

Financial Statement Announcement for the Year Ended 31 December 2018

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

- 1(a) (i) An income statement and statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated income statement for the financial year ended 31 December 2018. These figures have not been audited or reviewed.

(In Singapore dollars)	Oct - Dec 2018 \$'000	Oct - Dec 2017 \$'000	+ / (-) %	Jan - Dec 2018 \$'000	Jan - Dec 2017 \$'000	+ / (-) %
<b>Revenue</b>	<b>184,195</b>	<b>187,040</b>	<b>(1.5)</b>	<b>726,795</b>	<b>724,545</b>	<b>0.3</b>
Cost of sales	(165,020)	(162,000)	1.9	(639,662)	(619,012)	3.3
<b>Gross profit</b>	<b>19,175</b>	<b>25,040</b>	<b>(23.4)</b>	<b>87,133</b>	<b>105,533</b>	<b>(17.4)</b>
<b>Other items of income</b>						
Interest income	125	133	(6.0)	468	435	7.6
Other income	14,773	1,670	784.6	19,370	5,043	284.1
<b>Other items of expense</b>						
Marketing and distribution	(3,928)	(3,527)	11.4	(14,673)	(14,827)	(1.0)
Administrative expenses	(10,435)	(10,556)	(1.1)	(42,139)	(40,285)	4.6
Other expenses	(6,593)	(3,697)	78.3	(9,795)	(14,411)	(32.0)
Finance costs	(804)	(895)	(10.2)	(4,030)	(3,346)	20.4
<b>Share of results of joint venture</b>	<b>421</b>	<b>532</b>	<b>(20.9)</b>	<b>1,423</b>	<b>1,223</b>	<b>16.4</b>
<b>Profit before tax</b>	<b>12,734</b>	<b>8,700</b>	<b>46.4</b>	<b>37,757</b>	<b>39,365</b>	<b>(4.1)</b>
Income tax expense	(2,175)	(953)	128.2	(7,999)	(8,005)	(0.1)
<b>Profit for the period</b>	<b>10,559</b>	<b>7,747</b>	<b>36.3</b>	<b>29,758</b>	<b>31,360</b>	<b>(5.1)</b>
<b>Profit attributable to:</b>						
Owners of the Company	<b>10,559</b>	<b>7,747</b>	<b>36.3</b>	<b>29,758</b>	<b>31,360</b>	<b>(5.1)</b>

Consolidated statement of comprehensive income for the financial year ended 31 December 2018. These figures have not been audited or reviewed.

<b>Profit net of tax</b>	10,559	7,747	36.3	29,758	31,360	(5.1)
Other comprehensive income						
Foreign currency translation	665	2,899	(77.1)	(1,402)	(1,400)	0.1
Share of foreign currency translation of joint venture	23	(29)	(179.3)	(85)	(276)	(69.2)
<b>Other comprehensive income for the period, net of tax</b>	<b>688</b>	<b>2,870</b>	<b>(76.0)</b>	<b>(1,487)</b>	<b>(1,676)</b>	<b>(11.3)</b>
<b>Total comprehensive income for the period</b>	<b>11,247</b>	<b>10,617</b>	<b>5.9</b>	<b>28,271</b>	<b>29,684</b>	<b>(4.8)</b>
<b>Attributable to:</b>						
Owners of the Company	<b>11,247</b>	<b>10,617</b>	<b>5.9</b>	<b>28,271</b>	<b>29,684</b>	<b>(4.8)</b>

1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the statement of income for the current financial period reported on and the corresponding period of the immediately preceding financial year:-

*Profit before tax is stated after (charging) / crediting:-*

	Oct - Dec 2018 \$'000	Oct - Dec 2017 \$'000	+ / (-) %	Jan - Dec 2018 \$'000	Jan - Dec 2017 \$'000	+ / (-) %
Depreciation of property, plant and equipment	(7,428)	(7,612)	(2.4)	(29,223)	(28,883)	1.2
(Allowance for) / reversal for impairment on property, plant and equipment	(552)	99	n.m.	(552)	99	n.m.
Property, plant and equipment written off	(33)	(48)	(31.3)	(103)	(265)	(61.1)
Gain/(loss) on disposal of property, plant and equipment	13,057	(39)	n.m.	12,925	342	n.m.
(Allowance)/write back for inventories obsolescence/foreseeable losses	(713)	167	(526.9)	(1,058)	(780)	35.6
Allowance for doubtful debts	(20)	(257)	(92.2)	(8)	(226)	(96.5)
Bad debts written-off	-	(1)	n.m.	-	(1)	n.m.
Amortisation of intangible assets	(409)	(370)	10.5	(1,538)	(1,542)	(0.3)
Reversal of provision for onerous contract	82	79	3.8	324	330	(1.8)
Foreign exchange gain/(loss)	237	(2,808)	(108.4)	657	(10,647)	(106.2)

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

(In Singapore dollars)

As at	Group			Company		
	31.12.2018 \$'000	31.12.2017 \$'000	+ / (-) %	31.12.2018 \$'000	31.12.2017 \$'000	+ / (-) %
<b>Non-current assets</b>						
Property, plant and equipment	190,435	193,865	(1.8)	11,015	10,038	9.7
Intangible assets	14,087	15,583	(9.6)	-	-	n.m.
Other investments	1,539	1,428	7.8	-	-	n.m.
Investment in subsidiaries	-	-	n.m.	365,862	338,254	8.2
Investment in joint venture	6,659	6,077	9.6	-	-	n.m.
Prepayments	137	260	(47.3)	137	260	(47.3)
Other receivables	-	-	n.m.	374	30,661	(98.8)
Deferred tax assets	2,707	2,471	9.6	-	-	n.m.
	<b>215,564</b>	<b>219,684</b>	<b>(1.9)</b>	<b>377,388</b>	<b>379,213</b>	<b>(0.5)</b>
<b>Current assets</b>						
Inventories	156,655	141,009	11.1	11,165	4,483	149.1
Prepayments	4,955	5,476	(9.5)	661	664	(0.5)
Trade and other receivables	247,231	212,381	16.4	62,428	46,899	33.1
Cash and short term deposits	88,746	105,281	(15.7)	3,148	7,654	(58.9)
	<b>497,587</b>	<b>464,147</b>	<b>7.2</b>	<b>77,402</b>	<b>59,700</b>	<b>29.7</b>
<b>Less: Current liabilities</b>						
Trade and other payables	208,840	201,225	3.8	77,648	62,091	25.1
Loans and borrowings	86,123	60,819	41.6	44,296	30,197	46.7
Tax payable	4,042	3,064	31.9	-	-	n.m.
	<b>299,005</b>	<b>265,108</b>	<b>12.8</b>	<b>121,944</b>	<b>92,288</b>	<b>32.1</b>
Net current assets / (liabilities)	198,582	199,039	(0.2)	(44,542)	(32,588)	36.7
<b>Less: Non-current liabilities</b>						
Other liabilities	1,752	2,164	(19.0)	-	-	n.m.
Loans and borrowings	23,599	42,861	(44.9)	547	26,787	(98.0)
Deferred tax liabilities	7,480	7,574	(1.2)	-	-	n.m.
	<b>32,831</b>	<b>52,599</b>	<b>(37.6)</b>	<b>547</b>	<b>26,787</b>	<b>(98.0)</b>
<b>Net assets</b>	<b>381,315</b>	<b>366,124</b>	<b>4.1</b>	<b>332,299</b>	<b>319,838</b>	<b>3.9</b>
<b>Equity attributable to owners of the Company</b>						
Share capital	302,096	301,015	0.4	302,096	301,015	0.4
Reserves	79,219	65,109	21.7	30,203	18,823	60.5
<b>Total equity</b>	<b>381,315</b>	<b>366,124</b>	<b>4.1</b>	<b>332,299</b>	<b>319,838</b>	<b>3.9</b>

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

Amount repayable in one year or less, or on demand

As at 31.12.2018		As at 31.12.2017	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
1,591	84,532	1,641	59,178

Amount repayable after one year

As at 31.12.2018		As at 31.12.2017	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
-	23,599	-	42,861

Details of any collateral

Collateral for secured borrowings is as follows:

- (a) Sunningdale Innovative Technology (Tianjin) Co Ltd's loan of \$1.6 million (31.12.2017: \$1.6 million) is secured by cash and bank balances of the same amount of other subsidiary companies.
- (b) The finance lease of \$nil million (31.12.2017: \$0.004 million) recorded by SIA Skan Tooling is secured by certain fixed assets of the said subsidiary.

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 for the financial year ended 31 Decemberr 2018**

(In Singapore dollars)	Oct - Dec 2018 \$'000	Oct - Dec 2017 \$'000	Jan - Dec 2018 \$'000	Jan - Dec 2017 \$'000
<b>Cash flows from operating activities:</b>				
Profit before tax	12,734	8,700	37,757	39,365
Adjustments for:				
Depreciation of property, plant and equipment	7,428	7,612	29,223	28,883
Allowance for / (reversal) for impairment on property, plant and equipment	552	(99)	552	(99)
Property, plant and equipment written off	33	48	103	265
(Gain)/loss on disposal of property, plant and equipment	(13,057)	39	(12,925)	(342)
Allowance/(write back) for inventories obsolescence/foreseeable losses	713	(167)	1,058	780
Allowance for doubtful debts	20	257	8	226
Bad debts written-off	-	1	-	1
Amortisation of intangible assets	409	370	1,538	1,542
Reversal of provision for onerous contract	(82)	(79)	(324)	(330)
Share of results of joint venture	(421)	(532)	(1,423)	(1,223)
Provision for retrenchment costs	3,891	34	3,926	367
Grant of equity-settled share awards to employees	214	303	1,110	1,108
Interest expense	804	895	4,030	3,346
Interest income	(125)	(133)	(468)	(435)
Currency realignment	(1,497)	1,766	1,337	2,830
<b>Operating cashflows before changes in working capital</b>	<b>11,616</b>	<b>19,015</b>	<b>65,502</b>	<b>76,284</b>
(Increase)/decrease in inventories	(4,307)	668	(16,343)	(26,852)
Decrease/(Increase) in prepayments	320	(339)	659	(488)
Decrease/(Increase) in trade and other receivables	4,322	(14,517)	(5,533)	(13,452)
Increase in trade and other payables	9,251	2,042	3,325	15,859
Retrenchment costs	(470)	(34)	(1,314)	(813)
<b>Cash flows from operations</b>	<b>20,732</b>	<b>6,835</b>	<b>46,296</b>	<b>50,538</b>
Interest paid	(804)	(895)	(4,030)	(3,346)
Interest received	125	133	468	435
Income tax paid	(2,816)	(1,491)	(7,403)	(9,336)
	<b>17,237</b>	<b>4,582</b>	<b>35,331</b>	<b>38,291</b>
<b>Cash flows from investing activities:</b>				
Purchase of property, plant and equipment	(9,457)	(8,857)	(37,008)	(33,871)
Net proceeds from disposal of property, plant and equipment	71	29	238	2,892
Payment of transaction costs on disposal of property	(5,855)	-	(5,855)	-
Net proceeds from disposal of other investment	-	-	-	1
Net cash inflow on acquisition of a subsidiary	-	-	287	-
Dividend income from joint venture	-	-	750	140
Purchase of other investments	(111)	-	(111)	(1,421)
Loan to a joint venture	-	(2,011)	-	(2,011)
<b>Net cash flows used in investing activities</b>	<b>(15,352)</b>	<b>(10,839)</b>	<b>(41,699)</b>	<b>(34,270)</b>
<b>Cash flows from financing activities:</b>				
Proceeds from loans and borrowings	3,808	25,378	31,147	40,808
Repayment of loans and borrowings	(4,848)	(24,379)	(25,896)	(35,662)
Increase in bank balances pledged	(100)	-	(100)	-
Dividends paid to shareholders	-	-	(14,190)	(15,985)
<b>Net cash flows (used in)/ from financing activities</b>	<b>(1,140)</b>	<b>999</b>	<b>(9,039)</b>	<b>(10,839)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>745</b>	<b>(5,258)</b>	<b>(15,407)</b>	<b>(6,818)</b>
Cash and cash equivalents at beginning of period	85,747	108,365	102,951	113,024
Effects of exchange rate changes on cash and cash equivalent	(8)	(156)	(1,060)	(3,255)
<b>Cash and cash equivalents at end of period</b>	<b>86,484</b>	<b>102,951</b>	<b>86,484</b>	<b>102,951</b>
<b>Note:</b>				
	<b>31.12.2018</b>	<b>31.12.2017</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
Cash and cash at bank	88,746	105,281	111,009	115,255
Less: Bank overdraft	(571)	(693)	(1,007)	(562)
Less: Bank balances pledged	(1,691)	(1,637)	(1,637)	(1,669)
Cash and cash equivalents	<b>86,484</b>	<b>102,951</b>	<b>108,365</b>	<b>113,024</b>
	<b>30.09.2018</b>	<b>30.09.2017</b>		
Cash and cash at bank	87,691	111,009		
Less: Bank overdraft	(354)	(1,007)		
Less: Bank balances pledged	(1,590)	(1,637)		
Cash and cash equivalents	<b>85,747</b>	<b>108,365</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

**Statement of Changes in Equity for the financial ended 31 December 2018**

(In Singapore dollars)

Group	Attributable to owners of the Company				Total \$'000
	Share Capital \$'000	Retained Earnings \$'000	Foreign Currency Translation Reserve \$'000	Other Reserve \$'000	
<b>Balance at 01.01.2017 - As previously reported</b>	<b>300,146</b>	<b>61,927</b>	<b>(23,488)</b>	<b>12,732</b>	<b>351,317</b>
Adjustment from adoption of SFRS(l)	-	(23,488)	23,488	-	-
<b>Balance at 01.01.2017 - As restated</b>	<b>300,146</b>	<b>38,439</b>	-	<b>12,732</b>	<b>351,317</b>
Profit for the period	-	7,698	-	-	7,698
<u>Other comprehensive income</u>					
Foreign currency translation	-	-	(9,431)	(274)	(9,705)
<u>Contributions by and distributions to owners</u>					
Grant of equity-settled share awards to employees	-	-	-	269	269
Transfer to statutory reserve	-	(138)	-	138	-
<b>Balance at 31.03.2017 - As restated</b>	<b>300,146</b>	<b>45,999</b>	<b>(9,431)</b>	<b>12,865</b>	<b>349,579</b>
Profit for the period	-	8,199	-	-	8,199
<u>Other comprehensive income</u>					
Foreign currency translation	-	-	3,740	79	3,819
<u>Contributions by and distributions to owners</u>					
Grant of equity-settled share awards to employees	-	-	-	267	267
Dividends paid	-	(11,283)	-	-	(11,283)
<b>Balance at 30.06.2017 - As restated</b>	<b>300,146</b>	<b>42,915</b>	<b>(5,691)</b>	<b>13,211</b>	<b>350,581</b>
Profit for the period	-	7,716	-	-	7,716
<u>Other comprehensive income</u>					
Foreign currency translation	-	-	1,219	121	1,340
<u>Contributions by and distributions to owners</u>					
Grant of equity-settled share awards to employees	-	-	-	269	269
Transfer to statutory reserve	-	(71)	-	71	-
Dividends paid	-	(4,702)	-	-	(4,702)
<b>Balance at 30.09.2017 - As restated</b>	<b>300,146</b>	<b>45,858</b>	<b>(4,472)</b>	<b>13,672</b>	<b>355,204</b>
Profit for the period	-	7,747	-	-	7,747
<u>Other comprehensive income</u>					
Foreign currency translation	-	-	2,840	30	2,870
<u>Contributions by and distributions to owners</u>					
Grant of equity-settled share awards to employees	-	-	-	303	303
Issue of share under share awards	869	-	-	(869)	-
Transfer to statutory reserve	-	(944)	-	944	-
<b>Balance at 31.12.2017 - As restated</b>	<b>301,015</b>	<b>52,661</b>	<b>(1,632)</b>	<b>14,080</b>	<b>366,124</b>
<b>Balance at 01.01.2018 - As restated</b>	<b>301,015</b>	<b>52,661</b>	<b>(1,632)</b>	<b>14,080</b>	<b>366,124</b>
Profit for the period	-	1,940	-	-	1,940
<u>Other comprehensive income</u>					
Foreign currency translation	-	-	6,034	323	6,357
<u>Contributions by and distributions to owners</u>					
Grant of equity-settled share awards to employees	-	-	-	299	299
<b>Balance at 31.03.2018</b>	<b>301,015</b>	<b>54,601</b>	<b>4,402</b>	<b>14,702</b>	<b>374,720</b>
Profit for the period	-	9,737	-	-	9,737
<u>Other comprehensive income</u>					
Foreign currency translation	-	-	(166)	1,391	1,225
<u>Contributions by and distributions to owners</u>					
Grant of equity-settled share awards to employees	-	-	-	299	299
Dividends paid	-	(8,514)	-	-	(8,514)
<b>Balance at 30.06.2018</b>	<b>301,015</b>	<b>55,824</b>	<b>4,236</b>	<b>16,392</b>	<b>377,467</b>
Profit for the period	-	7,522	-	-	7,522
<u>Other comprehensive income</u>					
Foreign currency translation	-	-	(9,193)	(564)	(9,757)
<u>Contributions by and distributions to owners</u>					
Grant of equity-settled share awards to employees	-	-	-	298	298
Transfer to statutory reserve	-	(239)	-	239	-
Dividends paid	-	(5,676)	-	-	(5,676)
<b>Balance at 30.09.2018</b>	<b>301,015</b>	<b>57,431</b>	<b>(4,957)</b>	<b>16,365</b>	<b>369,854</b>
Profit for the period	-	10,559	-	-	10,559
<u>Other comprehensive income</u>					
Foreign currency translation	-	-	678	10	688
<u>Contributions by and distributions to owners</u>					
Grant of equity-settled share awards to employees	-	-	-	214	214
Issue of share under share awards	1,081	-	-	(1,081)	-
Transfer to statutory reserve	-	(493)	-	493	-
<b>Balance at 31.12.2018</b>	<b>302,096</b>	<b>67,497</b>	<b>(4,279)</b>	<b>16,001</b>	<b>381,315</b>

(In Singapore dollars)

1(d)(i)

Company	Attributable to owners of the Company			
	Share Capital	Retained Earnings	Other Reserve	Total
	\$'000	\$'000	\$'000	\$'000
<b>Balance at 01.01.2017</b>	<b>300,146</b>	<b>(4,651)</b>	<b>1,062</b>	<b>296,557</b>
Profit for the period	-	4,354	-	4,354
<u>Contributions by and distributions to owners</u>				
Grant of equity-settled share awards to employees	-	-	269	269
<b>Balance at 31.03.2017</b>	<b>300,146</b>	<b>(297)</b>	<b>1,331</b>	<b>301,180</b>
Profit for the period	-	7,175	-	7,175
<u>Contributions by and distributions to owners</u>				
Grant of equity-settled share awards to employees	-	-	267	267
Dividends paid	-	(11,283)	-	(11,283)
<b>Balance at 30.06.2017</b>	<b>300,146</b>	<b>(4,405)</b>	<b>1,598</b>	<b>297,339</b>
Profit for the period	-	1,342	-	1,342
<u>Contributions by and distributions to owners</u>				
Grant of equity-settled share awards to employees	-	-	269	269
Dividends paid	-	(4,702)	-	(4,702)
<b>Balance at 30.09.2017</b>	<b>300,146</b>	<b>(7,765)</b>	<b>1,867</b>	<b>294,248</b>
Profit for the period	-	25,287	-	25,287
<u>Contributions by and distributions to owners</u>				
Grant of equity-settled share awards to employees	-	-	303	303
Issue of share under share awards	869	-	(869)	-
<b>Balance at 31.12.2017</b>	<b>301,015</b>	<b>17,522</b>	<b>1,301</b>	<b>319,838</b>
<b>Balance at 01.01.2018</b>	<b>301,015</b>	<b>17,522</b>	<b>1,301</b>	<b>319,838</b>
Profit for the period	-	398	-	398
<u>Contributions by and distributions to owners</u>				
Grant of equity-settled share awards to employees	-	-	299	299
<b>Balance at 31.03.2018</b>	<b>301,015</b>	<b>17,920</b>	<b>1,600</b>	<b>320,535</b>
Profit for the period	-	3,041	-	3,041
<u>Contributions by and distributions to owners</u>				
Grant of equity-settled share awards to employees	-	-	299	299
Dividends paid	-	(8,514)	-	(8,514)
<b>Balance at 30.06.2018</b>	<b>301,015</b>	<b>12,447</b>	<b>1,899</b>	<b>315,361</b>
Profit for the period	-	17,770	-	17,770
<u>Contributions by and distributions to owners</u>				
Grant of equity-settled share awards to employees	-	-	298	298
Dividends paid	-	(5,676)	-	(5,676)
<b>Balance at 30.09.2018</b>	<b>301,015</b>	<b>24,541</b>	<b>2,197</b>	<b>327,753</b>
Profit for the period	-	4,332	-	4,332
<u>Contributions by and distributions to owners</u>				
Grant of equity-settled share awards to employees	-	-	214	214
Issue of share under share awards	1,081	-	(1,081)	-
<b>Balance at 31.12.2018</b>	<b>302,096</b>	<b>28,873</b>	<b>1,330</b>	<b>332,299</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 or 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 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

Issued and fully paid	Ordinary Share
Balance as at 31.12.2017	189,205,336
Issue of shares to employee under STL RSP on 15.12.2018	1,441,500
<b>Balance as at 31.12.2018</b>	<b>190,646,836</b>

As at 31.12.2018, the share capital of the Company comprised 190,646,836 ordinary shares.

The number of shares that may be issued on conversion of share awards as at 31.12.2018 was 2,938,500 (31.12.2017: 3,501,500) 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.

The Company does not have treasury shares as at 31.12.2018 (31.12.2017 : nil)

1(d)(iv)

A Statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There was no sales, transfers, disposal, cancellation and/or use of treasury shares as at 31.12.2018

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

The figures are not audited or reviewed.

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

Not applicable

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the year ended 31.12.2017, except that the Group has adopted Singapore Financial Reporting Standards (International) ("SFRS(I)") and all the new and revised standards which are effective for annual financial periods beginning on or after 01.01.2018.

**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 transition to SFRS(I), the Group elected the option to deem cumulative translation differences for foreign operations to be zero on 01.01.2017, and accordingly, has reclassified an amount of \$23,488,000 of foreign currency translation reserve to the opening retained earnings as at 01.01.2017.

Other than the effect of the matter as described above, the adoption of the new and revised standards did not have any material effect on the financial performance or position of the Group.

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

	Group		Group	
	4th Qtr 2018	4th Qtr 2017	12 mths ended 31.12.2018	12 mths ended 31.12.2017
Earnings per ordinary share (EPS) for the period based on net profit attributable to				
(a) on weighted average number of ordinary shares (cents)	5.54	4.12	15.70	16.67
(b) on a fully diluted basis (cents)	5.46	4.03	15.44	16.32

Earnings per ordinary share is calculated on the Group profit for the financial periods attributable to the shareholders of the Company divided by the weighted average number of ordinary share of 190,427,477 and 189,513,383 (4Q17: 188,217,836 and 12 months ended 31.12.2017 : 188,096,295) for

Earnings per ordinary share (diluted basis) is computed based on the same basis as earnings per share by applying the weighted average number of ordinary shares in issuance during the period under review and adjusted to include all potential dilutive ordinary shares up to 31.12.2018. The adjusted weighted average number of ordinary shares is 193,288,450 and 192,738,905 (4Q17: 192,314,227 and 12 months ended 31.12.2017 : 192,088,803) for 4th quarter ended 31.12.2018 and 12 months ended 31.12.2018

**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 period reported on and (b) immediately preceding financial year**

Net asset value per ordinary share	Group		Company	
	At 31.12.2018	At 31.12.2017	At 31.12.2018	At 31.12.2017
Net asset value per ordinary share based on existing issued share capital as at the end of period (\$)	2.00	1.94	1.74	1.69

Net tangible asset value per ordinary share	Group		Company	
	At 31.12.2018	At 31.12.2017	At 31.12.2018	At 31.12.2017
Net tangible asset value per ordinary share based on existing issued share capital as at the end of period (\$)	1.93	1.85	1.74	1.69

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 and 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

### October - December 2018 ("4Q18")

The Group's revenue decreased 1.5% year-on-year ("yoy") from \$187.0 million for 4Q17 to \$184.2 million for 4Q18.

Revenue from the Group's Healthcare segment increased 6.5% yoy to S\$14.4 million. Similarly, revenue from the Group's Mould Fabrication segment increased 3.4% yoy to S\$36.0 million. This growth was offset by a decrease in revenue from the Group's Automotive segment which declined 6.2% yoy to S\$63.5 million. In addition, revenue from the Group's Consumer/IT segment declined marginally to S\$70.3 million.

The decrease in revenue from the Group's Automotive segment was due to certain projects reaching end-of-life coupled with a decrease in orders resulting from weakening demand across global automotive markets in 4Q18.

The decrease in revenue from the Group's Consumer/IT segment was due to a strategic long-term decision to exit low margin projects.

	Oct - Dec 2018 \$'000	Oct - Dec 2017 \$'000	Inc/(Dec) %
Automotive	63,517	67,708	(6.2)
Consumer/IT	70,252	70,970	(1.0)
Healthcare	14,385	13,513	6.5
Mould Fabrication	36,041	34,849	3.4
	<u>184,195</u>	<u>187,040</u>	(1.5)

The Group's gross profit decreased 23.4% yoy from \$25.0 million for 4Q17 to \$19.2 million for 4Q18. Correspondingly, the Group's gross profit margin declined from 13.4% for 4Q17 to 10.4% for 4Q18. This was mainly due to an increase in labour costs, utility costs, raw material costs and pricing pressure from customers.

The increase in other income was due to a gain on the disposal of property amounting to \$13.1 million for 4Q18.

The increase in marketing and distribution expenses from \$3.5 million for 4Q17 to \$3.9 million for 4Q18 was due to higher staff costs and marketing expenses.

The decrease in other expenses was mainly due to the Group reporting foreign exchange losses of \$2.8 million in 4Q17 as compared to foreign exchange gain of \$0.2 million for 4Q18 under other income and allowance for impairment on property, plant and equipment ("PPE") of \$0.6 million for 4Q18.

The Group achieved a net profit of \$10.6 million for 4Q18 compared to a net profit of \$7.7 million for 4Q17. Excluding the impact from foreign exchange gains/losses, retrenchment costs, losses on the disposal of property, plant and equipment, allowance for impairment on PPE and gains on the disposal of property, net profit would have been \$1.7 million for 4Q18 and \$10.5 million for 4Q17, representing a 83.8% yoy decline.

	Oct - Dec 2018 \$'000	Oct - Dec 2017 \$'000	%
Profit for the period reported	10,559	7,747	36.3
Adjustments:			
Foreign exchange (gain)/loss	(237)	2,808	(108.4)
Retrenchment costs	3,891	34	n.m.
Loss on disposal of PPE	68	39	74.4
Allowance for/(reversal of) Impairment on property, plant and equipment	552	(99)	n.m.
Net gain on disposal of property	(13,125)	-	n.m.
Adjusted profit for the period reported	<u>1,708</u>	<u>10,529</u>	(83.8)



January – December 2018 (“FY18”)

The Group’s revenue increased marginally by 0.3% year-on-year (“yoy”) from \$724.5 million for FY17 to \$726.8 million for FY18.

The Group reported an increase in revenue from all business segments except for the Consumer/IT segment. The decrease in revenue from the Consumer/IT segment was due to certain projects reaching end-of-life and the strategic long-term decision to exit low margin projects.

	FY2018	FY2017	Inc/(Dec)
	\$'000	\$'000	%
Automotive	269,933	263,789	2.3
Consumer/IT	274,184	284,795	(3.7)
Healthcare	56,739	51,673	9.8
Mould Fabrication	125,939	124,288	1.3
	<u>726,795</u>	<u>724,545</u>	0.3

The Group’s gross profit decreased 17.4% yoy from \$105.5 million for FY17 to \$87.1 million for FY18. Correspondingly, the Group’s gross profit margin declined from 14.6% for FY17 to 12.0% for FY18. This was mainly due to an increase in labour costs, utility costs, raw material costs, lower manufacturing yield for certain new projects during the initial ramp up stage and price pressure from customers.

The increase in other income was due to a gain on the disposal of property amounting to \$13.1 million for FY18.

The decrease in other expenses was mainly due to the Group reporting a foreign exchange gain of \$0.7 million for FY18 as compared to foreign exchange losses amounting to \$10.6 million for FY17 and allowance for impairment on PPE of \$0.6 million for FY18.

The Group achieved a net profit of \$29.8 million for FY18 compared to a net profit of \$31.4 million for FY17. Excluding the impact from foreign exchange gains and losses, retrenchment costs, losses on the disposal of property, plant and equipment, allowance for impairment of PPE and gains on the disposal of property and transaction costs relating to acquisitions, the Group’s net profit would have been \$20.9 million for FY18 and \$41.9 million for FY2017, representing a 50.1% yoy decline.

	FY2018	FY2017	+ / ( - )
	\$'000	\$'000	%
Profit for the period reported	29,758	31,360	(5.1)
Adjustments:			
Foreign exchange (gain)/loss	(657)	10,647	n.m.
Retrenchment costs	3,926	367	n.m.
Loss/(gain) on disposal of PPE	200	(342)	n.m.
Allowance for / (reversal of) Impairment on property, plant and equipment	552	(99)	n.m.
Net gain on disposal of property	(13,125)	-	n.m.
Transaction costs relating to acquisition	260	-	
	<u>20,914</u>	<u>41,933</u>	(50.1)

**CONSOLIDATED BALANCE SHEET**

The Group’s property, plant and equipment (“PPE”) amounted to \$190.4 million as at 31 December 2018 as compared to \$193.9 million as at 31 December 2017. PPE was stated net of depreciation charges of \$29.2 million (FY17: \$28.9 million), partially offset by currency re-alignment and additions of \$37.2 million (FY17: \$36.8 million) in PPE.

The increase in trade and other receivables was due to the amount to be collected on disposal of the property for \$28.2 million which was collected on 3 January 2019.

The Group maintained a cash balance of \$88.7 million as at 31 December 2018 (31 December 2017: \$105.3 million). This resulted in a net debt position of \$21.0 million (31 December 2017: net cash \$1.6 million) after accounting for loans and borrowings amounting to \$109.7 million (31 December 2017: \$103.7 million). The decrease in net cash was due to a foreign currency translation loss of \$1.1 million on the opening balance of cash and cash at bank, the payment of capital expenditure amounting to \$37.0 million, the payment of dividends amounting to \$14.2 million and the payment of transaction costs on disposal of the property of \$5.8 million.

**CONSOLIDATED CASHFLOW STATEMENT**January - December 2018 (“FY18”)

Net cash flows from operating activities amounted to \$35.4 million for FY18 as compared to \$38.3 million for FY17. Net cash flows used in investing activities amounted to \$41.8 million for FY18 as compared to \$34.3 million for FY17 mainly due to payment of transaction costs on the disposal of the property.

Net cash flows used in financing activities amounted to \$9.0 million for FY18 as compared to \$10.8 million for FY17.

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

Not Applicable.

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

Business conditions remain challenging as we continued to face headwinds in the form of rising labour costs, rising utility costs, price pressure and negative market sentiment surrounding the US/China trade war. Furthermore, global economic growth remained relatively subdued. In addition, the Group was impacted by a slowing automotive market as global automotive sales declined in key markets such as the US, China and Europe towards the end of 2018.

At the Group's latest manufacturing site in Penang, Malaysia, the Group is progressively adding capacity with new contract wins from both new and existing customers. While still in the initial start-up phase of its operations, the levels of utilisation are low. However, the Group expects production and utilisation at its Penang facility to ramp up in 2H2019 having secured new projects with several customers.

Similarly, the Group continues to gradually shift operations and machinery from its facilities in Shanghai to its 50,000 square meter facility in Chuzhou. For FY2018, there were delays due to approvals from certain customers. Completion of this shift is expected to take place by 3Q2019 will optimise resources in China.

Despite the negative market sentiment, the Group's technological capabilities and global manufacturing footprint have led to business queries from both new and existing customers who are confident in the Group's ability to handle technically challenging projects. As a result, the Group's order backlog across the Healthcare, Consumer/IT and Mould Fabrication segments remains stable. Within the Consumer/IT segment, the Group has made the strategic decision to shift from lower-margin projects to focus on high-margin, complex precision engineering parts. In the Automotive segment, the Group continues to monitor the market closely and is aggressively pursuing business development initiatives to secure new projects.

The Group continues to remain focused on building the long-term sustainability of its operations. In this light, the Group continues to sharpen its competitive edge by investing into technology and better machinery to stay ahead of the curve in an ever-changing business environment. Heading into FY2019, the Group's key focus is on tightening cost controls, boosting productivity and enhancing operational efficiency.

Looking ahead, the Group is vigilant of headwinds such as rising costs and an increasingly competitive business landscape. While the Group has substantial operations outside of China, the Group continues to monitor the ongoing trade war situation closely. The Group remains confident in its resilient business model as the long-term sustainability and profitability of operations remain on track.

**11 Dividend**

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

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

Name of Dividend:	Ordinary
Dividend Type:	Final
Dividend Amount per Share (in cents):	5.0 cents per ordinary share
Tax rate:	Tax exempt one-tier

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

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

Name of Dividend:	Ordinary
Dividend Type:	Final
Dividend Amount per Share (in cents):	4.5 cents per ordinary share
Tax rate:	Tax exempt one-tier

**(c) Date payable**

To be announced at a later date

**(d) Books closure date**

To be announced at a later date

**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.

Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than \$100,000)
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There is no IPTs for the period under review

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**  
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14 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

**Business Segments**

	Group					
	Jan 2018 - Dec 2018					
	Auto	Consumer/ IT	Healthcare	Mould Fabrication	Adjustment	Consolidated
<b>Revenue</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
External sales	269,933	274,184	56,739	125,939	-	726,795
<b>Result</b>						
Depreciation property, plant and equipment	(10,097)	(11,302)	(2,174)	(5,650)	-	(29,223)
Amortisation of Intangible assets	(870)	(378)	(108)	(182)	-	(1,538)
Interest income	245	152	18	53	-	468
Net gain on disposal of property	-	-	-	13,125	-	13,125
Property, plant and equipment written off	(12)	(62)	(4)	(25)	-	(103)
Retrenchment cost	(3,328)	(563)	-	(35)	-	(3,926)
Share of results of joint venture	1,423	-	-	-	-	1,423
Other non-cash expenses	(258)	(394)	(246)	(1,382)	-	(2,280)
Segmental profit before tax	(1,656)	23,904	632	18,907	(4,030)	37,757
Segmental profit (excluding retrenchment cost, foreign exchange and gain on disposal of property)	1,260	24,288	613	5,770	(4,030)	27,901

	Group					
	Jan 2017 - Dec 2017					
	Auto	Consumer/ IT	Healthcare	Mould Fabrication	Adjustment	Consolidated
<b>Revenue</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
External sales	263,789	284,795	51,673	124,288	-	724,545
<b>Result</b>						
Depreciation property, plant and equipment	(9,113)	(11,297)	(2,340)	(6,133)	-	(28,883)
Amortisation of Intangible assets	(891)	(409)	(105)	(137)	-	(1,542)
Interest income	220	172	4	39	-	435
Property, plant and equipment written off	(20)	(83)	(1)	(161)	-	(265)
Retrenchment cost	(253)	(92)	-	(22)	-	(367)
Share of results of joint venture	1,223	-	-	-	-	1,223
Other non-cash expenses	(711)	(571)	(62)	(1,037)	-	(2,381)
Segmental profit/(loss) before tax	17,311	25,808	366	(774)	(3,346)	39,365
Segmental profit (excluding retrenchment cost, foreign exchange and gain on disposal of property)	18,521	31,642	1,184	2,377	(3,346)	50,378

14 **Geographical Segments**  
(cont'd)

	Group				
	Jan 2018 - Dec 2018				
	Singapore & Malaysia \$'000	China & Hong Kong \$'000	America & Europe \$'000	Others \$'000	Consolidated \$'000
Revenue					
External sales	168,204	248,749	227,867	81,975	726,795

**Other information as at 31.12.2018**

Segment non-current assets	70,118	103,991	28,444	8,765	211,318
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	Group				
	Jan 2017 - Dec 2017				
	Singapore & Malaysia \$'000	China & Hong Kong \$'000	America & Europe \$'000	Others \$'000	Consolidated \$'000
Revenue					
External sales	171,239	243,130	228,766	81,410	724,545

**Other information as at 31.12.2017**

Segment non-current assets	63,767	116,841	25,519	9,658	215,785
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**15 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

Not Applicable

**16 A breakdown of sales**

	Group		
	Latest Financial Year (Actual) \$'000	Previous Financial Year (Actual) \$'000	% increase/ (decrease)
	Sales reported for first half year	350,840	349,359
Operating profit after tax before deducting minority interests reported for first half year	11,677	15,897	(26.5)
Sales reported for second half year	375,955	375,186	0.2
Operating profit after tax before deducting minority interests reported for second half year	18,081	15,463	16.9

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

Total Annual Dividend (Refer to Para 16 of Appendix 7.2 for the required details)

	Latest Full Year (\$'000)	Previous Full Year (\$'000)
Interim	5,676	4,702
Final	9,532	8,514
Total:	15,208	13,216

**18 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.**

There are no employees as at 31 December 2018 who are related to the Directors.

**BY ORDER OF THE BOARD**

**KHOO BOO HOR**  
Executive Director &  
Chief Executive Officer

28 February 2019

**19 Issuer to confirm that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under**

The Board of Directors confirms that they have procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1).