



Financial Statement Announcement for the Year Ended 31 December 2020

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 financial year ended 31 December 2020. These figures have not been audited or reviewed.

(In Singapore dollars)	Jul - Dec 2020 \$'000	Jul - Dec 2019 \$'000	+ / (-) %	Jan - Dec 2020 \$'000	Jan - Dec 2019 \$'000	+ / (-) %
Revenue	378,393	351,152	7.8	653,492	673,791	(3.0)
Cost of sales	(321,961)	(309,668)	4.0	(563,520)	(599,470)	(6.0)
Gross profit	56,432	41,484	36.0	89,972	74,321	21.1
Other items of income						
Interest income	227	311	(27.0)	502	541	(7.2)
Other income	6,539	3,476	88.1	12,596	6,237	101.9
Other items of expense						
Marketing and distribution	(6,136)	(7,095)	(13.5)	(12,121)	(14,098)	(14.0)
Administrative expenses	(22,555)	(20,827)	8.3	(41,485)	(41,091)	1.0
Other operating expenses	(4,229)	(4,707)	(10.2)	(4,470)	(8,338)	(46.4)
Allowance of impairment loss on financial assets	(493)	(178)	177.0	(410)	(178)	n.m.
Finance costs	(1,734)	(2,619)	(33.8)	(3,940)	(5,203)	(24.3)
Share of results of joint venture	1,699	938	81.1	2,042	1,351	51.1
Profit before tax	29,750	10,783	175.9	42,686	13,542	215.2
Income tax expense	(6,516)	(2,503)	160.3	(11,199)	(5,554)	101.6
Profit for the period	23,234	8,280	180.6	31,487	7,988	n.m.
Profit attributable to:						
Owners of the Company	23,234	8,280	180.6	31,487	7,988	n.m.

Consolidated statement of comprehensive income for financial year ended 31 Dec 2020. These figures have not been audited or reviewed.

Profit for the period	23,234	8,280	180.6	31,487	7,988	n.m.
Other comprehensive income						
Foreign currency translation	1,297	(2,849)	n.m.	6,664	(5,534)	(220.4)
Share of foreign currency translation of joint venture	134	(72)	n.m.	208	(105)	(298.1)
Other comprehensive income for the period, net of tax	1,431	(2,921)	n.m.	6,872	(5,639)	(221.9)
Total comprehensive income for the period	24,665	5,359	360.3	38,359	2,349	n.m.
Attributable to:						
Owners of the Company	24,665	5,359	360.3	38,359	2,349	n.m.

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:-

	Jul - Dec 2020 \$'000	Jul - Dec 2019 \$'000	+ / (-) %	Jan - Dec 2020 \$'000	Jan - Dec 2019 \$'000	+ / (-) %
Depreciation of property, plant and equipment	(13,869)	(13,233)	4.8	(27,520)	(27,333)	0.7
Depreciation of right-of-use assets	(4,260)	(4,489)	(5.1)	(8,451)	(7,803)	8.3
Allowance for impairment on property, plant and equipment	(3)	(218)	(98.6)	(3)	(709)	(99.6)
Property, plant and equipment written off	(149)	(74)	101.4	(166)	(85)	95.3
Net gain on disposal of property, plant and equipment	639	5	n.m.	534	172	210.5
Net allowance for inventories obsolescence	(3,647)	(596)	511.9	(4,513)	(656)	588.0
Net reversal of impairment loss on capitalised contract costs	92	523	(82.4)	176	489	(64.0)
Net impairment loss on trade receivable	(493)	(178)	177.0	(410)	(178)	130.3
Bad debts written-off	-	(6)	n.m.	(49)	(6)	716.7
Amortisation of intangible assets	-	(637)	n.m.	-	(1,401)	n.m.
Net impairment of other investment	(3)	-	n.m.	(3)	-	n.m.
Net reversal of provision for onerous contract	-	136	n.m.	-	300	n.m.
Net foreign exchange loss	(3,360)	(604)	456.3	(2,626)	(1,145)	129.3
Government grants due to Covid-19	2,842	-	n.m.	6,186	-	n.m.

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		
	31.12.2020 \$'000	31.12.2019 \$'000	+ / (-) %	31.12.2020 \$'000	31.12.2019 \$'000	+ / (-) %
Non-current assets						
Property, plant and equipment	170,717	171,663	(0.6)	23,190	16,940	36.9
Right-of-use assets	36,505	41,550	(12.1)	3,155	4,307	(26.7)
Intangible assets	17,373	12,682	37.0	-	-	n.m.
Other investments	1,536	1,539	(0.2)	-	-	n.m.
Investment in subsidiaries	-	-	n.m.	390,865	373,424	4.7
Investment in joint venture	9,308	7,083	31.4	-	-	n.m.
Prepayments	-	55	(100.0)	-	55	(100.0)
Other receivables	-	-	n.m.	277	371	(25.3)
Deferred tax assets	3,955	3,652	8.3	-	-	n.m.
	239,394	238,224	0.5	417,487	395,097	5.7
Current assets						
Inventories	91,258	111,019	(17.8)	8,047	7,788	3.3
Contract assets	47,907	34,850	37.5	5,881	3,312	77.6
Prepayments	4,442	2,885	54.0	776	725	7.0
Trade and other receivables	216,825	218,554	(0.8)	69,819	66,685	4.7
Cash and short term deposits	126,282	103,366	22.2	51,650	3,373	n.m.
	486,714	470,674	3.4	136,173	81,883	66.3
Less: Current liabilities						
Trade and other payables	175,819	169,638	3.6	85,194	70,262	21.3
Contract liabilities	24,396	29,677	(17.8)	5,379	6,463	(16.8)
Loans and borrowings	61,723	63,698	(3.1)	28,390	24,770	14.6
Lease liabilities	7,194	7,449	(3.4)	1,325	1,235	7.3
Tax payable	6,495	2,509	158.9	2,230	694	221.3
	275,627	272,971	1.0	122,518	103,424	18.5
Net current assets / (liabilities)	211,087	197,703	6.8	13,655	(21,541)	(163.4)
Less: Non-current liabilities						
Other liabilities	1,656	1,724	(3.9)	-	-	n.m.
Loans and borrowings	33,536	40,670	(17.5)	11,904	12,925	(7.9)
Lease liabilities	11,562	15,383	(24.8)	1,968	3,185	(38.2)
Deferred tax liabilities	8,044	8,608	(6.6)	1,154	1,154	-
	54,798	66,385	(17.5)	15,026	17,264	(13.0)
Net assets	395,683	369,542	7.1	416,116	356,292	16.8
Equity attributable to owners of the Company						
Share capital	304,498	303,313	0.4	304,498	303,313	0.4
Reserves	91,185	66,229	37.7	111,618	52,979	110.7
Total equity	395,683	369,542	7.1	416,116	356,292	16.8

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

Amount repayable in one year or less, or on demand

	As at 31.12.2020		As at 31.12.2019	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Loans and borrowings	-	61,723	1,546	62,152
Lease liabilities ⁽¹⁾	-	7,194	-	7,449

Amount repayable after one year

	As at 31.12.2020		As at 31.12.2019	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Loans and borrowings	-	33,536	-	40,670
Lease liabilities ⁽¹⁾	-	11,562	-	15,383

Details of any collateral

Collateral for secured borrowings is as follows:

- Sunningdale Innovative Technology (Tianjin) Co Ltd's loan of \$nil (31.12.2019: \$1.5 million) is secured by cash and bank balances of the same amount of other subsidiary companies.

⁽¹⁾ On adoption of SFRS(I) 16, the lease liabilities of \$7.2 million (31.12.2019: \$7.4 million) and \$11.6 million (31.12.2019: \$15.4 million) was included in unsecured borrowings for amount repayable in one year or less or on demand and amount repayable after one year respectively.

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 financial ended 31 Dec 2020

(In Singapore dollars)	Jul - Dec 2020 \$'000	Jul - Dec 2019 \$'000	Jan - Dec 2020 \$'000	Jan - Dec 2019 \$'000
Cash flows from operating activities:				
Profit before tax	29,750	10,783	42,686	13,542
Adjustments for:				
Depreciation of property, plant and equipment	13,869	13,233	27,520	27,333
Depreciation of right-of-use assets	4,260	4,489	8,451	7,803
Net allowance for impairment on property, plant and equipment	3	218	3	709
Property, plant and equipment written off	149	74	166	85
Net gain on disposal of property, plant and equipment	(639)	(5)	(534)	(172)
Net gain on termination of lease contract	-	(23)	-	(23)
Net allowance for inventories obsolescence	3,647	596	4,513	656
Net reversal of impairment loss on capitalised contract costs	(92)	(523)	(176)	(489)
Net impairment loss on trade receivables	493	178	410	178
Bad debts written-off	-	6	49	6
Amortisation of intangible assets	-	637	-	1,401
Net impairment of other investment	3	-	3	-
Net reversal of provision for onerous contract	-	(136)	-	(300)
Share of results of joint venture	(1,699)	(938)	(2,042)	(1,351)
Provision for retrenchment costs	62	850	256	1,346
Grant of equity-settled share awards to employees	413	540	835	1,130
Interest expense	1,734	2,619	3,940	5,203
Interest income	(227)	(311)	(502)	(541)
Currency realignment	(120)	(1,369)	2,443	(2,388)
Operating cashflows before changes in working capital	51,606	30,918	88,021	54,128
Decrease in inventories	13,943	7,698	15,488	3,725
(Increase)/decrease in prepayments	(1,377)	1,549	(1,502)	2,152
(Increase)/decrease in trade and other receivables and contract assets	(32,910)	15,177	(11,064)	8,948
Increase/(decrease) in trade and other payables and contract liabilities	5,596	(13,099)	(3,997)	(5,243)
Retrenchment costs	174	(471)	548	(4,785)
Cash flows from operations	37,032	41,772	87,494	58,925
Interest paid	(1,734)	(2,619)	(3,940)	(5,203)
Interest received	227	311	502	541
Income tax paid	(5,308)	(3,904)	(8,109)	(6,829)
Net cash flows from operating activities	30,217	35,560	75,947	47,434
Cash flows from investing activities:				
Purchase of property, plant and equipment	(10,785)	(21,012)	(22,001)	(34,572)
Net proceeds from disposal of property, plant and equipment	1,861	850	2,400	28,898
Dividend income from joint venture	-	445	-	770
Acquisition of subsidiary, net of cash acquired	(5,423)	-	(5,423)	-
Net cash flows used in investing activities	(14,347)	(19,717)	(25,024)	(4,904)
Cash flows from financing activities:				
Proceeds from loans and borrowings	13,264	25,276	21,720	33,208
Repayment of loans and borrowings	(19,042)	(20,937)	(30,931)	(37,462)
Payment of lease liabilities	(3,943)	(3,474)	(7,713)	(6,684)
Decrease in bank balance pledged	1,546	106	1,546	106
Dividends paid to shareholders	(13,053)	(5,720)	(13,053)	(15,252)
Net cash flows used in financing activities	(21,228)	(4,749)	(28,431)	(26,084)
Net increase in cash and cash equivalents	(5,358)	11,094	22,492	16,446
Cash and cash equivalents at beginning of period	130,742	91,127	101,381	86,484
Effects of exchange rate changes on cash and cash equivalent	458	(840)	1,969	(1,549)
Cash and cash equivalents at end of period	125,842	101,381	125,842	101,381
Note:				
	31.12.2020	31.12.2019	30.06.2019	31.12.2018
Cash and cash at bank	126,282	103,366	93,455	88,746
Less: Bank overdraft	(440)	(439)	(648)	(571)
Less: Bank balances pledged	-	(1,546)	(1,680)	(1,691)
Cash and cash equivalents	125,842	101,381	91,127	86,484
	30.06.2020	30.06.2019		
Cash and cash at bank	132,318	93,455		
Less: Bank overdraft	-	(648)		
Less: Bank balances pledged	(1,576)	(1,680)		
Cash and cash equivalents	130,742	91,127		

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 financial year ended 31 December 2020

(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	
Balance at 01.01.2019	302,096	67,497	(4,279)	16,001	381,315
Profit for the period	-	(292)	-	-	(292)
<u>Other comprehensive income</u>					
Foreign currency translation	-	-	(2,566)	(152)	(2,718)
<u>Contributions by and distributions to owners</u>					
Grant of equity-settled share awards to employees	-	-	-	590	590
Transfer to statutory reserve	-	(276)	-	276	-
Dividends paid	-	(9,532)	-	-	(9,532)
Balance at 30.06.2019	302,096	57,397	(6,845)	16,715	369,363
Profit for the period	-	8,280	-	-	8,280
<u>Other comprehensive income</u>					
Foreign currency translation	-	-	(2,657)	(264)	(2,921)
<u>Contributions by and distributions to owners</u>					
Grant of equity-settled share awards to employees	-	-	-	540	540
Transfer to statutory reserve	-	(1,561)	-	1,561	-
Dividends paid	-	(5,720)	-	-	(5,720)
Issue of share under share awards	1,217	-	-	(1,217)	-
Balance at 31.12.2019	303,313	58,396	(9,502)	17,335	369,542
Balance at 01.01.2020	303,313	58,396	(9,502)	17,335	369,542
Profit for the period	-	8,253	-	-	8,253
<u>Other comprehensive income</u>					
Foreign currency translation	-	-	5,078	363	5,441
<u>Contributions by and distributions to owners</u>					
Grant of equity-settled share awards to employees	-	-	-	422	422
Transfer to statutory reserve	-	(141)	-	141	-
Balance at 30.06.2020	303,313	66,508	(4,424)	18,261	383,658
Profit for the period	-	23,234	-	-	23,234
<u>Other comprehensive income</u>					
Foreign currency translation	-	-	979	452	1,431
<u>Contributions by and distributions to owners</u>					
Grant of equity-settled share awards to employees	-	-	-	413	413
Issue of share under share awards	1,185	-	-	(1,185)	-
Transfer to statutory reserve	-	(676)	-	676	-
Dividends paid	-	(13,053)	-	-	(13,053)
Balance at 31.12.2020	304,498	76,013	(3,445)	18,617	395,683

1(d)(i) (In Singapore dollars)

Company	Attributable to owners of the Company			
	Share Capital	Retained Earnings	Other Reserve	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 01.01.2019	302,096	28,873	1,330	332,299
Profit for the period	-	23,811	-	23,811
<u>Contributions by and distributions to owners</u>				
Grant of equity-settled share awards to employees	-	-	590	590
Dividends paid	-	(9,532)	-	(9,532)
Balance at 30.06.2019	302,096	43,152	1,920	347,168
Profit for the period	-	14,304	-	14,304
<u>Contributions by and distributions to owners</u>				
Grant of equity-settled share awards to employees	-	(5,720)	540	(5,180)
Dividends paid	-	-	-	-
Issue of share under share awards	1,217	-	(1,217)	-
Balance at 31.12.2019	303,313	51,736	1,243	356,292
Balance at 01.01.2020	303,313	51,736	1,243	356,292
Profit for the period	-	9,502	-	9,502
<u>Contributions by and distributions to owners</u>				
Grant of equity-settled share awards to employees	-	-	422	422
Issue of share under share awards	-	-	-	-
Balance at 30.06.2020	303,313	61,238	1,665	366,216
Profit for the period	-	62,540	-	62,540
<u>Contributions by and distributions to owners</u>				
Grant of equity-settled share awards to employees	-	-	413	413
Issue of share under share awards	1,185	-	(1,185)	-
Dividends paid	-	(13,053)	-	(13,053)
Balance at 31.12.2020	304,498	110,725	893	416,116

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares or 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

Issued and fully paid	Ordinary Share
Balance as at 31.12.2019	191,941,836
Issue of shares to employees under STL RSP on 20 Nov 20	681,000
Balance as at 31.12.2020	192,622,836

As at 31.12.2020, the share capital of the Company comprised 192,622,836 ordinary shares.

The number of shares that may be issued on conversion of share awards as at 31.12.2020 was 1,334,000 (31.12.2019: 2,043,000) 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 31.12.2020 (31.12.2019 : 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 31.12.2020.

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 31.12.2019, except the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 01.01.2020 and early adoption of Amendment to SFRS(I) 16 COVID-19-Related Rent Concession.

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 adoption of the new/revised standards did not result in any material impact on the Group's results.

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	
	2nd Half 2020	2nd Half 2019	12 mths ended 31.12.2020	12 mths ended 31.12.2019
Earnings per ordinary share (EPS) for the period based on net profit attributable to				
(a) on weighted average number of ordinary shares (cents)	11.96	4.26	16.40	4.19
(b) on a fully diluted basis (cents)	11.85	4.21	16.23	4.13

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 194,208,241 (2nd Half 2019:193,971,286) and 192,019,984 (12 months ended 31.12.2019 : 190,728,439), for 2nd half year ended 31.12.2020 and 12 months ended 31.12.2020 respectively.

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 31.12.2020. The adjusted weighted average number of ordinary shares is 196,088,230 (2nd Half 2019:196,810,422) and 193,963,798 (12 months ended 31.12.2019 :193,638,121), for 2nd half year ended 31.12.2020 and 12 months ended 31.12.2020.

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

	Group		Company	
	At 31.12.2020	At 31.12.2019	At 31.12.2020	At 31.12.2019
Net asset value per ordinary share				
Net asset value per ordinary share based on existing issued share capital as at the end of period (\$)	2.05	1.93	2.16	1.86

	Group		Company	
	At 31.12.2020	At 31.12.2019	At 31.12.2020	At 31.12.2019
Net tangible asset value per ordinary share				
Net tangible asset value per ordinary share based on existing issued share capital as at the end of period (\$)	1.96	1.86	2.16	1.86

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

July – December 2020 ("2H20")

The Group's revenue increased 7.8% year-on-year ("yoy") from \$351.2 million for 2H19 to \$378.4 million for 2H20. The increase in revenue was attributed to all business segments.

Revenue from the Group's Automotive segment increased 1.2% yoy to \$127.4 million. This was mainly due to (i) fulfilment of the backlog caused by mandatory government closures or shut down in both the Group's and customer's manufacturing facilities in 1H2020, and (ii) sudden surge in orders due to increased demand in China and (iii) stocking up by customers, partially offset by end of life for certain projects.

8 Revenue from the Group's Consumer/IT segment increased by 10.6% yoy to \$147.1 million. This was due to (i) a regulatory requirement in southern China to convert the solvent based painting line to water-based painting line, which resulted in customers building up and pulling their products earlier before the painting line is converted; (ii) customers maximising their orders to compensate for the loss of capacity in 1H20; and (iii) improved sales of certain customer's products are selling well with people staying at home.

Revenue from the Group's Healthcare segment increased by 11.3% yoy to \$31.2 million. This was mainly driven by the increase in orders secured and the launching of new projects.

Revenue from the Mould Fabrication segment increased by 13.1% yoy to \$72.7million. This was mainly driven by demand from the Group's Healthcare segment especially from COVID-19 related projects.

	Jul - Dec 2020 \$'000	Jul - Dec 2019 \$'000	Inc/(Dec) %
Automotive	127,364	125,850	1.2
Consumer/IT	147,103	132,985	10.6
Healthcare	31,202	28,030	11.3
Mould Fabrication	72,724	64,287	13.1
	<u>378,393</u>	<u>351,152</u>	7.8

The Group's gross profit increased 36.0% yoy from \$41.5 million for 2H19 to \$56.4 million for 2H20. Gross profit margin improved from 11.8% for 2H19 to 14.9% for 2H20. This was mainly due to (i) tightening of costs, and the implementation of shorter work weeks in plants where orders were low; (ii) concession on social security contributions by the Human Resource and Social Security Bureau in China and (iii) improvement in operational efficiency.

The increase in other income was mainly attributable to various government grants received by the Group due to COVID-19 of \$2.8 million in 2H20.

The decrease in marketing and distribution and administrative expenses was due to the lower travelling costs, tightening of costs and the implementation of shorter work weeks in plants where orders are low, partially offset by one-time non-recurring professional fee of \$1.8 million for the acquisition of Moldworx LLC and the scheme of arrangement.

The decrease in other expenses was mainly due to the non-occurrence during the period of onerous rental, and penalty on early termination of rental contract as well as lower allowance for impairment on property, plant and equipment ("PPE") and net retrenchment costs and completion of the amortisation of customer relationship intangible assets in 2H19.

The Group reported a net profit of \$23.2 million for 2H20 compared to \$8.3 million for 2H19. Excluding the impact from net foreign exchange loss, net retrenchment costs, onerous rent, penalty on early termination of rental contract, net allowance for the impairment on PPE, net gain on the disposal of PPE, non-recurring professional fee, onerous rent, penalty on early termination of rental contract, amortisation of customer relationship intangible assets, government grants due to COVID-19 and concession on social security contribution and foreign worker levy, core net profit would have been \$21.0 million for 2H20 as compared to \$11.2 million for 2H19, representing a 86.3% yoy increase.

	Jul - Dec 2020 \$'000	Jul - Dec 2019 \$'000	+ / (-) %
Net profit for the period reported	23,234	8,280	180.60
Adjustments:			
Net foreign exchange loss	3,360	604	456.29
Net retrenchment costs	62	850	(92.71)
Net allowance for impairment on PPE	3	218	(98.62)
Net gain on disposal of PPE	(639)	(5)	n.m.
Non-recurring professional fee	1,822	-	n.m.
Onerous rent*	-	310	(100.00)
Penalty on early termination of rental contract	-	354	(100.00)
Amortisation of customers relationship intangible assets	-	637	(100.00)
Government grants due to COVID-19	(2,841)	-	n.m.
Concession on social security contribution and foreign worker levy	(4,046)	-	n.m.
Core net profit	<u>20,955</u>	<u>11,248</u>	86.30

*Onerous rent refers to rent paid at the Group's operations in Shanghai and Thailand despite the shifting of operations from these locations. The Group was required to pay rent at these vacant premises during 2Q19 as the rental agreements will expire at a later date.

8 January – December 2020 (“FY20”)
(cont'd)

The Group’s revenue decreased 3.0% year-on-year but net profit increased from \$8.0 million for FY2019 to \$31.5 million for FY2020 due to a series of one-time non-recurring items. Payroll was reduced by \$12.0 million due to headcount reduction, temporary salary reduction, concessions on social security contribution in China and foreign worker levy in Singapore. Travel expenses were reduced by \$2.2 million due to COVID-19 travel restrictions. In addition, grants were received from various governments, including JSS in Singapore, to help businesses deal with the impact of Covid-19 - these added \$6.2 million to the bottom line.

Revenue from the Group’s Automotive segment decreased 13.7% yoy to \$211.5 million. This was caused by mandatory government closures in 1H20 of the Group’s manufacturing facilities, except for those involved in certain essential goods and services, due to COVID-19 in countries like China, India, Malaysia and Mexico where our manufacturing facilities are located. This was partially offset by increased orders in 2H20.

Revenue from the Group’s Healthcare segment increased by 14.7% yoy to \$65.7 million. This was due mainly driven by the increase in orders secured and the launching of new projects.

Revenue from the Mould Fabrication segment increased by 4.4% yoy to \$123.5million. This was mainly driven by demand from the Group’s Healthcare segment especially from COVID-19 related projects.

	FY2020 \$'000	FY2019 \$'000	Inc/(Dec) %
Automotive	211,537	245,142	(13.7)
Consumer/IT	252,742	253,035	(0.1)
Healthcare	65,740	57,317	14.7
Mould Fabrication	123,473	118,297	4.4
	<u>653,492</u>	<u>673,791</u>	(3.0)

The Group’s gross profit increased 21.1% yoy from \$74.3 million for FY19 to \$90.0 million for FY20. Gross profit margin improved from 11.0% for FY19 to 13.8% for FY20. This was mainly due to (i) tightening of costs, and the implementation of shorter work weeks in plants where orders were low; (ii) concession on social security contributions by the Human Resource and Social Security Bureau in China and (iii) improvement in operational efficiency.

The increase in other income was mainly attributable to various government grants received by the Group due to COVID-19 of \$6.2 million in FY20.

The decrease in marketing and distribution and administrative expenses was due to the lower travelling costs, tightening of costs, and the implementation of shorter work weeks in plants where orders are low, partially offset by one-time non-recurring professional fee of \$1.8 million for the acquisition of Moldworx LLC and the scheme of arrangement.

The decrease in other expenses was mainly due to the non-occurrence during the period of onerous rental, and penalty on early termination of rental contract as well as lower allowance for impairment on property, plant and equipment (“PPE”) and net retrenchment costs.

The Group reported a net profit of \$31.5 million for FY20 compared to \$8.0 million for FY19. Excluding the impact from net foreign exchange loss, net retrenchment costs, onerous rent, penalty on early termination of rental contract, net allowance for the impairment on PPE, net gain on the disposal of PPE, non-recurring professional fee, onerous rent, penalty on early termination of rental contract, amortization of customer relationship intangible contract, government grants due to COVID-19 and concession on social security contribution and foreign worker levy, core net profit would have been \$22.9 million for FY20 as compared to \$13.3 million for FY19, representing a 72.5% yoy increase.

	FY2020 \$'000	FY2019 \$'000	+ / (-) %
Net profit for the period reported	31,487	7,988	294.2
Adjustments:			
Net foreign exchange loss	2,626	1,145	129.3
Net retrenchment costs	256	1,346	(81.0)
Allowance for impairment on PPE	3	709	(99.6)
Net gain on disposal of PPE	(534)	(172)	210.5
Onerous rent	-	483	(100.0)
Penalty on early termination of rental contract	-	354	(100.0)
Non-recurring professional fee	1,822	-	n.m.
Government grants due to COVID-19	(6,185)	-	n.m.
Amortisation of customer relationship intangible assets	-	1,401	(100.0)
Concession on social security contribution and foreign worker levy	(6,606)	-	n.m.
Core net profit	<u>22,869</u>	<u>13,254</u>	72.5

8 CONSOLIDATED BALANCE SHEET
(cont'd)

The Group's PPE amounted to \$170.7 million as at 31 December 2020 as compared to \$171.7 million as at 31 December 2019. PPE was stated net of depreciation charges of \$27.5 million (FY19: \$27.3 million), partially offset by currency realignment and additions of \$25.7 million (FY19: \$32.8 million).

The decrease in inventories was due to (i) higher revenue recognised in 2H20; (ii) higher net allowance for inventories obsolescence due to end-of-life projects; and (iii) challenges in procuring raw materials purchased due to strong demand and limited supply from manufacturers of raw materials. Towards the end of the year, the raw materials were issued on allocation basis by the manufacturers who also faced logistic issues due to trade imbalance.

The increase in contract assets was due to higher unbilled (uninvoiced) amounts.

The increase in prepayments was due to higher prepaid expenses in respect of insurance and maintenance contracts.

The decrease in contract liabilities was due to less considerations received or due from customers where the related revenue has not been recognised.

The increase in tax payable is in line with the increase in profit.

The Group maintained a cash balance of \$126.3 million as at 31 December 2020 (31 December 2019: \$103.4 million). This resulted in a net cash position of \$31.0 million (31 December 2019: net debt position of \$1.0 million) after accounting for loans and borrowings (excluding lease liabilities) amounting to \$95.3 million (31 December 2019: \$104.4 million).

CONSOLIDATED CASHFLOW STATEMENT

January - December 2020 ("FY20")

Net cash flows from operating activities amounted to \$75.9 million for FY20 as compared to \$47.4 million for FY19. Net cash flows used in investing activities amounted to \$25.0 million for FY20 as compared \$4.9 million for FY19. This was due to higher net proceeds received from the disposal of PPE for FY19 as compared to FY20 which was partially offset by net of cash acquisition of subsidiary for \$5.4 million.

Net cash flows used in financing activities amounted to \$28.4 million for FY20 as compared to \$26.1 million for FY19.

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

After an eventful and challenging 2020 amid COVID-19, the Group continues to face headwinds in the form of a weakening US Dollar, rising crude oil price (which affects resin prices, our principal raw material), material shortages, raw materials and logistics costs increase as well as continuous price pressure from customers. In addition, uncertainties surrounding the US-China trade war remains despite the change in US administration.

Recurring waves of COVID-19 infection have also impacted the Group's operations. Recently, three of the Group's Johor plants have had to shut down for a short period of time due to confirmed COVID-19 cases. We have now conducted and will continue to conduct 100% testing of employees. Similarly, in Mexico, operational efficiency has been affected as some workers continue to be placed under quarantine due to confirmed and suspected cases. These have disrupted the Group's production efficiency and also incurred additional costs. The Group continues to monitor the situation closely.

In spite of the challenging market landscape, the Group's Healthcare, Consumer/IT and Automotive segments have recovered in 2H2020. Part of this is due to the bullwhip effect in the supply chain. Because of the shut downs in the first and second quarters, the second half was a period of catching up and restocking. Furthermore, because of the disruptions to transport and logistics mentioned above, customers have also increased the stocking levels above what is normal in more sanguine times.

The Healthcare segment continues to garner momentum and its growth trajectory remains aligned with the Group's expectations.

The Group's Consumer/IT segment remains relatively stable due to some product demand driven by the work-from-home trend and replenishment of inventories in the supply chain. While the Automotive segment has gradually recovered as well, uncertainties remain as many automotive OEMs are temporarily shutting down plants due to the global shortage of materials and delays in new projects due to the shift to the Electrical Vehicle (EV) trend.

Looking ahead, the Group expects the business environment to remain challenging amid COVID-19. Operations are likely to remain disrupted until widespread inoculation takes effect. Furthermore, the supply chain bullwhip effect will continue to cause volatility in demand forecasts in the near-term.

11 Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? **No**

(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): 5.0 cents per ordinary share
 Tax rate: Tax exempt one-tier

(c) Date payable

Not Applicable

(d) Books closure date

Not Applicable

12 If no dividend has been declared/recommended, a statement to that effect

No dividend will be declared for the period.

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.

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 2020 - Dec 2020					
	Automotive	Consumer/ IT	Healthcare	Mould Fabrication	Adjustment	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
External sales	211,537	252,742	65,740	123,473	-	653,492
Result						
Depreciation	(13,384)	(12,634)	(4,550)	(5,403)	-	(35,971)
Amortisation of Intangible assets	-	-	-	-	-	-
Interest income	139	270	26	67	-	502
Property, plant and equipment written off	(7)	(136)	-	(23)	-	(166)
Net provision for retrenchment costs	-	(25)	-	(230)	-	(255)
Share of results of joint venture	2,042	-	-	-	-	2,042
Other non-cash expenses	(3,344)	(1,913)	(400)	25	-	(5,632)
Segmental (loss)/profit before tax	(3,836)	28,062	6,742	15,658	(3,940)	42,686
Segmental (loss)/profit (excluding net retrenchment costs, net foreign exchange (loss)/gain, onerous rental and penalty on early termination of rental contracts)	(3,280)	29,571	6,954	16,263	(3,940)	45,568

Group

Jan 2019 - Dec 2019

	Automotive \$'000	Consumer/ IT \$'000	Healthcare \$'000	Mould Fabrication \$'000	Adjustment \$'000	Consolidated \$'000
Revenue						
External sales	245,142	253,035	57,317	118,297	-	673,791
Result						
Depreciation	(13,909)	(14,203)	(3,832)	(4,593)	-	(36,537)
Net impairment on non-financial assets	(343)	(366)	-	-	-	(709)
Interest income	175	309	16	41	-	541
Property, plant and equipment written off	(32)	(46)	-	(7)	-	(85)
Net provision for retrenchment costs	(550)	(358)	(1)	(437)	-	(1,346)
Share of results of joint venture	1,351	-	-	-	-	1,351
Other non-cash expenses	(929)	(692)	(125)	265	-	(1,481)
Segmental (loss)/profit before tax	(13,762)	19,416	5,278	7,813	(5,203)	13,542

Segmental (loss)/profit (excluding net retrenchment costs, net foreign exchange (loss)/gain, onerous rental and penalty on early termination of rental contracts)

(12,146)	20,300	5,465	8,454	(5,203)	16,870
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Geographical Segments

Group

Jan 2020 - Dec 2020

	Singapore & Malaysia \$'000	China & Hong Kong \$'000	America & Europe \$'000	Others \$'000	Consolidated \$'000
Revenue					
External sales	177,203	199,096	203,615	73,578	653,492
Other information as at 31.12.2020					
Segment non-current assets	82,024	100,858	40,486	10,534	233,902

Group

Jan 2019 - Dec 2019

	Singapore & Malaysia \$'000	China & Hong Kong \$'000	America & Europe \$'000	Others \$'000	Consolidated \$'000
Revenue					
External sales	158,696	212,902	224,915	77,278	673,791
Other information as at 31.12.2019					
Segment non-current assets	79,244	106,694	35,904	11,191	233,033

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	275,099	322,640	(14.7)
Operating profit/(loss) after tax before deducting minority interests reported for first half year	8,253	(292)	n.m.
Sales reported for second half year	378,393	351,151	7.8
Operating profit after tax before deducting minority interests reported for second half year	23,234	8,280	180.6

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	3,455	5,720
Final	0	9,597
Total:	3,455	15,317

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 2020 who are related to a director or chief executive officer or substantial shareholder.

BY ORDER OF THE BOARD

KHOO BOO HOR

Executive Director &

Chief Executive Officer

26 February 2021

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 Rule 720(1)

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).