SGXNET Announcement

AEM Holdings Ltd
(Registration No. 200006417D)
Quarterly Financial Statements and Dividend Announcement
For Period Ended 31 December 2015

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1. Financial Statements

1(a)(i). Consolidated Income Statement

	Note	Quarterly Results			YTD Results		
		4Q2015 S$'000	4Q2014 S$'000	Change* %	FY2015 S$'000	FY2014 S$'000	Change* %
Continuing operations							
Revenue		14,540	5,248	177.1%	47,611	30,860	54.3%
Other income	A.1	2,864	475	502.9%	3,902	2,483	57.1%
		17,404	**5,723**	**204.1%**	**51,513**	**33,343**	**54.5%**
Changes in inventories of finished goods and work-in-progress	A.2	(3,326)	(5,890)	43.5%	(1,244)	(5,907)	78.9%
Raw materials and other consumables	A.2	(6,884)	(2,662)	-158.6%	(26,151)	(17,198)	-52.1%
Staff costs		(2,912)	(3,341)	12.8%	(12,191)	(11,249)	-8.4%
Depreciation of property, plant and equipment		(273)	(247)	-10.5%	(1,005)	(1,000)	-0.5%
Amortisation of intangible assets		(59)	(60)	1.7%	(257)	(890)	71.1%
Other expenses	A.1	(1,190)	(9,196)	87.1%	(6,664)	(26,530)	74.9%
Finance expenses		(9)	(2)	-350.0%	(27)	(11)	-145.5%
Profit/(loss) before taxation		**2,751**	**(15,675)**	**117.6%**	**3,974**	**(29,442)**	**113.5%**
Income tax credit	A.1(h)	1,811	2,166	-16.4%	1,808	2,134	-15.3%
Profit/(loss) after tax from continuing operations		**4,562**	**(13,509)**	**133.8%**	**5,782**	**(27,308)**	**121.2%**
Discontinued operation:							
Loss from discontinued operation		-	(2,908)	100.0%	-	(12,636)	100.0%
Profit/(loss) for the period		**4,562**	**(16,417)**	**127.8%**	**5,782**	**(39,944)**	**114.5%**
Other comprehensive income							
Translation gain/(loss) relating to financial statements of foreign subsidiaries, net of tax		507	(846)	159.9%	493	1,499	-67.1%
Effect of liquidation of dormant subsidiaries		-	-	NM	98	(1,118)	108.8%
Other comprehensive income/ (loss) for the period, net of tax		**507**	**(846)**	159.9%	**591**	**381**	55.1%
Total comprehensive profit/(loss) for the period		**5,069**	**(17,263)**	**129.4%**	**6,373**	**(39,563)**	**116.1%**

** Increase/(Decrease) Earnings*

1(a)(ii). Consolidated Comprehensive Income Statement

Total comprehensive gain/ (loss) attributable to:

Owners of the Company		5,069	(16,605)	130.5%	6,373	(34,859)	118.3%
Non-controlling interests		-	(658)	100.0%	-	(4,704)	100.0%
Total comprehensive profit/(loss) for the period		**5,069**	**(17,263)**	129.4%	**6,373**	**(39,563)**	116.1%

** Increase/(Decrease) Earnings*

1(a)(iii). Explanatory Notes to Consolidated Income Statement

A.1 Profit/(Loss) from the continuing operation is arrived at after crediting/(charging) the following items:

	Note	Quarterly Results			YTD Results		
		4Q2015 S$'000	4Q2014 S$'000	Change* %	FY2015 S$'000	FY2014 S$'000	Change* %
Government grant income		19	8	137.5%	56	54	3.7%
Interest income		8	12	-33.3%	58	48	20.8%
Rental income	(a)	34	278	-87.8%	295	1,122	-73.7%
Exchange gain, net	(b)	205	258	-20.5%	741	443	67.3%
Allowance for doubtful debts reversed/ (provided)		12	(112)	110.8%	(67)	774	-108.7%
Allowance for inventory obsolescence provided	(c)	(1,084)	(6,156)	82.4%	(1,077)	(6,244)	82.8%
Loss on disposal of subsidiary		-	(775)	100.0%	-	(14,730)	100.0%
(Loss)/ Gain on liquidation of dormant subsidiaries	(d)	(512)	-	100.0%	(512)	1,118	-145.8%
Impairment on property, plant and equipment	(e)	(213)	(2,798)	92.4%	(213)	(2,798)	92.4%
Reversal of impairment loss on asset held for sale	(f)	597	-	NM	597	-	NM
Impairment loss on intangible assets		-	(3,417)	100.0%	-	(3,417)	100.0%
Reversal of provision on sales rebates	(g)	2,034	-	NM	2,034	-	NM
Gain/ (Loss) on disposal of property, plant and equipment		20	(281)	107.1%	20	(281)	107.1%
Fixed asset written off		(8)	-	NM	(8)	-	NM

** Increase/(Decrease) Earnings*
NM: Not Meaningful

A.1(a) In 2Q2015, the lease for AEM building in Singapore expired. The Group took the opportunity to revise its rental arrangement and reduce its rented space and hence there was minimal surplus space to rent out.

A.1(b) The foreign exchange gain arose mainly due to the appreciation of United States dollar against the Singapore dollar in 4Q2015.

A.1(c) In 4Q2015, warranty of consigned parts for FY2015 were reclassified as stock obsolescence, resulting in higher stock obsolescence.

A.1(d) In FY2015, the Group liquidated its wholly owned dormant Hong Kong subsidiary, AEM (Hong Kong) Co., Limited. As a result of the liquidation, a disposal loss of S$512,000 was recognised.

A.1(e) An impairment for property, plant and equipment was recognised in 4Q2015 for an entity in China that has been loss making.

A.1(f) As a result of the contracted sales of the Malacca factory at S$2.9 million (RM8 million), a reversal of the impairment of S$597,000 was recognised in 4Q2015 as the current fair value being higher than the previously impaired value of the factory.

A.1(g) Included in other income was a reversal of the provision for sales rebate of S$2,034,000 relating to the agreement that the Company entered into with a customer in December 2012. A subsidiary previously owned by the Company was a defendant for alleged damages and compensation arising from the sales of products in 2010 by the subsidiary to that customer. The Company settled the lawsuit by entering into the sales rebate agreement. At the end of the contract, the customer exercised its contractual right to request for a final cash settlement equivalent to 15% of the residual rebate amount. As a result of the final settlement, the Company reversed the remaining unutilised sales rebate provision balance.

A.1(h) The Company claimed for certain tax incentives which were previously pending for review by the tax authority. Upon closure of the review, the provision and tax refund of S$2,606,000 has been recognized as tax credit. An utilization of deferred tax asset of S$776,000 has been recorded in 4Q2015 as a result of the likely utilization of capital allowance brought forward to offset the tax liability on the profit of the Company. As a result of the reversal of provision for tax payable and net utilisation of the deferred tax, a net tax credit of S$1,808,000 was presented.

A.2 Raw Material and Other Consumables

	Quarterly Results			YTD Results		
	4Q2015 S$'000	4Q2014 S$'000	Change* %	FY2015 S$'000	FY2014 S$'000	Change* %
Changes in inventories of finished goods and work-in-progress excluding allowance fo inventory obsolescence	(2,243)	266	-943.2%	(167)	337	-149.6%
Raw materials and consumables cost	(6,884)	(2,662)	-158.6%	(26,151)	(17,198)	-52.1%
Material cost before obsolescence	(9,127)	(2,396)	-280.9%	(26,318)	(16,861)	-56.1%
Allowance for inventory obsolescence provided	(1,083)	(6,156)	82.4%	(1,077)	(6,244)	82.8%
Total	(10,210)	(8,552)	-19.4%	(27,395)	(23,105)	-18.6%

** Increase/(Decrease) Earnings*
NM: Not Meaningful

Raw materials and consumables cost, taking into consideration changes in inventories excluding allowance for inventory obsolescence, increased from S$2.4 million in 4Q2014 to S$9.1 million in 4Q2015, representing an increase of 280.9%. On a year-to-year comparison basis, raw materials and consumables cost rose from S$16.9 million in FY2014 to S$26.3 million in FY2015, representing an increase of 56.1%. The increase in raw materials and other consumables cost in 4Q2015 was higher than the revenue increase mainly due to higher proportion of equipment sales compared to spares and sale of kits.

1(b)(i). Statement of Financial Position

	Note	Group		Company	
		31-Dec-15 S$'000	31-Dec-14 S$'000	31-Dec-15 S$'000	31-Dec-14 S$'000
Non-current assets					
Property, plant and equipment	B.1	3,236	6,163	51	61
Intangible assets		217	381	37	89
Subsidiaries		-	-	10,194	10,194
Deferred tax asset	B.2	1,115	1,796	328	328
		4,568	**8,340**	**10,610**	**10,672**
Current assets					
Assets held for sale	B.1	2,551	-	-	-
Inventories		8,896	9,057	-	-
Trade and other receivables	B.3	10,375	7,482	3,809	4,374
Cash and bank equivalents	B.4	10,363	11,152	3,680	3,328
		32,185	**27,691**	**7,489**	**7,702**
Total assets		**36,753**	**36,031**	**18,099**	**18,374**
Equity Attributable to Owners of the Company					
Share capital	1(d)(i)	39,737	39,737	39,737	39,737
Other reserves	1(d)(i)	(13,075)	(13,868)	(259)	(461)
Accumulated losses	1(d)(i)	(2,160)	(7,942)	(22,711)	(24,525)
Total equity		**24,502**	**17,927**	**16,767**	**14,751**
Non-current liabilities					
Financial liabilities	1(b)(ii)	76	-	-	-
Deferred tax liabilities		43	49	-	-
		119	**49**	**-**	**-**
Current liabilities					
Trade and other payables	B.5	11,383	15,490	1,251	3,542
Financial liabilities	1(b)(ii)	86	202	-	-
Current tax payable	B.6	453	2,164	81	81
Provisions		210	199	-	-
		12,132	**18,055**	**1,332**	**3,623**
Total liabilities		**12,251**	**18,104**	**1,332**	**3,623**
Total equity and liabilities		**36,753**	**36,031**	**18,099**	**18,374**

B.1 In 3Q2015, the Group entered into an agreement to dispose of its land and building that was left vacant since the Group ceased its operations in Malacca. These assets were classified as Assets Held For Sale pending for the sale to be completed.

B.2 The increase in deferred tax asset was mainly due to the appreciation of United States dollar against the Singapore dollar comparing 31 December 2014 and 31 December 2015 and utilisation of deferred tax assets of S$776,000.

B.3 Trade and other receivables increased mainly due to the increase in sales comparing 4Q2015 and 4Q2014.

B.4 Cash and bank equivalents reduced mainly due to payments made for trade and material purchases as a result of the increase in sales in FY2015.

B.5 The reduction in trade and other payables was mainly due to payments made to trade suppliers.

B.6 The decrease in current tax payable is mainly due to tax credits recognised in 4Q2015 for overprovision of tax payable of S$2,606,000 and tax refund of S$684,000.

1(b)(ii). Group Borrowings and Debt Securities

	31-Dec-15 S$'000	31-Dec-14 S$'000
Amount repayable in one year or less, or on demand		
- Secured bank loan	-	202
- Secured finance lease liabilities	86	-
	86	**202**
Amount repayable after one year		
- Secured finance lease liabilities	76	-
	76	**-**
Total	**162**	**202**

The bank loan in FY2014 was secured by corporate guarantee from AEM Holdings Ltd and a fixed and floating charge on the trade receivables of a subsidiary of the Company. The finance lease liabilities are secured by corporate guarantee from AEM Holdings Ltd and fixed charge on the equipment being financed.

1(c). Consolidated Cash Flow Statement

	Note	4Q2015 S$'000	4Q2014 S$'000	FY2015 S$'000	FY2014 S$'000
Operating activities					
Profit/ (loss) before tax from continuing operations		2,750	(15,675)	3,974	(29,442)
Loss before tax from discontinued operations		-	(2,908)	-	(12,636)
Profit/ (loss) before tax		**2,750**	**(18,583)**	**3,974**	**(42,078)**
Adjustments for:					
Depreciation and amortisation		332	1,435	1,262	5,387
Impairment loss on property, plant and equipment		213	2,798	213	2,798
(Gain)/ loss on disposal of property, plant and equipment		(20)	281	(20)	281
Fixed asset written off		8	-	8	-
Reversal of impairment of assets held for sale		(597)	-	(597)	-
Impairment loss on intangible asset		-	3,417	-	3,417
Loss on disposal/liquidation of subsidiaries		512	775	512	13,612
Allowance for inventories obsolescence		1,084	6,156	1,077	6,257
(Reversal)/ Allowance for doubtful debts and bad debts written off		(12)	112	67	(774)
Interest income		(8)	(12)	(58)	(52)
Interest expense		9	1	27	33
Reversal of allowance for warranties		(339)	(46)	(4)	(60)
Provision for sales rebates		(2,034)	-	(2,034)	-
Performance shares expense		-	-	283	255
Operating profit/(loss) before working capital changes		**1,898**	**(3,666)**	**4,710**	**(10,924)**
Changes in working capital:					
Inventories		1,650	(1,140)	(337)	(1,138)
Trade and other receivables		(2,610)	988	(5,089)	2,542
Trade and other payables		(543)	3,748	(1,546)	1,191
Cash generated from/ (used in) operations		**395**	**(70)**	**(2,262)**	**(8,329)**
Government grant received		19	63	56	63
Tax recovered		754	122	666	61
Cash flows from/ (used in) operating activities		**1,168**	**115**	**(1,540)**	**(8,205)**

1(c). Consolidated Cash Flow Statement (Cont'd)

	Note	4Q2015 S$'000	4Q2014 S$'000	FY2015 S$'000	FY2014 S$'000
Investing activities					
Interest income		8	12	58	52
Purchase of property, plant and equipment		(384)	(1,145)	(603)	(5,531)
Proceeds from sale of property, plant and equipment		77	4	77	4
Acquisition of intangible assets		(17)	(111)	(79)	(2,023)
Proceeds from disposal of subsidiary		-	3,014	-	3,014
Loan repaid by former subsidiary		1,417	-	1,417	-
Cash flows from/ (used in) investing activities		**1,101**	**1,774**	**870**	**(4,484)**
Financing activities					
Interest expense		(9)	(1)	(27)	(33)
Repayment of finance lease liabilities		(23)	-	(84)	-
Proceeds from subsidiary's shares issuance		-	-	-	2,642
Repayment of bank loan		(206)	(224)	(211)	(973)
Purchase of treasury shares		(70)	-	(81)	(36)
Cash flows (used in)/ from financing activities		**(308)**	**(225)**	**(403)**	**1,600**
Net increase/(decrease) in cash and cash equivalents		**1,961**	**1,664**	**(1,073)**	**(11,089)**
Cash and cash equivalents at beginning of period		8,445	9,361	11,152	22,370
Effect of exchange rate changes on balances held in foreign currencies		(43)	127	284	(129)
Cash and cash equivalents at end of period		**10,363**	**11,152**	**10,363**	**11,152**

Explanatory Notes on Cash Flow Statement

Cash and bank equivalents reduced mainly due to payments made for trade and material purchases as a result of the increase in sales comparing 4Q2015 and 4Q2014 and inventory builds for equipment orders in FY2015.

1(d)(i). Statements of Changes in Equity

	Share capital S$'000	Treasury share reserve S$'000	Capital reserve S$'000	Share compensation reserve S$'000	Merger reserve S$'000	Currency translation reserve S$'000	Retained earnings S$'000	Total attributable to shareholders S$'000	Non-Controlling Interest S$'000	Total Equity S$'000
Group										
As at 1 Jan 2014	**39,737**	**(910)**	**214**	**230**	**139**	**(15,270)**	**26,661**	**50,801**	**14,331**	**65,132**
Changes in equity for the period										
Own shares acquired	-	(36)	**-**	-	**-**	**-**	**-**	(36)	**-**	(36)
Performance Share Plan shares issuance	-	255	**-**	-	**-**	**-**	**-**	255	**-**	255
Acquisition of shares in subsidiary	-	-	-	-	-	-	-	-	1,321	1,321
Total comprehensive income/(loss)	**-**	**-**	**-**	**-**	**-**	87 *	(1,729)	(1,642)	(1,197)	(2,839)
As at 31 Mar 2014	**39,737**	**(691)**	**214**	**230**	**139**	**(15,183)**	**24,932**	**49,378**	**14,455**	**63,833**
Acquisition of shares in subsidiary	-	-	-	-	-	-	-	-	1,321	1,321
Total comprehensive income/(loss)	-	-	-	-	-	206 *	(3,274)	(3,068)	(1,510)	(4,578)
As at 30 Jun 2014	**39,737**	**(691)**	**214**	**230**	**139**	**(14,977)**	**21,658**	**46,310**	**14,266**	**60,576**
Disposal of dormant subsidiaries	-	-	-	-	(139)	(979)		(1,118)	-	(1,118)
Total comprehensive income/(loss)	-	-	-	-	-	62 *	(14,412)	(14,350)	(1,339)	(15,689)
As at 30 Sep 2014	**39,737**	**(691)**	**214**	**230**	**-**	**(15,894)**	**7,246**	**30,842**	**12,927**	**43,769**
Disposal of subsidiary	-	-	-	-	-	3,690	-	3,690	(12,269)	(8,579)
Total comprehensive loss	-	-	-	-	-	(1,417)*	(15,188)	(16,605)	(658)	(17,263)
As at 31 Dec 2014	**39,737**	**(691)**	**214**	**230**	**-**	**(13,621)**	**(7,942)**	**17,927**	**(0)**	**17,927**

	Share capital S$'000	Treasury share reserve S$'000	Capital reserve S$'000	Share compensation reserve S$'000	Merger reserve S$'000	Currency translation reserve S$'000	Retained earnings S$'000	Total attributable to shareholders S$'000	Non-Controlling Interest S$'000	Total Equity S$'000
Group										
As at 1 Jan 2015	**39,737**	**(691)**	**214**	**230**	**-**	**(13,621)**	**(7,942)**	**17,927**	**-**	**17,927**
Changes in equity for the period										
Total comprehensive income	-	-	-	-	-	222 *	229	451	-	451
As at 31 Mar 2015	**39,737**	**(691)**	**214**	**230**	**-**	**(13,399)**	**(7,713)**	**18,378**	**-**	**18,378**
Performance Share Plan shares issuance	-	283	-	-	-	-	-	283	-	283
Total comprehensive (loss)/income	-	-	-	-	-	(329)*	468	139	-	139
As at 30 Jun 2015	**39,737**	**(408)**	**214**	**230**	**-**	**(13,728)**	**(7,245)**	**18,800**	**-**	**18,800**
Own shares acquired	-	(11)	-	-	-		-	(11)	-	(11)
Disposal of dormant subsidiary						98	-	98	-	98
Total comprehensive income						93 *	523	616	-	616
As at 30 Sep 2015	**39,737**	**(419)**	**214**	**230**	**-**	**(13,537)**	**(6,722)**	**19,503**	**-**	**19,503**
Own shares acquired	-	(70)	-	-	-	-	-	(70)		(70)
Total comprehensive gain	-	-	-	-	-	507 *	4,562	5,069		5,069
As at 31 Dec 2015	**39,737**	**(489)**	**214**	**230**	**-**	**(13,030)**	**(2,160)**	**24,502**	**-**	**24,502**

** The net exchange difference arose mainly from translation of subsidiaries' USD-denominated net assets and liabilities.*

1(d)(i). Statements of Changes in Equity (Cont'd)

	Share capital S$'000	Treasury share reserve S$'000	Share compensation reserve S$'000	Retained earnings S$'000	Total attributable to shareholders of the Company S$'000
Company					
As at 1 Jan 2014	**39,737**	**(910)**	**230**	**7,949**	**47,006**
Changes in equity for the period					
Own shares acquired	-	(36)	-	-	(36)
Performance Shares Plan shares issuance	-	255	-	-	255
Total comprehensive loss	-	-	-	(122)	(122)
As at 31 Mar 2014	**39,737**	**(691)**	**230**	**7,827**	**47,103**
Total comprehensive loss	-	-	-	(246)	(246)
As at 30 Jun 2014	**39,737**	**(691)**	**230**	**7,581**	**46,857**
Total comprehensive loss	-	-	-	(32,382)	(32,382)
As at 30 Sep 2014	**39,737**	**(691)**	**230**	**(24,801)**	**14,475**
Total comprehensive income	-	-	-	276	276
As at 31 Dec 2014	**39,737**	**(691)**	**230**	**(24,525)**	**14,751**

	Share capital S$'000	Treasury share reserve S$'000	Share compensation reserve S$'000	Retained earnings S$'000	Total attributable to shareholders of the Company S$'000
Company					
As at 1 Jan 2015	**39,737**	**(691)**	**230**	**(24,525)**	**14,751**
Changes in equity for the period					
Total comprehensive loss	-	-	-	(189)	(189)
As at 31 Mar 2015	**39,737**	**(691)**	**230**	**(24,714)**	**14,562**
Performance Shares Plan shares issuance	-	283	-	-	283
Total comprehensive loss	-	-	-	(74)	(74)
As at 30 Jun 2015	**39,737**	**(408)**	**230**	**(24,788)**	**14,771**
Own shares acquired	-	(11)	-	-	(11)
Total comprehensive income	-	-	-	48	48
As at 30 Sep 2015	**39,737**	**(419)**	**230**	**(24,740)**	**14,808**
Total comprehensive income	-	(70)	-	2,029	1,959
As at 31 Dec 2015	**39,737**	**(489)**	**230**	**(22,711)**	**16,767**

1(d)(ii). Changes in Share Capital

	As at 31-Dec-15		As at 31-Dec-14	
	No. of shares	S$'000	No. of shares	S$'000
Issued and fully paid (before share consolidation)				
At 1 January	451,126,760	39,737	451,126,760	39,737
Less treasury shares balance	(7,521,000)	(489)	(7,650,000)	(691)
Total issued shares less treasury shares reserve at end of period (before shares consolidation)	**443,605,760**	**39,248**	**443,476,760**	**39,046**
Total issued shares less treasury shares reserve at end of period*	**44,360,529**	**39,248**	**44,347,676**	**39,046**

	As at 31-Dec-15		As at 31-Dec-14	
	No. of shares	S$'000	No. of shares	S$'000
Treasury shares (before share consolidation)				
At 1 January	(7,650,000)	(691)	(10,000,000)	(910)
Less purchase of own shares	(2,995,000)	(81)	(450,000)	(36)
Issue of treasury shares to management under Performance Share Plan	3,124,000	283	2,800,000	255
Treasury shares balance at end of period (before shares consolidation)	**(7,521,000)**	**(489)**	**(7,650,000)**	**(691)**
Treasury shares balance at end of period*	**(752,100)**	**(489)**	**(765,000)**	**(691)**

**On 26 May 2015, the Group completed a share consolidation of 10 existing issued ordinary shares into 1 ordinary share. Accordingly, adjustments have been made to the number of shares. Fractions of consolidated shares were disregarded as a result of the share consolidation exercise.*

1(d)(iii). Share Options

Nil

1(d)(iv). Treasury Shares

As at 31 December 2015, the treasury shares balance was 752,100 (31 December 2014: 765,000). The total number of issued ordinary shares excluding treasury shares at the end of the period was 44,360,529 (31 December 2014: 44,347,676).

There was an issue of treasury shares to management under Performance Share Plan in 2Q2015.

2. Statement on Audit

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

The figures have not been audited or reviewed.

3. Auditors' Report

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

Not applicable.

4. Accounting Policies

Whether the same accounting policies and methods of computations as in the issuer's most recently audited annual financial statements have been applied

Other than the adoption of the new and revised Financial Reporting Standards (FRSs) as mentioned in paragraph 5 below, there were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited annual financial statements as at 31 December 2014.

5. Changes in Accounting Policies

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.

A number of new standards, amendments to standards and interpretations are effective for annual period beginning after 1 January 2015. None of these is expected to have a significant effect on the Group's financial statements, except for FRS 115 "Revenue from contracts with customers", "FRS 109 "Financial Instruments" and "IFRS 16 Leases" which are mandatory for adoption by the Group on 1 January 2018, 1 January 2018 and 1 January 2019 respectively.

The Group has not yet commenced examining the impacts of adoption of these standards on its financial statements.

6. Earnings Per Share

Earnings per ordinary share for the period for continuing operations based on net profit attributable to shareholders after deducting any provision for preference dividends

	Group		Group	
	4Q2015	4Q2014	FY2015	FY2014
(i) EPS based on weighted average number of ordinary shares in issue	10.25 cents	-37.02 cents	12.99 cents	-90.19 cents
Weighted average number of shares in issue*	44,519,308	44,347,676	44,513,937	44,287,475
(ii) EPS based on a fully diluted basis	10.25 cents	-37.02 cents	12.99 cents	-90.19 cents
Weighted average number of shares adjusted for the effect of dilutive potential ordinary shares arising from the exercise of share options*	44,519,308	44,347,676	44,513,937	44,287,475

**On 26 May 2015, the Group completed a share consolidation of 10 existing issued ordinary shares into 1 ordinary share. Accordingly, adjustments have been made to the number of shares. Fractions of consolidated shares were disregarded as a result of the share consolidation exercise.*

7. Net Asset Value Per Share

	Group		Company	
	31-Dec-15	31-Dec-14	31-Dec-15	31-Dec-14
Net asset value per share	55.2 cents	40.4 cents	37.8 cents	33.3 cents

Net asset value per share is calculated based on the existing issued share capital less treasury shares of 44,360,529 ordinary shares as at 31 December 2015 (31 December 2014: 44,347,676 shares).

8. Group Performance Review

Analysis of Consolidated Income Statement

	Quarterly Results			YTD Results		
	4Q2015 S$'000	4Q2014 S$'000	Change %	FY2015 S$'000	FY2014 S$'000	Change %
Profit/ (loss) before tax (shown in 1(a)(i))	2,751	(15,675)	117.6%	3,974	(29,442)	113.5%
Reversal of provision on sales rebates	(2,034)	-	NM	(2,034)	-	NM
Reversal of impairment loss on asset held for sale	(597)	-	NM	(597)	-	NM
Loss/ (Gain) on liquidation of dormant subsidiaries	512	-	-100%	512	(1,118)	-145.8%
Impairment on property, plant and equipment	213	2,798	92.4%	213	2,798	92.4%
Profit/ (loss) before tax excluding reversals, loss or gain on liquidation and impairment	845	(12,877)	106.6%	2,068	(27,762)	107.4%

The Group reported a profit before tax of S$2.8 million in 4Q2015 compared to a loss before tax of S$15.7 million in 4Q2014 and a profit before tax of S$4.0 million in FY2015 compared to a loss before tax of S$29.4 million in FY2014. Excluding the one off provision reversals, loss or gain on liquidation of dormant subsidiaries and impairment on property, plant and equipment, the Group would have reported a profit before tax of S$845,000 in 4Q2015 compared to a loss before tax of S$12.9 million, and profit before tax of S$2.1 million in FY2015 compared to loss before tax of S$27.8 million in FY2014, representing a increase of 106.6% and 107.4% respectively.

	Quarterly Results			YTD Results		
	4Q2015 S$'000	4Q2014 S$'000	Change %	FY2015 S$'000	FY2014 S$'000	Change %
Equipment Systems (ESS)	13,180	3,641	262.0%	41,031	22,544	82.0%
Precision Components (PCS)	1,212	1,441	-15.9%	5,766	7,563	-23.8%
Plating & Other Services (PLT)	148	166	-10.8%	814	753	8.0%
Overall	14,540	5,248	177.1%	47,611	30,860	54.3%

The Group reported higher sales from its Equipment Systems ("ESS") business mainly due to higher sales from a key customer. Sales for ESS were higher by 262.0% increasing from S$3.6 million in 4Q2014 to S$13.2 million in 4Q2015. On a full year basis, ESS sales rose from S$22.5 million in FY2014 to S$41.0 million in FY2015, representing an increase of 82.0%.

Sales from the Precision Components ("PCS") business were lower by 15.9%, decreasing from S$1.4 million in 4Q2014 to S$1.2 million in 4Q2015. Sales for PCS were lower by 23.8%, decreasing from S$7.6 million in FY2014 to S$5.8 million in FY2015. The lower sales were mainly due to reduced orders from the semi-conductor industry that is facing a slowdown.

Plating and Other Services ("PLT") reported 10.8% reduction in revenue, which decreased from S$166,000 in 4Q2014 to S$148,000 in 4Q2015. However, on a full year basis, the revenue from this business was 8.1% higher, rising from S$753,000 in FY2014 to S$814,000 in FY2015.

As a result of the above, the Group recorded a 177.1% increase in its total revenue, which rose from S$5.2 million in 4Q2014 to S$14.5 million in 4Q2015. Comparing FY2015 and FY2014, revenue increased by 54.3% from S$30.9 million in FY2014 to S$47.6 million in FY2015.

Raw materials and consumables cost, taking into consideration changes in inventories excluding allowance for inventory obsolescence, increased from S$2.4 million in 4Q2014 to S$9.1 million in 4Q2015, representing an increase of 280.9%. On a year-to-year comparison basis, raw materials and consumables cost rose from S$16.9 million in FY2014 to S$26.3 million in FY2015, representing an increase of 56.1%. The increase in raw materials and other consumables cost in 4Q2015 was higher than the revenue increase mainly due to higher proportion of equipment sales compared to spares and kits sales.

Staff costs decreased by 12.8% from S$3.3 million in 4Q2014 to S$2.9 million in 4Q2015 mainly due to reversal of bonus provision of S$393,000. Staff costs increased by 8.4% from S$11.2 million in FY2014 to S$12.2 million in FY2015 mainly due to increased headcounts in the engineering and field service team in order to expand the ESS business.

Depreciation cost increased by 10.5% from S$247,000 in 4Q2014 to S$273,000 in 4Q2015 and relatively unchanged at S$1.0 million in FY2014 and FY2015. The increase in 4Q2015 was mainly due to the increase in property, plant and equipment in FY2015.

Amortisation of intangible assets was lower by 1.7%, decreasing from S$60,000 in 4Q2014 to S$59,000 in 4Q2015 and by 71.1% from S$890,000 in FY2014 to S$257,000 in FY2015. This was mainly due to intangible assets relating to capitalised cost of developments written off in 4Q2014.

Other expenses decreased by 87.1% from S$9.2 million in 4Q2014 to S$1.2 million in 4Q2015 and by 74.9% from S$26.5 million in FY2014 to S$6.7 million in FY2015. However, after taking into account impairments, reversals, allowances, gains or losses from disposal or liquidation of subsidiaries and reclassification of prior quarters stock obsolescence (refer to table below), the net balance of "other expenses" dropped 46.0% from S$2.1 million in 4Q2014 to S$1.1 million in 4Q2015 mainly due to lower rental and overseas travel expenses in 4Q2015. The amount dropped 7.7% from S$6.4 million in FY2014 to S$5.9 million in FY2015 mainly due to lower rental expenses offset by higher sales and administrative expenses.

8. Group Performance Review (Cont'd)

Analysis of Consolidated Income Statement (Cont'd)

	Other Expenses					
	4Q2015	4Q2014	Change	FY2015	FY2014	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Other expenses including disposal of subsidiary, allowance and reversal of impairment	(1,190)	(9,196)	87.1%	(6,664)	(26,530)	74.9%
(Add)/less:						
Loss on disposal of subsidiary	-	775	100.0%	-	14,730	100.0%
Loss on liquidation of subsidiaries	512	-	NM	512	-	NM
Allowance for impairment of Malacca factory building	-	3,417	100.0%	-	3,417	100.0%
Allowance for impairment on other Property, Plant and Equipment	213	2,798	92.4%	213	2,798	92.4%
Allowance for/ (Reversal) of provision on doubtful debts	-	112	100.0%	67	(774)	108.7%
Reclassification of prior quarters' stock obsolescence*	(654)	-	NM	-	-	NM
Other expenses excluding disposal of subsidiary, allowance and reversal of impairment	(1,119)	(2,094)	46.6%	(5,872)	(6,359)	7.7%

**As expenses relating to stock obsolescence were classified as 'other expenses' in the prior quarters, this reclassification was made in 4Q to reclassify these amounts to 'changes in inventories of finished goods and work in progress' and 'raw materials and other consumables' as disclosed in the consolidated income statement*

NM: Not Meaningful

As a result of the above, profit before tax in 4Q2015 was S$2.8 million compared to a loss of S$15.7 million in 4Q2014 and S$4.0 million in FY2015 compared to a loss of S$29.4 million in FY2014. Including the net tax credit, profit after tax in 4Q2015 was S$4.6 million compared to a loss of S$13.5 million in 4Q2014 and S$5.8 million in FY2015 compared to a loss of S$27.3 million in FY2014. Inclusive of the discontinued operations, losses after tax would be S$16.4 million and S$39.9 million in 4Q2014 and FY2014 respectively.

Analysis of Statement of Financial Position

As at 31 December 2015, the Group had a cash balance of S$10.4 million compared to its financial liabilities of S$162,000.

The reduction in cash and bank balances was mainly due to payment of trade purchases and repayment of loan for AEM Singapore Pte Ltd.

9. Prospect vs Actual Results

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

In our 2Q2015 results announcement, we stated "we are optimistic about our prospects for the second half of 2015 and barring unforeseen circumstances, we expect our 2H2015 and FY2015 to be profitable". The Group was profitable for 2H2015 and FY2015.

10. Business Outlook

Commentary of significant trends and competitive conditions of the industry and any known factors or events that may affect the Group

The Group's performance continued to improve in the 4th quarter of FY2015. Revenue rose by 177.1% from S$5.2 million to S$14.5 million and comprehensive net profit from continuing operations improved from a loss of S$27.3 million in FY2014 to a profit of S$5.8 million in FY2015.

We continue to see positive demand from our ESS customers and sales from ESS is expected to contribute to our performance in FY2016. Our research and development efforts are moving according to plan and remains an important part of our future growth strategy.

On our prospects for the first quarter and FY2016, we expect that we will continue to operate profitably. On a cautionary note, in view of the global economic uncertainties as well as softness in the semiconductor industry, we will exercise prudence in our business management. At the same time, we will continue with our efforts to look for opportunities that can support the Group's growth.

11. Dividends

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? Yes

Name of Dividend	First & Final
Dividend Type	Cash
Dividend Rate	1 cent per ordinary share
Tax Rate	Tax Exempt One-Tier

The Board is recommending a first and final tax exempt one-tier dividend of 1 cent per share for the year.

(b) Corresponding Period of the Immediately Preceding Financial Year

Name of Dividend	NA
Dividend Type	NA
Dividend Rate	NA
Tax Rate	NA

(c) Date payable

Payment of the said dividends, if approved by shareholders at the forthcoming Annual General Meeting of the Company, will be made on 27 May 2016.

(d) Books closure date

NOTICE IS HEREBY GIVEN that, the Transfer Books and Register of Members of the Company will be closed on 17 May 2016 for the preparation of the proposed dividend. Duly completed and stamped transfers together with all relevant documents of or evidencing title received by the Company's Share Registrar, Intertrust Singapore Corporate Services Pte. Ltd., at 3 Anson Road #27-01, Springleaf Tower Singapore 079909, up to 5.00 p.m. on 16 May 2016 will be registered to determine shareholders' entitlements to the proposed dividend. Subject as aforesaid, persons whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 16 May 2016 will be entitled to the proposed dividend.

12. Statement on Dividends

If no dividend has been declared (recommended), a statement to that effect

Not applicable.

13. Interested Person Transactions

If no IPT mandate has been obtained, a statement to that effect

No IPT mandate has been obtained.

14. Confirmation by the Directors and Officers Pursuant to Rule 720(1) of the Listing Manual

The Group has procured undertakings from all its directors and executive officers.

15. Business Segment Information

Segment information is presented based on the information reviewed by chief operating decision makers ("CODM") for performance assessment and resource allocation. The CODM assess the Group's financial performance using performance indicators which include revenue, EBITDA and net profit of the Company.

	Equipment Systems (ESS) S$'000	Precision Components (PCS) S$'000	Plating & Others (PLT) S$'000	Consolidated Continuing Operations S$'000
2015				
Revenue and expenses				
Total revenue from external	41,030	5,767	814	47,611
Inter-segment revenue	250	620	1,256	2,126
Reportable segment revenue	**41,280**	**6,387**	**2,070**	**49,737**
Depreciation and amortisation	(572)	(375)	(316)	(1,263)
Finance costs	15	-	12	27
Finance income	4	-	54	58
Tax credit	1,809	-	(1)	1,808
Profit/(Loss) before tax for the year	4,129	(931)	776	3,974
Profit/(Loss) for the year	5,939	(931)	774	5,782
Reportable segment assets	23,412	4,782	8,559	36,753
Reportable segment liabilities	8,252	1,992	2,007	12,251
Other Segment Information				
Expenditures for non-current assets	250	44	555	849
Other material non-cash items:				
Loss on disposal/liquidation of subsidiaries	-	-	(512)	(512)
(Impairment loss) / Reversal of :-				
- Doubtful debts	(65)	(2)	-	(67)
- Inventory obsolescence	(882)	(195)	-	(1,077)
- Property, plant and equipment, net	(3)	(210)	597	384
- Sales rebate	-	-	2,034	2,034

	Equipment Systems (ESS) S$'000	Precision Components (PCS) S$'000	Plating & Others (PLT) S$'000	Consolidated Continuing Operations S$'000
2014				
Revenue and expenses				
Total revenue from external	22,544	7,563	753	30,860
Inter-segment revenue	93	-	-	93
Reportable segment revenue	**22,637**	**7,563**	**753**	**30,953**
Depreciation and amortisation	(1,291)	(399)	(200)	(1,890)
Finance costs	(11)	-	-	(11)
Finance income	35	12	1	48
Tax credit	2,022	101	11	2,134
Profit/(Loss) before tax for the year	(13,166)	(161)	(16,115)	(29,442)
Profit/(loss) for the year	(11,144)	(61)	(16,103)	(27,308)
Reportable segment assets	27,740	6,183	2,108	36,031
Reportable segment liabilities	15,171	2,651	282	18,104
Other Segment Information				
Expenditures for non-current assets	1,174	25	654	1,853
Other material non-cash items:				
Gain on disposal of property, plant and equipment	-	-	(13,612)	(13,612)
(Reversal) of / Impairment loss for:-				
- Doubtful debts	(1)	(5)	780	774
- Inventory obsolescence	(6,049)	(203)	8	(6,244)
- Property, plant and equipment, net	-	-	(2,798)	(2,798)
- Intangibles	(3,417)	-	-	(3,417)

16. Review of Segmental Sales and Earnings

Refer paragraph 8 for analysis of sales by business segments.

For the ESS business segment, the profit before tax was S$4.1 million in FY2015. After excluding inventory obsolescence and impairments, the net profit before tax would be S$5.0 million compared to a net loss before tax of S$3.7 million in FY2014. The profit was a result of the increase in equipment and sale of kits.

For the PCS business, it recorded a net loss after tax of S$931,000 in FY2015 compared to the net loss after tax of S$61,000 in FY2014 mainly due to impairment of PCS property, plant and equipment and inventory amounting to $405,000 and the reduction in sales.

FY2015, the "Plating and Others" business segment included loss relating to the disposal and liquidation of subsidiaries of S$512,000, and net profits due to reversal of impairments of S$597,000 and provision of sales rebate of S$2.0 million in other segments. If the profit after tax excludes the disposal loss on subsidiaries and profits on reversal of impairments and provision of sales rebate, the gain in FY2015 would become a loss of S$1.3 million compared to a loss of S$307,000 in FY2014. This is mainly due to reduction of sales coupled with fixed expenses.

17. Breakdown of Half Yearly Sales and Profit

	Group		
	FY2015 $'000	FY2014 $'000	Change* %
(a) Sales reported for first half year	20,537	17,693	16%
(b) Net (loss)/profit for first half year	719	(1,248)	158%
(c) Sales reported for second half year	27,074	13,167	106%
(d) Net profit/ (loss) for second half year	5,063	(26,060)	119%

18. Person Occupying a Managerial Position

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(11). If there are no such persons, the issuer must make an appropriate negative statement.

There is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer.

BY ORDER OF THE BOARD

Charles Cher Lew Siang
Chief Executive Officer
23 February 2016