



**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 2013**

**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 2013.

GROUP	Quarter Ended 31-Dec			Year Ended 31-Dec		
	2013	2012	Change %	2013	2012	Change %
	S\$'000 (unaudited)	S\$'000 (unaudited)		S\$'000 (unaudited)	S\$'000 (audited)	
Revenue	65,760	67,230	(2.2)	283,396	313,166	(9.5)
Cost of sales	(60,665)	(59,261)	2.4	(262,933)	(285,819)	(8.0)
<b>Gross profit</b>	<b>5,095</b>	<b>7,969</b>	<b>(36.1)</b>	<b>20,463</b>	<b>27,347</b>	<b>(25.2)</b>
Other income	7,689	2,040	NM	21,009	5,971	NM
Selling and administrative expenses	(9,179)	(8,166)	12.4	(31,748)	(33,097)	(4.1)
Other operating expenses	(38)	(450)	(91.6)	(289)	(7,388)	(96.1)
Finance costs	(42)	(30)	40.0	(59)	(239)	(75.3)
Share of profit of associate (net of tax)	85	676	(87.4)	368	1,137	(67.6)
<b>Profit/(loss) before income tax</b>	<b>3,610</b>	<b>2,039</b>	<b>77.1</b>	<b>9,744</b>	<b>(6,269)</b>	<b>NM</b>
Income tax credit/(expense)	790	(1,059)	NM	(1,001)	(718)	39.4
<b>Profit/(loss) for the period/year</b>	<b>4,400</b>	<b>980</b>	<b>NM</b>	<b>8,743</b>	<b>(6,987)</b>	<b>NM</b>
<b>Attributable to:</b>						
Owners of the Company	4,020	1,448	NM	6,640	(4,353)	NM
Non-controlling interests	380	(468)	NM	2,103	(2,634)	NM
<b>Profit/(loss) for the period/year</b>	<b>4,400</b>	<b>980</b>	<b>Nm</b>	<b>8,743</b>	<b>(6,987)</b>	<b>NM</b>
<b>Earnings/(loss) per share</b>						
- basic earnings/(loss) per share (cents)	0.55	0.20	NM	0.91	(0.59)	NM
- diluted earnings/(loss) per share (cents)	0.55	0.20	NM	0.91	(0.59)	NM
N.M denotes Not Meaningful						

**Consolidated Statement of Comprehensive Income**

GROUP	Quarter Ended 31-Dec		Change %	Year Ended 31-Dec		Change %
	2013 S\$'000 (unaudited)	2012 S\$'000 (unaudited)		2013 S\$'000 (unaudited)	2012 S\$'000 (audited)	
<b>Profit/(loss) for the period/year</b>	<b>4,400</b>	<b>980</b>	<b>NM</b>	<b>8,743</b>	<b>(6,987)</b>	<b>NM</b>
<b>Other comprehensive income Items there are or may be reclassified subsequently to profit and loss:</b>						
Foreign currency translation differences for foreign operations	668	(258)	NM	(141)	(4,243)	NM
<b>Total comprehensive income for the period/year</b>	<b>5,068</b>	<b>722</b>	<b>NM</b>	<b>8,602</b>	<b>(11,230)</b>	<b>NM</b>
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	4,685	1,206	NM	7,194	(8,087)	NM
Non-controlling interests	383	(484)	NM	1,408	(3,143)	NM
<b>Total comprehensive income for the period/year</b>	<b>5,068</b>	<b>722</b>	<b>NM</b>	<b>8,602</b>	<b>(11,230)</b>	<b>NM</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 %
	2013 S\$'000 (unaudited)	2012 S\$'000 (unaudited)		2013 S\$'000 (unaudited)	2012 S\$'000 (audited)	
Profit/(loss) before income tax is arrived at after charging/(crediting) the following:						
Interest and investment income	(278)	(142)	95.8	(732)	(497)	47.3
(Gain)/loss on disposal of property, plant and equipment	(89)	(130)	(31.5)	(1,008)	9	NM
Loss/(gain) on disposal of non-current asset held for sale	23	-	NM	(6,712)	-	NM
Foreign exchange (gain)/loss, net	(570)	190	NM	(2,525)	4,283	NM
Property, plant and equipment written off	168	55	NM	264	110	NM
Allowance made for/(write-back) doubtful trade and other receivables	36	(578)	NM	24	(548)	NM
Net (reversal of impairment)/impairment on property, plant and equipment	(5,771)	235	NM	(5,616)	2,986	NM
Depreciation and amortisation	3,338	3,540	(5.7)	13,529	15,666	(13.6)
(Write-back)/Allowance made for inventory obsolescence and inventories written off	(25)	(110)	(77.3)	504	(133)	NM
Adjustments for under/(over) provision for tax in respects of the prior years						
- Income tax	1	161	(99.4)	294	(1,471)	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-13 S\$'000 (unaudited)	As at 31-Dec-12 S\$'000 (audited)	As at 31-Dec-13 S\$'000 (unaudited)	As at 31-Dec-12 S\$'000 (audited)
<b>Non-current assets</b>				
Property, plant and equipment	67,508	70,584	13,014	13,374
Investment property	9,025	9,563	-	-
Deferred tax assets	2,216	1,170	-	-
Subsidiaries	-	-	43,979	45,623
Associate	4,064	4,326	-	-
	82,813	85,643	56,993	58,997
<b>Current assets</b>				
Inventories	18,567	24,958	2,344	2,571
Trade and other receivables	78,194	82,754	10,502	7,057
Tax recoverable	148	1,911	-	-
Amount due from subsidiary companies	-	-	36,480	39,208
Cash and cash equivalents	77,070	49,080	11,472	6,600
	173,979	158,703	60,798	55,436
<b>Total assets</b>	<b>256,792</b>	<b>244,346</b>	<b>117,791</b>	<b>114,433</b>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	119,362	119,272	119,362	119,272
Reserves	43,771	36,577	(13,470)	(14,135)
	163,133	155,849	105,892	105,137
Non-controlling interests	19,368	17,960	-	-
<b>Total equity</b>	<b>182,501</b>	<b>173,809</b>	<b>105,892</b>	<b>105,137</b>
<b>Non-current liabilities</b>				
Other payables	563	-	563	-
Deferred tax liabilities	1,115	1,066	809	734
Financial liabilities	85	138	69	107
	1,763	1,204	1,441	841
<b>Current liabilities</b>				
Financial liabilities	3,240	1,050	38	1,037
Trade and other payables	68,151	66,735	8,053	5,610
Amount due from subsidiary companies	-	-	2,367	1,808
Tax payable	1,137	1,548	-	-
	72,528	69,333	10,458	8,455
<b>Total liabilities</b>	<b>74,291</b>	<b>70,537</b>	<b>11,899</b>	<b>9,296</b>
<b>Total equity and liabilities</b>	<b>256,792</b>	<b>244,346</b>	<b>117,791</b>	<b>114,433</b>

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

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

<b>GROUP</b>	<b>31 Dec 2013 S\$'000 (unaudited)</b>	<b>31 Dec 2012 S\$'000 (audited)</b>
Secured bank loans	3,188	1,000
Finance lease liabilities	52	50
	<u>3,240</u>	<u>1,050</u>

**Amount repayable after one year**

<b>GROUP</b>	<b>31 Dec 2013 S\$'000 (unaudited)</b>	<b>31 Dec 2012 S\$'000 (audited)</b>
Finance lease liabilities	<u>85</u>	<u>138</u>

**Details of any collateral**

The secured bank loans are secured by:

- (i) Mortgages over the Company's Singapore properties; and
- (ii) Pledge over 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		Year Ended	
	31-Dec		31-Dec	
	2013	2012	2013	2012
	S\$'000	S\$'000	S\$'000	S\$'000
	(unaudited)	(unaudited)	(unaudited)	(audited)
<b>Cash flows from operating activities</b>				
Profit/(loss) before income tax	3,610	2,039	9,744	(6,269)
<b>Adjustments for:</b>				
Depreciation of property, plant and equipment and investment property	3,338	3,540	13,529	15,666
Finance costs	42	30	59	239
Interest income	(278)	(142)	(732)	(497)
(Gain)/ Loss on disposal of property, plant and equipment	(89)	(130)	(1,008)	9
Net (reversal of)/impairment loss on property, plant and machinery	(5,771)	235	(5,616)	2,986
Loss/(gain) on disposal of non-current assets classified as held for sale	23	-	(6,712)	-
Property, plant and equipment written off	168	55	264	110
Share of profit of associate (net of tax)	(85)	(676)	(368)	(1,137)
Unrealised foreign exchange (gain)/loss	(781)	(679)	(3,108)	2,146
	<u>(3,433)</u>	<u>2,233</u>	<u>(3,692)</u>	<u>19,522</u>
	177	4,272	6,052	13,253
<b>Changes in working capital:</b>				
Inventories	3,982	1,812	6,879	2,323
Trade and other receivables	14,777	4,588	7,758	4,093
Trade and other payables	(6,377)	(6,414)	276	(13,379)
Cash from operations activities	<u>12,559</u>	<u>4,258</u>	<u>20,965</u>	<u>6,290</u>
Tax paid	(228)	(859)	(662)	(2,473)
<b>Net cash from operating activities</b>	<b>12,331</b>	<b>3,399</b>	<b>20,303</b>	<b>3,817</b>
<b>Cash flows from investing activities</b>				
Dividends from associate	(5)	(11)	481	486
Interest income received	278	142	732	497
Proceeds from disposal of property, plant and equipment	172	269	1,292	418
Purchase of property, plant and equipment	(3,033)	(2,315)	(7,990)	(5,350)
Proceeds from sale of assets classified as held for sale	918	-	11,066	-
<b>Net cash (used in)/from investing activities</b>	<b>(1,670)</b>	<b>(1,915)</b>	<b>5,581</b>	<b>(3,949)</b>
<b>Cash flows from financing activities</b>				
Finance costs paid	(42)	(30)	(59)	(239)
Proceeds from issue of share capital	90	-	90	-
Proceeds from short term borrowings	3,075	176	7,045	8,814
Repayment of short term borrowings and financial lease liabilities	(3,747)	(632)	(4,985)	(10,148)
Deposit pledged	-	-	(1,146)	-
<b>Net cash (used in)/from financing activities</b>	<b>(624)</b>	<b>(486)</b>	<b>945</b>	<b>(1,573)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>10,037</b>	<b>998</b>	<b>26,829</b>	<b>(1,705)</b>
Cash and cash equivalents at beginning of financial period/year	62,892	44,993	46,067	49,438
Effects of exchange rate fluctuations on cash held	67	76	100	(1,666)
<b>Cash and cash equivalents at end of financial period/year</b>	<b>72,996</b>	<b>46,067</b>	<b>72,996</b>	<b>46,067</b>

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

Group	As at 31 Dec	
	2013 S\$'000	2012 S\$'000
Cash at bank and in hand	36,327	35,020
Deposits with banks	36,862	10,538
Short-term investments	3,881	3,522
Cash and cash equivalents	77,070	49,080
Deposits pledged	(4,074)	(3,013)
Cash and cash equivalents in the consolidated statement of cash flow	<b>72,996</b>	<b>46,067</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 - 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 options reserve S\$'000	Retained earnings S\$'000	Total attributable to equity holders of the Company S\$'000		
At 1 Oct 13	119,272	140	9,772	789	(7,199)	1,627	33,957	158,358	18,985	177,343
Other comprehensive income for the quarter										
Foreign currencies translation differences	-	-	-	-	665	-	-	665	3	668
Profit for the quarter	-	-	-	-	-	-	4,020	4,020	380	4,400
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 13</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>

Group - 2012	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 options reserve S\$'000	Retained earnings S\$'000	Total attributable to equity holders of the Company S\$'000		
At 1 Oct 12	119,272	140	9,244	789	(6,846)	1,627	30,417	154,643	18,444	173,087
Other comprehensive income for the quarter										
Foreign currencies translation differences	-	-	-	-	(242)	-	-	(242)	(16)	(258)
Profit/(loss) for the quarter	-	-	-	-	-	-	1,448	1,448	(468)	980
Total comprehensive income for the quarter	-	-	-	-	(242)	-	1,448	1,206	(484)	722
Transfer to statutory reserve	-	-	528	-	-	-	(528)	-	-	-
<b>At 31 Dec 12</b>	<b>119,272</b>	<b>140</b>	<b>9,772</b>	<b>789</b>	<b>(7,088)</b>	<b>1,627</b>	<b>31,337</b>	<b>155,849</b>	<b>17,960</b>	<b>173,809</b>



For the Year Ended (Group)

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 13	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 13</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>

Group - 2012	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 12	119,272	140	9,244	789	(3,354)	1,627	36,218	163,936	21,103	185,039
Other comprehensive income for the year	-	-	-	-	(3,734)	-	-	(3,734)	(509)	(4,243)
- Foreign currencies translation differences	-	-	-	-	-	-	(4,353)	(4,353)	(2,634)	(6,987)
Loss for the year	-	-	-	-	(3,734)	-	(4,353)	(8,087)	(3,143)	(11,230)
Total comprehensive income for the year	-	-	528	-	-	-	(528)	-	-	-
Transfers to statutory reserve	-	-	-	-	-	-	-	-	-	-
<b>At 31 Dec 12</b>	<b>119,272</b>	<b>140</b>	<b>9,772</b>	<b>789</b>	<b>(7,088)</b>	<b>1,627</b>	<b>31,337</b>	<b>155,849</b>	<b>17,960</b>	<b>173,809</b>

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

<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 13	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 13</b>	<b>119,362</b>	<b>789</b>	<b>1,153</b>	<b>(15,412)</b>	<b>105,892</b>

<b>Company - 2012</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 12	119,272	789	1,153	(11,452)	109,762
Loss for the quarter	-	-	-	(4,625)	(4,625)
Total comprehensive income for the quarter	-	-	-	(4,625)	(4,625)
<b>At 31 Dec 12</b>	<b>119,272</b>	<b>789</b>	<b>1,153</b>	<b>(16,077)</b>	<b>105,137</b>

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

<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 13	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 13</b>	<b>119,362</b>	<b>789</b>	<b>1,153</b>	<b>(15,412)</b>	<b>105,892</b>

<b>Company - 2012</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 12	119,272	789	1,153	(7,393)	113,821
Loss for the year	-	-	-	(8,684)	(8,684)
Total comprehensive income for the year	-	-	-	(8,684)	(8,684)
<b>At 31 Dec 12</b>	<b>119,272</b>	<b>789</b>	<b>1,153</b>	<b>(16,077)</b>	<b>105,137</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	
	2013	2012	2013	2012
	('000)	('000)	('000)	('000)
	(unaudited)	(audited)	(unaudited)	(audited)
As at 1 Jan	53,040	54,190	731,835	731,835
Exercised during the year	(1,000)	-	1,000	-
Forfeited during the year	(17,300)	(1,150)	-	-
As at 31 Dec	34,740	53,040	732,835	731,835

- 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 2013 was 732,834,775 (31 December 2012: 731,834,775).

- 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 year as compared with the audited financial statements for the year ended 31 December 2012.

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 2013. These are assessed to have no material impact to the Group's financial statements.

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	
	2013 (unaudited)	2012 (unaudited)	2013 (unaudited)	2012 (audited)
<i>Earnings/(loss) per share</i>				
- basic (cents)	0.55	0.20	0.91	(0.59)
- diluted (cents)	0.55	0.20	0.91	(0.59)

Earnings/(loss) per ordinary share on existing issued share capital is computed based on the weighted average number of shares in issue during the year of 731,867,652 (2012: 731,834,775).

There is no difference between the basic and diluted earnings per share as the Company has no potential dilutive securities as at 31 December 2013 and 31 December 2012.

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 13 (unaudited)	31 Dec 12 (audited)	31 Dec 13 (unaudited)	31 Dec 12 (audited)
Net asset value (S\$'000)	163,133	155,849	105,892	105,137
Issued capital at the end of the period ('000)	732,835	731,835	732,835	731,835
Net asset value per Ordinary Share (cents)	22.26	21.30	14.45	14.37

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 decreased by S\$1.4 million or 2.2% from S\$67.2 million in Q4 2012 to S\$65.8 million in the current quarter under review. The decrease in revenue came from Malaysia segments, partially offset by the increase in revenue in China and Singapore segment.

For the year ended 2013, the Group's revenue decreased by S\$29.8 million or 9.5% from S\$313.2 million in the last corresponding year to S\$283.4 million in the current year under review.

The decrease in revenue for the year ended 2013 and the current quarter under review was mainly due to the decrease in revenue in Malaysia segment caused by the change of procurement strategy of a major customer. The major customer provided the Malaysia entity with contract manufacturing business which resulted in high revenue for the year 2012, as the final products produced consisted of high value components purchased from third parties.

#### **Profitability**

##### **Cost of sales and gross profit**

Cost of sales increased by S\$1.4 million or 2.4% from S\$59.3 million in Q4 2012 to S\$60.7 million in the current quarter under review. The lower cost of sales in Q4 2012 was mainly due to write back of accrued staff welfare no longer required.

Gross profit decreased by S\$2.9 million or 36.1% from S\$8.0 million in Q4 2012 to S\$5.1 million in the current quarter under review. Gross profit margin was 7.7% and 11.9% for Q4 2013 and Q4 2012 respectively.

Other than the impact from write back of accrued staff welfare in Q4 2012, the deterioration in gross profit margins in Q4 2013 was also due to decrease in profit margin in China segment and the new Chongqing subsidiary that started mass production in Q2 2013 has yet to achieve its operational efficiency.

For the year ended 2013, cost of sales decreased by S\$22.9 million or 8.0% from S\$285.8 million in last corresponding year to S\$262.9 million in the current year under review. Gross profit decreased by S\$6.8 million or 25.2% from S\$27.3 million in last corresponding year to S\$20.5 million in the current period under review. Gross profit margin was 7.2% for current year under review as compared to 8.7% in last corresponding year.

Gross profit margins deteriorated mainly due to decrease in revenue, decrease in profit margin in China segment and the new Chongqing subsidiary that started mass production in Q2 2013 has yet to achieve its operational efficiency in the first six months of its operations. The decrease in profit margin was partially offset by the decrease in depreciation charge resulted from provision for impairment loss on property, plant and equipment made in year 2012.

#### **Other income**

The Group's other income increased by S\$5.7 million from S\$2.0 million in Q4 2012 to S\$7.7 million in the current quarter under review. 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 the current quarter under review as compared S\$0.2 million impairment made in last corresponding quarter.

For the year ended 2013, other income increased by S\$15.0 million from other income of S\$6.0 million in last corresponding year to S\$21.0 million in the current year under review. The increase in other income was mainly contributed by (i) gain of S\$6.7 million on the disposal of non-current assets held for sale by a Malaysian subsidiary (ii) the net reversal of impairment loss on property, plant and equipment of S\$5.6 million and (iii) foreign exchange gain of S\$2.5 million in current year under review as compared to a foreign exchange loss of S\$4.3 million (classified under operating expenses) in last corresponding year under review.

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

Selling and administrative expenses increased by S\$1.0 million or 12.4% from S\$8.2 million in Q4 2012 to S\$9.2 million in the current quarter under review. The increase was mainly due to accruals for incentive bonus for existing employees and settlement sum for an ex-employee during the last quarter of the year.

For year ended 2013, selling and administrative expenses decreased by S\$1.4 million or 4.1% from S\$33.1 million in last corresponding year to S\$31.7 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.

#### **Other operating expenses**

Other operating expenses decreased by S\$0.5 million in Q4 2013 as compared to S\$0.5 million in Q4 2012.

For the year ended 2013, other operating expenses decreased by S\$7.1 million from S\$7.4 million in last corresponding year to S\$0.3 million in the current year under review. The decrease in other operating expense was mainly due to decrease in net impairment of property, plant and impairment made of S\$3.0 million in last corresponding year as compared to a reversal of impairment on property, plant and equipment of S\$5.6 million (classified under other income) in current year under review. In addition, the decrease partially arose from foreign exchange loss of S\$4.3 million in last corresponding year as compared to S\$2.5 million foreign exchange gain (classified under other income) in current year under review.

#### **Finance costs**

Finance costs decreased by 75.3% in the current year under review as compared to the last corresponding year as all bank borrowings as at 31 December 2012 were repaid

during Q1 2013. The existing financial liabilities was drawdown only in September 2013, hence there is no significant impact on finance cost for the year ended 2013.

#### **Profit/ (loss) before income tax**

The Group's profit before income tax increased by S\$1.6 million or 77.1% from S\$2.0 million in Q4 2012 to S\$3.6 million in the current quarter under review. This was mainly contributed by the net reversal of impairment loss on property, plant and equipment of S\$5.8 million as explained above, and partially offset by the decrease in gross profit in the current quarter under review.

For the year ended 2013, the Group recorded a profit before income tax of S\$9.7 million as opposed to loss before income tax of S\$6.3 million in the last corresponding year. The improvement in profit before income tax was attributable to (i) the gain of S\$6.7 million on disposal of non-current assets held for sale by a Malaysian subsidiary; (ii) net reversal of impairment loss of property, plant and equipment of S\$5.6 million in current year under review as compared to impairment loss on property, plant and equipment of S\$3.0 million in the last corresponding year and (iii) a foreign exchange gain of S\$2.5 million, as compared to an exchange loss of S\$4.3 million in last corresponding year.

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

Income tax credit of S\$0.8 million in the current quarter under review arose mainly from the recognition of deferred tax assets for unabsorbed losses and unutilized capital allowance and was partially offset by the income tax expenses arose from the profit making China and Malaysia subsidiaries.

The income tax expense of S\$1.0 million in the current year under review mainly arose from the profit-making China and Malaysian subsidiaries and offset against the recognition of deferred tax assets for unabsorbed losses and unutilised capital allowance.

#### **Cash Flow**

The Group's cash and cash equivalents (excluding cash deposits pledged) stood at S\$73.0 million as at 31 December 2013, an increase of S\$26.8 million from cash and cash equivalents as at 31 December 2012. The increase in cash and cash equivalents mainly arose from the proceeds from disposal of non-current assets held for sale by a Malaysian subsidiary amounted to S\$11.1 million, the net cash inflows from operating activities of S\$20.3 million as a result of improvement in changes in working capital and net cash inflows from short term borrowing and financial liabilities of S\$2.1 million. The net increase in short-term borrowings was mainly for working capital purpose of the new Chongqing subsidiary.

#### **Balance Sheet**

##### **Inventories**

Inventories decreased by S\$6.4 million or 25.6% from S\$25.0 million as at 31 December 2012 to S\$18.6 million as at 31 December 2013. The decrease is in line with the decrease in revenue of the Group for the year ended 2013.

##### **Financial liabilities**

Financial liabilities increased by S\$2.1 million from S\$1.2 million as at 31 December 2012 to S\$3.3 million as at 31 December 2013. The increase in financial liabilities was mainly due to the utilisation of banking facility for funding of working capitals for Chongqing subsidiary.

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

- 9.1 In paragraph 10 of the Company's FY2012 financial results announcement on 1 March 2013 ("FY2012 Results"), the Company has previously stated, inter alia, that "With the major subsidiary in Malaysia reducing its low value-added contract manufacturing service, the top line for the Group is expected to decrease in the next reporting period and the next 12 months.

The Group's revenue for FY2013 closed at S\$283.4 million, a decrease of S\$29.8 million or 9.5% from FY2012 of S\$313.2 million. There is no variance between the actual results and the prospect statement made.

- 9.2 In paragraph 10 of the Company's Q1 FY2013 financial results announcement on 14 May 2013 ("Q1 FY2013 results"), the Company mentioned that the "Proposed Disposal of some of the assets of Classic Advantage Sdn Bhd ("CASB"), a major subsidiary of the Company, if completed, coupled with the pending execution of the sub-tenancy agreement to sub-let a large part of the factory to the purchaser is expected to improve the performance of Malaysia segment as a whole.

The Proposed Disposal was completed on 20 June 2013. The sub-tenancy agreement was signed on 19 June 2013. The Malaysia segment recorded a profit before tax of S\$7.2 million for FY2013 as compared to loss before tax of S\$11.4 million in FY2012. There is no variance between the actual results and the prospect statement made.

**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 with excess capacity in the industry. Price pressure from customers, rising operating costs especially the labour costs in China and Malaysia segments, and the movement in USD Dollars remain the key challenges that the Group faces. The Group will continue to focus on improving operation efficiency and maximizing resources to reduce the impact of rising operating costs.

**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 2013.

**(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 2013.

**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	
	2013 S\$'000	2012 S\$'000	2013 S\$'000	2012 S\$'000	2013 S\$'000	2012 S\$'000	2013 S\$'000	2012 S\$'000
<b>Revenue and expenses</b>								
Total external revenue	36,882	35,028	165,222	162,376	81,292	115,762	283,396	313,166
Inter-segment revenue	2,058	1,814	6,736	10,416	400	276	9,194	12,506
(Loss)/profit before tax *	(1,461)	1,153	6,736	18,135	2,777	(3,759)	8,052	15,529
Depreciation of property, plant and equipment, investment property and amortisation of prepaid land lease	(1,956)	(1,791)	(9,547)	(9,913)	(2,026)	(3,962)	(13,529)	(15,666)
Net reversal/(impairment) of property, plant and equipment	2,212	142	3,929	182	(525)	(3,310)	5,616	(2,986)
Gain on disposal of non-current assets held for sale	-	-	-	-	6,712	-	6,712	-
Foreign exchange (loss)/gain (net)	1,199	(2,174)	1,112	(1,771)	214	(338)	2,525	(4,283)
	(6)	(2,670)	2,230	6,633	7,152	(11,369)	9,376	(7,406)
Share of results of associate							368	1,137
Profit/(loss) before income tax							9,744	(6,269)
Income tax expense							(1,001)	(718)
Net profit/(loss) for the year							8,743	(6,987)
<b>Other segment information</b>								
Segment non-current assets	18,383	17,040	41,454	39,531	20,760	27,902	80,597	84,473
Unallocated assets							2,216	1,170
Total non-current assets							82,813	85,643
Capital expenditure	1,189	2,845	5,066	861	984	2,566	7,239	6,272
Interest income	21	5	150	173	561	319	732	497
Finance cost	(7)	(34)	(50)	(203)	(2)	(2)	(59)	(239)

\* Excluding the effect of share of profit of associate, foreign exchange (loss)/gain (net), depreciation and net reversal of impairment/impairment 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\$1.9 million or 5.4% from S\$35.0 million in the last corresponding year to S\$36.9 million in the current year. The increase was mainly due to increase in demand for tooling business in this segment. Singapore segment contributed 13.0% to the Group's 2013 revenue.

Segment loss decreased by S\$2.7 million as compared to last corresponding year. The decrease in losses was mainly due to foreign exchange gain of S\$1.2 million recorded in the current year as opposed to a foreign exchange loss of S\$2.2 million recorded in the previous corresponding year and the net reversal of impairment loss on property, plant and equipment of S\$2.2 million. Excluding the exchange gain and net reversal of impairment loss on property, plant and equipment, Singapore segment recorded segment loss of S\$3.4 million as compared to segment loss of S\$0.6 million in the last corresponding year. The increase in loss was mainly due to the accruals for incentive bonus for existing employees and settlement sum for an ex-employee during the last quarter of the year.

**China**

China segment saw a marginal revenue increase of S\$2.8 million or 1.7% from S\$162.4 million in the last corresponding year to S\$165.2 million in the current year. China segment contributed 58.3% to the Group's 2013 revenue.

Segment profit reduced by S\$4.4 million from S\$6.6 million in the last corresponding year to S\$2.2 million in the current year under review. The decrease in profitability was mainly due to the deterioration in gross profit margin and the new Chongqing subsidiary is yet to operate at its optimal efficiency. The decrease in profit was moderated by the net reversal of impairment loss on property, plant and equipment of S\$3.9 million and exchange gain of S\$1.1 million.

**Malaysia**

Malaysia segment recorded a significant revenue decrease of S\$34.5 million or 29.8% from S\$115.8 million in the last corresponding year to S\$81.3 million in the current year. The decrease in revenue was caused by the change of procurement strategy of a major customer. Malaysia segment contributed 28.7% to the Group's 2013 revenue.

Segment result improved by S\$18.6 million from a segment loss of S\$11.4 million in the last corresponding year to a segment profit of S\$7.2 million in the current year. The improvement in performance of Malaysia segment was mainly due to the gain of S\$6.7 million from disposal of non-current assets held for sale, decrease in provision for impairment loss on property, plant and equipment by S\$2.8 million, decrease in low margin projects and decrease in rental expenses.

15. A breakdown of sales as follows:-

Group	Year Ended 31-Dec		Change %
	2013	2012	
	S\$'000 (unaudited)	S\$'000 (unaudited)	
Sales reported for the first half year	137,135	169,692	(19.2)
Profit/(loss) after tax before deducting minority interests reported for the first half year	5,943	(7,219)	NM
Sales reported for the second half year	146,261	143,474	1.9
Profit after tax before deducting minority interests reported for the second half year	2,800	232	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, 25 February 2014