



**FUYU CORPORATION LIMITED  
AND SUBSIDIARY COMPANIES**

**SGX APPENDIX 7.2 ANNOUNCEMENT  
UNAUDITED FINANCIAL CONDITION, RESULTS OF OPERATIONS AND  
CASH FLOWS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED  
31 DECEMBER 2014**

**Full Year Financial Statement And Dividend Announcement**

**PART I – INFORMATIONS REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR ANNOUNCEMENTS**

**1(a) (i) A Consolidated Income Statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year**

The Board of Directors of Fu Yu Corporation Ltd wishes to announce the unaudited results of the Group for the fourth quarter ended 31 December 2014.

GROUP	Quarter Ended 31-Dec			Year Ended 31-Dec		
	2014	2013	Change	2014	2013	Change
	S\$'000 (unaudited)	S\$'000 (unaudited)	%	S\$'000 (unaudited)	S\$'000 (audited)	%
Revenue	67,458	65,760	2.6	254,434	283,396	(10.2)
Cost of sales	(59,096)	(60,665)	(2.6)	(223,360)	(262,933)	(15.1)
<b>Gross profit</b>	<b>8,362</b>	<b>5,095</b>	<b>64.1</b>	<b>31,074</b>	<b>20,463</b>	<b>51.9</b>
Other income	4,879	7,689	(36.5)	10,269	21,009	(51.1)
Selling and administrative expenses	(5,411)	(9,179)	(41.1)	(26,322)	(31,748)	(17.1)
Other operating expenses	(556)	(38)	NM	(1,046)	(289)	NM
Finance costs	(28)	(42)	(33.3)	(153)	(59)	NM
Share of (loss)/profit of equity-accounted investee (net of tax)	(378)	85	NM	(405)	368	NM
<b>Profit before income tax</b>	<b>6,868</b>	<b>3,610</b>	<b>90.2</b>	<b>13,417</b>	<b>9,744</b>	<b>37.7</b>
Income tax (expense)/credit	(808)	790	NM	(2,179)	(1,001)	NM
<b>Profit for the quarter/year</b>	<b>6,060</b>	<b>4,400</b>	<b>37.7</b>	<b>11,238</b>	<b>8,743</b>	<b>28.5</b>
<b>Attributable to:</b>						
Owners of the Company	5,406	4,020	34.5	9,951	6,640	49.9
Non-controlling interests	654	380	72.1	1,287	2,103	(38.8)
<b>Profit for the quarter/year</b>	<b>6,060</b>	<b>4,400</b>	<b>37.7</b>	<b>11,238</b>	<b>8,743</b>	<b>28.5</b>
<b>Earnings per share</b>						
- basic earnings per share (cents)	<b>0.74</b>	<b>0.55</b>	<b>34.5</b>	<b>1.35</b>	<b>0.91</b>	<b>48.4</b>
- diluted earnings per share (cents)	<b>0.74</b>	<b>0.55</b>	<b>34.5</b>	<b>1.35</b>	<b>0.91</b>	<b>48.4</b>
N.M denotes Not Meaningful						

**Consolidated Statement of Comprehensive Income**

GROUP	Quarter Ended 31-Dec		Change %	Year Ended 31-Dec		Change %
	2014 S\$'000 (unaudited)	2013 S\$'000 (unaudited)		2014 S\$'000 (unaudited)	2013 S\$'000 (audited)	
<b>Profit for the quarter/year</b>	<b>6,060</b>	<b>4,400</b>	<b>37.7</b>	<b>11,238</b>	<b>8,743</b>	<b>28.5</b>
<b>Other comprehensive income items that are or may be reclassified subsequently to profit or loss:</b>						
Foreign currency translation differences for foreign operations	(799)	668	NM	(393)	(141)	NM
<b>Total comprehensive income for the quarter/year</b>	<b>5,261</b>	<b>5,068</b>	<b>3.8</b>	<b>10,845</b>	<b>8,602</b>	<b>26.1</b>
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	5,202	4,685	11.0	9,969	7,194	38.6
Non-controlling interests	59	383	(84.6)	876	1,408	(37.8)
<b>Total comprehensive income for the quarter/year</b>	<b>5,261</b>	<b>5,068</b>	<b>3.8</b>	<b>10,845</b>	<b>8,602</b>	<b>26.1</b>

N.M denotes Not Meaningful

**1(a) (ii) Notes to Consolidated Income Statement**

GROUP	Quarter Ended 31-Dec		Change %	Year Ended 31-Dec		Change %
	2014 S\$'000 (unaudited)	2013 S\$'000 (unaudited)		2014 S\$'000 (unaudited)	2013 S\$'000 (audited)	
Profit before income tax is arrived at after charging/(crediting) the following:						
Interest and investment income	(364)	(278)	30.9	(1,352)	(732)	84.7
Gain on disposal of property, plant and equipment	(18)	(89)	(79.8)	(821)	(1,008)	(18.6)
Loss/(gain) on disposal of non-current asset classified as held for sale	-	23	NM	-	(6,712)	NM
Foreign exchange gain, net	(2,702)	(570)	NM	(2,536)	(2,525)	0.4
Property, plant and equipment written off (Write-back)/allowance made for doubtful trade and other receivables	234	168	39.3	282	264	6.8
Net impairment/(reversal of impairment) on property, plant and equipment	(9)	36	NM	267	24	NM
Depreciation and amortisation	719	(5,771)	NM	500	(5,616)	NM
(Write-back)/allowance made for inventory obsolescence and inventories written off	5,645	3,338	69.1	17,930	13,529	32.5
Adjustments for (over)/under provision for tax in respects of the prior years	(231)	(25)	NM	(292)	504	NM
- Income tax	(163)	1	NM	(164)	294	NM

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

	Group		Company	
	As at 31-Dec 2014 S\$'000 (unaudited)	As at 31-Dec 2013 S\$'000 (audited) (restated)	As at 31-Dec 2014 S\$'000 (unaudited)	As at 31-Dec 2013 S\$'000 (audited)
<b>Non-current assets</b>				
Property, plant and equipment	61,394	66,020	12,684	13,014
Investment property	10,085	10,513	-	-
Subsidiaries	-	-	39,742	43,979
Joint venture	3,106	4,064	-	-
Deferred tax assets	1,280	2,216	-	-
	75,865	82,813	52,426	56,993
<b>Current assets</b>				
Inventories	17,120	18,567	2,242	2,344
Trade and other receivables	79,704	78,194	11,510	10,502
Tax recoverable	5	148	-	-
Amount due from subsidiary companies	-	-	35,011	36,480
Short-term investments	6,052	3,881	-	-
Cash and cash equivalents	83,329	73,189	18,051	11,472
	186,210	173,979	66,814	60,798
<b>Total assets</b>	<b>262,075</b>	<b>256,792</b>	<b>119,240</b>	<b>117,791</b>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	121,176	119,362	121,176	119,362
Reserves	53,740	43,771	(13,311)	(13,470)
	174,916	163,133	107,865	105,892
Non-controlling interests	20,244	19,368	-	-
<b>Total equity</b>	<b>195,160</b>	<b>182,501</b>	<b>107,865</b>	<b>105,892</b>
<b>Non-current liabilities</b>				
Trade and other payables	787	563	787	563
Financial liabilities	12	85	-	69
Deferred tax liabilities	370	1,115	82	809
	1,169	1,763	869	1,441
<b>Current liabilities</b>				
Trade and other payables	62,385	68,151	7,593	8,053
Amount due to subsidiary companies	-	-	2,913	2,367
Financial liabilities	1,365	3,240	-	38
Tax payable	1,996	1,137	-	-
	65,746	72,528	10,506	10,458
<b>Total liabilities</b>	<b>66,915</b>	<b>74,291</b>	<b>11,375</b>	<b>11,899</b>
<b>Total equity and liabilities</b>	<b>262,075</b>	<b>256,792</b>	<b>119,240</b>	<b>117,791</b>

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

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

GROUP	31 Dec 2014 S\$'000 (unaudited)	31 Dec 2013 S\$'000 (audited)
Secured bank loans	1,361	3,188
Finance lease liabilities	4	52
	1,365	3,240

**Amount repayable after one year**

GROUP	31 Dec 2014 S\$'000 (unaudited)	31 Dec 2013 S\$'000 (audited)
Finance lease liabilities	12	85
	12	85

**Details of any collateral**

The secured bank loans are secured by the Company's subsidiary, Fu Yu Moulding & Tooling (Chongqing) Co., Ltd's trade receivables.

The finance lease liabilities are secured by the leased assets.

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

GROUP	Quarter Ended 31-Dec		Year Ended 31-Dec	
	2014 S\$'000 (unaudited)	2013 S\$'000 (unaudited)	2014 S\$'000 (unaudited)	2013 S\$'000 (audited) (restated)
<b>Cash flows from operating activities</b>				
Profit before income tax	6,868	3,610	13,417	9,744
<b>Adjustments for:</b>				
Depreciation and amortisation of property, plant and equipment and investment property	5,645	3,338	17,930	13,529
Net allowance for/(reversal of) impairment of property, plant and equipment	719	(5,771)	500	(5,616)
Gain on disposal of property, plant and equipment	(18)	(89)	(821)	(1,008)
Property, plant and equipment written off	234	168	282	264
Interest and investment income	(364)	(278)	(1,352)	(732)
Finance costs	28	42	153	59
Loss/(gain) on disposal of non-current assets classified as held for sale	-	23	-	(6,712)
Share of loss/(profit) of equity-accounted investee (net of tax)	378	(85)	405	(368)
Unrealised exchange gain	(1,236)	(781)	(751)	(3,108)
	5,386	(3,433)	16,346	(3,692)
	12,254	177	29,763	6,052
<b>Changes in working capital:</b>				
Inventories	1,045	3,982	1,510	6,879
Trade and other receivables	(3,012)	14,777	(664)	7,758
Trade and other payables	(1,002)	(6,377)	(6,171)	276
Cash from operating activities	9,285	12,559	24,438	20,965
Income tax paid	(475)	(228)	(1,057)	(662)
<b>Net cash from operating activities</b>	<b>8,810</b>	<b>12,331</b>	<b>23,381</b>	<b>20,303</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(5,313)	(3,033)	(14,499)	(7,990)
Proceeds from sale of non-current assets classified as held for sale	-	918	-	11,066
Proceeds from disposal of property, plant and equipment	28	172	1,833	1,292
Dividends from equity-accounted investee	-	(5)	496	481
Placement of short-term investments	(198)	(432)	(2,299)	(496)
Interest and investment income received	364	278	1,352	732
<b>Net cash (used in)/from investing activities</b>	<b>(5,119)</b>	<b>(2,102)</b>	<b>(13,117)</b>	<b>5,085</b>
<b>Cash flows from financing activities</b>				
Proceeds from short term borrowings	3,201	3,075	12,270	7,045
Repayment of short term borrowings and financial lease liabilities	(4,191)	(3,747)	(14,305)	(4,985)
Finance costs paid	(28)	(42)	(153)	(59)
Deposits discharged/(pledged)	289	-	586	(1,146)
Proceeds from issue of share capital	1,629	90	1,814	90
<b>Net cash from/(used in) financing activities</b>	<b>900</b>	<b>(624)</b>	<b>212</b>	<b>945</b>
<b>Net increase in cash and cash equivalents</b>	<b>4,591</b>	<b>9,605</b>	<b>10,476</b>	<b>26,333</b>
Cash and cash equivalents at beginning of financial quarter/year	75,242	59,431	69,115	42,545
Effects of exchange rate fluctuations on cash held	88	79	330	237
<b>Cash and cash equivalents at end of financial quarter/year</b>	<b>79,921</b>	<b>69,115</b>	<b>79,921</b>	<b>69,115</b>

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise of:

Group	As at 31 Dec	
	2014 S\$'000	2013 S\$'000 (restated)
Cash at bank and in hand	43,441	36,327
Deposits with banks	39,888	36,862
Cash and cash equivalents	83,329	73,189
Deposits pledged	(3,408)	(4,074)
Cash and cash equivalents in the consolidated statement of cash flows	<b>79,921</b>	<b>69,115</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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

For the Quarter Ended 31 Dec (Group)

Group - 2014	Attributable to equity holders of the Company								Non-controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Capital reserve S\$'000	Statutory reserve S\$'000	Revaluation reserve S\$'000	Foreign currency translation reserve S\$'000	Share option reserve S\$'000	Retained earnings S\$'000	Total attributable to equity holders of the Company S\$'000		
At 1 Oct 2014	119,547	140	9,891	789	(6,312)	1,627	42,403	168,085	20,185	188,270
Other comprehensive income for the quarter	-	-	-	-	(204)	-	-	(204)	(595)	(799)
- Foreign currency translation differences	-	-	-	-	-	-	-	-	-	-
Profit for the quarter	-	-	-	-	-	-	5,406	5,406	654	6,060
Total comprehensive income for the quarter	-	-	-	-	(204)	-	5,406	5,202	59	5,261
Share options exercised	1,629	-	-	-	-	-	-	1,629	-	1,629
Transfer from statutory reserve	-	-	(3,818)	-	-	-	3,818	-	-	-
<b>At 31 Dec 2014</b>	<b>121,176</b>	<b>140</b>	<b>6,073</b>	<b>789</b>	<b>(6,516)</b>	<b>1,627</b>	<b>51,627</b>	<b>174,916</b>	<b>20,244</b>	<b>195,160</b>

Group - 2013	Attributable to equity holders of the Company								Non-interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Capital reserve S\$'000	Statutory reserve S\$'000	Revaluation reserve S\$'000	Foreign currency translation reserve S\$'000	Share option reserve S\$'000	Retained earnings S\$'000	Total attributable to equity holders of the Company S\$'000		
At 1 Oct 2013	119,272	140	9,772	789	(7,199)	1,627	33,957	158,358	18,985	177,343
Other comprehensive income for the quarter	-	-	-	-	665	-	-	665	3	668
Foreign currencies translation differences	-	-	-	-	-	-	4,020	4,020	380	4,400
Profit for the quarter	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the quarter	-	-	-	-	665	-	4,020	4,685	383	5,068
Share options exercised	90	-	-	-	-	-	-	90	-	90
Transfer to statutory reserve	-	-	119	-	-	-	(119)	-	-	-
<b>At 31 Dec 2013</b>	<b>119,362</b>	<b>140</b>	<b>9,891</b>	<b>789</b>	<b>(6,534)</b>	<b>1,627</b>	<b>37,858</b>	<b>163,133</b>	<b>19,368</b>	<b>182,501</b>



For the Year Ended (Group)

Group - 2014	Attributable to equity holders of the Company								Non-controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Capital reserve S\$'000	Statutory reserve S\$'000	Revaluation reserve S\$'000	Foreign currency translation reserve S\$'000	Share option reserve S\$'000	Retained earnings S\$'000	Total attributable to equity holders of the Company S\$'000		
At 1 Jan 2014	119,362	140	9,891	789	(6,534)	1,627	37,858	163,133	19,368	182,501
Other comprehensive income for the year	-	-	-	-	18	-	-	18	(411)	(393)
- Foreign currencies translation differences	-	-	-	-	-	-	9,951	9,951	1,287	11,238
Profit for the year	-	-	-	-	18	-	9,951	9,969	876	10,845
Total comprehensive income for the year	1,814	-	-	-	-	-	-	1,814	-	1,814
Share options exercised	-	-	(3,818)	-	-	-	3,818	-	-	-
Transfer from statutory reserve	-	-	-	-	-	-	-	-	-	-
<b>At 31 Dec 2014</b>	<b>121,176</b>	<b>140</b>	<b>6,073</b>	<b>789</b>	<b>(6,516)</b>	<b>1,627</b>	<b>51,627</b>	<b>174,916</b>	<b>20,244</b>	<b>195,160</b>

Group - 2013	Attributable to equity holders of the Company								Non-controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Capital reserve S\$'000	Statutory reserve S\$'000	Revaluation reserve S\$'000	Foreign currency translation reserve S\$'000	Share option reserve S\$'000	Retained earnings S\$'000	Total attributable to equity holders of the Company S\$'000		
At 1 Jan 2013	119,272	140	9,772	789	(7,088)	1,627	31,337	155,849	17,960	173,809
Other comprehensive income for the year	-	-	-	-	554	-	-	554	(695)	(141)
- Foreign currencies translation differences	-	-	-	-	-	-	6,640	6,640	2,103	8,743
Profit for the year	-	-	-	-	554	-	6,640	7,194	1,408	8,602
Total comprehensive income for the year	90	-	-	-	-	-	-	90	-	90
Share options exercised	-	-	119	-	-	-	(119)	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-	-
<b>At 31 Dec 2013</b>	<b>119,362</b>	<b>140</b>	<b>9,891</b>	<b>789</b>	<b>(6,534)</b>	<b>1,627</b>	<b>37,858</b>	<b>163,133</b>	<b>19,368</b>	<b>182,501</b>

**For the Quarter Ended 31 Dec (Company)**

<b>Company - 2014</b>	<b>Share capital S\$'000</b>	<b>Revaluation reserve S\$'000</b>	<b>Share option reserve S\$'000</b>	<b>Accumulated losses S\$'000</b>	<b>Total equity S\$'000</b>
At 1 Oct 2014	119,547	789	1,153	(13,127)	108,362
Loss for the quarter	-	-	-	(2,126)	(2,126)
Total comprehensive income for the quarter	-	-	-	(2,126)	(2,126)
Share options exercised	1,629	-	-	-	1,629
<b>At 31 Dec 2014</b>	<b>121,176</b>	<b>789</b>	<b>1,153</b>	<b>(15,253)</b>	<b>107,865</b>

<b>Company - 2013</b>	<b>Share capital S\$'000</b>	<b>Revaluation reserve S\$'000</b>	<b>Share option reserve S\$'000</b>	<b>Accumulated losses S\$'000</b>	<b>Total equity S\$'000</b>
At 1 Oct 2013	119,272	789	1,153	(14,704)	106,510
Loss for the quarter	-	-	-	(708)	(708)
Total comprehensive income for the quarter	-	-	-	(708)	(708)
Share options exercised	90	-	-	-	90
<b>At 31 Dec 2013</b>	<b>119,362</b>	<b>789</b>	<b>1,153</b>	<b>(15,412)</b>	<b>105,892</b>

**For the Year Ended 31 Dec (Company)**

<b>Company - 2014</b>	<b>Share capital S\$'000</b>	<b>Revaluation reserve S\$'000</b>	<b>Share option reserve S\$'000</b>	<b>Accumulated losses S\$'000</b>	<b>Total equity S\$'000</b>
At 1 Jan 2014	119,362	789	1,153	(15,412)	105,892
Profit for the year	-	-	-	159	159
Total comprehensive income for the year	-	-	-	159	159
Share options exercised	1,814	-	-	-	1,814
<b>At 31 Dec 2014</b>	<b>121,176</b>	<b>789</b>	<b>1,153</b>	<b>(15,253)</b>	<b>107,865</b>

<b>Company - 2013</b>	<b>Share capital S\$'000</b>	<b>Revaluation reserve S\$'000</b>	<b>Share option reserve S\$'000</b>	<b>Accumulated losses S\$'000</b>	<b>Total equity S\$'000</b>
At 1 Jan 2013	119,272	789	1,153	(16,077)	105,137
Profit for the year	-	-	-	665	665
Total comprehensive income for the year	-	-	-	665	665
Share options exercised	90	-	-	-	90
<b>At 31 Dec 2013</b>	<b>119,362</b>	<b>789</b>	<b>1,153</b>	<b>(15,412)</b>	<b>105,892</b>

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buybacks, 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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuers, 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

Group	Share Options		Ordinary Shares	
	Year Ended 31 Dec		Year Ended 31 Dec	
	2014 ('000) (unaudited)	2013 ('000) (audited)	2014 ('000) (unaudited)	2013 ('000) (audited)
As at 1 Jan	34,060	53,040	732,835	731,835
Exercised during the year	(20,160) *	(1,000)	20,160	1,000
Forfeited during the year	(13,900)	(17,980)	-	-
As at 31 Dec	-	34,060	752,995	732,835

\* Includes replacement options in respect of 3,000,000 shares granted to certain non-executive directors as detailed in the circular dated 1 October 2014.

The Fu Yu Employees Share Option Scheme expired on 31 December 2014.

- 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 immediate preceding year.

The total number of issued ordinary shares excluding treasury shares as at 31 December 2014 was 752,994,775 (31 December 2013: 732,834,775).

- 1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

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

These figures have not been audited or reviewed.

- 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 as compared with the audited financial statements for the year ended 31 December 2013.

However, the Group adopted the new and revised Financial Reporting Standards and interpretations that are mandatory and relevant to the Group for the financial year beginning on or after 1 January 2014. These are assessed to have no material impact to the Group's financial statements.

During the period under review, the Group made the following changes to its comparative figures to be consistent with current year classification:-

Reclassification of cash and cash equivalents to short-term investments

Short-term investments in money market fund and trust funds were classified to short-term investments to better reflect the nature of the investments. Accordingly, the previous period comparatives had been reclassified from cash and cash equivalents to conform to this year's presentation.

Reclassification of leasehold land as investment property

Certain leasehold land of S\$1.5 million was reclassified from property, plant and equipment to investment property.

Redesignation of investment in a joint arrangement

A joint arrangement which was previously designated as an investment in an associate company has been redesignated as investment in joint venture.

**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**

Not applicable.

**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	Quarter Ended As at 31 Dec		Year Ended As at 31 Dec	
	2014 (unaudited)	2013 (unaudited)	2014 (unaudited)	2013 (audited)
<u>Earnings per share</u>				
- basic (cents)	0.74	0.55	1.35	0.91
- diluted (cents)	0.74	0.55	1.35	0.91

Earnings per ordinary share on existing issued share capital is computed based on the weighted average number of shares in issue during the period of 734,616,830 (2013: 731,867,652).

There was no diluted earnings per share for the quarter and year ended 31 December 2014 as the Employees Share Options Scheme expired on 31 December 2014.

There was no difference between the basic and diluted earnings per share for the quarter and period ended 31 December 2013 as the Company had no potential dilutive securities as at 31 December 2013.

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

	Group As at		Company As at	
	31 Dec 14 (unaudited)	31 Dec 13 (audited)	31 Dec 14 (unaudited)	31 Dec 13 (audited)
Net asset value (S\$'000)	174,916	163,133	107,865	105,892
Issued capital at the end of the period ('000)	752,995	732,835	752,995	732,835
Net asset value per Ordinary Share (cents)	23.23	22.26	14.32	14.45

**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.
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

**Overview**

The Group is in the business of manufacturing and sub-assembly of precision plastic parts and components, fabrication of precision moulds and dies and investment holding. The Group has integrated manufacturing facilities in Singapore, Malaysia and China.

**Revenue**

The Group's revenue increased by S\$1.7 million or 2.6% from S\$65.8 million in Q4 2013 to S\$67.5 million in the current quarter under review. The increase in revenue was mainly contributed by Singapore segment.

For the year ended 31 December 2014, the Group's revenue decreased by S\$29.0 million or 10.2% from S\$283.4 million in the last corresponding year to S\$254.4 million in the current year under review. The decrease in revenue for the year ended 31 December 2014 was mainly due to the decrease in revenue in Malaysia segment as a result of reduction in orders from contract manufacturing business.

**Profitability**

**Cost of sales and gross profit**

Despite the increase in revenue in Q4 2014, cost of sales decreased by S\$1.6 million or 2.6% from S\$60.7 million in Q4 2013 to S\$59.1 million in the current quarter under review. The decrease in cost of sales came mainly from Malaysia and China segments with Singapore segment's cost of sales increased marginally. Gross profit increased by S\$3.3 million or 64.1% from gross profit of S\$5.1 million in Q4 2013 to S\$8.4 million in

the current quarter under review. The Group achieved gross profit margin of 12.4% in Q4 2014, which is 4.7% higher than that of 7.7% in Q4 2013.

For the year ended 31 December 2014, cost of sales decreased by S\$39.5 million or 15.1% from S\$262.9 million in the last corresponding year to S\$223.4 million in the current year under review. Other than due to decrease in revenue, cost of sales decreased as cost of manufacturing were better managed and controlled. Gross profit increased by S\$10.6 million or 51.9% from S\$20.5 million in the last corresponding year to S\$31.1 million in the current year under review. Gross profit margin was 12.2% for year ended 31 December 2014 as compared to 7.2% in the last corresponding year.

The Group's gross profit margin improved in current quarter and year ended 31 December 2014 despite decrease in the full year revenue was mainly attributed to decrease in low margin projects in the Malaysia segment, focus on high margin projects and the new Chongqing subsidiary that started production in Q2 2013 has improved its operational efficiency and became profitable in the year 2014. In addition to that, the Group has better managed and reduced its costs by right-sizing some of its operations. The improvement in gross profit margin was partly offset by the increase in depreciation charge as a result of the reversal of impairment loss on property, plant and equipment of S\$5.6 million at end of year 2013 and reclassification of property, plant and equipment categories that took place in the year 2014.

#### **Other income**

Other income decreased by S\$2.8 million or 36.5% from S\$7.7 million in Q4 2013 to S\$4.9 million in Q4 2014. The higher other income in Q4 2013 was mainly attributed to the net reversal of impairment loss on property, plant and equipment of S\$5.8 million in Q4 2013 while S\$0.7 million impairment loss was made in current quarter under review. However, the Group recorded increase in interest and investment income, rental income and government grant received by one of its subsidiaries in China in current quarter under review.

For the year ended 31 December 2014, other income decreased by S\$10.7 million or 51.1% from S\$21.0 million for the year ended 31 December 2013 to S\$10.3 million in the current year under review. The higher other income in the year ended 31 December 2013 was mainly due to the one-time gain of S\$6.7 million from disposal of non-current assets held for sale by a Malaysian subsidiary and the reversal of impairment loss of S\$5.6 million.

#### **Selling and administrative expenses**

The Group's selling and administrative expenses decreased by S\$3.8 million or 41.1% from S\$9.2 million in Q4 2013 to S\$5.4 million in Q4 2014. The decrease was mainly due to decrease in outwards freight cost in Q4 2014 and accruals of one-off incentive bonus for existing employees and settlement sum for an ex-employee in Q4 2013.

For year ended 31 December 2014, selling and administrative expenses decreased by S\$5.4 million or 17.1% from S\$31.7 million in last corresponding year to S\$26.3 million in the current year under review. The decrease in selling and administrative expenses mainly arose from decrease in outwards freight charges, which was in line with the decrease in revenue. The higher selling & administrative expenses in the year 2013 was also due to accruals of one-off incentive bonus for employees and settlement sum payable to an ex-employee.

### **Other operating expenses**

Other operating expenses increased by S\$0.5 million in current quarter under review mainly due to the S\$0.7 million net impairment loss of property, plant and equipment made during the quarter under review.

For the year ended 31 December 2014, other operating expenses increased by S\$0.7 million from S\$0.3 million in the last corresponding year to S\$1.0 million in the current year under review. The increase mainly arose from net impairment loss of property, plant and equipment of S\$0.5 million in current year under review.

### **Finance costs**

Finance costs increased in the year under review as compared to the last corresponding year was mainly due to the utilisation of banking facility for funding of working capitals for Chongqing subsidiary. However, the utilization of the bank facility had reduced in Q4 2014 as Chongqing's working capital improved.

### **Share of (loss)/profit of equity-accounted investee (net of tax)**

The Group recorded a share of loss of equity-accounted investee of S\$0.4 million in the current quarter under review as compared to a share of profit of equity-accounted investee of S\$0.1 million in the last corresponding quarter. The loss of the equity-accounted investee was mainly due to impairment of property, plant and equipment charged during the quarter under review.

For the year ended 31 December 2014, the share of loss of equity-accounted investee amounted to S\$0.4 million as compared to share of profit of S\$0.4 million in the last corresponding year. Other than the impairment of property, plant and equipment charged during the year, the decrease in profitability in equity-accounted investee was due to the slow down of its business activities including a new project which did not kick off as expected.

### **Profit before income tax**

The Group's profit before income tax increased by S\$3.3 million from S\$3.6 million in Q4 2013 to S\$6.9 million in Q4 2014. The higher profit before income tax in Q4 2014 was mainly attributed to significant improvement in gross profit as well as increase in foreign exchange gain by S\$2.1 million in Q4 2014 as compared to Q4 2013.

The Group recorded a profit before income tax of S\$13.4 million for the year ended 31 December 2014 as compared to S\$9.7 million for the last corresponding year, an increase of S\$3.7 million or 37.7%. This was mainly driven by higher gross profit and lower selling and administrative expenses. Included in year ended 31 December 2013 was a one-time gain of S\$6.7 million from disposal of non-current assets held for sale by a Malaysian subsidiary and reversal of impairment of property, plant and equipment of S\$5.6 million.

### **Income tax (expenses)/credit**

Income tax expense of S\$0.8 million in the current quarter and S\$2.2 million in the current year under review mainly arose from the profit-making China and Malaysian subsidiaries. Deferred tax assets of certain subsidiaries were reversed but the impact of it was offset by the recognition of deferred tax assets by a Malaysia subsidiary and the holding company arising from their unabsorbed losses and unutilised capital and enhanced allowances.

## **Balance Sheet**

### **Financial liabilities**

Financial liabilities decreased by S\$1.9 million or 57.6% from S\$3.3 million as at 31 December 2013 to S\$1.4 million as at 31 December 2014. The decrease in financial liabilities was mainly due to repayment of banking facility.

### **Short-term investments**

Short-term investments increased by S\$2.2 million or 56.4% from S\$3.9 million as at 31 December 2013 to S\$6.1 million as at 31 December 2014. The short-term investments refer to funds deposited with trust fund and money market funds for higher returns on deposits and tax-exemption benefit on the investment income.

### **Cash Flow**

The Group's cash and cash equivalents (excluding cash deposits pledged) stood at S\$79.9 million as at 31 December 2014, an increase of S\$10.8 million (including effects of exchange rates fluctuations on cash held) from cash and cash equivalents as at 31 December 2013. The increase in cash and cash equivalents was attributed to net cash generated from operating activities of S\$23.4 million, offset by the net cash used in investing activities which arose mainly from the purchase of property, plant and equipment of S\$14.5 million.

**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**

The industry in which the Group operates in has become more competitive and challenging not only with excess capacity, but price pressure from customers and rising operating costs. The strengthening of USD in the recent months has some positive impact to the Group. During the year 2014, the Group has managed to improve profit margin by better cost management and productivity improvement. Going forward, the Group will continue to improve operation efficiency and maximize resources to reduce the impact of rising operating costs and price reduction by customers.

**11. Dividend**

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

Any dividend recommended for the current financial period reported on?

No dividends have been recommended or declared in the fourth quarter ended 31 December 2014.



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

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

No dividends were recommended or declared for the same quarter of last year.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**12. 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 general mandate obtained from shareholders for IPTs.

There were no IPTs for the period ended 31 December 2014.

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

**13.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.**

**Geographical segments**

	Singapore		China		Malaysia		Total operations	
	2014 S\$'000	2013 S\$'000	2014 S\$'000	2013 S\$'000	2014 S\$'000	2013 S\$'000	2014 S\$'000	2013 S\$'000
<b>Revenue and expenses</b>								
Total external revenue	42,841	36,882	164,713	165,222	46,880	81,292	254,434	283,396
Inter-segment revenue	3,067	2,058	4,641	6,736	1,931	400	9,639	9,194
Profit before income tax *	4,430	(1,461)	18,544	6,736	6,742	2,777	29,716	8,052
Depreciation of property, plant and equipment, and investment property	(3,381)	(1,956)	(12,794)	(9,547)	(1,755)	(2,026)	(17,930)	(13,529)
Net (impairment)/reversal of property, plant and equipment	(721)	2,212	204	3,929	17	(525)	(500)	5,616
Gain on disposal of non-current assets held for sale	-	-	-	-	-	6,712	-	6,712
Foreign exchange gain	1,607	1,199	456	1,112	473	214	2,536	2,525
Share of (loss)/profit of equity-accounted investee (net of tax)	1,935	(6)	6,410	2,230	5,477	7,152	13,822	9,376
Profit before income tax					(405)	368	(405)	368
Income tax expense							13,417	9,744
Net profit for the year							(2,179)	(1,001)
							11,238	8,743
<b>Other segment information</b>								
Segment non-current assets	15,898	18,383	30,954	41,454	27,733	20,760	74,585	80,597
Unallocated assets							1,280	2,216
Total non-current assets							75,865	82,813
Capital expenditure	1,846	1,189	2,638	5,066	10,277	984	14,761	7,239
Interest income	59	21	279	150	1,014	561	1,352	732
Finance cost	(7)	(7)	(145)	(50)	(1)	(2)	(153)	(59)

\* Excluding the effect of share of (loss)/profit of equity-accounted investee, foreign exchange gain (net), depreciation and net (impairment)/reversal of property, plant and equipment and gain on disposal of non-current assets held for sale.

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

**Singapore**

Singapore segment's revenue increased by S\$5.9 million or 16.0% from S\$36.9 million in the last corresponding year to S\$42.8 million in the current year. The increase was mainly due to increase in demand for tooling business, medical and green products in this segment. Singapore segment contributed 16.8% to the Group's 2014 revenue.

Segment profit increased by S\$1.9 million as compared to a small loss in the last corresponding year. This was attributed to increase in sale of better margin products, improvement in operational efficiency and better cost management. However, the increase in profit was partly offset by the increase in depreciation charge during the year under review as a result of the reversal of impairment loss on property, plant and equipment of S\$2.2 million at end of year 2013. The loss in the year 2013 was mainly due to the accruals for one-off incentive bonus for existing employees and a settlement sum for an ex-employee.

**China**

China segment saw a marginal revenue decrease of S\$0.5 million or 0.3% from S\$165.2 million in the last corresponding year to S\$164.7 million in the current year. China segment contributed 64.7% to the Group's 2014 revenue.

Segment profit increased by S\$4.2 million from S\$2.2 million in the last corresponding year to S\$6.4 million in the current year under review. The improvement was mainly due to the new Chongqing subsidiary that started production in Q2 2013 had improved its operational efficiency and became profitable coupled with better costs management across the China subsidiaries. As with Singapore segment, China's segment profit was also partly affected by the increase in depreciation charge as a result of the reversal of impairment loss on property, plant and equipment of S\$3.9 million at end of year 2013.

**Malaysia**

Malaysia segment recorded a significant revenue decrease of S\$34.4 million or 42.3% from S\$81.3 million in the last corresponding year to S\$46.9 million in the current year due mainly to reduction in orders from contract manufacturing business which was of lower margin. Malaysia segment contributed 18.4% to the Group's 2014 revenue.

Segment result decreased by S\$1.7 million from S\$7.2 million in the last corresponding year to S\$5.5 million in the current year under review. Excluding the one-time gain on disposal of non-current assets held for sale of S\$6.7 million, Malaysia segment recorded segment profit of S\$0.5 million for the year 2013 as compared to S\$5.5 million in the current year under review.

The improvement in performance of Malaysia segment was largely attributed to improvement in production efficiency, better costs management by right-sizing its operations, focus on higher margin projects and reduce in low margin projects. Following the right-sizing exercise, overheads costs such as rental expenses, depreciation and labour costs decreased.

15. **A breakdown of sales as follows:-**

Group	Year Ended 31-Dec		Change %
	2014 S\$'000 (unaudited)	2013 S\$'000 (unaudited)	
Sales reported for the first half year	122,403	137,135	(10.7)
Profit after tax before deducting non-controlling interests reported for the first half year	695	5,943	(88.3)
Sales reported for the second half year	132,031	146,261	(9.7)
Profit after tax before deducting non-controlling interests reported for the second half year	10,543	2,800	NM

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

Not applicable.

17. **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.**

Pursuant to Rule 704(13) of the listing manual of the Singapore Exchange Securities Trading, the Company confirms that there is no person occupying a managerial position in the Company or any of its subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

**BY ORDER OF THE BOARD**

Low Siew Tian  
Company Secretary  
Singapore, 27 February 2015