



Ellipsiz Ltd
(Co. Reg. No. 199408329R)
and its subsidiaries

Financial Statements and Dividend Announcement
For the year ended 30 June 2020

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

The following definitions apply throughout this announcement:

- FY – Financial year ended or ending 30 June.
- NM – Not meaningful.

1(a) A statement of comprehensive income for the Group together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Comprehensive Income

	Note	Group		+ / (-) %
		FY2020 \$'000	FY2019 \$'000	
Revenue		54,235	50,170	8
Cost of revenue		(41,073)	(37,331)	10
Gross Profit		13,162	12,839	3
Other income	1(a)-1	13,149	286	>300
Distribution expenses		(3,718)	(4,022)	(8)
Administrative expenses		(7,548)	(6,754)	12
Other expenses	1(a)-2	(12,018)	(109)	>300
Results from operating activities		3,027	2,240	35
Finance costs	1(a)-3	(42)	-	NM
Finance income	1(a)-4	1,110	948	17
Share of results of joint ventures (net of tax)		(1,084)	(2,854)	(62)
Profit before tax		3,011	334	>300
Tax expense		(856)	(846)	1
Profit/(Loss) for the year		2,155	(512)	NM
Other comprehensive income				
<i>Items that are or may be reclassified subsequently to profit or loss (net of tax)</i>				
Exchange differences arising from:				
- liquidation of subsidiaries		-	(100)	(100)
- translation of financial statements of foreign operations		257	(363)	NM
		257	(463)	NM
<i>Items that will not be reclassified subsequently to profit or loss (net of tax)</i>				
Net change in fair value of financial assets at fair value through other comprehensive income				
		(587)	(1,465)	(60)
Other comprehensive income for the year, net of tax		(330)	(1,928)	(83)
Total comprehensive income for the year		1,825	(2,440)	NM
Profit/(Loss) attributable to:				
Owners of the Company		(689)	(515)	34
Non-controlling interests		2,844	3	>300
Profit/(Loss) for the year		2,155	(512)	NM
Total comprehensive income attributable to:				
Owners of the Company		(1,067)	(2,434)	(56)
Non-controlling interests		2,892	(6)	NM
Total comprehensive income for the year		1,825	(2,440)	NM

Notes to the Consolidated Statement of Comprehensive Income

1(a)-1 Other income

	Group	
	FY2020 \$'000	FY2019 \$'000
Dividend income from financial assets	248	162
Exchange gain, net	518	-
Fair value gain on investment property ⁽¹⁾	11,783	-
Foreign exchange gain on liquidation of subsidiaries (net)	-	100
Governments grants, subsidies and rebates	435	-
Sundry income	165	24
	13,149	286

⁽¹⁾ The fair value gain in FY2020 was attributable to a piece of vacant land located in Bintan, Indonesia. Please refer to note 1(b)-1 on page 4 for further details.

1(a)-2 Other expenses

	Group	
	FY2020 \$'000	FY2019 \$'000
Exchange loss, net	-	68
Impairment loss on amounts due from a joint venture ⁽²⁾	5,325	-
Impairment loss on investment in a joint venture ⁽²⁾	5,997	-
Loss on disposal of plant and equipment	78	-
Plant and equipment written off	40	41
Restructuring costs ⁽³⁾	578	-
	12,018	109

⁽²⁾ The impairment losses in FY2020 were in respect of the Company's subsidiary, EIR Investments Pte Ltd's investment in Kalms Investment Pte Ltd ("KIPL") and extension of loans to and interest receivable from Kalms (Singapore) Pte Ltd ("KSPL").

EIR Investments Pte Ltd ("EIR") had on 16 January 2020, entered into and completed a restructuring agreement with Kalms International Limited ("KIL"), KIPL and Lim Wee Beng Eddie ("EL") whereby each of KIL, KIPL and EL shall waive all of its rights under the non-competition restrictions in the shareholders' agreement entered into with EIR on 25 May 2018, and EIR and any of its affiliates shall be permitted to operate the vending solutions business carried out by KIPL and its subsidiaries ("Kalms"), independently of KIL, KIPL and EL in 9 Southeast Asian countries, namely, Indonesia, Malaysia, Thailand, Philippines, Vietnam, Myanmar, Cambodia, Brunei, and Laos.

In consideration of the aforesaid waiver of rights, EIR had transferred all of its 15,000,000 ordinary shares in KIPL (comprising 50% of the issued share capital of KIPL) to KIL for an aggregate consideration of \$1.00 and assigned to KIL its rights under the loans aggregating \$5.3 million extended by it to KSPL. Accordingly, the carrying amount of the investment in KIPL and the loans extended to and interest receivable from KSPL, aggregating \$11.3 million, had been impaired as at 31 December 2019.

⁽³⁾ The costs incurred in FY2020 pertained to a restructuring exercise carried out to rightsize the Group's Distribution and Services Solutions ("DSS") operations following the cessation of a manufacturer's representative and service provider agreement with one of its principals with effect from 1 May 2020.

1(a)-3 Finance costs comprised interest expense on lease liabilities.

1(a)-4 Finance income

	Group	
	FY2020 \$'000	FY2019 \$'000
Interest income from:		
- financial institutions	928	915
- joint ventures ⁽⁴⁾	81	33
- third party	101	-
	1,110	948

⁽⁴⁾ The amount in FY2020 comprised mainly interest income on loans extended by EIR to KSPL, which had been impaired. Please refer to note 1(a)-2 above for further details.

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.

Statements of Financial Position

	Note	Group		Company	
		30.06.2020 \$'000	30.06.2019 \$'000	30.06.2020 \$'000	30.06.2019 \$'000
Non-current assets					
Plant and equipment		1,496	1,276	9	15
Investment property	1(b)-1	17,423	-	-	-
Intangible assets and goodwill	1(b)-2	18,777	15,479	-	-
Right-of-use assets	1(b)-3	1,058	-	-	-
Subsidiaries	1(b)-4	-	-	31,385	27,776
Joint ventures	1(b)-5	37	7,116	-	-
Financial assets	1(b)-6	4,535	5,316	4,535	5,316
Amounts due from related parties	1(b)-7	-	2,150	5,423	12,500
Deferred tax assets		65	67	-	-
		<u>43,391</u>	<u>31,404</u>	<u>41,352</u>	<u>45,607</u>
Current assets					
Inventories		3,839	3,902	-	-
Trade and other receivables	1(b)-8	12,404	18,735	107	9,544
Amounts due from related parties	1(b)-7	610	759	259	126
Cash and cash equivalents		74,950	75,465	54,220	56,229
		<u>91,803</u>	<u>98,861</u>	<u>54,586</u>	<u>65,899</u>
Total assets		<u>135,194</u>	<u>130,265</u>	<u>95,938</u>	<u>111,506</u>
Equity attributable to Owners of the Company					
Share capital		89,566	89,566	89,566	89,566
Treasury shares		(126)	-	(126)	-
Reserves		(10,090)	(9,071)	1,600	2,828
Retained earnings		32,496	35,940	2,475	16,500
		<u>111,846</u>	<u>116,435</u>	<u>93,515</u>	<u>108,894</u>
Non-controlling interests		6,774	398	-	-
Total equity		<u>118,620</u>	<u>116,833</u>	<u>93,515</u>	<u>108,894</u>
Non-current liabilities					
Lease liabilities	1(b)-3	585	-	-	-
Provisions		136	20	-	-
Deferred tax liabilities	1(b)-9	659	2	-	-
		<u>1,380</u>	<u>22</u>	<u>-</u>	<u>-</u>
Current liabilities					
Trade and other payables	1(b)-10	13,838	12,401	1,206	1,230
Amounts due to related parties		87	98	1,217	1,382
Lease liabilities	1(b)-3	540	-	-	-
Provisions		210	267	-	-
Current tax payable		519	644	-	-
		<u>15,194</u>	<u>13,410</u>	<u>2,423</u>	<u>2,612</u>
Total liabilities		<u>16,574</u>	<u>13,432</u>	<u>2,423</u>	<u>2,612</u>
Total equity and liabilities		<u>135,194</u>	<u>130,265</u>	<u>95,938</u>	<u>111,506</u>

Notes to the Statements of Financial Position

1(b)-1 On 9 October 2019, PT Super Makmur Sejahtera, a subsidiary of the Company, acquired a piece of vacant land comprising 54 plots of girik land (*alas hak*) with total land area of approximately 580,000 square metres located at Desa Berakit, Kecamatan Teluk Sebong, Kabupaten Bintan, Kepulauan Riau Province, Indonesia. The fair value of the land appraised by an independent valuer was \$17.4 million as at 30 June 2020 and a fair value gain of \$11.8 million was recognised in profit or loss.

1(b)-2 On 16 October 2019, the Company entered into and completed an investment agreement with (a) Vincent Ong Sin Liang, Loo Geak Kin and Chung Chiew Kit (collectively, the "Vendors"); and (b) Axis-Tec Pte Ltd ("ATPL"), to invest in 51% of the enlarged share capital of ATPL, by way of (i) acquisition of an aggregate of 60,000 ordinary shares in the share capital of ATPL from the Vendors; and (ii) subscription of 33,674 newly issued ATPL shares, for an aggregate consideration of approximately \$3.6 million (the "Acquisition of ATPL").

On 16 January 2020, EIR entered into a subscription agreement with Indovend Pte Ltd ("Indovend") to subscribe for 180 new ordinary shares in the share capital of Indovend, representing a 60% interest in Indovend, for an aggregate consideration of \$0.5 million (the "Acquisition of Indovend").

The Group accounts for ATPL and Indovend as subsidiaries and consolidates their financial results with effect from completion of the respective acquisitions.

The increase in intangible assets and goodwill as at 30 June 2020 was mainly due to the recognition of (i) goodwill of \$1.6 million and intangible assets of \$1.5 million for the Acquisition of ATPL; and (ii) goodwill of \$0.2 million for the Acquisition of Indovend.

Balance as at 30 June 2019 comprised mainly goodwill of the DSS segment.

1(b)-3 The Group adopted Singapore Financial Reporting Standards (International) ("SFRS(I)") 16 Leases on 1 July 2019 and recognised right-of-use ("ROU") assets and lease liabilities for those leases that were previously classified as operating leases, except for short-term leases and leases of low value assets. Please refer to paragraph 5 on page 11 for further details on the adoption of SFRS(I) 16.

1(b)-4 The increase in investment in subsidiaries at the Company level was mainly attributable to the Acquisition of ATPL.

1(b)-5 Balance as at 30 June 2020 comprised the Group's investments in (i) Adell Solutions Pte Ltd; and (ii) EllipTech Solutions Pte Ltd.

Balance as at 30 June 2019 comprised the Group's investments in (i) KIPL; and (ii) Adell Solutions Pte Ltd. During the year, the Group had impaired its investment in KIPL, resulting in the decrease in joint ventures balance. Please refer to note 1(a)-2 on page 2 for more details.

1(b)-6 Financial assets comprised the Group's investments in quoted securities. The decrease was due to changes in fair value of the portfolio and disposals of certain quoted securities.

1(b)-7 The net decrease was mainly due to impairment of the loans extended to and interest receivable from KSPL. Prior to the signing of the restructuring agreement, EIR had extended total loans of \$5.3 million to KSPL. Please refer to note 1(a)-2 on page 2 for further details on the restructuring agreement entered into among EIR, KIL, KIPL and EL.

1(b)-8 Balance as at 30 June 2019 included the remaining 10% of the initial consideration in relation to the sale of SV Probe Pte Ltd and certain of its subsidiaries held in an escrow account of US\$6.9 million. The amount was released to the Company on 31 October 2019. The decrease was partially offset by higher trade receivables and prepayment, and consolidation of ATPL.

1(b)-9 The increase was mainly due to deferred tax expense recognised on the investment property.

1(b)-10 The increase was mainly due to the consolidation of ATPL in the Group's balance sheet.

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

The Group had no borrowings or debts securities as at 30 June 2020 and 30 June 2019.

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.**

Consolidated Statement of Cash Flows

	Note	FY2020 \$'000	FY2019 \$'000
Cash Flows from Operating Activities			
Profit/(Loss) for the year		2,155	(512)
Adjustments for:			
Amortisation of intangible assets		216	6
Depreciation of plant and equipment		464	324
Depreciation of right-of-use assets		572	-
Dividend income from financial assets		(248)	(162)
Fair value gain on investment property		(11,783)	-
Foreign exchange gain on liquidation of subsidiaries (net)		-	(100)
Finance costs		42	-
Finance income		(1,110)	(948)
Gain on disposal of right-of-use assets		(17)	-
Impairment loss on amounts due from a joint venture		5,325	-
Impairment loss on investment in a joint venture		5,997	-
Loss on disposal of plant and equipment		78	-
Plant and equipment written off		40	41
Share of results of joint ventures (net of tax)		1,084	2,854
Tax expense		856	846
Operating cash flows before working capital changes		<u>3,671</u>	<u>2,349</u>
Changes in:			
Amounts due from/to related parties		(266)	(30)
Inventories		1,251	(1,223)
Trade and other receivables		(2,454)	2,139
Trade and other payables		(31)	(701)
Cash generated from operations		<u>2,171</u>	<u>2,534</u>
Interest received		1,142	893
Tax paid		(536)	(222)
Net cash from operating activities		<u>2,777</u>	<u>3,205</u>
Cash Flows from Investing Activities			
Dividends received from financial assets		230	141
Investment in joint ventures		*	(50)
Loans to joint ventures		(2,867)	(2,500)
Advance to a joint venture		(458)	(353)
Repayment of advance from a joint venture		533	-
Net cash inflow on disposal of subsidiaries	1(c)-1	9,603	4,742
Net cash outflow on acquisition of subsidiaries	1(c)-2	(1,755)	-
Purchase of intangible assets		(228)	(68)
Purchase of investment property		(5,376)	-
Purchase of plant and equipment		(1,159)	(864)
Purchase of financial assets		(2,672)	(2,422)
Proceeds from disposal of plant and equipment		468	-
Proceeds from disposal of financial assets		2,884	6,578
Net cash (used in)/from investing activities		<u>(797)</u>	<u>5,204</u>
Cash Flows from Financing Activities			
Capital injection by non-controlling interest		1,358	-
Dividends paid		(3,342)	(5,849)
Payment of lease liabilities		(598)	-
Purchase of treasury shares		(126)	-
Net cash used in financing activities		<u>(2,708)</u>	<u>(5,849)</u>
Net (decrease)/increase in cash and cash equivalents		(728)	2,560
Cash and cash equivalents at beginning of year		75,465	73,244
Effect of exchange rate fluctuations on cash held		213	(339)
Cash and cash equivalents at end of year		<u>74,950</u>	<u>75,465</u>

* Amount less than \$1,000.

1(c)-1 The amount in FY2020 was 10% (FY2019: 5%) of the initial consideration in relation to the sale of SV Probe Pte Ltd and certain of its subsidiaries released from escrow account.

1(c)-2 The Company's Acquisition of ATPL and Acquisition of Indovend were completed on 16 October 2019 and 16 January 2020 respectively. The aggregation of the net assets of ATPL and Indovend as at the respective dates of completion were as follows:

	\$'000
Assets	
Plant and equipment	99
Right-of-use assets	62
Intangible assets	1,481
Inventories	1,174
Trade and other receivables	876
Cash and cash equivalents	556
	<u>4,248</u>
Liabilities	
Trade and other payables	(1,223)
Provision	(30)
Lease liabilities	(60)
Deferred tax liabilities	(279)
Tax payable	(25)
	<u>(1,617)</u>
Total identifiable net assets at fair value	2,631
Subscriptions of newly issued shares	1,797
Non-controlling interests measured at non-controlling interests' proportionate share of net assets	(2,126)
Goodwill arising from acquisitions	1,806
	<u>4,108</u>
Total purchase consideration	(4,108)
Add: Cash and cash equivalents acquired	556
Add: Subscriptions of newly issued shares	1,797
Net cash outflow	<u>(1,755)</u>

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
For the year ended 30 June 2020**

	Share capital \$'000	Treasury shares \$'000	Capital reserve \$'000	Fair value reserve \$'000	Share-based compensation reserve \$'000	Translation reserve \$'000	Retained earnings \$'000	Total attributable to Owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance as at 1 July 2019	89,566	-	(11,648)	538	2,290	(251)	35,940	116,435	398	116,833
Effects of adopting SFRS(I) 16	-	-	-	-	-	-	(54)	(54)	-	(54)
Balance as at 1 July 2019, restated	89,566	-	(11,648)	538	2,290	(251)	35,886	116,381	398	116,779
Total comprehensive income for the year										
(Loss)/Profit for the year	-	-	-	-	-	-	(689)	(689)	2,844	2,155
Other comprehensive income										
Exchange differences arising from:										
- translation of financial statements of foreign operations	-	-	-	-	-	209	-	209	48	257
Net change in fair value of financial assets at fair value through other comprehensive income	-	-	-	(587)	-	-	-	(587)	-	(587)
Transfer of gain on disposal of financial assets at fair value through other comprehensive income to retained earnings	-	-	-	(641)	-	-	641	-	-	-
Total other comprehensive income, net of tax	-	-	-	(1,228)	-	209	641	(378)	48	(330)
Total comprehensive income for the year	-	-	-	(1,228)	-	209	(48)	(1,067)	2,892	1,825
Transactions with Owners, recorded directly in equity										
Contributions by and distributions to Owners										
Purchase of treasury shares	-	(126)	-	-	-	-	-	(126)	-	(126)
Final dividend of 1.00 cent per share in respect of 2019	-	-	-	-	-	-	(1,671)	(1,671)	-	(1,671)
Final special dividend of 1.00 cent per share in respect of 2019	-	-	-	-	-	-	(1,671)	(1,671)	-	(1,671)
Total contributions by and distributions to Owners	-	(126)	-	-	-	-	(3,342)	(3,468)	-	(3,468)
Changes in ownership interests in subsidiaries										
Capital injection by non-controlling interest	-	-	-	-	-	-	-	-	1,358	1,358
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	2,126	2,126
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	3,484	3,484
Total transactions with Owners	-	(126)	-	-	-	-	(3,342)	(3,468)	3,484	16
Balance as at 30 June 2020	89,566	(126)	(11,648)	(690)	2,290	(42)	32,496	111,846	6,774	118,620

**Consolidated Statement of Changes in Equity
For the year ended 30 June 2019**

	Share capital \$'000	Capital reserve \$'000	Fair value reserve \$'000	Share-based compensation reserve \$'000	Translation reserve \$'000	Retained earnings \$'000	Total attributable to Owners of the Company \$'000	Non- controlling interests \$'000	Total equity \$'000
Balance as at 1 July 2018	89,566	(11,648)	5,245	2,290	(1,196)	40,461	124,718	404	125,122
Effects of adopting SFRS(I) 1									
Adjustment to foreign currency translation reserve	-	-	-	-	1,399	(1,399)	-	-	-
Balance as at 1 July 2018, restated	89,566	(11,648)	5,245	2,290	203	39,062	124,718	404	125,122
Total comprehensive income for the year									
(Loss)/Profit for the year	-	-	-	-	-	(515)	(515)	3	(512)
Other comprehensive income									
Exchange differences arising from:									
- liquidation of subsidiaries	-	-	-	-	(100)	-	(100)	-	(100)
- translation of financial statements of foreign operations	-	-	-	-	(354)	-	(354)	(9)	(363)
Net change in fair value of financial assets at fair value through other comprehensive income	-	-	(1,465)	-	-	-	(1,465)	-	(1,465)
Transfer of gain on disposal of financial assets at fair value through other comprehensive income to retained earnings	-	-	(3,242)	-	-	3,242	-	-	-
Total other comprehensive income, net of tax	-	-	(4,707)	-	(454)	3,242	(1,919)	(9)	(1,928)
Total comprehensive income for the year	-	-	(4,707)	-	(454)	2,727	(2,434)	(6)	(2,440)
Transactions with Owners, recorded directly in equity									
Contributions by and distributions to Owners									
Final dividend of 2.00 cents per share in respect of 2018	-	-	-	-	-	(3,342)	(3,342)	-	(3,342)
Final special dividend of 1.00 cent per share in respect of 2018	-	-	-	-	-	(1,671)	(1,671)	-	(1,671)
Interim dividend of 0.50 cent per share in respect of 2019	-	-	-	-	-	(836)	(836)	-	(836)
Total contributions by and distributions to Owners	-	-	-	-	-	(5,849)	(5,849)	-	(5,849)
Total transactions with Owners	-	-	-	-	-	(5,849)	(5,849)	-	(5,849)
Balance as at 30 June 2019	89,566	(11,648)	538	2,290	(251)	35,940	116,435	398	116,833

**Statement of Changes in Equity
For the year ended 30 June 2020**

Company	Share capital \$'000	Treasury shares \$'000	Fair value reserve \$'000	Share-based compensation reserve \$'000	Retained earnings \$'000	Total equity \$'000
Balance as at 1 July 2019	89,566	-	538	2,290	16,500	108,894
Total comprehensive income for the year						
Loss for the year	-	-	-	-	(11,324)	(11,324)
Other comprehensive income						
Net change in fair value of financial assets at fair value through other comprehensive income	-	-	(587)	-	-	(587)
Transfer of gain on disposal of financial assets at fair value through other comprehensive income to retained earnings	-	-	(641)	-	641	-
Total other comprehensive income, net of tax	-	-	(1,228)	-	641	(587)
Total comprehensive income for the year	-	-	(1,228)	-	(10,683)	(11,911)
Transactions with Owners, recorded directly in equity						
Contributions by and distributions to Owners						
Purchase of treasury shares	-	(126)	-	-	-	(126)
Final dividend of 1.00 cent per share in respect of 2019	-	-	-	-	(1,671)	(1,671)
Final special dividend of 1.00 cent per share in respect of 2019	-	-	-	-	(1,671)	(1,671)
Total contributions by and distributions to Owners	-	(126)	-	-	(3,342)	(3,468)
Total transactions with Owners	-	(126)	-	-	(3,342)	(3,468)
Balance as at 30 June 2020	89,566	(126)	(690)	2,290	2,475	93,515

**Statement of Changes in Equity
For the year ended 30 June 2019**

Company	Share capital \$'000	Fair value reserve \$'000	Share-based compensation reserve \$'000	Retained earnings \$'000	Total equity \$'000
Balance as at 1 July 2018	89,566	5,245	2,290	19,674	116,775
Total comprehensive income for the year					
Loss for the year	-	-	-	(569)	(569)
Other comprehensive income					
Net change in fair value of financial assets at fair value through other comprehensive income	-	(1,463)	-	-	(1,463)
Transfer of gain on disposal of a financial asset at fair value through other comprehensive income to retained earnings	-	(3,244)	-	3,244	-
Total other comprehensive income, net of tax	-	(4,707)	-	3,244	(1,463)
Total comprehensive income for the year	-	(4,707)	-	2,675	(2,032)
Transactions with Owners, recorded directly in equity					
Contributions by and distributions to Owners					
Final dividend of 2.00 cents per share in respect of 2018	-	-	-	(3,342)	(3,342)
Final special dividend of 1.00 cent per share in respect of 2018	-	-	-	(1,671)	(1,671)
Interim dividend of 0.50 cent per share in respect of 2019	-	-	-	(836)	(836)
Total contributions by and distributions to Owners	-	-	-	(5,849)	(5,849)
Total transactions with Owners	-	-	-	(5,849)	(5,849)
Balance as at 30 June 2019	89,566	538	2,290	16,500	108,894

- 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 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.**

Since the end of the previous period reported on, the Company had purchased 459,900 of its ordinary shares by way of on-market purchases for a total consideration of \$126,000, and held them as treasury shares.

There were no outstanding convertibles and subsidiary holdings as at 30 June 2020 and 30 June 2019.

The Company's issued and fully paid-up shares as at 30 June 2020 comprised 166,668,285 (30 June 2019: 167,128,185) ordinary shares with voting rights and 459,900 (30 June 2019: Nil) ordinary shares (treasury shares) with no voting rights. The treasury shares held represented 0.28% (30 June 2019: Nil) of the total number of issued shares excluding treasury shares.

- 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.**

	30.06.2020	30.06.2019
Total number of ordinary shares excluding treasury shares	166,668,285	167,128,185

- 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 was no sale, transfer, cancellation and/or use of treasury shares as at the end of the current financial year.

- 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.**

The figures in this 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 modifications 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.

This is not required for any audit issue that is a material uncertainty relating to going concern.

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 on page 11, the Group has applied the same accounting policies and methods of computation in the preparation of its financial statements for the current financial 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 adopted SFRS(I) 16 *Leases* on 1 July 2019, using the modified retrospective method. Under this method, the standard is applied retrospectively with the cumulative effect of initial adoption of the standard recognised as an adjustment to the opening balance of retained earnings as at 1 July 2019, with no restatement of comparative information.

The Group elected to use the transitional practical expedient to not reassess whether a contract is, or contains a lease at 1 July 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying SFRS(I) 1-17 *Leases* and SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*, at the date of initial application.

Accordingly, the Group recognised ROU assets of \$1,209,000, lease liabilities of \$1,280,000, and a decrease in retained earnings of \$54,000 as at 1 July 2019.

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	
	FY2020	FY2019
Loss per share (cents)		
- basic and diluted	(0.41)	(0.31)
	<hr/>	<hr/>
Weighted average number of shares (excluding treasury shares)	167,023,088	167,128,185
	<hr/>	<hr/>

Diluted loss per share was the same as basic loss per share as there were no potentially dilutive ordinary shares for both the current and preceding financial years.

7. Net asset value (for the issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:

- (a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Net asset value per share (cents)	67.11	69.67	56.11	65.16
	<hr/>	<hr/>	<hr/>	<hr/>
Number of shares at end of the financial year (excluding treasury shares)	166,668,285	167,128,185	166,668,285	167,128,185
	<hr/>	<hr/>	<hr/>	<hr/>

Net asset is defined as total equity less non-controlling interests.

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.

Performance review

FY2020 vs FY2019

The Group's FY2020 revenue of \$54.2 million was 8% higher than \$50.2 million recorded in FY2019. The increase in revenue was mainly due to the consolidation of ATPL's revenue of \$3.3 million and higher chemical and consumables sales which was partially offset by lower equipment sales. In line with the higher revenue, gross profit had increased by 3% from \$12.8 million in FY2019 to \$13.2 million in FY2020.

Higher other income in FY2020 was mainly due to the fair value gain on investment property of \$11.8 million, net foreign exchange gain of \$0.5 million and governments grants, subsidies and rebates of \$0.4 million.

The Group's distribution and administrative expenses had increased from \$10.8 million in FY2019 to \$11.3 million in FY2020 mainly because of the consolidation of ATPL's expenses of \$0.7 million.

Higher other expenses of \$12.0 million in FY2020 was mainly due to the impairment losses on investment in KIPL and loans extended to and interest receivable from KSPL, aggregating \$11.3 million, and restructuring costs of \$0.6 million.

Finance costs in FY2020 pertained to deemed interest expense on lease liabilities recognised upon the adoption of SFRS(I) 16.

Tax expense for FY2020 was comparable to FY2019. The additional deferred tax expense provided on the investment property of \$0.4 million was offset by writeback of overprovision of prior years' income tax.

The Group's share of loss of joint ventures was substantially in respect of accounting for the loss of Kalms, which for FY2020 was up to the date of completion of the restructuring on 16 January 2020.

Overall, the Group reported a profit after tax of \$2.2 million in FY2020 compared to a loss of \$0.5 million in FY2019.

In FY2020, the Group recorded fair value gain on investment property net of deferred tax of \$11.4 million, governments grants, subsidies and rebates of \$0.4 million, impairment losses on the investment in KIPL and loans extended to and interest receivable from KSPL of \$11.3 million and share of loss of Kalms up to 16 January 2020 of \$1.1 million. In FY2019, the Group recorded share of loss of Kalms for the full year of \$2.8 million. Excluding such items, the Group's net profit of \$2.8 million in FY2020 was \$0.5 million higher than FY2019 of \$2.3 million.

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

The actual results are in line with the profit guidance released by the Company on 12 August 2020.

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.

Towards the end of first half 2020, countries have started gradually easing lockdown measures and restarted their economies. However, there are still concerns of further adverse impact on economies as the risk of renewed surge in COVID-19 cases remains. In addition, geopolitical tensions between the United States and China remain high, influencing the migration of supply chains.

According to the World Semiconductor Trade Statistics (WSTS) mid-year report, the world semiconductor market is expected to increase by 3.3% to US\$426 billion in 2020, with growth driven mainly by Memory within the integrated circuit segment. This growth is expected to continue into 2021, driving the forecast revenues for 2021 to US\$452.3 billion. In its June 2020 update report, SEMI similarly expects Memory fabs to lead worldwide semiconductor segment with US\$30 billion in equipment spending, while leading-edge logic and foundry is expected to rank second with US\$29 billion in investments.

The Group distributes a wide range of manufacturing, testing and inspection/measurement equipment to the semiconductor, electronics manufacturing and telecommunication industries. Whilst the outlook of the semiconductor industry remains positive, and the Group's DSS operations having so far not been significantly impacted by COVID-19, the Group, nevertheless, expects the cessation of the manufacturer's representative and service provider agreement with Keysight Technologies Singapore (Sales) Pte Ltd ("Keysight") with effect from 1 May 2020 ("Contract Cessation") to have some impact on the DSS' performance in FY2021.

The Group's DSS division had approximately 38% reduction in headcount following the Contract Cessation and a restructuring exercise to rightsize its operations. The expected annual cost savings from the reduced headcount is approximately 26% of DSS' FY2020 total overheads. Management will keep evaluating its business strategy and will place more emphasis on value adding solutions while optimising cost.

As the global economy remains uncertain, the Group will continue to stay lean while retaining necessary flexibility and mobility to respond to the fast-changing customers' needs and to seize opportunities of growth.

11. Dividend.

(a) Current Financial Period Reported On.

Name of dividend	Final (Proposed)
Dividend type	Cash
Dividend rate	0.50 cent
Tax rate	Tax exempt (one-tier)

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

Name of dividend	Final	Final Special
Dividend type	Cash	Cash
Dividend rate	1.00 cent	1.00 cent
Tax rate	Tax exempt (one-tier)	Tax exempt (one-tier)

(c) Date payable.

To be announced.

(d) Book closure date.

To be announced.

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

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

14. Confirmation by Board pursuant to Rule 705(5) of the Listing Manual.

Not applicable for full year results announcement.

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 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

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.

Reportable segments

Group	Distribution and Services Solutions		End-of-Line System Testing		Vending Solutions		Property Investment and Development		Eliminations		Consolidated	
	FY2020 \$'000	FY2019 \$'000	FY2020 \$'000	FY2019 \$'000	FY2020 \$'000	FY2019 \$'000	FY2020 \$'000	FY2019 \$'000	FY2020 \$'000	FY2019 \$'000	FY2020 \$'000	FY2019 \$'000
Revenue and Expenses												
Total revenue from external customers	50,979	50,170	3,256	-	-	-	-	-	-	-	54,235	50,170
Inter-segment revenue	28	173	5	-	-	-	-	-	(33)	(173)	-	-
	<u>51,007</u>	<u>50,343</u>	<u>3,261</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>			<u>54,235</u>	<u>50,170</u>
Segment results	<u>4,384</u>	<u>4,824</u>	<u>124</u>	<u>-</u>	<u>(11,483)</u>	<u>(109)</u>	<u>11,757</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,782</u>	<u>4,715</u>
Unallocated corporate results											<u>(1,755)</u>	<u>(2,475)</u>
											<u>3,027</u>	<u>2,240</u>
Share of results of joint ventures	(1)	(14)	-	-	(1,083)	(2,840)	-	-	-	-	<u>(1,084)</u>	<u>(2,854)</u>
Profit/(Loss) before finance income/(costs) and taxation											<u>1,943</u>	<u>(614)</u>
Finance costs											<u>(42)</u>	<u>-</u>
Finance income											<u>1,110</u>	<u>948</u>
Tax expense											<u>(856)</u>	<u>(846)</u>
Non-controlling interests											<u>(2,844)</u>	<u>(3)</u>
Loss for the year											<u>(689)</u>	<u>(515)</u>
Assets and liabilities												
Segment assets	49,784	48,616	7,369	-	665	2,562	17,542	-	(243)	-	75,117	51,178
Investments in joint ventures	37	36	-	-	-	7,080	-	-	-	-	37	7,116
Tax receivables	39	127	-	-	-	-	-	-	-	-	39	127
Deferred tax assets	65	67	-	-	-	-	-	-	-	-	65	67
Unallocated corporate and others assets											<u>59,936</u>	<u>71,777</u>
Total assets											<u>135,194</u>	<u>130,265</u>
Segment liabilities	12,661	11,412	1,436	-	55	119	268	-	(243)	-	14,177	11,531
Tax liabilities	509	642	229	-	4	4	436	-	-	-	1,178	646
Unallocated corporate and others liabilities											<u>1,219</u>	<u>1,255</u>
Total liabilities											<u>16,574</u>	<u>13,432</u>
Capital expenditure												
- allocated to reportable segments	65	176	74	-	161	-	5,626	-	-	-	5,926	176
- unallocated corporate and others											<u>1,087</u>	<u>756</u>
											<u>7,013</u>	<u>932</u>

Reportable segments (Cont'd)

Group	Distribution and Services Solutions		End-of-Line System Testing		Vending Solutions		Property Investment and Development		Eliminations		Consolidated	
	FY2020 \$'000	FY2019 \$'000	FY2020 \$'000	FY2019 \$'000	FY2020 \$'000	FY2019 \$'000	FY2020 \$'000	FY2019 \$'000	FY2020 \$'000	FY2019 \$'000	FY2020 \$'000	FY2019 \$'000
Other items												
Amortisation of intangible assets	(20)	(6)	(180)	-	(16)	-	-	-	-	-	(216)	(6)
Dividend income from financial assets											248	162
Depreciation of plant and equipment												
- allocated to reportable segments	(217)	(241)	(82)	-	-	-	-	-	-	-	(299)	(241)
- unallocated corporate expenses											(165)	(83)
											(464)	(324)
Depreciation of right-of-use assets	(489)	-	(83)	-	-	-	-	-	-	-	(572)	-
Fair value gain on investment property	-	-	-	-	-	-	11,783	-	-	-	11,783	-
Governments grants, subsidies and rebates												
- allocated to reportable segments	259	-	122	-	-	-	-	-	-	-	381	-
- unallocated corporate income											54	-
											435	-
Impairment loss on amounts due from a joint venture	-	-	-	-	(5,325)	-	-	-	-	-	(5,325)	-
Impairment loss on investment in a joint venture	-	-	-	-	(5,997)	-	-	-	-	-	(5,997)	-
Foreign exchange (loss)/gain on liquidation of subsidiaries (net)												
- allocated to reportable segments	-	(10)	-	-	-	-	-	-	-	-	-	(10)
- unallocated corporate income											-	110
											-	100
Restructuring costs	(578)	-	-	-	-	-	-	-	-	-	(578)	-

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

Group	Singapore		Malaysia		China		Taiwan		Indonesia		Other Regions		Consolidated	
	FY2020	FY2019	FY2020	FY2019	FY2020	FY2019	FY2020	FY2019	FY2020	FY2019	FY2020	FY2019	FY2020	FY2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total revenue from external customers	33,230	24,531	5,509	6,658	11,978	12,242	2,045	6,230	-	-	1,473	509	54,235	50,170
Non-current segment assets	20,703	18,493	37	9	138	163	308	240	17,568	-	-	-	38,754	18,905
Investments in joint ventures	37	7,116	-	-	-	-	-	-	-	-	-	-	37	7,116
Investments in financial assets	4,535	5,316	-	-	-	-	-	-	-	-	-	-	4,535	5,316
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	65	67
Total non-current assets	25,275	30,925	37	9	138	163	308	240	17,568	-	-	-	43,391	31,404
Capital expenditure	1,195	898	7	7	22	9	2	18	5,787	-	-	-	7,013	932

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.

DSS segment FY2020 revenue had increased by \$0.7 million compared to FY2019 mainly due to higher chemical and consumables sales which was partially offset by lower equipment sales. DSS segment results had decreased by \$0.4 million compared to FY2019 mainly because of restructuring costs.

Revenue and results of the End-of-Line System Testing segment in FY2020 were contributed by ATPL from 16 October 2019.

Including the share of results of joint ventures, the vending solutions segment reported a loss of \$12.6 million in FY2020 compared to a loss of \$2.9 million in FY2019. This was due to the impairment losses in respect of EIR's investment in KIPL and extension of loans to and interest receivable from KSPL, aggregating \$11.3 million. Please refer to note 1(a)-2 on page 2 for more details.

Results of property investment and development segment was mainly attributable to the fair value gain on investment property.

18. A breakdown of sales and profit after tax and before deducting non-controlling interests.

Group	FY2020 \$'000	FY2019 \$'000	Change %
Revenue reported for first half-year	27,111	28,741	(6)
(Loss)/Profit after tax and before deducting non-controlling interests reported for first-half year	(11,535)	741	NM
Revenue reported for second half-year	27,124	21,429	27
Profit/(Loss) after tax and before deducting non-controlling interests reported for second half-year	13,690	(1,253)	NM

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

	FY2020 \$'000	FY2019 \$'000
Ordinary shares		
Interim dividend	-	836
Final dividend	833 ⁽¹⁾	1,671
Final special dividend	-	1,671
	<u>833</u>	<u>4,178</u>

⁽¹⁾ The proposed final dividend for FY2020 of \$833,000 is estimated based on the total number of ordinary shares in issue (excluding treasury shares) as at 30 June 2020. The proposed dividend has not been recognised as a liability as at the reporting date.

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
Kelvin Lum Wen-Sum	45	<p>Son of David Lum Kok Seng, the legal and beneficial owner of Bevirian Pte Ltd, a substantial shareholder of the Company.</p> <p>Brother of Adrian Lum Wen-Hong, a non-independent non-executive director of the Company.</p>	<p>Chief Executive Officer (with effect from 8 August 2018)</p> <p>Providing leadership to the Group's operations, charting the Group's corporate directions, implementing growth strategies and managing investment activities.</p>	Not applicable.

By order of the Board
CHOW CHING SIAN
JOHNIE TAN WEE LIANG
 Company Secretaries
 26 August 2020