



**FEDERAL INTERNATIONAL (2000) LTD  
(Incorporated in the Republic of Singapore)  
(Registration No. 199907113K)**

**Unaudited Results For The Fourth Quarter and  
Twelve Months Ended 31 December 2019**

28 February 2020

This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Readers are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

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Incorporated in the Republic of Singapore  
Company Registration No. 199907113K

## Unaudited Results For The Fourth Quarter And Twelve Months Ended 31 December 2019

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

1(a) A statement of consolidated comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

#### UNAUDITED RESULTS FOR THE FOURTH QUARTER ("4Q2019") AND PERIOD ENDED 31 DEC 2019

		Group			Group		
		3 Months Ended		Changes	12 Months Ended		Changes
		31.12.19	31.12.18		31.12.19	31.12.18	
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>INCOME STATEMENT</b>							
Revenue		24,758	12,350	100.5	62,599	43,235	44.8
Cost of sales		(19,483)	(9,681)	101.2	(48,543)	(33,009)	47.1
<b>Gross profit</b>		<b>5,275</b>	<b>2,669</b>	<b>97.6</b>	<b>14,056</b>	<b>10,226</b>	<b>37.5</b>
<b>Gross profit margin</b>		<b>21.3%</b>	<b>21.6%</b>		<b>22.5%</b>	<b>23.7%</b>	
Other income	(i)	663	479	38.4	2,681	2,669	0.4
Selling and distribution costs		(1,822)	(1,343)	35.7	(5,222)	(5,019)	4.0
Administrative and general costs		(2,608)	(3,732)	(30.1)	(10,381)	(11,806)	(12.1)
Other operating expenses	(ii)	(4,662)	(903)	N.M.	(1,789)	(2,512)	(28.8)
Finance costs	(iii)	(369)	(288)	28.1	(1,360)	(1,148)	18.5
Share of results of associates and joint venture		354	(126)	N.M.	857	986	(13.1)
<b>Loss before tax</b>	(iv)	<b>(3,169)</b>	<b>(3,244)</b>	<b>(2.3)</b>	<b>(1,158)</b>	<b>(6,604)</b>	<b>(82.5)</b>
Income tax credit		74	93	(20.4)	3,565	103	N.M.
<b>(Loss) / profit for the period / year</b>		<b>(3,095)</b>	<b>(3,151)</b>	<b>(1.8)</b>	<b>2,407</b>	<b>(6,501)</b>	<b>(137.0)</b>
<b>Attributable to:</b>							
Owners of the Company		(3,547)	(2,974)	19.3	2,384	(5,802)	(141.1)
Non-controlling interests		452	(177)	N.M.	23	(699)	(103.3)
		<b>(3,095)</b>	<b>(3,151)</b>	<b>(1.8)</b>	<b>2,407</b>	<b>(6,501)</b>	<b>(137.0)</b>

N.M. – Not Meaningful

	Group			Group		
	3 Months Ended		Changes	12 Months Ended		Changes
	31.12.19	31.12.18		31.12.19	31.12.18	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>STATEMENT OF COMPREHENSIVE INCOME</b>						
(Loss) / profit net of tax	(3,095)	(3,151)	(1.8)	2,407	(6,501)	(137.0)
<b>Other comprehensive income:</b>						
<b>Items that will not be reclassified subsequently to profit or loss</b>						
Net surplus on revaluation of freehold / leasehold land and buildings	285	1,051	(72.9)	519	709	(26.8)
Net change in fair value – equity investments at FVOCI	(157)	–	N.M.	(157)	–	N.M.
<b>Items that are or may be reclassified subsequently to profit or loss</b>						
Foreign currency translation	(587)	65	N.M.	(74)	451	(116.4)
Share of other comprehensive income/(loss) of associates and joint venture	(189)	37	N.M.	(68)	159	(142.8)
Foreign currency translation on loss of control or disposal of associates reclassified to profit and loss	–	–	N.M.	(5)	697	(100.7)
<b>Other comprehensive (loss) / income for the period/year, net of tax</b>	<b>(648)</b>	<b>1,153</b>	<b>(156.2)</b>	<b>215</b>	<b>2,016</b>	<b>(89.3)</b>
<b>Total comprehensive (loss) / income for the period/year</b>	<b>(3,743)</b>	<b>(1,998)</b>	<b>87.3</b>	<b>2,622</b>	<b>(4,485)</b>	<b>(158.5)</b>
<b>Total comprehensive (loss) / income attributable to:</b>						
Owners of the Company	(4,080)	(1,815)	124.8	2,602	(3,981)	(165.4)
Non-controlling interests	337	(183)	N.M.	20	(504)	(104.0)
	<b>(3,743)</b>	<b>(1,998)</b>	<b>87.3</b>	<b>2,622</b>	<b>(4,485)</b>	<b>(158.5)</b>

**N.M. – Not Meaningful**

**Notes:**

1(a)(i) Other income includes the following:

	3 Months Ended		12 Months Ended	
	31.12.19	31.12.18	31.12.19	31.12.18
	S\$'000	S\$'000	S\$'000	S\$'000
Change in fair value of investment properties	243	–	243	–
Fee from litigation funding agreement	–	–	–	300
Foreign currency exchange gain	–	176	258	–
Gain on disposal of a subsidiary	–	–	3	–
Gain on disposal of property, plant and equipment	–	–	–	3
Implicit interest income	1	1	4	4
Interest income	171	(3)	540	667
Rental and related income	116	66	314	303
Share of profits from partnership	–	–	–	136
Sundry income	132	239	1,319	1,256
	663	479	2,681	2,669

1(a)(ii) Other operating expenses include the following:

	3 Months Ended		12 Months Ended	
	31.12.19	31.12.18	31.12.19	31.12.18
	S\$'000	S\$'000	S\$'000	S\$'000
Allowance for slow moving inventories	443	426	1,396	927
Amount due from associate written off	–	–	25	–
Bad debts written off	19	–	19	–
Foreign currency exchange loss	41	–	–	322
Impairment loss on receivables (current)	3,007	300	3,810	423
Impairment loss on other receivable (non-current)	2,000	–	2,000	–
Impairment loss on amount due from associates	–	–	–	3
Inventories written off	12	68	20	189
Loss on disposal of an associate	–	–	–	449
Loss on disposal of other investment	–	–	–	7
Loss on disposal of property, plant and equipment	–	1	10	1
Reversal of accruals of a vessel disposed	–	–	(4,503)	–
Write back of impairment loss on amount due from associates	–	–	–	(4)
Write back of impairment loss on receivables (current)	(923)	(147)	(1,053)	(147)
Other expenses	63	255	65	342
	4,662	903	1,789	2,512

1(a)(iii) Finance costs include the following:

	3 Months Ended		12 Months Ended	
	31.12.19	31.12.18	31.12.19	31.12.18
	S\$'000	S\$'000	S\$'000	S\$'000
Interest expense on:				
- Bank overdrafts	38	46	157	123
- Term loans	177	211	708	809
- Trust receipts	104	31	291	216
- Lease liabilities	50	–	204	–
	369	288	1,360	1,148

1(a)(iv) Loss before tax is arrived at after charging the following:

	3 Months Ended		12 Months Ended	
	31.12.19	31.12.18	31.12.19	31.12.18
	S\$'000	S\$'000	S\$'000	S\$'000
Depreciation and amortisation	527	519	2,127	2,082
Depreciation of right-of-use assets	93	–	372	–
	620	519	2,499	2,082

**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.**

	Group		Company	
	As At 31.12.19	As At 31.12.18	As At 31.12.19	As At 31.12.18
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	19,203	31,316	–	–
Investment properties	11,500	–	–	–
Right-of-use assets	3,599	–	–	–
Investment in subsidiaries	–	–	77,838	77,876
Investment in associates and joint venture	6,783	5,994	732	732
Intangible assets	1,523	1,650	–	–
Financial assets at fair value through other comprehensive income	406	538	381	538
Other receivables	11,097	13,095	11,022	13,022
Deferred tax assets	839	722	–	–
	<b>54,950</b>	<b>53,315</b>	<b>89,973</b>	<b>92,168</b>
<b>Current assets</b>				
Inventories	10,149	12,625	–	–
Trade receivables	29,050	23,867	–	–
Other receivables	2,897	6,859	9	46
Advance payment to suppliers	956	779	–	–
Prepayments	738	250	14	16
Deposits	46	78	4	24
Financial receivable	–	300	–	–
Amounts due from subsidiaries	–	–	2,857	1,875
Amounts due from associates	2,892	2,979	–	50
Amount due from a related party	6,246	6,327	–	–
Fixed and bank deposits	1,383	1,398	1,346	1,363
Cash and bank balances	7,123	8,968	179	188
	<b>61,480</b>	<b>64,430</b>	<b>4,409</b>	<b>3,562</b>
<b>Current liabilities</b>				
Trade payables	7,285	8,233	–	–
Other payables	5,424	10,007	696	649
Contract liabilities	1,512	924	–	–
Amounts due to subsidiaries	–	–	1,205	1,226
Amounts due to associates	10	10	–	–
Amount due to a related party	1,876	1,926	–	–
Amounts due to bankers	11,523	8,067	–	–
Term loans	7,570	8,535	–	–
Lease liabilities	279	–	–	–
Provision for taxation	49	2,620	–	–
	<b>35,528</b>	<b>40,322</b>	<b>1,901</b>	<b>1,875</b>
<b>Net current assets</b>	<b>25,952</b>	<b>24,108</b>	<b>2,508</b>	<b>1,687</b>
<b>Non-current liabilities</b>				
Term loans	4,996	7,352	–	–
Amounts due to subsidiaries	–	–	19,463	19,716
Provision for post employment benefits	290	211	–	–
Lease liabilities	3,414	–	–	–
Deferred tax liabilities	2,108	2,390	–	–
	<b>10,808</b>	<b>9,953</b>	<b>19,463</b>	<b>19,716</b>
<b>Net assets</b>	<b>70,094</b>	<b>67,470</b>	<b>73,018</b>	<b>74,139</b>

**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.**

	Group		Company	
	As At 31.12.19	As At 31.12.18	As At 31.12.19	As At 31.12.18
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Equity attributable to owners of the Company</b>				
Share capital	144,099	144,099	144,099	144,099
Treasury shares	(25)	(25)	(25)	(25)
Foreign currency translation reserve	(3,892)	(3,748)	–	–
Capital reserve	5	5	–	–
Revaluation reserve	18,301	17,782	–	–
Other reserves	(1,133)	(976)	(157)	–
Accumulated losses	(74,122)	(76,506)	(70,899)	(69,935)
	83,233	80,631	73,018	74,139
Non-controlling interests	(13,139)	(13,161)	–	–
<b>Total equity</b>	<b>70,094</b>	<b>67,470</b>	<b>73,018</b>	<b>74,139</b>

**1(b)(ii) In relation to the aggregate amount of group's borrowings and debt securities, please specify the following at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-**

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

As at 31.12.19 S\$'000		As at 31.12.18 S\$'000	
Secured	Unsecured	Secured	Unsecured
19,093	-	16,602	-

**Amount repayable after one year**

As at 31.12.19 S\$'000		As at 31.12.18 S\$'000	
Secured	Unsecured	Secured	Unsecured
4,996	-	7,352	-

**Details of any collaterals**

The Group's secured borrowings comprise bank overdrafts, trust receipts and term loans.

The Group's term loans, overdrafts and trust receipts (collectively known as "**Amounts due to Bankers**") are secured on:

- (i) Subsidiaries' properties located at 47 and 49 Genting Road, Singapore 349489, at 11 Tuas Avenue 1, Singapore 639496, and at 12 Chin Bee Drive, Singapore 619868;
- (ii) Bank deposits pledged by the Company;
- (iii) Corporate guarantee by the Company;
- (iv) Personal guarantee and pledge of real property by a director of a subsidiary; and
- (v) Subsidiary's inventories.

**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.**

	Group		Group	
	For 3 Months Ended		For 12 Months Ended	
	31.12.19	31.12.18	31.12.19	31.12.18
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from operating activities:</b>				
Loss before tax	(3,169)	(3,244)	(1,158)	(6,604)
<u>Adjustments for:</u>				
Amortisation of intangible assets	34	34	136	136
Change in fair value of investment properties	(243)	–	(243)	–
Depreciation of property, plant and equipment	493	485	1,991	1,946
Depreciation of right-of-use assets	93	–	372	–
Loss / (gain) on disposal of property, plant and equipment	–	1	10	(2)
Gain on disposal of a subsidiary (Note B)	–	–	(3)	–
Impairment loss on other receivable (non-current)	2,000	–	2,000	–
Implicit interest income	(1)	(1)	(4)	(4)
Interest expense	369	288	1,360	1,148
Interest income	(171)	3	(540)	(667)
Loss on disposal of an associate	–	–	–	449
Loss on disposal of other investment	–	–	–	7
Share of results of associates and joint venture	(354)	126	(857)	(986)
Write-back of impairment loss on amounts due from associates (net)	–	–	–	(1)
Foreign currency exchange loss / (gain)	61	(14)	–	(223)
<b>Operating cash flows before changes in working capital</b>	<b>(888)</b>	<b>(2,322)</b>	<b>3,064</b>	<b>(4,801)</b>
<u>(Increase)/decrease in:</u>				
Inventories	1,092	(1,174)	2,514	100
Trade and other receivables	3,174	(3,558)	(1,143)	20,065
Contract assets	–	–	–	104
Financial receivable	–	–	296	394
Advance payment to suppliers	273	97	(111)	952
Prepayments	(437)	11	(484)	61
Deposits	8	(8)	32	(16)
Amounts due from associates	11	68	49	4
<u>(Decrease)/increase in:</u>				
Trade and other payables	(1,179)	3,016	(5,846)	(5,120)
Contract liabilities	(353)	(330)	587	(514)
Amounts due to associates	–	(328)	–	(967)
Amount due to a related party	–	–	–	(14)
Provision for post employment benefits	71	29	79	19
<b>Cash flows generated from / (used in) operations</b>	<b>1,772</b>	<b>(4,499)</b>	<b>(963)</b>	<b>10,267</b>
Income taxes (paid) / refund	(3)	348	798	(1,019)
Interest expense paid	(50)	–	(188)	–
Interest income received	88	–	343	511
<b>Net cash flows generated from / (used in) operating activities</b>	<b>1,807</b>	<b>(4,151)</b>	<b>(10)</b>	<b>9,759</b>



	<b>Group</b>		<b>Group</b>	
	<b>For 3 Months Ended</b>		<b>For 12 Months Ended</b>	
	<b>31.12.19</b>	<b>31.12.18</b>	<b>31.12.19</b>	<b>31.12.18</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash flows from investing activities:</b>				
Interest income received	33	20	44	29
Investment in joint venture	–	–	–	(100)
Net cash inflow on acquisition of a subsidiary (Note A)	–	–	10	–
Net cash outflow on disposal of a subsidiary (Note B)	–	–	(24)	–
Purchase of property, plant and equipment	(105)	(61)	(656)	(300)
Proceeds from disposal of property, plant and equipment	–	–	–	3
Proceeds from disposal of other investment	–	–	–	13
Shareholder's loans to an associate (net)	–	5,092	–	5,092
<b>Net cash flows (used in) / generated from investing activities</b>	<b>(72)</b>	<b>5,051</b>	<b>(626)</b>	<b>4,737</b>
<b>Cash flows from financing activities:</b>				
Dividend paid	–	–	–	(2,815)
Interest expense paid	(281)	(275)	(1,097)	(1,221)
(Repayment of) / proceeds from secured bank overdrafts	(321)	(563)	(54)	2,238
Drawdown of term loans	625	1,585	2,256	3,067
Repayment of term loans	(1,619)	(945)	(5,543)	(4,254)
Increase / (decrease) in trust receipts	744	2,081	3,528	(13,340)
Purchase of treasury shares	–	(25)	–	(25)
Principal elements of lease payments	(71)	–	(294)	–
<b>Net cash flows (used in) / generated from financing activities</b>	<b>(923)</b>	<b>1,858</b>	<b>(1,204)</b>	<b>(16,350)</b>
Net increase / (decrease) in cash and cash equivalents	812	2,758	(1,840)	(1,854)
Effect of exchange rate changes on cash and cash equivalents	(57)	3	(3)	68
Cash and cash equivalents at beginning of period	6,405	6,242	9,003	10,789
<b>Cash and cash equivalents at end of the period</b>	<b>7,160</b>	<b>9,003</b>	<b>7,160</b>	<b>9,003</b>

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at the balance sheet date:

	<b>Group</b>	
	<b>For 12 Months Ended</b>	
	<b>31.12.19</b>	<b>31.12.18</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash and cash equivalents at the end of the period:</b>		
Cash and bank balances and fixed deposits	8,506	10,366
Less: Bank deposits pledged	(1,346)	(1,363)
<b>Cash and cash equivalents</b>	<b>7,160</b>	<b>9,003</b>

**Note A**

On 11 September 2019, Federal International (2000) Ltd (the "Company") subscribed for 205,000 ordinary shares, representing 60% of the total issued and paid-up share capital of Cornerstone Offshore Pte. Ltd. ("COS") (Please refer to announcement on 12 September 2019). Upon the acquisition, COS became a 60%-owned subsidiary of the Group.

	<b><u>Fair value recognised on acquisition</u></b>
	<b>S\$'000</b>
Other investment	25
Other receivable	65
Advance payment to suppliers	84
Cash and bank balances	55
Other payables	(169)
	<hr/>
<b>Total net identifiable assets at fair value</b>	<b>60</b>
Non-controlling interest ("NCI") measured at the NCI's proportionate share of COS's net identifiable assets	(24)
Goodwill arising from acquisition	9
	<hr/>
	<b>45</b>
	<hr/> <hr/>
	<b>S\$'000</b>
<u>Effect of the acquisition of COS on cash flows</u>	
Total consideration for 60% equity interest acquired	(45)
Less: non-cash consideration	–
	<hr/>
Consideration settled in cash	(45)
Less: Cash and cash equivalent of subsidiary acquired	55
	<hr/>
<b>Net cash inflows on acquisition</b>	<b>10</b>
	<hr/> <hr/>

**Note B**

The voluntary liquidation of a subsidiary, Federal-WH Marathon Ltd, has been completed (Please refer to announcement on 29 May 2019). The effect of the disposal on the financial position of the Group is as follows:

**Effect of disposal on the financial position of the Group**

	<b>Group 2019 S\$'000</b>
<b>Assets:</b>	
Cash and bank balances	49
<b>Net assets derecognised</b>	<hr/> <b>49</b> <hr/>
Consideration received, satisfied in cash	25
Cash and cash equivalents disposed of	(49)
<b>Net cash outflow</b>	<hr/> <b>(24)</b> <hr/>
<b>Gain on disposal:</b>	
Consideration received	25
Net assets derecognised	(49)
Cumulative foreign currency exchange differences in respect of the net assets of the subsidiary reclassified to profit or loss on loss of control of subsidiary	5
	<hr/>
	(19)
Non-controlling interest	22
	<hr/>
	<b>3</b>
	<hr/> <hr/>

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other 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	Attributable to owners of the Company							Total S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Accumu- lated losses S\$'000	Foreign currency translation reserve S\$'000	Capital reserve S\$'000	Revaluation reserve S\$'000	Other reserves S\$'000			
<b>Balance at 01.01.19</b>	<b>144,099</b>	<b>(25)</b>	<b>(76,506)</b>	<b>(3,748)</b>	<b>5</b>	<b>17,782</b>	<b>(976)</b>	<b>80,631</b>	<b>(13,161)</b>	<b>67,470</b>
Loss net of tax	-	-	(612)	-	-	-	-	(612)	(115)	(727)
Other comprehensive loss:										
Items that are or may be reclassified subsequently to profit or loss:										
Foreign currency translation	-	-	-	(156)	-	-	-	(156)	(77)	(233)
Share of other comprehensive loss of associates and joint venture	-	-	-	(46)	-	-	-	(46)	-	(46)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(612)</b>	<b>(202)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(814)</b>	<b>(192)</b>	<b>(1,006)</b>
<b>Balance at 31.03.19</b>	<b>144,099</b>	<b>(25)</b>	<b>(77,118)</b>	<b>(3,950)</b>	<b>5</b>	<b>17,782</b>	<b>(976)</b>	<b>79,817</b>	<b>(13,353)</b>	<b>66,464</b>
Profit net of tax	-	-	3,118	-	-	-	-	3,118	(201)	2,917
Other comprehensive income:										
Items that will not be reclassified subsequently to profit or loss:										
Net surplus on revaluation of freehold land and buildings	-	-	-	-	-	234	-	234	-	234
Items that are or may be reclassified subsequently to profit or loss:										
Foreign currency translation	-	-	-	167	-	-	-	167	60	227
Share of other comprehensive income of associates and joint venture	-	-	-	30	-	-	-	30	-	30
Foreign currency translation on loss of control reclassified to profit or loss	-	-	-	(3)	-	-	-	(3)	(2)	(5)
<b>Total comprehensive income / (loss) for the period</b>	<b>-</b>	<b>-</b>	<b>3,118</b>	<b>194</b>	<b>-</b>	<b>234</b>	<b>-</b>	<b>3,546</b>	<b>(143)</b>	<b>3,403</b>
Disposal of a subsidiary company	-	-	-	-	-	-	-	-	(22)	(22)
<b>Balance at 30.06.19</b>	<b>144,099</b>	<b>(25)</b>	<b>(74,000)</b>	<b>(3,756)</b>	<b>5</b>	<b>18,016</b>	<b>(976)</b>	<b>83,363</b>	<b>(13,518)</b>	<b>69,845</b>

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year – cont'd**

GROUP	← Attributable to owners of the Company →							Total S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Accumu- lated losses S\$'000	Foreign currency translation reserve S\$'000	Capital reserve S\$'000	Revaluation reserve S\$'000	Other reserves S\$'000			
<b>Balance at 30.06.19</b>	<b>144,099</b>	<b>(25)</b>	<b>(74,000)</b>	<b>(3,756)</b>	<b>5</b>	<b>18,016</b>	<b>(976)</b>	<b>83,363</b>	<b>(13,518)</b>	<b>69,845</b>
Profit net of tax	–	–	3,425	–	–	–	–	3,425	(113)	3,312
Other comprehensive income:										
Items that are or may be reclassified subsequently to profit or loss:										
Foreign currency translation	–	–	–	388	–	–	–	388	131	519
Share of other comprehensive income of associates and joint venture	–	–	–	137	–	–	–	137	–	137
<b>Total comprehensive income for the period</b>	<b>–</b>	<b>–</b>	<b>3,425</b>	<b>525</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>3,950</b>	<b>18</b>	<b>3,968</b>
Acquisition of a subsidiary company	–	–	–	–	–	–	–	–	24	24
<b>Balance at 30.09.19</b>	<b>144,099</b>	<b>(25)</b>	<b>(70,575)</b>	<b>(3,231)</b>	<b>5</b>	<b>18,016</b>	<b>(976)</b>	<b>87,313</b>	<b>(13,476)</b>	<b>73,837</b>
Loss net of tax	–	–	(3,547)	–	–	–	–	(3,547)	452	(3,095)
Other comprehensive (loss) / income:										
Items that will not be reclassified subsequently to profit or loss:										
Net surplus on revaluation of leasehold land and buildings	–	–	–	–	–	285	–	285	–	285
Net change in fair value - equity investments at FVOCI	–	–	–	–	–	–	(157)	(157)	–	(157)
Items that are or may be reclassified subsequently to profit or loss:										
Foreign currency translation	–	–	–	(472)	–	–	–	(472)	(115)	(587)
Share of other comprehensive income of associates and joint venture	–	–	–	(189)	–	–	–	(189)	–	(189)
<b>Total comprehensive (loss) / income for the period</b>	<b>–</b>	<b>–</b>	<b>(3,547)</b>	<b>(661)</b>	<b>–</b>	<b>285</b>	<b>(157)</b>	<b>(4,080)</b>	<b>337</b>	<b>(3,743)</b>
<b>Balance at 31.12.19</b>	<b>144,099</b>	<b>(25)</b>	<b>(74,122)</b>	<b>(3,892)</b>	<b>5</b>	<b>18,301</b>	<b>(1,133)</b>	<b>83,233</b>	<b>(13,139)</b>	<b>70,094</b>

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year – cont'd**

GROUP	Attributable to owners of the Company							Total S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Accumu- lated losses S\$'000	Foreign currency translation reserve S\$'000	Capital reserve S\$'000	Revaluation reserve S\$'000	Other reserves S\$'000			
<b>Balance at 01.01.18</b>	<b>144,099</b>	<b>–</b>	<b>(67,889)</b>	<b>(4,860)</b>	<b>5</b>	<b>17,073</b>	<b>(976)</b>	<b>87,452</b>	<b>(12,657)</b>	<b>74,795</b>
Loss net of tax	–	–	(976)	–	–	–	–	(976)	(158)	(1,134)
Other comprehensive income:										
Items that are or may be reclassified subsequently to profit or loss:										
Foreign currency translation	–	–	–	(123)	–	–	–	(123)	(121)	(244)
Share of other comprehensive loss of associates and joint venture	–	–	–	(3)	–	–	–	(3)	–	(3)
Foreign currency translation on disposal of an associate reclassified to profit or loss	–	–	–	690	–	–	–	690	–	690
<b>Total comprehensive (loss) / income for the period</b>	<b>–</b>	<b>–</b>	<b>(976)</b>	<b>564</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(412)</b>	<b>(279)</b>	<b>(691)</b>
<b>Balance at 31.03.18</b>	<b>144,099</b>	<b>–</b>	<b>(68,865)</b>	<b>(4,296)</b>	<b>5</b>	<b>17,073</b>	<b>(976)</b>	<b>87,040</b>	<b>(12,936)</b>	<b>74,104</b>
Loss net of tax	–	–	(228)	–	–	–	–	(228)	(214)	(442)
Other comprehensive income:										
Items that will not be reclassified subsequently to profit or loss:										
Net deficit on revaluation of freehold/leasehold land and buildings	–	–	–	–	–	(342)	–	(342)	–	(342)
Items that are or may be reclassified subsequently to profit or loss:										
Foreign currency translation	–	–	–	116	–	–	–	116	214	330
Share of other comprehensive income of associates and joint venture	–	–	–	148	–	–	–	148	–	148
<b>Total comprehensive (loss) / income for the period</b>	<b>–</b>	<b>–</b>	<b>(228)</b>	<b>264</b>	<b>–</b>	<b>(342)</b>	<b>–</b>	<b>(306)</b>	<b>–</b>	<b>(306)</b>
Dividend paid	–	–	(2,815)	–	–	–	–	(2,815)	–	(2,815)
<b>Balance at 30.06.18</b>	<b>144,099</b>	<b>–</b>	<b>(71,908)</b>	<b>(4,032)</b>	<b>5</b>	<b>16,731</b>	<b>(976)</b>	<b>83,919</b>	<b>(12,936)</b>	<b>70,983</b>

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year – cont'd**

GROUP	← Attributable to owners of the Company →							Total S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Accumu- lated losses S\$'000	Foreign currency translation reserve S\$'000	Capital reserve S\$'000	Revaluation reserve S\$'000	Other reserves S\$'000			
<b>Balance at 30.06.18</b>	<b>144,099</b>	<b>–</b>	<b>(71,908)</b>	<b>(4,032)</b>	<b>5</b>	<b>16,731</b>	<b>(976)</b>	<b>83,919</b>	<b>(12,936)</b>	<b>70,983</b>
Loss net of tax	–	–	(1,624)	–	–	–	–	(1,624)	(150)	(1,774)
Other comprehensive income:										
Items that are or may be reclassified subsequently to profit or loss:										
Foreign currency translation	–	–	–	191	–	–	–	191	108	299
Share of other comprehensive loss of associates and joint venture	–	–	–	(22)	–	–	–	(22)	–	(22)
Foreign currency translation on disposal of an associate reclassified to profit or loss	–	–	–	7	–	–	–	7	–	7
<b>Total comprehensive (loss) / income for the period</b>	<b>–</b>	<b>–</b>	<b>(1,624)</b>	<b>176</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(1,448)</b>	<b>(42)</b>	<b>(1,490)</b>
<b>Balance at 30.09.18</b>	<b>144,099</b>	<b>–</b>	<b>(73,532)</b>	<b>(3,856)</b>	<b>5</b>	<b>16,731</b>	<b>(976)</b>	<b>82,471</b>	<b>(12,978)</b>	<b>69,493</b>
Loss net of tax	–	–	(2,974)	–	–	–	–	(2,974)	(177)	(3,151)
Other comprehensive income:										
Items that will not be reclassified subsequently to profit or loss:										
Net surplus on revaluation of freehold/leasehold land and buildings	–	–	–	–	–	1,051	–	1,051	–	1,051
Items that are or may be reclassified subsequently to profit or loss:										
Foreign currency translation	–	–	–	71	–	–	–	71	(6)	65
Share of other comprehensive income of associates and joint venture	–	–	–	37	–	–	–	37	–	37
<b>Total comprehensive (loss) / income for the period</b>	<b>–</b>	<b>–</b>	<b>(2,974)</b>	<b>108</b>	<b>–</b>	<b>1,051</b>	<b>–</b>	<b>(1,815)</b>	<b>(183)</b>	<b>(1,998)</b>
Purchase of treasury shares	–	(25)	–	–	–	–	–	(25)	–	(25)
<b>Balance at 31.12.18</b>	<b>144,099</b>	<b>(25)</b>	<b>(76,506)</b>	<b>(3,748)</b>	<b>5</b>	<b>17,782</b>	<b>(976)</b>	<b>80,631</b>	<b>(13,161)</b>	<b>67,470</b>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. – cont'd

The Company	Share capital	Treasury shares	Accumulated losses	Other reserves	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 01.01.19</b>	<b>144,099</b>	<b>(25)</b>	<b>(69,935)</b>	–	<b>74,139</b>
Profit for the period	–	–	94	–	94
Total comprehensive income for the period	–	–	94	–	94
<b>Balance at 31.03.19</b>	<b>144,099</b>	<b>(25)</b>	<b>(69,841)</b>	–	<b>74,233</b>
Profit for the period	–	–	793	–	793
Total comprehensive income for the period	–	–	793	–	793
<b>Balance at 30.06.19</b>	<b>144,099</b>	<b>(25)</b>	<b>(69,048)</b>	–	<b>75,026</b>
Loss for the period	–	–	(232)	–	(232)
Total comprehensive loss for the period	–	–	(232)	–	(232)
<b>Balance at 30.09.19</b>	<b>144,099</b>	<b>(25)</b>	<b>(69,280)</b>	–	<b>74,794</b>
Loss for the period	–	–	(1,619)	–	(1,619)
Other comprehensive loss: Net change in fair value – equity investment at FVOCI	–	–	–	(157)	(157)
Total comprehensive loss for the period	–	–	(1,619)	(157)	(1,776)
<b>Balance at 31.12.19</b>	<b>144,099</b>	<b>(25)</b>	<b>(70,899)</b>	<b>(157)</b>	<b>73,018</b>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. – cont'd

The Company	Share capital	Treasury shares	Accumulated losses	Other reserves	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 01.01.18</b>	<b>144,099</b>	–	<b>(64,645)</b>	–	<b>79,454</b>
Profit for the period	–	–	742	–	742
Total comprehensive income for the period	–	–	742	–	742
<b>Balance at 31.03.18</b>	<b>144,099</b>	–	<b>(63,903)</b>	–	<b>80,196</b>
Loss for the period	–	–	(455)	–	(455)
Total comprehensive loss for the period	–	–	(455)	–	(455)
Dividend paid	–	–	(2,815)	–	(2,815)
<b>Balance at 30.06.18</b>	<b>144,099</b>	–	<b>(67,173)</b>	–	<b>76,926</b>
Profit for the period	–	–	468	–	468
Total comprehensive income for the period	–	–	468	–	468
<b>Balance at 30.09.18</b>	<b>144,099</b>	–	<b>(66,705)</b>	–	<b>77,394</b>
Loss for the period	–	–	(3,230)	–	(3,230)
Total comprehensive loss for the period	–	–	(3,230)	–	(3,230)
Purchase of treasury shares	–	(25)	–	–	(25)
<b>Balance at 31.12.18</b>	<b>144,099</b>	<b>(25)</b>	<b>(69,935)</b>	–	<b>74,139</b>



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

The Company did not issue any ordinary shares during the 12 months ended 31 December 2019.

The Company did not have any convertible securities as at 31 December 2019 (31 December 2018: Nil).

There were no subsidiary holdings as at 31 December 2019 (31 December 2018: Nil).

There were a total of 100,000 treasury shares held as at 31 December 2019 (31 December 2018: 100,000).

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	Number of shares	
	31.12.19	31.12.18
Total number of issued shares	140,767,484	140,767,484
Less: Treasury shares	(100,000)	(100,000)
Total number of issued shares excluding treasury shares	140,667,484	140,667,484

- 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 held 100,000 treasury shares as at 31 December 2019. There were no sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

- 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.**

There were no sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

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

The figures have not been audited nor reviewed by the Company's auditor.

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

Not applicable.

**3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:**

**(a) Updates on the efforts taken to resolve each outstanding audit issue.**

**(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

**This is not required for any audit issue that is material uncertainty relating to going concern.**

None.

**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 financial period compared with the audited financial statements for the year ended 31 December 2018, except that the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2019.

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

The Group has adopted all the new and revised standards which are effective for annual period beginning on or after 1 January 2019. The adoption of the new standards that are effective on 1 January 2019 did not result in any substantial change to the Group's and Company's accounting policies or have any significant impact on the financial statements, except for SFRS(I) 16 Leases.

Under SFRS(I) 16, the Group is required to recognise on the balance sheet a liability to make lease payments (i.e. lease liabilities) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use assets). The Group is also required to separately recognise the interest expense on the lease liability and depreciation charge on the right-of-use asset. The adoption has resulted in increases in total assets, total liabilities, depreciation charge and finance cost.

The Group has adopted SFRS(I) 16 using the modified retrospective approach as of 1 January 2019, with no restatement of comparative information.

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.**

	<b>Group</b>			
	<b>3 Months Ended</b>		<b>12 Months Ended</b>	
	<b>31.12.19</b>	<b>31.12.18</b>	<b>31.12.19</b>	<b>31.12.18</b>
(i) Based on the weighted average number of ordinary shares in issue	(2.52) cents	(2.11) cents	1.69 cents	(4.12) cents
Weighted average number of ordinary shares in issue (excluding treasury shares)	140,667,484	140,740,310	140,667,484	140,760,635
(ii) On a fully diluted basis	(2.52) cents	(2.11) cents	1.69 cents	(4.12) cents
Weighted average number of ordinary shares in issue (excluding treasury shares)	140,667,484	140,740,310	140,667,484	140,760,635

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

	<b>Group</b>	<b>Company</b>
	cents	cents
As at 31.12.19	59.17	51.91
As at 31.12.18	57.32	52.71

Net asset value per share is calculated based on the number of ordinary shares in issue (excluding treasury shares) of 140,667,484 as at 31 December 2019 (31 December 2018: 140,667,484).

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 affect the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

#### **CONSOLIDATED INCOME STATEMENT**

##### **FY2019 versus FY2018**

##### **Revenue**

Group revenue of \$62.6 million was 44.8% higher compared with the revenue for FY2018 of \$43.2 million. This was due mainly to higher sales from the Trading business in China and Indonesia.

**Gross profit**

Higher revenue resulted in higher gross profit of \$14.1 million which was 37.5% higher than that for FY2018 (FY2018: \$10.2 million). Gross profit margin for FY2019 was 22.5% (FY2018: 23.7%) due to the relatively lower margins for trading business in China and Indonesia.

**Other income**

Other income of \$2.7 million was comparable to the \$2.7 million for FY2018. Other income for FY2019 includes rental income, foreign currency exchange gain, LC handling fee, interest income and late payment charges.

**Selling and distribution costs**

Selling and distribution costs of \$5.2 million (FY2018: \$5.0 million) were higher mainly due to higher marketing fees and sales related expenses in line with higher revenue.

**Administrative and general costs**

Administrative and general costs of \$10.4 million (FY2018: \$11.8 million) were lower due mainly to lower professional fees of \$0.9 million (FY2018: \$1.6m), lower depreciation charges of \$1.6 million (FY2018: \$1.9 million) and lower rental expenses of \$118,000 (FY2018: \$639,000).

**Other operating expenses**

For FY2019, the Group registered lower other operating expenses of \$1.8 million (FY2018: \$2.5 million). The decrease was mainly due to the full and final settlement of a dispute with a vendor which resulted in a reversal of accruals amounting to \$4.5 million. This write back was offset by higher net impairment loss on receivables of \$2.8 million (FY2018: \$0.3 million), higher allowance for slow moving inventories of \$1.4 million (FY2018: \$0.9 million) and an impairment loss on non-current other receivables of \$2.0 million (FY2018: nil).

**Finance costs**

Finance costs of \$1.4 million were higher than the costs incurred in FY2018 of \$1.1 million. The increase was mainly due to the recognition of interest expense on lease liabilities of \$204,000.

**Share of results of associates and joint venture**

The Group's share of results of its associates and joint venture decreased marginally to \$0.9 million (FY2018: \$1.0 million) mainly due to an associated company in Japan reporting a loss for FY2019 compared to a profit in FY2018.

**Income tax credit**

The Group recorded a tax credit of \$3.6 million in FY2019 as compared to a tax credit of \$103,000 for FY2018 as a result of write back of prior years' tax overprovision by a subsidiary after finalisation of prior years' tax assessment in 2Q2019.

**4Q2019 versus 4Q2018****Revenue**

Revenue for 4Q2019 increased by 100.5% to \$24.8 million (4Q2018:\$12.4 million). This was mainly due to higher revenue registered by the fire detection and protection system business and higher sales in China under the Trading segment.

**Gross profit**

Higher revenue in 4Q2019 resulted in higher gross profit of \$5.3 million in 4Q2019 (4Q2018: \$2.7 million). Gross profit margin in 4Q2019 was 21.3% (4Q2018: 21.6%) mainly due to lower margins from sales in China.

**Other income**

Other income of \$0.7 million (4Q2018: \$0.5 million) was higher mainly due to higher interest and rental income and a change in fair value of investment properties of \$243,000.

**Selling and distribution costs**

Selling and distribution costs of \$1.8 million (4Q2018: \$1.3 million) were 35.7% higher due mainly to higher marketing fees and sales related expenses in line with higher revenue.

**Administrative and general costs**

Administrative and general costs of \$2.6 million (4Q2018: \$3.7 million) were 30.1% lower due mainly to lower professional fees of \$113,000 (4Q2018: \$1.2 million). Professional fees were incurred for tenders and contract related due diligence works.

**Other operating expenses**

Other operating expenses in 4Q2019 of \$4.7 million (4Q2018: \$0.9 million) were higher mainly due to higher net impairment loss on receivables of \$2.1 million (4Q2018: \$153,000) and an impairment loss on non-current other receivable of \$2.0 million (4Q2018: nil).

**Finance costs**

Finance costs of \$0.4 million were higher than the \$0.3 million for 4Q2018 due mainly to higher trade related trust receipt interest.

**Share of results of associates and joint venture**

The Group's share of results of associates and joint venture of \$354,000 in 4Q2019 (4Q2018: loss of \$126,000) were mainly due to profits reported by the Group's associated companies in Indonesia and Japan. In 4Q2018, the Group's associated company in Japan reported a loss.

**Income tax credit**

The Group recorded a tax credit of \$74,000 in 4Q2019 (4Q2018: \$93,000), mainly relating to write back of prior year overprovision of deferred tax.

**STATEMENT OF FINANCIAL POSITION FOR THE GROUP**

**Net assets attributable to owners of the Company**

As at 31 December 2019, the net assets attributable to owners of the Company amounted to \$83.2 million, which translates to a net asset value per ordinary share of 59.17 cents.

**Non-current assets**

Non-current assets increased by \$1.7 million to \$55.0 million (31 December 2018: \$53.3 million). The increase was mainly due to:

- a) Recognition of right-of-use assets amounting to \$3.6 million due to adoption of financial reporting standard SFRS (I) 16;
- b) Increase in investment properties of \$11.5m as a result of reclassification of a subsidiary's freehold land and buildings from property, plant and equipment to investment properties; and
- c) Increase in investment in associates and joint venture of \$0.8 million mainly attributable to share of associates' results for the year.

The above is partially offset by:

Decrease in property, plant and equipment of \$12.0 million mainly due to reclassification of a subsidiary's freehold land and buildings to investment properties and lower other receivables of \$11.1 million (31 December 2018: \$13.1 million) due to impairment loss of \$2.0 million.

**Current assets**

Current assets decreased by \$2.9 million to \$61.5 million (31 December 2018: \$64.4 million). The decrease was mainly due to: -

- a) Decrease in inventories of \$2.5 million due mainly to higher sales and allowance for slow moving inventories of \$1.4 million;
- b) Decrease in other receivables of \$4.0 million due mainly to settlement received during the year; and
- c) Decrease in cash and bank balances of \$1.8 million mainly due to the longer credit period particularly for the Indonesian infrastructure projects.

The above is partially offset by the followings: -

- a) Increase trade receivables of \$5.1 million mainly due to the longer credit period particularly for the Indonesian infrastructure projects and the increase in sales in China in the 4Q2019;

**Current liabilities**

Current liabilities decreased by \$4.8 million to \$35.5 million (31 December 2018: \$40.3 million). The decrease was mainly due to:

- a) Decrease in trade and other payables of \$5.5 million mainly due to reversal of accruals with the full and final settlement of a dispute with a vendor;
- b) Decrease in provision for taxation of \$2.6 million mainly due to write back of prior years' tax overprovision by a subsidiary after finalisation of prior years' tax assessment; and
- c) Decrease in term loan of \$1.0 million due to repayments during the year.

The above was partially offset by: -

- b) Increase in contract liabilities of \$0.6 million relating to advance payment received from customers; and
- c) Increase in amounts due to bankers mainly relates to trust receipts for trade activities.

**Non-current liabilities**

Non-current liabilities increased by \$0.8 million to \$10.8 million (31 December 2018: \$10.0 million) mainly due to the recognition of lease liabilities amounting to \$3.4 million partially offset by a \$2.4 million decrease in term loans.

**STATEMENT OF FINANCIAL POSITION FOR THE COMPANY**

**Non-current assets**

Non-current assets decreased by \$2.2 million to \$90.0 million (31 December 2018: \$92.2 million) due mainly to impairment loss on other receivable of \$2.0 million.

**Current assets**

Current assets increased by \$0.8 million to \$4.4 million. The increase was due mainly to an advance to a subsidiary.

**Current liabilities**

Current liabilities increased marginally by \$26,000 to \$1.9 million. The increase was due mainly to higher other payables as a result of higher accrued staff related costs.

**Non-current liabilities**

Non-current liabilities decreased by \$0.2 million to \$19.5 million. The decrease was due mainly to a repayment to a subsidiary.

**CONSOLIDATED STATEMENT OF CASH FLOWS**

As at 31 December 2019, the Group's cash and cash equivalents, excluding pledged deposits, amounted to \$7.2 million. For the FY2019, operating activities, investing activities and financing activities utilised cash of \$10,000, \$626,000 and \$1.2 million respectively.

The net cash used in operating activities was mainly due to an increase in trade and other receivables and a decrease in trade and other payables, partially offset by a decrease in inventories, increase in contract liabilities (advances from customers) and interest income and tax refund received.

The net cash used in investing activities was due mainly to purchase of equipment during the year.

The net cash used in financing activities was due mainly to the net repayment of term loans partially offset by an increase in trust receipts used to finance the trading business as well as payment of interests.

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

No forecast or prospect statement was given.

**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 Group recently secured US\$13.1 million worth of contracts to supply flow control products in Thailand, Malaysia and Vietnam with expected completion by November 2020. Despite the on-going COVID-19 situation, the Group cautiously expects its business operations in Indonesia and China to continue to grow. Indonesia's planned investment in its infrastructure sector including power and transportation is expected to provide opportunities for the Group. The Group will continue to bid for new projects in the region anticipated to come on stream in 2020.

The Group's trading operation in China has been active since the fourth quarter 2019 in procuring scrubbers for shipyards in China. Demand for scrubbers have increased due to the implementation of the IMO 2020 which requires shippers to adopt more environmentally-friendly measures to manage their fleets, including reducing the sulfur content in fuels used in their vessels from 1 January 2020. The Group expects the demand for scrubbers to continue in 2020.

The Group will continue to monitor developments in relation to the COVID-19 and will provide updates as may be required.

**11. Dividend**

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

Any dividend declared for the current financial period reported on?

None.

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

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

None.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

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

No dividends have been declared or recommended as working capital is required for the Group's business activities.

**13. Interested Person Transactions**

The Company does not have a shareholders' mandate for interested person transactions ("IPT").

The aggregate value of all IPTs during the financial period under review is less than S\$100,000.



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

**14. Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Analysis by Business Segments	Trading		Manufacturing/ Design/Research and Development		Marine Logistics		Energy and Utilities		Resources		Corporate / Others		Elimination		Group	
	FY2019	FY2018	FY2019	FY2018	FY2019	FY2018	FY2019	FY2018	FY2019	FY2018	FY2019	FY2018	FY2019	FY2018	FY2019	FY2018
<b>Revenue:</b>																
External customers	<b>56,743</b>	39,821	<b>2,386</b>	2,926	<b>346</b>	–	<b>1,393</b>	488	–	–	<b>1,731</b>	–	–	–	<b>62,599</b>	43,235
Intersegment sales	<b>183</b>	209	<b>2,084</b>	1,043	–	–	–	–	–	–	<b>2,880</b>	2,902	<b>(5,147)</b>	(4,154)	–	–
Total revenue	<b>56,926</b>	40,030	<b>4,470</b>	3,969	<b>346</b>	–	<b>1,393</b>	488	–	–	<b>4,611</b>	2,902	<b>(5,147)</b>	(4,154)	<b>62,599</b>	43,235
<b>Result:</b>	<b>1,550</b>	(930)	<b>318</b>	(66)	<b>(851)</b>	(289)	<b>(93)</b>	(550)	<b>427</b>	(824)	<b>2,530</b>	(552)	<b>(867)</b>	(429)	<b>3,014</b>	(3,640)
Depreciation & amortisation	<b>(1,508)</b>	(1,030)	<b>(129)</b>	(42)	<b>(1)</b>	–	<b>(3)</b>	(2)	–	–	<b>(1,039)</b>	(1,008)	<b>181</b>	–	<b>(2,499)</b>	(2,082)
Other non-cash income/(expense)	<b>(4,138)</b>	(1,738)	<b>(271)</b>	(62)	<b>4,503</b>	–	<b>(7)</b>	(10)	–	–	<b>(2,025)</b>	(3,400)	<b>224</b>	3,819	<b>(1,714)</b>	(1,391)
Finance costs	<b>(1,489)</b>	(1,264)	<b>(71)</b>	(90)	<b>(3)</b>	–	–	–	–	–	–	–	<b>203</b>	206	<b>(1,360)</b>	(1,148)
Interest income															<b>544</b>	671
Share of results of associates & joint venture															<b>857</b>	986
Loss before tax															<b>(1,158)</b>	(6,604)
Income tax credit															<b>3,565</b>	103
<b>Profit / (loss) for the year</b>															<b>2,407</b>	(6,501)

14. Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year. – cont'd

Analysis by Business Segments	Trading		Manufacturing/ Design/ Research and Development		Marine Logistics		Energy and Utilities		Resources		Corporate/Others		Elimination		Group	
	FY2019	FY2018	FY2019	FY2018	FY2019	FY2018	FY2019	FY2018	FY2019	FY2018	FY2019	FY2018	FY2019	FY2018	FY2019	FY2018
<b>Assets:</b>	<b>133,107</b>	125,373	<b>2,617</b>	2,714	<b>20,646</b>	20,402	<b>8,084</b>	8,051	–	–	<b>98,990</b>	100,935	<b>(154,636)</b>	(146,446)	<b>108,808</b>	111,029
Investment in associates & joint venture	<b>60</b>	63	–	–	<b>5,082</b>	4,275	–	–	–	–	<b>1,641</b>	1,656	–	–	<b>6,783</b>	5,994
Unallocated assets															<b>839</b>	722
<b>Total assets</b>															<b>116,430</b>	117,745
<b>Liabilities:</b>	<b>(79,934)</b>	(67,501)	<b>(6,509)</b>	(6,376)	<b>(87,435)</b>	(91,784)	<b>(12,145)</b>	(11,952)	<b>(54,050)</b>	(54,311)	<b>(57,536)</b>	(58,783)	<b>253,430</b>	245,442	<b>(44,179)</b>	(45,265)
Unallocated liabilities															<b>(2,157)</b>	(5,010)
<b>Total liabilities</b>															<b>(46,336)</b>	(50,275)
<b>Other segment information:</b>																
Additions to non-current assets:																
- PPE <sup>(1)</sup>	<b>443</b>	98	<b>106</b>	103	–	–	<b>8</b>	–	–	–	<b>99</b>	99	–	–	<b>656</b>	300
- ROU assets <sup>(2)</sup>	<b>4,034</b>	–	<b>416</b>	–	<b>10</b>	–	–	–	–	–	–	–	(487)	–	<b>3,973</b>	–

<sup>(1)</sup> Properties, plant and equipment

<sup>(2)</sup> Rights-of-use assets

14. **Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year. – cont'd**

Analysis by Geographical Segments	Revenue		Non-current Assets	
	FY 2019	FY 2018	FY 2019	FY 2018
	S\$'000	S\$'000	S\$'000	S\$'000
Canada	111	1,639	–	–
India	263	15	–	–
Indonesia	18,652	11,583	9,386	9,330
Japan	–	8	1,641	1,656
Malaysia	1,575	1,013	–	–
People's Republic of China	19,478	7,227	17	12
Philippines	1,250	691	–	–
Qatar	338	126	–	–
Singapore	15,808	13,521	30,856	27,679
Thailand	1,667	4,205	19	–
United Arab Emirates	53	429	–	–
United Kingdom	508	210	680	283
United States of America	458	315	–	–
Vietnam	1,816	1,211	–	–
Others	622	1,042	–	–
	<b>62,599</b>	<b>43,235</b>	<b>42,599</b>	<b>38,960</b>

\* Non-current assets information presented above consists of property, plant and equipment, investment properties, rights-of-use assets, investment in associates and joint venture and intangible assets (excluding goodwill on consolidation) as presented in the consolidated balance sheet.

15. **In view 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.

16. **A breakdown of sales**

Group	FY 2019	FY 2018	Increase/ (decrease)
	S\$'000	S\$'000	%
Sales reported for first half year	22,231	21,226	4.7
Operating profit/(loss) after tax before deducting non-controlling interests reported for first half year	2,190	(1,576)	(239.0)
Sales reported for second half year	40,368	22,009	83.4
Operating profit/(loss) after tax before deducting non-controlling interests reported for second half year	217	(4,925)	(104.4)

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

Total Annual Dividend	FY 2019	FY 2018
	S\$'000	S\$'000
Ordinary	–	–
Preference	–	–
Total	–	–

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any during the year
NIL	NIL	NIL	NIL	NIL

19. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under 720(1)

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

**BY ORDER OF THE BOARD**

**Koh Kian Kiong**  
Executive Chairman & CEO

**Koh Maggie**  
Executive Director

**28 February 2020**