elimination \$'000 | Total \$'000 |
|---------------------|--|--|---|-------------------------------------|--------------------------|-------------------------------|-------------------------|
| 2020 | | | | | | | |
| Revenue | | | | | | | |
| External sales | 154,910 | 84,720 | 31,339 | 5,445 | - | - | 276,414 |
| Inter-segment sales | 460 | 16 | 45 | - | - | (521) | - |
| Total revenue | 155,370 | 84,736 | 31,384 | 5,445 | - | (521) | 276,414 |

| | | | | | | | |
|--|-------|-------|-------|-----|------|---|--------------|
| Results | | | | | | | |
| Segment result | 6,663 | 3,293 | 2,508 | 395 | (12) | - | 12,847 |
| Interest expense | (690) | (162) | (228) | (9) | - | - | (1,089) |
| Interest income | 66 | 1 | 11 | - | - | - | 78 |
| Share of profit of associates | - | 542 | 11 | - | - | - | 553 |
| Income tax expense | - | - | - | - | - | - | (2,388) |
| Non-controlling interests | | | | | | | (324) |
| Profit attributable to shareholders of the Company | | | | | | | <u>9,677</u> |

| | | | | | | | |
|---------------------|---------|--------|--------|-------|---|-------|---------|
| 2019 | | | | | | | |
| Revenue | | | | | | | |
| External sales | 219,369 | 80,887 | 30,567 | 4,883 | - | - | 335,706 |
| Inter-segment sales | 832 | 30 | 5 | - | - | (867) | - |
| Total revenue | 220,201 | 80,917 | 30,572 | 4,883 | - | (867) | 335,706 |

| | | | | | | | |
|--|-------|-------|-------|-----|------|---|---------------|
| Results | | | | | | | |
| Segment result | 6,846 | 3,623 | 2,553 | 330 | (29) | - | 13,323 |
| Interest expense | (863) | - | (142) | - | - | - | (1,005) |
| Interest income | 19 | 1 | 1 | - | - | - | 21 |
| Share of profit of associates | - | 1,607 | 1 | - | - | - | 1,608 |
| Income tax expense | - | - | - | - | - | - | (1,965) |
| Non-controlling interests | | | | | | | (233) |
| Profit attributable to shareholders of the Company | | | | | | | <u>11,749</u> |

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

Refer to item 8.

18. A breakdown of sales.

| | Latest Financial Year \$'000 Group | Previous Financial Year \$'000 Group | % increase/ (decrease) Group |
|---|--|--|---------------------------------------|
| (a) Sales reported for first half year | 165,110 | 171,515 | (3.73)% |
| (b) Operating profit after income tax before deducting non-controlling interests reported for first half year | 8,318 | 4,797 | 73.40% |
| (c) Sales reported for second half year | 111,304 | 164,191 | (32.21)% |
| (d) Operating profit after income tax before deducting non-controlling interests reported for second half year | 1,683 | 7,185 | (76.58)% |

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

| | Latest Full Year (S\$) | Previous Full Year (S\$) |
|----------------|------------------------|--------------------------|
| (a) Ordinary | 6,903,930 | 9,916,735 |
| (b) Preference | - | - |
| (c) Total: | 6,903,930 | 9,916,735 |

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(11) 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. Lim Boon Hock Bernard | 50 | See below | Chief Executive Officer of the Issuer – 2013 (i) Overall responsibility for development and implementation of the Group’s vision, strategic agenda, and business plan together with Key Management. (ii) Achieve targets and standards for financial and trading performance, quality, culture and legislative adherence as established by the Board. | Nil |
| Mr. Lim Chai Lai @ Louis Lim Chai Lai | 74 | See below | Chairman of Lim Kim Hai Electric Co. (S) Pte. Ltd. – 2008 (i) Formulating strategic decisions relating to business. (ii) Setting LKH Group policies. (iii) General administration of the LKH Group. | Nil |

| 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. Chia Ah Heng | 77 | See below | <p>Deputy Chairman of Lim Kim Hai Electric Co. (S) Pte. Ltd. – 2013</p> <p>Overall responsibility for development and implementation of the Lim Kim Hai Group's vision, strategic agenda and business plan together with the CEO, including formulating business strategies and policies to achieve established goals and objectives determined by its Board of Directors.</p> | Nil |
| Ms Lim Lian Eng | 66 | See below | <p>Chief Information Officer – 2014</p> <p>(i) To plan, administer and develop the Group's use of computers and telecommunication systems to support the Group's corporate strategies and financial objectives.</p> <p>(ii) To analyse the information needs of the Group in consultation with staff at all levels and develop technological solutions to meet their needs.</p> <p>(iii) To oversee the Group's IT facilities and training of users and clients.</p> <p>(iv) Developmental role in the strategic and operational governance process of the Group as a member of the top management team.</p> <p>(v) To plan, administer and review the Group's acquisition, development, maintenance and use of IT systems and ensuring the system is in-line with the Group's goals and objectives.</p> | Nil |

| 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 |
|-----------------------------|-----|--|--|---|
| | | | (vi) Participate in strategising long-term corporate directions and formulation of business strategies for the Group's growth and expansion to meet the Group's financial objectives. | |
| Ms Lim Phek Choo, Constance | 71 | See below | <p>Manager – Group Grants Management of the Issuer - 1 January 2017</p> <ul style="list-style-type: none"> (i) Study employees' needs and recommend new working methods to facilitate employees to focus on more important tasks can lead to increase productivity. (ii) Examine employees' job roles to find areas for growth, and redesign them as needed to meet needs of our employees and organization as a whole. (iii) Participate in evaluation systems or process to maximize resources and reach organizational goals accordingly. (iv) Assess and make recommendations on the improvement or re-engineering process requests and help to position ourselves at the forefront of our industry. (v) To provide avenue to increase employee engagement, efficiency and productivity, and improve quality and higher organisation branding. (vi) To interpret both grant agency and company requirements and policies, practices and provide support to obtain available information for funding. | Nil |

| 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 |
|---|-----|--|---|---|
| | | | <p>(vii) To assist in formulation of processes and procedures for grant application.</p> <p>(viii) To maintain proposal and funding records in database systems, and prepare scheduled reports for claiming of grants.</p> <p>(ix) To participates and/or assists in special projects, and may provide procedures changes suggestions to lower level technicians on assigned work.</p> <p>(x) Perform other job-related duties as assigned.</p> | |
| Mr. Lim Chye Kwee | 65 | See below | <p>Manager - Logistics of Lim Kim Hai Electric Co. (S) Pte. Ltd. – 2008</p> <p>(i) Responsible for the operations of all warehousing and stock control.</p> <p>(ii) Responsible for the day to day running of warehouse.</p> <p>(iii) Ensure efficient and reliable delivery of products and goods.</p> | Nil |
| Mr. Lim Boon Hoh Benedict (Lin Wenhe, Benedict) | 40 | See below | <p>Senior Manager of Cast Laboratories Pte Ltd - 1 July 2019</p> <p>Areas of responsibility include:-</p> <p>(i) Lead and manage operational activities of calibration department;</p> <p>(ii) Establish new testing capability for calibration and mechanical Department;</p> <p>(iii) Assist the General Manager of the company to ensure smooth operation; and</p> <p>(iv) Assist the Executive Director of the company to enhance workflow and optimise operational efficiency.</p> | Nil |

| Name | Family relationship with any director and/or substantial shareholder |
|---------------------------------------|--|
| Mr. Lim Boon Hock Bernard | Mdm. Pang Yoke Chun - Wife Mr. Lim Chye Huat @ Bobby Lim Chye Huat - Father Mr. Lim Chai Lai @ Louis Lim Chai Lai - Uncle Mdm. Chan Kum Lin - Aunt Mr. Lim Boon Chin Benjamin - Brother Mr. Lim Boon Hoh Benedict (Lin Wenhe, Benedict) - Brother Mdm. Guah Li Mei Joanna – Sister-in-law |
| Mr. Lim Chai Lai @ Louis Lim Chai Lai | Mdm. Chan Kum Lin - Wife Mr. Lim Chye Huat @ Bobby Lim Chye Huat - Brother Mr. Lim Boon Chin Benjamin - Nephew Mr. Lim Boon Hock Bernard - Nephew Mr. Lim Boon Hoh Benedict (Lin Wenhe, Benedict) - Nephew Mdm. Pang Yoke Chun - Niece Mdm. Guah Li Mei Joanna – Niece |
| Mr. Chia Ah Heng | Mr. Lim Chye Huat @ Bobby Lim Chye Huat - Brother-in-law Mr. Lim Chai Lai @ Louis Lim Chai Lai - Brother-in-law Mdm. Chan Kum Lin - Sister-in-law Mr. Lim Boon Chin Benjamin - Nephew Mr. Lim Boon Hock Bernard - Nephew Mr. Lim Boon Hoh Benedict (Lin Wenhe, Benedict) - Nephew Mdm. Pang Yoke Chun - Niece Mdm. Guah Li Mei Joanna – Niece |
| Ms Lim Lian Eng | Mr. Lim Chye Huat @ Bobby Lim Chye Huat – Brother Mr. Lim Chai Lai @ Louis Lim Chai Lai – Brother Mdm. Chan Kum Lin – Sister-in-law Mr. Lim Boon Chin Benjamin – Nephew Mr. Lim Boon Hock Bernard – Nephew Mr. Lim Boon Hoh Benedict (Lin Wenhe, Benedict) - Nephew Mdm. Pang Yoke Chun – Niece Mdm. Guah Li Mei Joanna – Niece |

| Name | Family relationship with any director and/or substantial shareholder |
|---|--|
| Ms Lim Phek Choo, Constance | Mr. Lim Chye Huat @ Bobby Lim Chye Huat – Brother Mr. Lim Chai Lai @ Louis Lim Chai Lai – Brother Mdm. Chan Kum Lin – Sister-in-law Mr. Lim Boon Chin Benjamin – Nephew Mr. Lim Boon Hock Bernard – Nephew Mr. Lim Boon Hoh Benedict (Lin Wenhe, Benedict) - Nephew Mdm. Pang Yoke Chun – Niece Mdm. Guah Li Mei Joanna – Niece |
| Mr. Lim Chye Kwee | Mr. Lim Chye Huat @ Bobby Lim Chye Huat – Brother Mr. Lim Chai Lai @ Louis Lim Chai Lai – Brother Mdm. Chan Kum Lin – Sister-in-law Mr. Lim Boon Chin Benjamin – Nephew Mr. Lim Boon Hock Bernard – Nephew Mr. Lim Boon Hoh Benedict (Lin Wenhe, Benedict) - Nephew Mdm. Pang Yoke Chun – Niece Mdm. Guah Li Mei Joanna – Niece |
| Mr. Lim Boon Hoh Benedict (Lin Wenhe, Benedict) | Mdm. Guah Li Mei Joanna – Wife Mr. Lim Chye Huat @ Bobby Lim Chye Huat – Father Mr. Lim Chai Lai @ Louis Lim Chai Lai – Uncle Mdm. Chan Kum Lin – Aunt Mr. Lim Boon Chin Benjamin – Brother Mr. Lim Boon Hock Bernard – Brother Mdm. Pang Yoke Chun – Sister-In-Law |

BY ORDER OF THE BOARD

Tan Shou Chieh
Secretary

Singapore, 28 August 2020