



Unaudited Full Year (“FY”) Financial Results for the Year Ended 30 September 2019

1(a) **A 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**

| | Year ended 30 September | | |
|--|-------------------------|---|---------------|
| | 2019 \$'000 | Restated 2018 ^{1,2} \$'000 | + / (-) % |
| Continuing operations | | | |
| Revenue | 18,591 | 19,864 | (6.4) |
| Cost of sales | (10,639) | (11,226) | (5.2) |
| Gross profit | 7,952 | 8,638 | (7.9) |
| Other income | 1,710 | 1,699 | 0.6 |
| Other gains – net | 2,486 | 2,676 | (7.1) |
| Expenses | | | |
| - Selling and distribution | (2,219) | (2,238) | (0.8) |
| - Administrative | (6,855) | (6,320) | 8.5 |
| - Finance | (2,029) | (2,662) | (23.8) |
| Share of profit of associated companies | 1,391 | 1,614 | (13.8) |
| Share of loss of a joint-venture company | (166) | (91) | 82.4 |
| Profit before income tax | 2,270 | 3,316 | (31.5) |
| Income tax expense | (231) | (495) | (53.3) |
| Profit from continuing operations | 2,039 | 2,821 | (27.7) |
| Discontinued operations | | | |
| Loss from discontinued operations | (328) | (474) | (30.8) |
| Total profit | 1,711 | 2,347 | (27.1) |
| Other comprehensive (loss)/income, net of tax: | | | |
| Items that may be reclassified subsequently to profit or loss: | | | |
| - Shares of other comprehensive (loss)/income of associated companies | (39) | 580 | N/M |
| - Currency translation differences arising from consolidation | 22 | 45 | (51.1) |
| Other comprehensive (loss)/income, net of tax | (17) | 625 | N/M |
| Total comprehensive income | 1,694 | 2,972 | (43.0) |
| Profit attributable to: | | | |
| Equity holders of the Company | 2,531 | 3,610 | (29.9) |
| Non-controlling interests | (820) | (1,263) | (35.1) |
| | 1,711 | 2,347 | (27.1) |
| Profit/(loss) attributable to equity holders of the Company relates to: | | | |
| Profit from continuing operations | 2,698 | 3,852 | (30.0) |
| Loss from discontinued operations | (167) | (242) | (31.0) |
| | 2,531 | 3,610 | (29.9) |
| Total comprehensive income/(loss) attributable to: | | | |
| Equity holders of the Company | 2,514 | 4,169 | (39.7) |
| Non-controlling interests | (820) | (1,197) | (31.5) |
| | 1,694 | 2,972 | (43.0) |

¹ The results for FY2018 are restated following the adoption of the new financial reporting framework, Singapore Financial Reporting Standards (International) (“SFRS(I)s”) on 1 October 2018. Please refer to Note 5 for the details on financial impact from the adoption of SFRS(I)s.

² The results of Unicasa Pty Ltd (“Unicasa”) for FY2018 were re-presented as “Discontinued operations” following the disposal of Unicasa in FY2019.

N/M - not meaningful

1(a) Notes to the statement of comprehensive income

| | Year ended 30 September | | + / (-) % |
|---|-------------------------|---|--------------|
| | 2019 \$'000 | Restated 2018 ^{1,2} \$'000 | |
| Continuing operations | | | |
| Other income | | | |
| Interest income from bank deposits | 27 | 136 | (80.1) |
| Rental income from operating lease | 448 | 481 | (6.9) |
| Service income | 1,180 | 1,036 | 13.9 |
| Others | 55 | 46 | 19.6 |
| | 1,710 | 1,699 | 0.6 |
| Other gains – net | | | |
| Currency translation gains – net | 115 | 404 | (71.5) |
| Fair value loss on derivative financial instrument | - | (11) | (100.0) |
| Gain on amortisation of non-current payables | 2,325 | 1,247 | 86.4 |
| Gain on disposal of assets held-for-sale | - | 1,036 | (100.0) |
| Gain on disposal of a subsidiary corporation | 46 | - | N/M |
| | 2,486 | 2,676 | (7.1) |
| The following were charged to the income statement: | | | |
| Amortised interest on non-current payables | 1,654 | 1,526 | 8.4 |
| Impairment loss on trade receivables – non-related parties | 23 | 42 | (45.2) |
| Club membership written-off | - | 9 | (100.0) |
| Cost of inventories recognised as an expense (included in 'cost of sales') | 10,296 | 10,863 | (5.2) |
| Depreciation of property, plant and equipment | 588 | 631 | (6.8) |
| Employee compensation (included Directors' remuneration) | 4,126 | 3,909 | 5.6 |
| Interest on borrowings | 330 | 1,075 | (69.3) |
| Provision for warranty | 542 | 486 | 11.5 |
| Reversal of allowance for impairment of trade receivables – non-related parties | (33) | (101) | (67.3) |

¹ The results for FY2018 are restated following the adoption of the new financial reporting framework, Singapore Financial Reporting Standards (International) ("SFRS(I)s") on 1 October 2018. Please refer to Note 5 for the details on financial impact from the adoption of SFRS(I)s.

² The results of Unicasa Pty Ltd ("Unicasa") for FY2018 were re-presented as "Discontinued operations" following the disposal of Unicasa in FY2019.

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 | | |
|---|---------------|-------------------|-------------------|----------------|---------------|---------------|
| | Restated | Restated | | Restated | Restated | |
| | 30 Sep | 1 Oct | 30 Sep | 30 Sep | 1 Oct | 30 Sep |
| | 2019 | 2017 ¹ | 2018 ¹ | 2019 | 2017 | 2018 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| ASSETS | | | | | | |
| Current assets | | | | | | |
| Cash and cash equivalents | 1,752 | 3,278 | 7,772 | 95 | 66 | 2,827 |
| Derivative financial instrument | - | - | 1,261 | - | - | - |
| Trade and other receivables | 4,243 | 5,362 | 5,740 | 34,108 | 22,381 | 32,128 |
| Inventories | 4,631 | 4,621 | 5,770 | - | - | - |
| Development properties | - | 53,925 | - | - | - | - |
| | 10,626 | 67,186 | 20,543 | 34,203 | 22,447 | 34,955 |
| Assets held-for-sale | - | 9,707 | - | - | 7,702 | - |
| | 10,626 | 76,893 | 20,543 | 34,203 | 30,149 | 34,955 |
| Non-current assets | | | | | | |
| Club membership | - | 9 | - | - | - | - |
| Derivative financial instrument | - | 3,213 | - | - | - | - |
| Development properties | 55,419 | - | 55,488 | - | - | - |
| Investments in associated companies | 15,081 | 12,533 | 14,283 | 10,305 | 10,305 | 10,305 |
| Investment in a joint-venture company | 2,648 | 2,112 | 2,398 | - | - | - |
| Investments in subsidiary corporations | - | - | - | 13,644 | 12,959 | 12,959 |
| Property, plant and equipment | 9,531 | 10,586 | 10,203 | - | - | - |
| Deferred income tax assets | - | 83 | - | - | - | - |
| | 82,679 | 28,536 | 82,372 | 23,949 | 23,264 | 23,264 |
| Total assets | 93,305 | 105,429 | 102,915 | 58,152 | 53,413 | 58,219 |
| LIABILITIES | | | | | | |
| Current liabilities | | | | | | |
| Trade and other payables | 5,522 | 12,409 | 7,174 | 11,956 | 13,148 | 12,240 |
| Provision | 457 | 392 | 422 | - | - | - |
| Borrowings | 519 | 13,906 | 11,595 | - | - | - |
| Current income tax liabilities | 278 | 371 | 428 | - | - | - |
| | 6,776 | 27,078 | 19,619 | 11,956 | 13,148 | 12,240 |
| Non-current liabilities | | | | | | |
| Other payables | 29,238 | 14,114 | 27,502 | - | - | - |
| Provision | 165 | 161 | 165 | - | - | - |
| Borrowings | 404 | 12,393 | 925 | - | - | - |
| | 29,807 | 26,668 | 28,592 | - | - | - |
| Total liabilities | 36,583 | 53,746 | 48,211 | 11,956 | 13,148 | 12,240 |
| NET ASSETS | 56,722 | 51,683 | 54,704 | 46,196 | 40,265 | 45,979 |
| EQUITY | | | | | | |
| Capital and reserves attributable to equity holders of the Company | | | | | | |
| Share capital | 32,315 | 32,315 | 32,315 | 32,315 | 32,315 | 32,315 |
| Currency translation reserve | 542 | - | 559 | - | - | - |
| Retained profits | 23,764 | 17,623 | 21,233 | 13,881 | 7,950 | 13,664 |
| | 56,621 | 49,938 | 54,107 | 46,196 | 40,265 | 45,979 |
| Non-controlling interests | 101 | 1,745 | 597 | - | - | - |
| Total equity | 56,722 | 51,683 | 54,704 | 46,196 | 40,265 | 45,979 |

¹ The statement of financial position as at 30 September 2018 and 1 October 2017 are restated following the adoption of the new financial reporting framework, Singapore Financial Reporting Standards (International) ("SFRS(I)s") on 1 October 2018. Please refer to Note 5 for the details on financial impact from the adoption of SFRS(I)s.

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

| | As at 30 Sep 2019 | | As at 30 Sep 2018 | |
|--|-------------------|---------------------|-------------------|---------------------|
| | Secured \$'000 | Unsecured \$'000 | Secured \$'000 | Unsecured \$'000 |
| Amount repayable in one year or less, or on demand | 519 | - | 11,595 | - |
| Amount repayable after one year | 404 | - | 925 | - |
| | 923 | - | 12,520 | - |

Details of any collateral

Bank borrowings of the Group are secured over certain bank deposits, development properties and leasehold buildings. Finance lease liabilities of the Group are secured over motor vehicles. The legal title is retained by the lessor and will be transferred to the Group upon full settlement of the finance lease liabilities.

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.**

| | Year ended 30 September | |
|--|-------------------------|---|
| | 2019 \$'000 | Restated 2018 ¹ \$'000 |
| Cash flows from operating activities | | |
| Total profit | 1,711 | 2,347 |
| Adjustments for: | | |
| - Income tax expense | 231 | 495 |
| - Depreciation of property, plant and equipment | 594 | 649 |
| - Gain on amortisation of non-current payables | (2,325) | (1,247) |
| - Gain on disposal of assets held-for-sale | - | (1,036) |
| - Gain on disposal of a subsidiary corporation | (46) | - |
| - Loss on disposal of property, plant and equipment | 5 | - |
| - Club membership written-off | - | 9 |
| - Fair value loss on derivative financial instrument | - | 11 |
| - Interest income | (27) | (136) |
| - Finance expense | 2,029 | 2,662 |
| - Share of profit of associated companies | (1,391) | (1,614) |
| - Share of loss of a joint-venture company | 166 | 91 |
| - Unrealised currency translation losses/(gains) | 20 | (282) |
| | 967 | 1,949 |
| Change in working capital, net of effects from disposal of a subsidiary corporation: | | |
| - Development properties | (25) | (62) |
| - Inventories | 129 | (1,149) |
| - Trade and other receivables | 560 | (355) |
| - Trade and other payables | 203 | 1,804 |
| Cash generated from operations | 1,834 | 2,187 |
| Income tax paid | (381) | (355) |
| Net cash provided by operating activities | 1,453 | 1,832 |
| Cash flows from investing activities | | |
| Additions to property, plant and equipment | (60) | (158) |
| Disposal of assets held-for-sale | - | 10,743 |
| Disposal of a subsidiary corporation, net of cash disposed of | (662) | - |
| Loan to a joint-venture company | (403) | (384) |
| Dividends received from an associated company | 555 | 444 |
| Interest received | 27 | 136 |
| Net cash (used in)/provided by investing activities | (543) | 10,781 |
| Cash flows from financing activities | | |
| Bank deposits released from pledge/(Additional bank deposits pledged) | 1,013 | (22) |
| Proceeds from bank borrowings | 5,854 | 2,260 |
| Proceeds from related parties' borrowings | 2,664 | 5,547 |
| Proceeds from settlement of currency swap relating to bank borrowings | 1,292 | - |
| Repayment of bank borrowings | (15,905) | (13,872) |
| Repayment of bills payable | (442) | (371) |
| Repayment of finance lease liabilities | (27) | (26) |
| Subscription of shares in a subsidiary corporation by non-controlling interests | - | 49 |
| Interest paid | (375) | (1,136) |
| Net cash used in financing activities | (5,926) | (7,571) |

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.** (continued)

| | Year ended 30 September | |
|--|--------------------------------|-------------------|
| | 2019 | Restated |
| | \$'000 | 2018 ¹ |
| | | \$'000 |
| Net (decrease)/increase in cash and cash equivalents | (5,016) | 5,042 |
| Cash and cash equivalents | | |
| Beginning of the financial year | 6,757 | 1,654 |
| Effects of currency translation on cash and cash equivalents | 11 | 61 |
| End of the financial year | 1,752 | 6,757 |
| Cash and cash equivalents comprise the following: | | |
| Cash and bank balances | 1,752 | 7,772 |
| Less: Bank deposits pledged | - | (1,015) |
| | 1,752 | 6,757 |

In 2018, bank deposits were pledged in relation to the security granted for certain credit facilities of subsidiary corporations.

¹ The statement of cash flows for FY2018 are restated following the adoption of the new financial reporting framework, Singapore Financial Reporting Standards (International) ("SFRS(I)s") on 1 October 2018. Please refer to Note 5 for the details on financial impact from the adoption of SFRS(I)s.

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

| | ← Attributable to equity holders of the Company → | | | | Total \$'000 | Non- controlling interests \$'000 | Total equity \$'000 |
|---|---|--|---|-------------------------------|-------------------------|--|------------------------|
| | Share capital \$'000 | Currency translation reserve \$'000 | Asset revaluation reserve \$'000 | Retained profits \$'000 | | | |
| Group | | | | | | | |
| 2019 | | | | | | | |
| Balance as at 1 October 2018 | 32,315 | 559 | - | 21,233 | 54,107 | 597 | 54,704 |
| Total comprehensive (loss)/income for the year | - | (17) | - | 2,531 | 2,514 | (820) | 1,694 |
| Disposal of a subsidiary corporation | - | - | - | - | - | 324 | 324 |
| Balance as at 30 September 2019 | 32,315 | 542 | - | 23,764 | 56,621 | 101 | 56,722 |
| 2018 | | | | | | | |
| Balance as at 30 September 2017 as previously reported | 32,315 | (11,136) | 12,282 | 25,849 | 59,310 | 1,745 | 61,055 |
| Adoption of SFRS(I) 1 - Deemed cost | - | - | (12,282) | 2,910 | (9,372) | - | (9,372) |
| - Cumulative translation difference | - | 11,136 | - | (11,136) | - | - | - |
| Balance as at 1 October 2017, restated | 32,315 | - | - | 17,623 | 49,938 | 1,745 | 51,683 |
| Total comprehensive income/(loss) for the year | - | 559 | - | 3,610 | 4,169 | (1,197) | 2,972 |
| Incorporation of a subsidiary corporation | - | - | - | - | - | 49 | 49 |
| Balance as at 30 September 2018 | 32,315 | 559 | - | 21,233 | 54,107 | 597 | 54,704 |
| Company | | | | | Share capital \$'000 | Retained profits \$'000 | Total equity \$'000 |
| 2019 | | | | | | | |
| Balance as at 1 October 2018 | | | | | 32,315 | 13,664 | 45,979 |
| Total comprehensive income for the year | | | | | - | 217 | 217 |
| Balance as at 30 September 2019 | | | | | 32,315 | 13,881 | 46,196 |
| 2018 | | | | | | | |
| Balance as at 1 October 2017 | | | | | 32,315 | 7,950 | 40,265 |
| Total comprehensive income for the year | | | | | - | 5,714 | 5,714 |
| Balance as at 30 September 2018 | | | | | 32,315 | 13,664 | 45,979 |

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.

There were no change to the Company's issued and paid up share capital in FY2019.

There were no shares that may be issued upon conversion of any outstanding convertibles as at 30 September 2019 and 30 September 2018.

The Company did not hold any treasury shares as at 30 September 2019 and 30 September 2018.

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

| | Company | |
|--|--------------------|--------------------|
| | 30 Sep 2019 | 30 Sep 2018 |
| Number of issued shares excluding treasury shares and subsidiary holdings of the Company | 209,826,140 | 209,826,140 |

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 as shown in the announcement have not been audited or reviewed by the Company's 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.

These financial results have been prepared based on accounting policies and methods of computation consistent with those adopted in the most recently audited annual financial statements for the financial year ended 30 September 2018, except as stated in Note 5.

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.

As required by the listing requirements of Singapore Exchange, the Group has adopted Singapore Financial Reporting Standards (International) ("SFRS(I)s") on 1 October 2018. The Group's previously issued financial statements for periods up to and including the financial year ended 30 September 2018 were prepared in accordance with Singapore Financial Reporting Standards ("SFRS").

In adopting SFRS(I) on 1 October 2018, the Group is required to apply all of the specific transition requirements in SFRS(I) 1 *First-time Adoption of IFRS*.

Under SFRS(I) 1, these financial statements are required to be prepared using accounting policies that comply with SFRS(I) effective as at 30 September 2019. The same accounting policies are applied throughout all periods presented in these financial statements, subject to the mandatory exceptions and optional exemptions under SFRS(I) 1.

The Group's opening balance sheet has been prepared as at 1 October 2017, which is the Group's date of transition to SFRS(I) ("date of transition").

(a) Optional exemptions applied

SFRS(I) 1 allows the exemption from application of certain requirements under SFRS(I) on a retrospective basis. The Group has applied the following exemptions in preparing this first set of financial statements in accordance with SFRS(I):

(i) *Deemed cost*

The Group has elected to regard the historical cost less accumulated depreciation of leasehold land and building classified as property, plant and equipment as their deemed cost at the date of transition to SFRS(I) on 1 October 2017. As a result, on 1 October 2017, the carrying amount of property, plant and equipment and retained profits reduced/increased by \$9,372,000 and \$2,910,000 respectively (30 September 2018: \$8,947,000 and \$3,335,000 respectively). Depreciation for FY2018 decreased by \$425,000.

(ii) *Cumulative translation differences*

The Group has elected to deem the cumulative translation differences for all foreign operations to be zero as at the date of transition to SFRS(I) on 1 October 2017. As a result, currency translation reserve and retained profits as at 1 October 2017 and 30 September 2018 increased/reduced by \$11,136,000 respectively.

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

| | Group | | | |
|--|------------------------------|-------------------------|--------------------------------|-------------------------|
| | <u>Continuing operations</u> | | <u>Discontinued operations</u> | |
| | 30 Sep 2019 | Restated 30 Sep 2018 | 30 Sep 2019 | Restated 30 Sep 2018 |
| Earnings/(losses) per share ("EPS") for profit attributable to equity holders of the Company (cents per share) | | | | |
| (a) Based on weighted average number of ordinary shares on issue | 1.29 | 1.84 | (0.08) | (0.12) |
| (b) On a fully diluted basis | 1.29 | 1.84 | (0.08) | (0.12) |

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 | |
|--|--------------|-------------------------|--------------|-------------|
| | 30 Sep 2019 | Restated 30 Sep 2018 | 30 Sep 2019 | 30 Sep 2018 |
| Net asset value per ordinary share (cents) | 26.98 | 25.79 | 22.02 | 21.91 |

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.**

REVIEW OF STATEMENT OF COMPREHENSIVE INCOME

Sales

Sales dipped by 6.4% to \$18.6 million in FY2019 (FY2018: \$19.9 million) due to intense competition amidst weak market sentiment.

Cost of sales

The Group's cost of sales decreased by 5.2% to \$10.6 million in FY2019 (FY2018: \$11.2 million) which is in line with the decrease in sales.

Gross profit

Gross profit decreased by 7.9% to \$8.0 million in FY2019 (FY2018: \$8.6 million) due to decrease in sales of higher margin products.

Other gains – net

Other gains – net decreased by 7.1% to \$2.5 million in FY2019 (FY2018: \$2.7 million). The decrease is mainly due to:

- Exchange gains decreased by 71.5% to \$0.1 million in FY2019 (FY2018: \$0.4 million) as a result of depreciation of Malaysian Ringgit against Singapore dollar by 0.2% in FY2019 as opposed to appreciation in FY2018 by 2.8%.
- One-off FY2018's gain on disposal of asset held-for-sale of \$1.0 million upon completion of disposal of shares in an associated company which was absent in FY2019.

Offset by increase in:

- Gain on amortisation of interest-free non-trade payables by 86.4% to \$2.3 million in FY2019 (FY2018: S\$1.2 million), as the shareholders have renewed their confirmations to not demand for payment of their shareholders' loans within the next 13 months starting from 30 September 2019 to 31 October 2020.
- One-off gain on disposal of a subsidiary corporation, Unicasa in FY2019 of \$0.05 million.

8. Review of Group Performance (continued)

REVIEW OF STATEMENT OF COMPREHENSIVE INCOME (continued)

Administrative expenses

Administrative expenses increased by 8.5% to \$6.9 million in FY2019 (FY2018: \$6.3 million). The increase is mainly due to the increase in building maintenance cost by \$0.1 million, as well as the increase in employee compensation by 5.6% to \$4.1 million in FY2019 (FY2018: \$3.9 million).

Finance expenses

Finance expenses decreased by 23.8% to \$2.0 million in FY2019 (FY2018: \$2.7 million). The decrease is due to interest on borrowings which decreased by 69.3% to \$0.3 million in FY2019 (FY2018: \$1.1 million) which is in line with decrease in borrowings. It is partially offset by increase in amortised interest on non-current payables due to related parties by 8.4% to \$1.7 million in FY2019 (FY2018: \$1.5 million) as a result of the increase in loan from related parties.

Share of profit of associated companies

Share of profit of associated companies decreased by 13.8%. The decrease is in line with decrease in revenue of Fiamma.

Income tax expense and net profit attributable to equity holders of the Company

Tax expense decreased by 53.3% to \$0.2 million in FY2019 (FY2018: \$0.5 million), along with the lower taxable income of the Group.

Loss from discontinued operations

During FY2019, the Group has entered into a commitment on the sale of its 51%-owned subsidiary corporation, Unicasa, in Australia and the sale was subsequently completed after year end. The trading result of Unicasa was presented as "Loss from discontinued operations" of \$0.3 million in FY2019 (FY2018: \$0.5 million).

As a summary, the Group recorded a net profit attributable to equity holders of \$2.5 million in FY2019 (FY2018: \$3.6 million). Overall results were impacted by drop in sales and increase in operation cost.

REVIEW OF BALANCE SHEET

Cash and cash equivalents

Cash and cash equivalents decreased by 77.5% or \$5.0 million to \$1.8 million in FY2019 (FY2018: \$7.8 million) mainly due to net decrease in bank borrowings of \$10.0 million, which includes repayment of bank borrowings \$15.9 million less proceeds from trade receivables financing \$5.9 million. The decrease is offset by proceeds from related parties' borrowings of \$2.7 million, proceeds from settlement of currency swap relating to bank borrowings of \$1.3 million, and bank deposits released from pledge of \$1.0 million.

Derivative financial instrument

There is no derivative financial instrument in FY2019 (FY2018: \$1.3 million) as the cross currency interest rate swap agreement had been satisfied upon full settlement of its underlying bank borrowing.

8. Review of Group Performance (continued)

REVIEW OF BALANCE SHEET (continued)

Trade and other receivables

Trade and other receivables decreased by 26.1% to \$4.2 million in FY2019 (FY2018: \$5.7 million), mainly due to deconsolidation of trade receivables of \$0.4 million upon disposal of subsidiary corporation and proceeds received from settlement of currency swap of \$1.3 million upon full settlement of its underlying bank borrowing. The decrease is offset by proceed receivable from disposal of subsidiary corporation of \$0.4 million.

Inventories

Inventories decreased by 19.7% to \$4.6 million in FY2019 (FY2018: \$5.8 million), mainly due to deconsolidation of inventory of \$1.0 million upon disposal of subsidiary.

Development properties

Development properties comprises of residential and commercial properties in Malaysia, and they are classified to non-current assets as the Group does not expect to realise the assets within the normal operating cycle from the reporting year. Development properties decreased marginally by 0.1% to \$55.4 million in FY2019 (FY2018: \$55.5 million) mainly due to the foreign currency translation loss arising from the depreciation of Malaysian Ringgit against Singapore dollar during the year.

Investments in associated companies

Investments in associated companies increased by 5.6% to \$15.1 million in FY2019 (FY2018: \$14.3 million), mainly due to share of profit of \$1.4 million less dividend received of \$0.6 million.

Investment in a joint-venture company

Investment in a joint-venture company increased by 10.4% to \$2.6 million in FY2019 (FY2018: \$2.4 million), mainly due to an increase in loan due to joint-venture company of \$0.4 million classified under cost of investment.

Property, plant and equipment

Property, plant and equipment decreased by 6.6% to \$9.5 million in FY2019 (FY2018: \$10.2 million), mainly due to depreciation.

Trade and other payables, current

Trade and other payables decreased by 23.0% to \$5.5 million in FY2019 (FY2018: \$7.2 million), mainly due to deconsolidation of payables of \$1.6 million upon disposal of subsidiary.

Borrowings

Borrowings decreased by 92.6% to \$0.9 million in FY2019 (FY2018: \$12.5 million) mainly due to repayment of bank loan of \$11.5 million net off against cross currency interest rate swap of \$1.3 million.

Other payables, non-current

Other payables comprises of non-trade payables to related parties. Other payables increased by 6.3% to \$29.2 million in FY2019 (FY2018: \$27.5 million) due to increase in related parties' loan by \$2.7 million, offset by net decrease of \$0.7 million due to amortisation of imputed interest for interest free advances from shareholders previously recognised to measure the interest free advances at fair value.

8. Review of Group Performance (continued)

REVIEW OF BALANCE SHEET (continued)

Currency translation reserve

Currency translation reserve decreased by 3.0% to \$0.5 million in FY2019 (FY2018: \$0.6 million), mainly attributable to the foreign currency translation loss arising from the depreciation of Malaysian Ringgit against Singapore dollar during the year.

Non-controlling interests

Non-controlling interests decreased by 83.1% to \$0.1 million in FY2019 (FY2018: \$0.6 million) due to net loss recorded in foreign subsidiary corporations offset by deconsolidation of non-controlling interests of \$0.2 million upon disposal of 51%-owned subsidiary.

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 prospect statement was made previously in respect of the results for FY2019.

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

While we are cautiously optimistic that the property market for the next 12 months will improve, we face stiff competition from other brands looking to grow their market share in home appliances and disruptions in sales of a key product due to supply constraints.

Brand renewal and a cohesive sales and marketing strategy are crucial in maintaining or growing our market share. While investments in operation efficiency and customer centric experience could increase our cost immediately, it is a crucial mid-term strategy in tackling challenges posed by online selling channels while maintains our distribution channels with our dealers.

Taking into consideration of our aging office and warehouse at Kian Teck Crescent and incoming pipeline of new products, we anticipate investment for building maintenance as well as upgrading our showroom to be substantial.

Nonetheless, we strive to focus on building our brands and sales strategically and manage our expenditure in these challenging environment.

11. If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No ordinary dividend has been declared/recommended for the current period.

(b) (i) Amount per share

Not applicable

(ii) Previous corresponding period

No ordinary dividend has been declared/recommended for the previous corresponding period.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable

(d) The date the dividend is payable.

Not applicable

11. If a decision regarding dividend has been made:- (continued)

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable

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

No ordinary dividend has been declared/recommended for the current period as the Group is reserving its funds for working capital and capital expenditures.

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

| Name and Nature of Interested Person | Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) |
|--|--|
| | \$'000 |
| Rental income received from Multicable Manufacturing (S) Pte Ltd | 444 |
| Purchase of home appliances from Arda (Zhejiang) Electric Co Ltd | 572 |
| Total | 1,016 |

14. Negative confirmation pursuant to Rule 705(5) of the Listing Manual

Not required for announcement on full year results.

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 hereby confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to 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.**

| | <u>Trading</u> \$'000 | <u>Property Development</u> \$'000 | <u>Unallocated</u> \$'000 | <u>Total</u> \$'000 |
|---|--------------------------|---|------------------------------|------------------------|
| (a) Business segments | | | | |
| <u>2019</u> | | | | |
| Sales to external parties from continuing operations | 18,591 | - | - | 18,591 |
| Segment profit/(loss) from continuing operations | 1,772 | 1,579 | (304) | 3,047 |
| Interest income | - | 21 | 6 | 27 |
| Share of profit of associated companies | - | - | 1,391 | 1,391 |
| Share of loss of a joint-venture company | - | - | (166) | (166) |
| Interest expense | (163) | (1,866) | - | (2,029) |
| Profit before income tax | | | | 2,270 |
| Income tax expense | | | | (231) |
| Profit from continuing operations | | | | 2,039 |
| Segment assets | 17,612 | 57,378 | 18,315 | 93,305 |
| Segment assets includes: | | | | |
| Investments in associated companies | - | - | 15,081 | 15,081 |
| Investments in a joint-venture company | - | - | 2,648 | 2,648 |
| Additions to: | | | | |
| - investment in a joint-venture company | - | - | 403 | 403 |
| - property, plant and equipment | 60 | - | - | 60 |
| Segment liabilities | 7,270 | 29,038 | 275 | 36,583 |
| <u>2018 (Restated^{1,2})</u> | | | | |
| Sales to external parties from continuing operations | 19,864 | - | - | 19,864 |
| Segment profit from continuing operations | 2,964 | 525 | 830 | 4,319 |
| Interest income | - | 33 | 103 | 136 |
| Share of profit of associated companies | - | - | 1,614 | 1,614 |
| Share of loss of a joint-venture company | - | - | (91) | (91) |
| Interest expense | (132) | (2,530) | - | (2,662) |
| Profit before income tax | | | | 3,316 |
| Income tax expense | | | | (495) |
| Profit from continuing operations | | | | 2,821 |
| Segment assets | 20,532 | 62,741 | 19,642 | 102,915 |
| Segment assets includes: | | | | |
| Investments in associated companies | - | - | 14,283 | 14,283 |
| Investments in a joint-venture company | - | - | 2,398 | 2,398 |
| Additions to: | | | | |
| - investment in a joint-venture company | - | - | 384 | 384 |
| - property, plant and equipment | 158 | - | - | 158 |
| Segment liabilities | 8,118 | 26,873 | 13,220 | 48,211 |

¹ The results for FY2018 and the statement of financial position as at 30 September 2018 are restated following the adoption of the new financial reporting framework, Singapore Financial Reporting Standards (International) ("SFRS(I)s") on 1 October 2018. Please refer to Note 5 for the details on financial impact from the adoption of SFRS(I)s.

² The entire results from Unicasa Pty Ltd ("Unicasa") was re-presented on the statement of comprehensive income as "Discontinued operations" for the year ended 30 September 2018 due to loss of control during the financial year ended 30 September 2019.

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.** (continued)

| | Revenue from continuing operations | Non-current assets | Capital expenditure |
|------------------------------------|---|-------------------------------|--------------------------------|
| | \$'000 | \$'000 | \$'000 |
| (b) Geographical segments | | | |
| <u>2019</u> | | | |
| Singapore | 18,114 | 22,147 | 60 |
| Malaysia | - | 59,609 | - |
| Morocco | - | 923 | - |
| Other countries | 477 | - | - |
| Total | 18,591 | 82,679 | 60 |
| <u>2018 (Restated¹)</u> | | | |
| Singapore | 19,415 | 4,817 | 9 |
| Malaysia | - | 76,465 | - |
| Australia | - | 130 | 149 |
| Morocco | - | 960 | - |
| Other countries | 449 | - | - |
| Total | 19,864 | 82,372 | 158 |

¹ The results of Unicasa Pty Ltd ("Unicasa") for FY2018 were re-presented as "Discontinued operations" following the disposal of Unicasa in FY2019.

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

Other than those stated under item 8 above, there were no major factors leading to material changes in contributions to turnover and earnings by the business or geographical segments

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

| | Year ended 30 September | | |
|--|--------------------------------|---------------------------------|----------------|
| | 2019 | Restated 2018 ^{1,2} | + / (-) |
| | \$'000 | \$'000 | % |
| Continuing operations | | | |
| (a) Sales reported for first half year | 9,345 | 10,104 | (7.5) |
| (b) Operating (loss)/profit after tax before deducting minority interests reported for first half year | (129) | 2,448 | N/M |
| (c) Sales reported for second half year | 9,246 | 9,760 | (5.3) |
| (d) Operating profit after tax before deducting minority interests reported for second half year | 2,168 | 373 | N/M |

¹ The results for FY2018 are restated following the adoption of the new financial reporting framework, Singapore Financial Reporting Standards (International) ("SFRS(I)s") on 1 October 2018. Please refer to Note 5 for the details on financial impact from the adoption of SFRS(I)s.

² The results of Unicasa Pty Ltd ("Unicasa") for FY2018 were re-presented as "Discontinued operations" following the disposal of Unicasa in FY2019.

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

| | 2019 | 2018 |
|----------------|---------------|--------|
| | \$'000 | \$'000 |
| (a) Ordinary | - | - |
| (b) Preference | - | - |
| (c) Total | - | - |

20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiary corporations who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

There is no person occupying a managerial position in the Company or any of its subsidiary corporations who is a relative of a director or chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Lim Soo Kong @ Lim Soo Chong
Director and Chief Executive Officer
29 Nov 2019