

**UNAUDITED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER AND FULL YEAR ENDED 31 DECEMBER 2019**
**PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**
**1(a) An income statement and statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group					
	3 months ended			12 months ended		
	31-Dec-19	31-Dec-18	%	31-Dec-19	31-Dec-18	%
	S\$'000	S\$'000		S\$'000	S\$'000	
<b>Continuing Operations</b>						
<b>Revenue</b>	14,056	19,305	(27.2)	65,206	63,400	2.8
Cost of sales	(10,854)	(15,189)	(28.5)	(50,187)	(48,988)	2.4
<b>Gross profit</b>	3,202	4,116	(22.2)	15,019	14,412	4.2
<b>Other income</b>	497	1,022	(51.4)	29,945 <sup>1</sup>	2,688	>100
<b>Other expense</b>						
Marketing and distribution	(220)	(439)	(49.9)	(1,535)	(1,759)	(12.7)
Research and development	(190)	(867)	(78.1)	(2,030)	(4,003)	(49.3)
Administrative expenses	(2,775)	(11,390)	(75.6)	(9,568)	(30,042)	(68.2)
Other expenses, net	(7,680)	(350)	>100	(7,730)	(249)	>100
Finance costs, net	141	(77)	<100	(204)	(429)	(52.4)
	(10,724)	(13,123)	(18.3)	(21,067)	(36,482)	(42.3)
Share of results of associates, net of tax	(1,113)	(477)	>100	(2,317)	(2,109)	9.9
<b>(Loss)/profit before tax from continuing operations</b>	(8,138)	(8,462)	(3.8)	21,580	(21,491)	<100
Income tax expense	(90)	(467)	(80.7)	(1,310)	(1,430)	(8.4)
<b>(Loss)/profit after tax from continuing operations</b>	(8,228)	(8,929)	(7.9)	20,270	(22,921)	<100
<b>Discontinued Operations</b>						
(Loss)/profit from discontinued operations, net of tax	-	(2,000)	NM	-	42,653	NM
<b>(Loss)/profit for the year</b>	(8,228)	(10,929)	(24.7)	20,270	19,732	2.7
<b>Attributable to :</b>						
Owners of the Company						
- Continuing operations	(7,413)	(6,999)	5.9	6,907	(18,317)	<100
- Discontinued operations	-	(2,000)	NM	-	42,653	NM
	(7,413)	(8,999)	(17.6)	6,907	24,336	(71.6)
Non-controlling interests						
- Continuing operations	(815)	(1,930)	(57.8)	13,363	(4,604)	<100
<b>Total</b>	(8,228)	(10,929)	(24.7)	20,270	19,732	2.7

NM – Not meaningful

<sup>1</sup> The gain on deemed disposal of subsidiaries recorded in second quarter of 2019 increased from \$11.5 million to \$28.6 million after taking into account the recently completed valuation report.



**Statement of Comprehensive Income for the Group for the Fourth Quarter and Full Year Ended 31 December 2019**

	Group			
	3 months ended		12 months ended	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
	S\$'000	S\$'000	S\$'000	S\$'000
<b>(Loss)/profit for the year</b>	(8,228)	(10,929)	20,270	19,732
<b>Other comprehensive income items that may be reclassified subsequently to profit or loss</b>				
Foreign currency translation	345	(194)	139	(244)
Fair value changes on available-for-sale assets	-	(1)	-	(2)
Other comprehensive income for the year, net of tax of nil	345	(195)	139	(246)
<b>Total comprehensive income for the year</b>	<b>(7,883)</b>	<b>(11,124)</b>	<b>20,409</b>	<b>19,486</b>
<b>Attributable to :</b>				
Owners of the Company				
- Continuing operations	(7,489)	(7,129)	6,832	(18,710)
- Discontinued operations	-	(2,000)	-	42,653
	(7,489)	(9,129)	6,832	23,943
Non-controlling interests				
- Continuing operations	(394)	(1,995)	13,577	(4,457)
<b>Total comprehensive income for the year</b>	<b>(7,883)</b>	<b>(11,124)</b>	<b>20,409</b>	<b>19,486</b>

**Additional Information**

**Profit from operation is determined after (charging)/crediting:**

	Group					
	3 months ended			12 months ended		
	31-Dec-19	31-Dec-18	%	31-Dec-19	31-Dec-18	%
	S\$'000	S\$'000		S\$'000	S\$'000	
<b>Continued Operations</b>						
Interest income	72	112	(35.7)	278	305	(8.9)
Interest expense	79	(136)	<100	(418)	(559)	(25.2)
Depreciation of property, plant and equipment	(1,411)	(1,846)	(23.6)	(7,981)	(6,341)	25.9
Depreciation of investment properties	(4)	(4)	-	(17)	(17)	-
Property, plant and equipment written off	(83)	-	NM	(84)	(7)	>100
(Loss)/gain on disposal of subsidiaries	-	(2,000)	NM	-	34,530	NM
Gain on deemed disposal of subsidiaries	-	-	NM	28,593	-	NM
Gain on deemed disposal of associates	-	1,636	NM	-	1,636	NM
(Loss)/gain on disposal of property, plant and equipment	(6)	(169)	(96.4)	16	14	14.3
Impairment loss on property, plant and equipment	(1,193)	-	NM	(1,193)	-	NM
Impairment loss on contingent receivables	(2,121)	-	NM	(2,121)	-	NM
Allowance on amounts due from associates	(3,172)	-	NM	(3,172)	-	NM
Write-back of/(allowance for) trade receivables	41	-	NM	(1)	-	NM
Write-back of/(allowance for) stock obsolescence, net	13	(563)	<100	(5)	(581)	(99.1)
<b>Discontinued Operations</b>						
Interest income	-	-	NM	-	1	NM
Interest expense	-	-	NM	-	(597)	NM
Depreciation of property, plant and equipment	-	-	NM	-	(275)	NM
Allowance for trade receivables	-	-	NM	-	53	NM
Allowance for stock obsolescence, net	-	-	NM	-	(35)	NM

NM – Not meaningful



**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	
	31-Dec-19 S\$'000	31-Dec-18 S\$'000	31-Dec-19 S\$'000	31-Dec-18 S\$'000
<b>Non-Current Assets</b>				
Intangible assets	64	6,410	-	-
Property, plant and equipment	23,117	27,312	282	244
Investment properties	297	303	-	-
Right-of-use assets	1,043	-	-	-
Subsidiaries	-	-	7,910	7,910
Associates	29,051	4,357	5,801	5,801
Other receivables	4	4,505	-	4,500
Deferred tax assets	54	-	-	-
	<b>53,630</b>	<b>42,887</b>	<b>13,993</b>	<b>18,455</b>
<b>Current Assets</b>				
Inventories	3,611	3,064	-	-
Prepayment and advances	690	781	36	26
Due from subsidiaries	-	-	7,413	9,940
Due from associates	158	2,417	-	2,389
Trade receivables	11,517	13,804	-	-
Other receivables	7,972	14,720	2,379	13,587
Cash and cash equivalents	24,343	23,261	10,165	10,595
	<b>48,291</b>	<b>58,047</b>	<b>19,993</b>	<b>36,537</b>
<b>Current Liabilities</b>				
Trade payables and accruals	15,406	25,305	2,455	10,433
Other payables	3,904	10,130	234	234
Due to subsidiaries	-	-	7,049	7,146
Provisions	88	86	-	-
Lease creditors	1,454	656	-	-
Interest-bearing loans and borrowings	1,596	2,804	-	-
Tax payable	245	831	-	170
	<b>22,693</b>	<b>39,812</b>	<b>9,738</b>	<b>17,983</b>
<b>Net Current Assets</b>	<b>25,598</b>	<b>18,235</b>	<b>10,255</b>	<b>18,554</b>
<b>Non-Current Liabilities</b>				
Long term payables	2,479	2,161	-	-
Lease creditors	1,514	1,846	-	-
Interest-bearing loans and borrowings	616	-	-	-
Deferred tax liabilities	108	108	-	-
	<b>4,717</b>	<b>4,115</b>	<b>-</b>	<b>-</b>
<b>Net Assets</b>	<b>74,511</b>	<b>57,007</b>	<b>24,248</b>	<b>37,009</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	132,617	132,617	132,617	132,617
Treasury shares	(4,772)	(4,772)	(4,772)	(4,772)
Foreign currency translation reserve	(170)	(95)	-	-
Capital reserves	(8,194)	(8,345)	(2,960)	(2,960)
Accumulated losses	(46,609)	(50,242)	(100,637)	(87,876)
	<b>72,872</b>	<b>69,163</b>	<b>24,248</b>	<b>37,009</b>
Non-controlling interests	1,639	(12,156)	-	-
<b>Total Equity</b>	<b>74,511</b>	<b>57,007</b>	<b>24,248</b>	<b>37,009</b>



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

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

(S\$'000)

As at 31 Dec 19		As at 31 Dec 18	
Secured	Unsecured	Secured	Unsecured
1,454	1,596	656	2,804

**Amount repayable after one year**

(S\$'000)

As at 31 Dec 19		As at 31 Dec 18	
Secured	Unsecured	Secured	Unsecured
1,514	616	1,846	-

**Details of any collateral**

As at 31 December 2019, finance leases with an aggregate amount of \$1,894,000 (31 December 2018: \$2,502,000) are secured on certain plant and machinery of the subsidiaries.

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

	Group	
	12 months ended	
	31-Dec-19 S\$'000	31-Dec-18 S\$'000
<b>Cash flows from operating activities</b>		
Profit/(loss) before tax from Continuing Operations	21,580	(21,491)
Profit before tax from Discontinued Operations	-	43,366
Adjustments for:		
Non cash items	(11,148)	(4,032)
<b>Operating cash flows before changes in working capital</b>	<b>10,432</b>	<b>17,843</b>
<u>Changes in working capital</u>		
(Increase)/decrease in :		
Inventories	(627)	(4,144)
Receivables	18,125	(8,945)
Due from associates	(689)	(527)
Increase/(decrease) in :		
Provision	-	(244)
Payables	(13,607)	(11,436)
	<b>13,634</b>	<b>(7,453)</b>
Income tax paid	(1,920)	(1,578)
Interest received	53	314
Interest paid	(334)	(559)
<b>Net cash flows generated from/(used in) operating activities</b>	<b>11,433</b>	<b>(9,276)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(4,663)	(7,012)
Proceeds from disposal of property, plant and equipment	22	77
Expenditure on research and development project	(609)	(2,150)
Loan to associates	-	(2,400)
Cash and cash equivalents in subsidiaries disposed of	-	(17,310)
Cash consideration received from disposed of subsidiaries	-	72,000
Costs relating to disposal of subsidiary	-	(21,837)
<b>Net cash flows (used in)/generated from investing activities</b>	<b>(5,250)</b>	<b>21,368</b>
<b>Cash flow from financing activities</b>		
Repayment of lease obligations	(1,286)	(661)
Repayment of bank borrowings	(1,256)	(6,351)
Proceeds from loans and borrowings	616	1,878
Advance for capital injection from non-controlling interest	-	168
Dividends paid on ordinary shares by the Company	(3,274)	(13,095)
<b>Net cash flows used in financing activities</b>	<b>(5,200)</b>	<b>(18,061)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>983</b>	<b>(5,969)</b>
Effect of exchange rate changes on cash and cash equivalents	99	(386)
<b>Cash and cash equivalents at beginning of year</b>	<b>23,261</b>	<b>29,616</b>
<b>Cash and cash equivalents at end of year</b>	<b>24,343</b>	<b>23,261</b>



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

**Consolidated Statement of Changes in Equity**

Group	Attributable to equity holders of the Company							Total	Non-controlling interests	Total equity
	Share capital	Treasury shares	Accumulated losses (Distributable)	Capital reserve ----- (Non-distributable)	Fair value reserve	Foreign currency reserve	Total reserves			
(All figures in S\$'000)										
At 1 January 2019	132,617	(4,772)	(50,242)	(8,345)	-	(95)	(8,440)	69,163	(12,156)	57,007
Profit for the year	-	-	6,907	-	-	-	-	6,907	13,363	20,270
Foreign currency translation	-	-	-	-	-	(75)	(75)	(75)	214	139
Other comprehensive income net of tax of nil	-	-	-	-	-	(75)	(75)	(75)	214	139
<b>Total comprehensive income for the year</b>	-	-	6,907	-	-	(75)	(75)	6,832	13,577	20,409
<b>Contributions by and distributions to owners</b>										
Dividends on ordinary shares	-	-	(3,274)	-	-	-	-	(3,274)	-	(3,274)
Dilution of interests in subsidiary without change in control	-	-	-	151	-	-	151	151	218	369
<b>Total contributions by and distributions to owners</b>	-	-	(3,274)	151	-	-	151	(3,123)	218	(2,905)
<b>At 31 December 2019</b>	132,617	(4,772)	(46,609)	(8,194)	-	(170)	(8,364)	72,872	1,639	74,511
Balance at 1 January 2018, as previously reported	132,617	(4,772)	(59,589)	(8,091)	2	(1,598)	(9,687)	58,569	(7,953)	50,616
Effect of transition to SFRS(I)	-	-	(1,894)	-	-	1,894	1,894	-	-	-
Balance at 1 January 2018, as restated	132,617	(4,772)	(61,483)	(8,091)	2	296	(7,793)	58,569	(7,953)	50,616
Profit/(loss) for the year	-	-	24,336	-	-	-	-	24,336	(4,604)	19,732
Foreign currency translation	-	-	-	-	-	(391)	(391)	(391)	147	(244)
Fair value changes on available-for-sale assets	-	-	-	-	(2)	-	(2)	(2)	-	(2)
Other comprehensive income net of tax of nil	-	-	-	-	(2)	(391)	(393)	(393)	147	(246)
<b>Total comprehensive income for the year</b>	-	-	24,336	-	(2)	(391)	(393)	23,943	(4,457)	19,486
<b>Contributions by and distributions to owners</b>										
Dividends on ordinary shares	-	-	(13,095)	-	-	-	-	(13,095)	-	(13,095)
Increase in interest in subsidiary without change in control	-	-	-	(254)	-	-	(254)	(254)	254	-
<b>Total contributions by and distributions to owners</b>	-	-	(13,095)	(254)	-	-	(254)	(13,349)	254	(13,095)
<b>At 31 December 2018</b>	132,617	(4,772)	(50,242)	(8,345)	-	(95)	(8,440)	69,163	(12,156)	57,007



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

**Consolidated Statement of Changes in Equity**

<u>Company</u>	Share capital	Treasury shares	Capital reserve	Accumulated losses	Total equity
(All figures in S\$'000)					
At 1 January 2019	132,617	(4,772)	(2,960)	(87,876)	37,009
Loss for the year	-	-	-	(9,487)	(9,487)
<b>Total comprehensive income for the year</b>	-	-	-	(9,487)	(9,487)
<u>Contributions by and distributions to equity owners</u>					
Dividends on ordinary shares	-	-	-	(3,274)	(3,274)
<b>Total contributions by and distributions to owners</b>	-	-	-	(3,274)	(3,274)
<b>At 31 December 2019</b>	<b>132,617</b>	<b>(4,772)</b>	<b>(2,960)</b>	<b>(100,637)</b>	<b>24,248</b>
At 1 January 2018	132,617	(4,772)	(2,960)	(143,914)	(19,029)
Profit for the year	-	-	-	69,133	69,133
<b>Total comprehensive income for the year</b>	-	-	-	69,133	69,133
<u>Contributions by and distributions to equity owners</u>					
Dividends on ordinary shares	-	-	-	(13,095)	(13,095)
<b>Total contributions by and distributions to owners</b>	-	-	-	(13,095)	(13,095)
<b>At 31 December 2018</b>	<b>132,617</b>	<b>(4,772)</b>	<b>(2,960)</b>	<b>(87,876)</b>	<b>37,009</b>

**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 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.**

**Ordinary Shares (excluding Treasury Shares)**

	<u>Number of Ordinary Shares</u>	
	31-Dec-19	31-Dec-18
Balance as at 1 October and 31 December	<u>654,731,486</u>	<u>654,731,486</u>
Balance as at 1 January and 31 December	<u>654,731,486</u>	<u>654,731,486</u>

**Treasury Shares**

	<u>Number of Treasury Shares</u>	
	31-Dec-19	31-Dec-18
Balance as at 1 October and 31 December	<u>27,234,855</u>	<u>27,234,855</u>
Balance as at 1 January and 31 December	<u>27,234,855</u>	<u>27,234,855</u>

During the period ended 31 December 2019, there was no change to the issued share capital of the Company.

**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 number of issued shares as at 31 December 2019 is 654,731,486 (31 December 2018: 654,731,486).

**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.

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

Not applicable.

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

These figures have not been audited or reviewed by the Company's auditors.



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

Not applicable.

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

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period as those for the financial year ended 31 December 2018.

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

On 1 January 2019, the Group adopted SFRS(I) 16 *Leases*, a new accounting standard that became effective for annual periods beginning on or after 1 January 2019.

SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. Remaining lease payments under the operating leases will be recognised at their present value discounted using an appropriate discount rate and the nature of expenses will now change as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge of ROU assets (where relevant) and interest expense on lease liabilities.

As a lessee, the Group has adopted SFRS(I) 16 using the modified retrospective approach. Therefore, the cumulative effect of adopting SFRS(I) 16 has been recognised as an adjustment to the opening balance as at 1 January 2019, with no restatement of comparative information.

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

	Group			
	3 months ended		12 months ended	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
<b><u>Continuing Operations</u></b>				
Earning per share (cents)				
Basic	(0.06)	(1.07)	1.05	(2.80)
Diluted	(0.06)	(1.07)	1.05	(2.80)
<b><u>Discontinued Operations</u></b>				
Earning per share (cents)				
Basic	-	(0.31)	-	6.51
Diluted	-	(0.31)	-	6.51
Weighted average number of shares				
Basic	654,731,486	654,731,486	654,731,486	654,731,486
Diluted	654,731,486	654,731,486	654,731,486	654,731,486

Earnings per share are calculated based on the net profit attributable to ordinary shareholders divided by the weighted average number of shares.

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.**

	Group		Company	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
Net assets value per share (cents)	11.13	10.56	3.70	5.65
Based on number of shares	654,731,486	654,731,486	654,731,486	654,731,486

Net assets value per share is calculated based on the equity attributable to the equity holders of the parent excluding the non-controlling interests divided by the number of shares excluding treasury shares.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

**Consolidated Income Statement – fourth quarter ended 31 December 2019 (“4Q2019”) performance**

**Revenue**

	3 months ended 31-Dec-19		3 months ended 31-Dec-18		
	\$'000	%	\$'000	%	
Backend Equipment Solutions & Technologies (“BEST”)	13,509	96.1	18,284	94.7	(26.1)
Distribution & Services	547	3.9	1,021	5.3	(46.4)
	<u>14,056</u>	100.0	<u>19,305</u>	100.0	(27.2)

The Group recorded revenue of \$14.1 million in the 3 months ended 31 December 2019 (“4Q2019”), down by 27.2% or \$5.2 million from \$19.3 million recorded in the previous corresponding period ended 31 December 2018 (“4Q2018”).

**Loss before tax**

The Group reported losses before tax from continuing operation of \$8.1 million and \$8.5 million in 4Q2019 and 4Q2018 respectively.

The deconsolidation of subsidiaries in the first half of 2019 resulted in 78.1% or \$0.7 million reduction in research and development expenses in this quarter.

Administrative expenses in 4Q2019 have dropped by 75.6% or \$8.6 million compared to 4Q2018, mainly due to higher manpower costs in relation to project undertaken in 4Q2018.

Other expenses in 4Q2019 included (i) \$2.1 million on impairment loss on contingent receivables, (ii) \$1.2 million on impairment of property, plant and equipment and (iii) \$3.2 million on allowance on amounts due from associates.

The Group recorded a foreign exchange loss of \$1.2 million in 4Q2019 compared to a foreign exchange gain of \$0.2 million in 4Q2018.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on. (Cont'd)**

#### Net Loss

The Group reported a net loss after tax of \$8.2 million and \$10.9 million in 4Q2019 and 4Q2018 respectively.

#### **Consolidated Income Statement – full year ended 31 December 2019 (“FY2019”) performance**

#### Revenue

	12 months ended 31-Dec-19		12 months ended 31-Dec-18		
	\$'000	%	\$'000	%	
Backend Equipment Solutions & Technologies (“BEST”)	61,994	95.1	60,405	95.3	2.6
Distribution & Services	3,212	4.9	2,995	4.7	7.2
	<u>65,206</u>	100.0	<u>63,400</u>	100.0	2.8

The Group reported revenue of \$65.2 million for the financial year ended 31 December 2019 (“FY2019”); an increase of \$1.8 million from \$63.4 million recorded in the previous corresponding period ended 31 December 2018 (“FY2018”).

#### Profit before tax

The Group registered a profit before tax from continuing operations of \$21.6 million in FY2019 compared to a loss before tax from continuing operations of \$21.5 million in FY2018.

Other income increased by \$27.3 million in FY2019 compared to FY2018, mainly due to a one-off gain of \$28.6 million arising from the deemed disposal of subsidiaries by the DGI Group. Included in FY2018 was also a gain on deemed disposal of associates of \$1.6 million.

Research and development expenses declined by 49.3% compared to FY2018. This is mainly due to the implementation of costs saving measures and the deconsolidation of the deemed disposal of subsidiaries by DGI Group during the year.

Depreciation expenses increased by \$1.6 million in FY2019 compared to FY2018 due to additional depreciation expenses arising from newly acquired plants and machineries as well as depreciation expenses of \$0.5 million relating to right-of-use assets in the Group.

Administrative expenses decreased by \$20.5 million or 68.2% from \$30.0 million in FY2018 to \$9.6 million in FY2019, mainly due to surplus bonus provision written back during this year. Included in FY2018 were incentive to key executive officers and bonus to a director.

The Group recorded lower finance cost by \$0.2 million in FY2019 mainly due to loan repayment made during FY2018. Included in FY2019 were also the interest expenses on lease liabilities.

#### Tax expense

The Group reported tax expense of \$1.3 million and \$1.4 million in FY2019 and FY2018 respectively.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on. (Cont'd)**

#### **Net Profit**

The Group registered a net profit after tax of \$20.3 million and \$19.7 million in FY2019 and FY2018 respectively. Included in FY2018 was a profit derived from disposed discontinued operations of \$42.7 million.

#### **Consolidation Statement of Financial Position as at 31 December 2019**

##### Non-current assets

Non-current assets comprised the increase in (i) investment in associates; (ii) additional property, plant and equipment purchased by the Group; and (iii) right-of-use assets in relation to the adoption of new accounting standard from 1 January 2019. This increase was net off against the depreciation of PPE and investment properties, translation changes for non-current assets, reclassification of other receivables from non-current assets to current assets and the deconsolidation of intangible assets arising from deemed disposal of the EoCell Group.

This resulted in an overall impact of \$10.7 million from \$42.9 million in 31 December 2018 to \$53.6 million in 31 December 2019.

##### Current assets

Compared to 31 December 2019, current assets were lower by \$9.7 million or 16.8% decreasing from \$58.0 million at 31 December 2018 to \$48.3 million at 31 December 2019. Included in this period was receipt of partial payment on disposal of subsidiaries and impairment loss on contingent receivables of \$2.1 million, offset by the utilisation of cash and cash equivalents for operations.

##### Current liabilities

Current liabilities decreased by \$17.1 million or 43.0% from \$39.8 million at 31 December 2018 to \$22.7 million at 31 December 2019 were mainly due to:

- Repayment of loans and borrowings and payables.
- Increase in lease liabilities arising from the adoption of new accounting standard from 1 January 2019.

##### Non-current liabilities

The increase in non-current liabilities from \$4.1 million at 31 December 2018 to \$4.7 million at 31 December 2019 was due to the increase in borrowings offset against the lease liabilities movement during the period.

#### **Consolidated Statement of Cash Flows Position as at 31 December 2019**

The Group recorded net cash generated from operating activities of \$11.4 million for its operational working capital. An amount of \$2.2 million was used for the net payments of interests and taxes.

Net cash used in investing activities amounted to \$5.3 million was mainly due to the purchase of property, plant and equipment and expenditure on research and development project.

The Group repaid \$1.3 million and \$1.2 million to financial institutions and lease obligations during the period.

**9. Where a forecast, or 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.**

Our business is prone to economic uncertainties and the cyclical nature of the semiconductor industry and consumer business. Other unforeseeable factors including but not limited to foreign exchange fluctuations, intellectual property litigations, product and technology obsolescence, and inventory adjustments may also pose challenges to our business.

ASA Group's operations in FY2019 saw the impact of the US-China trade dispute. Going forward into 1Q FY2020, we expect further business slowdown due to the effect of COVID-19.

ASTI continues to work on the DGI exit proposal and we will keep our shareholders updated at the appropriate time.

In view of the twin impact of the trade dispute and COVID-19, ASTI expects weaker performance in the coming months. The management will remain flexible and strategize according to the business changes arising from the COVID-19 crisis.

**11. Dividend**

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

**Any dividend declared for the current financial period reported on?**

None

**(b) Corresponding Period of the immediately preceding financial year**

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

None

**(c) Date payable**

Not applicable.

**(d) Book closure date**

Not applicable.

**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 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 general mandate for IPTs has been obtained from shareholders.

- 14. Negative confirmation by the Board pursuant to Rule 705(5).**

Not applicable.

- 15. Confirmation of Undertakings from Directors and Executive Officers pursuant to Rule 720(1) of the Listing Manual.**

The Company hereby confirms that it has procured undertaking from all directors and executive officers under Rule 720(1).



**PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

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

Group	Backend Equipment Solutions & Technologies ("BEST")		Distribution and Services		Discontinued Operation		Adjustments and Elimination		Consolidated Total	
	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000
<b>Revenue</b>										
Segmental Revenue										
- External Sales	61,994	60,405	3,212	2,995	-	55,115	-	(55,115)	65,206	63,400
- Inter-segment sales	531	764	-	-	-	-	(531)	(764)	-	-
	62,525	61,169	3,212	2,995	-	55,115	(531)	(55,879)	65,206	63,400
<b>Segment results</b>	(2,934)	(15,255)	23,204	(6,902)	-	42,653	-	(43,417)	20,270	(22,921)
Operating profit/(loss)	9,300	(7,877)	23,724	(5,794)	-	44,237	29	(45,001)	33,053	(14,435)
Interest income	705	559	28	28	-	1	(455)	(283)	278	305
Interest expense	(483)	(559)	(341)	(282)	-	(597)	426	879	(398)	(559)
Depreciation on property, plant & equipment	(7,357)	(6,029)	(130)	(329)	-	(275)	-	275	(7,487)	(6,358)
Depreciation on right-of-use assets	(512)	-	-	-	-	-	-	-	(512)	-
Impairment loss on property, plant & equipment	(1,154)	-	(39)	-	-	-	-	-	(1,193)	-
Impairment loss on inventories	(29)	-	24	-	-	-	-	-	(5)	-
Impairment loss on contingent receivables	(2,121)	-	-	-	-	-	-	-	(2,121)	-
Impairment loss on other receivables	(8)	-	(27)	(444)	-	-	-	-	(35)	(444)
Profit/(loss) before tax	(1,659)	(13,906)	23,239	(6,821)	-	43,366	-	(44,130)	21,580	(21,491)
Income tax expense	(1,275)	(1,349)	(35)	(81)	-	(713)	-	713	(1,310)	(1,430)
(Loss)/profit after tax	(2,934)	(15,255)	23,204	(6,902)	-	42,653	-	(43,417)	20,270	(22,921)
<b>Other information:</b>										
Share of results of associates, net of tax	(1,256)	(2,109)	(1,061)	-	-	-	-	-	(2,317)	(2,109)
Foreign currency exchange (loss)/gain	(849)	636	(300)	(349)	-	-	29	-	(1,120)	287

**16. Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited financial statements, with comparative information for the immediately preceding year. (Cont'd)**

**Geographical segment revenues**

	2019	2018
	S\$'000	S\$'000
China	29,772	22,415
Singapore	1,423	1,372
Malaysia	2,349	2,806
Philippines	26,261	30,711
United Kingdom	2,802	3,122
Others	2,599	2,974

**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.**

Please refer to item 16.

**18. A breakdown of sales.**

	Group		%
	31-Dec-19	31-Dec-18	
	S\$'000	S\$'000	
Revenue reported for first half year	35,321	28,206	25%
Operating profit after tax before deducting minority interests reported in first half year	29,196	3,220	807%
Revenue reported for second half year	29,885	35,194	-15%
Operating profit after tax before deducting minority interests reported in second half year	(8,926)	16,512	-154%

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

	31-Dec-19	31-Dec-18
	S\$'000	S\$'000
Ordinary	3,274	13,095





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(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Kenneth Loh	31	Son of Executive Chairman, Dato' Loh Soon Gnee	<u>EoPlex</u> Manager, Admin/HR/IT (1 July 2018)	Cessation as Manager, Admin/HR/IT (30 June 2019)

**By Order of the Board**

Dato' Michael Loh Soon Gnee  
Executive Chairman / Chief Executive Officer  
29 February 2020