
**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR
THE FULL YEAR ENDED 31 DECEMBER 2018**

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "**Sponsor**"), for compliance with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms. Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road #09-00 ASO Building Singapore 048544, telephone (65) 6636 4201.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

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

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Group		Change
	<u>FY2018</u>	<u>FY2017</u>	
	<u>Unaudited</u>	<u>Audited</u>	
	S\$'000	S\$'000	%
Revenue	33,706	38,356	(12.1%)
Cost of Sales	(27,691)	(31,546)	(12.2%)
Gross Profit	6,015	6,810	(11.7%)
Interest Income	11	5	>100.0%
Other Gains	325	2,292	(85.8%)
Distribution Costs	(532)	(678)	(21.5%)
Administrative Expenses	(4,720)	(4,909)	(3.9%)
Finance Costs	(808)	(897)	(9.9%)
Other Losses	(450)	(773)	(41.8%)
(Loss) Profit Before Tax from Continuing Operations	(159)	1,850	NM
Income Tax Expense	(90)	(298)	(69.8%)
(Loss) Profit Net of Tax	(249)	1,552	NM

NM – Not meaningful

Consolidated Statement of Comprehensive Income

	Group		
	<u>FY2018</u>	<u>FY2017</u>	<u>Change</u>
	<u>Unaudited</u>	<u>Audited</u>	
	S\$'000	S\$'000	%
(Loss) Profit Net of Tax	(249)	1,552	NM
<u>Other Comprehensive Loss</u>			
Items That May Be Reclassified			
Subsequently to Profit or Loss:			
Exchange Differences on Translating Foreign Operations, Net of Tax	(84)	(30)	>100%
Other Comprehensive Loss for the Year, Net of Tax	(84)	(30)	>100%
Total Comprehensive (Loss) Income	(333)	1,522	NM

NM – Not meaningful

1(a)(ii) Notes to the Consolidated Statement of Comprehensive Income

(Loss) Profit before tax is arrived at after crediting / (charging) the following:

	Group		Change
	<u>FY2018</u>	<u>FY2017</u>	
	<u>Unaudited</u>	<u>Audited</u>	%
	S\$'000	S\$'000	
Foreign exchange adjustment (losses) gains	(204)	227	NM
Depreciation of property, plant and equipment	(789)	(909)	(13.2%)
Amortisation of intangible assets	(30)	(30)	–
Directors' fee	(87)	(87)	–
Gains on disposal of property, plant and equipment, net	42	1,753	(97.6%)
Allowance for impairment on trade receivables	(222)	(55)	>100.0%
Reversal for impairment on trade receivables	213	212	0.5%
Bad debts written off	(6)	(16)	(62.5%)
Allowance for impairment on inventories	–	(302)	(100.0%)
Reversal for impairment on inventories	22	75	(70.7%)
Forward contracts losses :			
transactions not qualifying as hedges	(17)	–	NM
Property, plant and equipment written off	–	(400)	(100.0%)
Interest expense	(808)	(897)	(10.0%)
Interest income	11	5	>100.0%
Government grant income	48	25	92.0%
Overprovision of tax in respect of prior years	31	6	>100.0%

NM – Not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Statements of Financial Position

	<u>Group</u>		<u>Company</u>	
	<u>As at</u> <u>31.12.18</u> <u>Unaudited</u> <u>S\$'000</u>	<u>As at</u> <u>31.12.17</u> <u>Audited</u> <u>S\$'000</u>	<u>As at</u> <u>31.12.18</u> <u>Unaudited</u> <u>S\$'000</u>	<u>As at</u> <u>31.12.17</u> <u>Audited</u> <u>S\$'000</u>
ASSETS				
<u>Non-Current Assets</u>				
Property, Plant and Equipment	10,796	2,595	–	–
Intangible Assets	46	76	–	–
Investments in Subsidiaries	–	–	10,957	11,871
Deferred Tax Assets	285	327	–	–
Total Non-Current Assets	11,127	2,998	10,957	11,871
<u>Current Assets</u>				
Inventories	28,444	22,462	–	–
Trade and Other Receivables	10,476	33,588	1,757	1,982
Other Assets	105	114	19	19
Cash and Cash Equivalents	5,142	5,912	799	500
Total Current Assets	44,167	62,076	2,575	2,501
Total Assets	55,294	65,074	13,532	14,372
EQUITY AND LIABILITIES				
<u>Equity</u>				
Share Capital	10,579	10,579	10,579	10,579
Retained Earnings	18,089	18,350	2,512	3,342
Statutory Reserve	237	225	–	–
Foreign Currency Translation Reserve	(97)	(13)	–	–
Equity, Attributable to Owners of the Company, Total	28,808	29,141	13,091	13,921
Non-Controlling Interests	–	9	–	–
Total Equity	28,808	29,150	13,091	13,921
<u>Non-Current Liabilities</u>				
Other Financial Liabilities	7,230	2,596	–	–
Total Non-Current Liabilities	7,230	2,596	–	–
<u>Current Liabilities</u>				
Income Tax Payable	28	170	15	41
Trade and Other Payables	18,020	17,897	426	410
Other Financial Liabilities	1,208	15,261	–	–
Total Current Liabilities	19,256	33,328	441	451
Total Liabilities	26,486	35,924	441	451
Total Equity and Liabilities	55,294	65,074	13,532	14,372

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	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
654	11,190	14,130	10,530

Amount repayable after one year

As at 31.12.2018		As at 31.12.2017	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
5,216	2,014	206	2,390

Details of any collateral

The Group's borrowings consist of term loans, bank loans, bank overdrafts, bills payables and finance leases.

Certain of the Group's term loans, bank loans, bank overdrafts and other credit facilities are secured by (a) legal mortgages on the subsidiaries' leasehold and freehold properties; and (b) corporate guarantees issued by the Company. The finance leases are secured by the leased assets.

- 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

	<u>FY2018</u> <u>Unaudited</u> S\$'000	<u>Group</u>	<u>FY2017</u> <u>Audited</u> S\$'000
<u>Cash Flows From Operating Activities</u>			
(Loss) Profit Before Tax	(159)		1,850
Interest Income	(11)		(5)
Interest Expense	808		897
Depreciation of Property, Plant and Equipment	789		909
Forward contracts losses : transactions not qualifying as hedges	17		–
Amortisation of Intangible Assets	30		30
Gains on Disposal of Property, Plant and Equipment	(42)		(1,753)
Property, Plant and Equipment Written Off	–		400
Net Effect of Exchange Rate Changes in Consolidating Subsidiaries	(88)		(43)
Operating Cash Flows before Changes in Working Capital	1,344		2,285
Changes in:-			
Inventories	(5,982)		(2,246)
Trade and Other Receivables	23,279		(634)
Other Assets	9		(50)
Trade and Other Payables	(1,293)		2,781
Net Cash Flows From Operations	17,357		2,136
Income Taxes Paid	(194)		(218)
Net Cash Flows From Operating Activities	17,163		1,918
<u>Cash Flows From Investing Activities</u>			
Disposal of Property, Plant and Equipment	115		158
Purchase of Property, Plant and Equipment (Note B)	(9,065)		(628)
Interest Received	11		5
Net Cash Flows Used in Investing Activities	(8,939)		(465)
<u>Cash Flows From Financing Activities</u>			
Decrease in Borrowings	(24,572)		(6,209)
Increase from New Borrowings	16,530		13,819
Net Movements in Amount due to Parent Company	–		(5,055)
Interest Paid	(808)		(897)
Net Cash Flows (Used in) From Financing Activities	(8,850)		1,658
Net (Decrease) Increase in Cash and Cash Equivalents	(626)		3,111
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	5,334		2,223
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance (Note A)	4,708		5,334

Note A

Cash and cash equivalents in the consolidated statement of cash flows comprised the following:

	<u>Group</u>	
	<u>FY2018</u> <u>Unaudited</u> <u>S\$'000</u>	<u>FY2017</u> <u>Audited</u> <u>S\$'000</u>
Cash and cash equivalents at end of year	5,142	5,912
Bank overdraft	(434)	(578)
	<u>4,708</u>	<u>5,334</u>

Note B

Non-cash transaction:

There were acquisitions of plant and equipment with a total cost of S\$4,000 in FY2018 (FY2017: S\$52,000). These assets were acquired by means of finance leases.

- 1 (d)(i) A statement (for the group and issuer) 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.

GROUP

	<u>Total Equity</u> S\$'000	<u>Attributable to Owners of the Company</u> S\$'000	<u>Share Capital</u> S\$'000	<u>Retained Earnings</u> S\$'000	<u>Foreign Currency Translation Reserve</u> S\$'000	<u>Statutory Reserve</u> S\$'000	<u>Non-controlling Interests</u> S\$'000
Current Year:							
Opening Balance at 1 January 2018	29,150	29,141	10,579	18,350	(13)	225	9
Movements in Equity							
Acquisition of a Non-controlling Interests (Note C)	(9)	-	-	-	-	-	(9)
Total Comprehensive Loss for the Year	(333)	(333)	-	(249)	(84)	-	-
Transfer to Statutory Reserve	-	-	-	(12)	-	12	-
Closing Balance at 31 December 2018	28,808	28,808	10,579	18,089	(97)	237	-
Previous Year:							
Opening Balance at 1 January 2017	27,628	27,619	10,579	16,798	17	225	9
Movements in Equity							
Total Comprehensive Income (Loss) for the Year	1,522	1,522	-	1,552	(30)	-	-
Closing Balance at 31 December 2017	29,150	29,141	10,579	18,350	(13)	225	9

Note C

On 26 February 2018, the Company completed the acquisition of 0.5% interest in its subsidiary, SL Corporation Pte Ltd, from a minority shareholder, and thereby increased the Company's shareholding interest in SL Corporation Pte Ltd and its subsidiaries from 99.5% to 100%.

COMPANY	Total Equity	Share Capital	Retained Earnings
	S\$'000	S\$'000	S\$'000
Current Year:			
Opening Balance at 1 January 2018	13,921	10,579	3,342
Movement in Equity:			
Total Comprehensive Loss for the Year	(830)	–	(830)
Closing Balance at 31 December 2018	13,091	10,579	2,512
Previous Year:			
Opening Balance at 1 January 2017	13,592	10,579	3,013
Movement in Equity:			
Total Comprehensive Income for the Year	329	–	329
Closing Balance at 31 December 2017	13,921	10,579	3,342

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.

There were no changes in the Company's share capital from 1 July 2018 to 31 December 2018. There were no outstanding convertibles, treasury shares and subsidiary holdings as at 31 December 2018 and 31 December 2017.

1(d)(iii) 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.

As at 31.12.2018	As at 31.12.2017
108,000,000	108,000,000

The Company did not have any treasury shares as at 31 December 2018 and 31 December 2017.

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.

The Company does not have any treasury shares. There were no sale, transfer, cancellation and/or use of treasury shares during and as at 31 December 2018.

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.

The Company does not have any subsidiary holdings. There were no sale, transfer, cancellation and/or use of subsidiary holdings during and as at 31 December 2018.

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

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

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

Not applicable. The figures have not been audited or reviewed by the Company's auditors.

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 item 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year reported on, which are consistent with the audited financial statements for the financial year ended 31 December 2017.

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

On 1 January 2018, the Group adopted the new and revised Singapore Financial Reporting Standards (International) ("**SFRS(I)**") and the related Interpretations to SFRS(I)s ("**SFRS(I) INT**") that are relevant to its operations and mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the relevant transitional provisions in the respective SFRS(I) and SFRS(I) INT.

The adoption of the above amendments has no material impact on the Group's financial statements.

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	
	FY2018	FY2017
(Loss) Earnings per ordinary share for the year based on net (loss) profit after tax attributable to owners of the Company		
(i) Based on the weighted average number of ordinary shares in issue	(0.23) cents	1.44 cents
(ii) On a fully diluted basis	(0.23) cents	1.44 cents
Weighted average number of ordinary shares in issue	108,000,000	108,000,000

The Group's basic and diluted (loss) earnings per ordinary share for FY2018 and FY2017 respectively were the same as there were no potentially dilutive ordinary shares existing during the respective financial years.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-

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

	Group		Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Net asset value per ordinary share (cents)	26.7	27.0	12.1	12.9

The net asset value per ordinary share for the Group and the Company have been calculated based on the issued share capital of 108,000,000 ordinary shares of the Company as at 31 December 2018 and 31 December 2017.

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.**

(a) Statement of Comprehensive Income

The Group's revenue decreased by S\$4.7 million or 12.1% from S\$38.4 million in FY2017 to S\$33.7 million in FY2018. This was mainly due to a decrease in sales to our customers in the precision engineering industry, and to stockists and traders, partially offset by an increase in sales to our customers in the marine industry.

Sales to customers in the precision engineering industry decreased by S\$10.4 million in FY2018 as compared to FY2017. This was mainly due to a decrease in demand from our overseas customers in view of the challenging market conditions and lower revenue contribution from the Group's operations in the People's Republic of China. Sales to the stockists and traders decreased by S\$0.6 million in FY2018 as compared to FY2017, due to lower sales to our local and overseas customers. The Group also recorded a decrease in sales to other customers in other industries of S\$0.6 million in FY2018 as compared to FY2017. Sales to customers in the marine industry increased by S\$6.9 million in FY2018 as compared to FY2017, mainly due to more orders secured from our local customers.

Revenue from Singapore increased by S\$4.1 million or 38.7%, from S\$10.5 million in FY2017 to S\$14.6 million in FY2018, mainly due to more orders secured from our marine industry customers. Revenue from Taiwan decreased by S\$5.0 million or 55.4%, from S\$9.0 million in FY2017 to S\$4.0 million in FY2018, mainly due to lesser orders from one of the Group's major customers in the precision engineering industry.

Gross profit decreased by S\$0.8 million or 11.7% from S\$6.8 million in FY2017 to S\$6.0 million in FY2018 mainly due to the decrease in revenue. The Group's gross profit margin remained consistent for both FY2017 and FY2018.

Other gains decreased by S\$2.0 million from S\$2.3 million in FY2017 to S\$0.3 million in FY2018, mainly due to the absence of a one-off gain on disposal of the Group's property at 9 Tuas Avenue 2 amounting to S\$1.8 million and the absence of the foreign exchange gain of S\$0.2 million.

Distribution costs decreased by S\$0.1 million or 21.5%, from S\$0.7 million in FY2017 to S\$0.6 million in FY2018 mainly due to the decrease in commission expenses and exhibition expenses.

Administrative expenses decreased by S\$0.2 million or 3.9%, from S\$4.9 million in FY2017 to S\$4.7 million in FY2018, mainly due to the decrease in payroll expenses and other general administrative expenses, partially offset by costs incurred for the moving of office and warehouse in FY2018.

Finance costs decreased by S\$0.1 million or 9.9%, from S\$0.9 million in FY2017 to S\$0.8 million in FY2018, due mainly to a decrease in interest expenses as a result of lower utilisation of bank borrowings following the disposal of our property at 9 Tuas Avenue 2, partially offset by an increase in trade facilities interest and the increase in bank borrowings used to finance the Group's new property at 6 Tuas Lane.

Other losses decreased by S\$0.3 million or 41.8%, from S\$0.8 million in FY2017 to S\$0.5 million in FY2018. Other losses in FY2018 comprised mainly foreign exchange loss of S\$0.2 million and allowance for impairment on trade receivables of S\$0.2 million.

As a result of the above, the Group recorded a loss before tax of S\$0.2 million in FY2018 as compared to a profit before tax of S\$1.9 million in FY2017.

(b)(i) Statement of Financial Position

Non-current assets increased by S\$8.1 million, from S\$3.0 million as at 31 December 2017 to S\$11.1 million as at 31 December 2018, mainly due to the increase in property, plant and equipment as a result of the purchase of the Group's new property at 6 Tuas Lane.

Current assets decreased by S\$17.9 million, from S\$62.1 million as at 31 December 2017 to S\$44.2 million as at 31 December 2018, mainly due to a decrease in trade and other receivables of S\$23.1 million and cash and cash equivalents of S\$0.8 million, partially offset by an increase in inventories of S\$6.0 million. The decrease in trade and other receivables was mainly due to the proceeds received from the disposal of the Group's property at 9 Tuas Avenue 2 of S\$22.8 million which was completed on 4 January 2018. The increase in inventories was mainly due to an increase in inventories procured in FY2018, in anticipation of higher demand for our aluminium alloy products from the marine industry. Please refer to the "Statement of Cash Flows" below for the reasons for the decrease.

Non-current liabilities increased by S\$4.6 million, from S\$2.6 million as at 31 December 2017 to S\$7.2 million as at 31 December 2018, mainly due to an increase in bank borrowings used to finance the acquisition of the Group's new property at 6 Tuas Lane.

Current liabilities decreased by S\$14.1 million, from S\$33.3 million as at 31 December 2017 to S\$19.2 million as at 31 December 2018, mainly due to a decrease in income tax payable of S\$0.1 million and a decrease in other financial liabilities of S\$14.1 million, partially offset by an increase in trade and other payables of S\$0.1 million. The decrease in other financial liabilities was mainly due to the repayment of term loans in connection with the disposal of the Group's property at 9 Tuas Avenue 2 in FY2018.

The Group reported a positive working capital position of S\$24.9 million as at 31 December 2018, as compared to S\$28.7 million as at 31 December 2017.

Total equity decreased by S\$0.3 million, from S\$29.1 million as at 31 December 2017 to S\$28.8 million as at 31 December 2018, mainly due to a decrease in retained earnings of S\$0.3 million as a result of the net losses incurred for FY2018.

(b)(ii) Statement of Cash Flows

In FY2018, operating cash flows before changes in working capital amounted to S\$1.3 million arising mainly from the Group's loss before tax of S\$0.2 million, adjusted for interest expense of S\$0.8 million and depreciation of property, plant and equipment of S\$0.8 million. Net cash from working capital of S\$16.0 million was mainly due to a decrease in trade and other receivables of S\$23.3 million, partially offset by a decrease in trade and other payables of S\$1.3 million and an increase in inventories of S\$6.0 million.

Net cash used in investing activities amounted to S\$8.9 million in FY2018, mainly due to the purchase of property, plant and equipment of S\$9.0 million, partially offset by the proceeds from the disposal of plant and equipment of S\$0.1 million.

Net cash used in financing activities amounted to S\$8.8 million, mainly due to the repayment of bills payables, short-term loans, bank overdraft and finance leases of S\$24.6 million and interest expense of S\$0.8 million, partially offset by an increase in new borrowings of S\$16.5 million.

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

The Company had previously announced a profit guidance on 30 January 2019. No variance was noted, and save for the aforementioned announcement, no forecast or prospect statement was previously disclosed.

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.

Oil prices saw significant volatility in 2018, falling to US\$52 a barrel at the end of 2018 from a peak of US\$84 a barrel in May 2018. This may translate into a further slowdown for the shipbuilding industry with fewer orders for new vessels which will in turn weigh on the performance of our marine segment.

The Group's precision engineering segment also faces challenging market conditions due in part to the ongoing trade war between China and the United States of America. The Group has noted softer demand in addition to lower contribution from its operations in China.

As a result of these and other macroeconomic challenges, the International Monetary Fund has moderated its forecast of global growth prospects for 2019 to 3.7%. Singapore in turn projects a GDP growth of between 1.5% and 3.5% due to uncertainties in the global economy amid growing trade conflicts, nervous financial markets and signs of slowing growth. China is also expected to implement monetary and fiscal support measures to spur its cooling economy.

On a separate note, the Group has shifted to its new premises at 6 Tuas Lane as part of its efforts to streamline operations and reduce gearing.

For 2019, the Group will remain flexible to address challenges and opportunities alike. We are upbeat on the long-term prospects of the marine and precision engineering industries and will be gearing to be resilient and ready to capitalise on opportunities to expand its capabilities and strengths.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared 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?

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared or recommended for FY2018 as the Group recorded net loss in FY2018 and the Board of Directors deems it appropriate to conserve funds for the Group's business activities and further expansion.

13. Interested Person Transactions – Pursuant to Rule 920 (1) (a) of Section B of the Catalist Listing Manual

The Company does not have a mandate from its shareholders for any interested person transactions.

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720 (1) of the Catalist Rules.

The Company confirms that it has procured all the required undertakings from all its directors and executive officers in the format set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

15. Negative confirmation pursuant to Rule 705(5).

Not required for announcement on full year results.

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

There is no person occupying a managerial position in the Group who is a relative of a director, chief executive officer, or substantial shareholder of the Company pursuant to Rule 704(10) of the Catalist Rules.

17. **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.**

(a) Financial Information by Operating Segments

FY2018

	Precision engineering S\$'000	Marine S\$'000	Stockists and traders S\$'000	Other customers S\$'000	Unallocated S\$'000	Group S\$'000
Continuing Operations 2018						
Revenue by Segment						
Total revenue by segment	17,291	14,262	1,648	505	–	33,706
Recurring EBITDA	3,647	1,628	447	293	–	6,015
Finance costs	–	–	–	–	(808)	(808)
Depreciation and amortisation	–	–	–	–	(819)	(819)
Operating results before income tax and other unallocated items	3,647	1,628	447	293	(1,627)	4,388
Other unallocated items					(4,547)	(4,547)
Loss before tax from continuing operations						(159)
Income tax expense						(90)
Loss for the year						(249)
Assets and Reconciliations						
Total assets for reportable segments	3,937	3,307	647	51	–	7,942
Unallocated:						
Property, plant and equipment	–	–	–	–	10,796	10,796
Deferred tax assets	–	–	–	–	285	285
Inventories	–	–	–	–	28,444	28,444
Cash and cash equivalents	–	–	–	–	5,142	5,142
Other unallocated amounts	–	–	–	–	2,685	2,685
Total group assets	3,937	3,307	647	51	47,352	55,294
Liabilities and Reconciliations						
Unallocated:						
Current tax liabilities liabilities	–	–	–	–	28	28
Borrowings	–	–	–	–	8,438	8,438
Trade and other payables	–	–	–	–	18,020	18,020
Total group liabilities	–	–	–	–	26,486	26,486
Other Material Items and Reconciliations						
Impairment (reversal) of receivables and inventories (net)	15	–	–	–	(22)	(7)
Expenditures for non-current assets	–	–	–	–	9,069	9,069

FY2017

	<u>Precision engineering</u> S\$'000	<u>Marine</u> S\$'000	<u>Stockists and traders</u> S\$'000	<u>Other customers</u> S\$'000	<u>Unallocated</u> S\$'000	<u>Group</u> S\$'000
Continuing Operations 2017						
Revenue by Segment						
Total revenue by segment	27,707	7,361	2,190	1,098	–	38,356
Recurring EBITDA	4,945	575	338	952	–	6,810
Finance costs	–	–	–	–	(897)	(897)
Depreciation and amortisation	–	–	–	–	(939)	(939)
Operating results before income tax and other unallocated items	4,945	575	338	952	(1,836)	4,974
Other unallocated items					(3,124)	(3,124)
Profit before tax from continuing operations						1,850
Income tax expense						(298)
Profit for the year						1,552
Assets and Reconciliations						
Total assets for reportable segments	7,442	1,117	550	404	–	9,513
Unallocated:						
Property, plant and equipment	–	–	–	–	2,595	2,595
Deferred tax assets	–	–	–	–	327	327
Inventories	–	–	–	–	22,462	22,462
Cash and cash equivalents	–	–	–	–	5,912	5,912
Other unallocated amounts	–	–	–	–	24,265	24,265
Total group assets	7,442	1,117	550	404	55,561	65,074
Liabilities and Reconciliations						
Unallocated:						
Deferred and current tax liabilities	–	–	–	–	170	170
Borrowings	–	–	–	–	17,857	17,857
Trade and other payables	–	–	–	–	17,897	17,897
Total group liabilities	–	–	–	–	35,924	35,924

FY2017

	<u>Precision engineering</u> S\$'000	<u>Marine</u> S\$'000	<u>Stockists and traders</u> S\$'000	<u>Other customers</u> S\$'000	<u>Unallocated</u> S\$'000	<u>Group</u> S\$'000
Other Material Items and Reconciliations						
Impairment (reversal) of receivables and inventories (net)	(141)	–	–	–	227	86
Property, plant and equipment written off	–	–	–	–	400	400
Expenditures for non-current assets	–	–	–	–	680	680

The assets and liabilities are not allocated to operating segments because they are not directly attributable to the segment or cannot be allocated to the segment on a reasonable basis.

(b) Geographical Information

	<u>Revenue</u>	
	<u>FY2018</u> S\$'000	<u>FY2017</u> S\$'000
Singapore	14,623	10,541
Malaysia	4,192	4,813
Taiwan	4,028	9,025
Indonesia	2,939	2,772
China	2,528	7,444
Other Countries	5,396	3,761
	33,706	38,356

18. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to paragraph 8.

19. A breakdown of sales as follows :

	Group		Increase/ (Decrease)
	FY2018 S\$'000	FY2017 S\$'000	
(a) Sales reported for the first half year	16,702	20,868	(20.0%)
(b) Operating (loss) profit after tax reported for first half year	(465)	33	NM
(c) Sales reported for second half year	17,004	17,488	(2.8%)
(d) Operating profit after tax reported for second half year	216	1,519	NM

NM – Not meaningful

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

	FY2018	FY2017
	S\$'000	S\$'000
Ordinary	–	–
Preference	–	–
Total	–	–

BY ORDER OF THE BOARD
TAN YEE CHIN
Chairman and CEO
20 February 2019