

Financial Statement Announcement for the Year Ended 31 December 2019

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

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

Consolidated income statement for financial year ended 31 December 2019. These figures have not been audited or reviewed.

(In Singapore dollars)	Oct - Dec 2019 \$'000	Oct - Dec 2018 \$'000	+ / (-) %	Jan - Dec 2019 \$'000	Jan - Dec 2018 \$'000	+ / (-) %
Revenue	167,352	184,195	(9.1)	673,791	726,795	(7.3)
Cost of sales	(148,831)	(165,020)	(9.8)	(599,470)	(639,662)	(6.3)
Gross profit	18,521	19,175	(3.4)	74,321	87,133	(14.7)
Other items of income						
Interest income	144	125	15.2	541	468	15.6
Other income	1,644	14,753	(88.9)	6,237	19,362	(67.8)
Other items of expense						
Marketing and distribution	(3,263)	(3,928)	(16.9)	(14,098)	(14,673)	(3.9)
Administrative expenses	(10,536)	(10,435)	1.0	(41,447)	(42,139)	(1.6)
Other operating expenses	(3,131)	(6,593)	(52.5)	(8,338)	(9,795)	(14.9)
Reversal of impairment loss on financial assets	178	20	n.m.	178	8	n.m.
Finance costs	(1,263)	(804)	57.1	(5,203)	(4,030)	29.1
Share of results of joint venture	681	421	61.8	1,351	1,423	(5.1)
Profit before tax	2,975	12,734	(76.6)	13,542	37,757	(64.1)
Income tax expense	(269)	(2,175)	(87.6)	(5,554)	(7,999)	(30.6)
Profit for the period	2,706	10,559	(74.4)	7,988	29,758	(73.2)
Profit attributable to:						
Owners of the Company	2,706	10,559	(74.4)	7,988	29,758	(73.2)

Consolidated statement of comprehensive income for financial year ended 31 December 2019. These figures have not been audited or reviewed.

Profit for the period	2,706	10,559	(74.4)	7,988	29,758	(73.2)
Other comprehensive income						
Foreign currency translation	(2,786)	665	n.m.	(5,534)	(1,402)	n.m.
Share of foreign currency translation of joint venture	(25)	23	n.m.	(105)	(85)	23.5
Other comprehensive income for the period, net of tax	(2,811)	688	n.m.	(5,639)	(1,487)	n.m.
Total comprehensive income for the period	(105)	11,247	n.m.	2,349	28,271	(91.7)
Attributable to:						
Owners of the Company	(105)	11,247	n.m.	2,349	28,271	(91.7)

1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the statement of income for the current financial period reported on and the corresponding period of the immediately preceding financial year:-

Profit before tax is stated after (charging) / crediting:-

	Oct - Dec 2019 \$'000	Oct - Dec 2018 \$'000	+ / (-) %	Jan - Dec 2019 \$'000	Jan - Dec 2018 \$'000	+ / (-) %
Depreciation of property, plant and equipment	(6,523)	(7,428)	(12.2)	(27,333)	(29,223)	(6.5)
Depreciation of right-of-use assets	(2,178)	-	n.m.	(7,803)	-	n.m.
Allowance for impairment on property, plant and equipment	(218)	(552)	(60.5)	(709)	(552)	28.4
Property, plant and equipment written off	(62)	(33)	87.9	(85)	(103)	(17.5)
Net (loss)/gain on disposal of property, plant and equipment	(22)	13,057	n.m.	172	12,925	(98.7)
Net write-back of allowance/(allowance) for inventories obsolescence	8	(376)	n.m.	(656)	62	n.m.
Net reversal of impairment loss/(impairment loss) on capitalised contract costs	393	(337)	n.m.	489	(1,120)	n.m.
Net reversal of impairment loss on trade receivables	(178)	(20)	n.m.	(178)	(8)	n.m.
Bad debts written-off	(6)	-	n.m.	(6)	-	n.m.
Amortisation of intangible assets	(252)	(409)	(38.4)	(1,401)	(1,538)	(8.9)
Reversal of provision for onerous contract	54	82	(34.1)	300	324	(7.4)
Net foreign exchange(loss)/gain	<u>(1,004)</u>	<u>237</u>	n.m.	<u>(1,145)</u>	<u>657</u>	n.m.

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

(In Singapore dollars)

As at	Group			Company		
	31.12.2019 \$'000	31.12.2018 \$'000	+ / (-) %	31.12.2019 \$'000	31.12.2018 \$'000	+ / (-) %
<u>Non-current assets</u>						
Property, plant and equipment	171,662	190,435	(9.9)	16,940	11,015	53.8
Right-of-use assets	41,550	-	n.m.	4,307	-	n.m.
Intangible assets	12,683	14,087	(10.0)	-	-	n.m.
Other investments	1,539	1,539	-	-	-	n.m.
Investment in subsidiaries	-	-	n.m.	373,424	365,862	2.1
Investment in joint venture	7,083	6,659	6.4	-	-	n.m.
Prepayments	55	137	(59.9)	55	137	(59.9)
Other receivables	-	-	n.m.	371	374	(0.8)
Deferred tax assets	3,652	2,707	34.9	-	-	n.m.
	238,224	215,564	10.5	395,097	377,388	4.7
<u>Current assets</u>						
Inventories	111,019	114,911	(3.4)	7,788	7,545	3.2
Contract assets	34,850	41,744	(16.5)	3,312	3,620	(8.5)
Prepayments	2,885	4,955	(41.8)	725	661	9.7
Trade and other receivables	218,715	248,510	(12.0)	66,685	62,428	6.8
Cash and short term deposits	103,366	88,746	16.5	3,373	3,148	7.1
	470,835	498,866	(5.6)	81,883	77,402	5.8
<u>Less: Current liabilities</u>						
Trade and other payables	169,799	173,072	(1.9)	70,262	69,244	1.5
Contract liabilities	29,677	37,047	(19.9)	6,463	8,404	(23.1)
Loans and borrowings	63,698	86,264	(26.2)	24,770	44,296	(44.1)
Lease liabilities	7,449	-	n.m.	1,235	-	n.m.
Tax payable	2,509	4,042	(37.9)	694	-	n.m.
	273,132	300,425	(9.1)	103,424	121,944	(15.2)
Net current assets / (liabilities)	197,703	198,441	(0.4)	(21,541)	(44,542)	(51.6)
<u>Less: Non-current liabilities</u>						
Other liabilities	1,724	1,752	(1.6)	-	-	n.m.
Loans and borrowings	40,670	23,458	73.4	12,925	547	n.m.
Lease liabilities	15,383	-	n.m.	3,185	-	n.m.
Deferred tax liabilities	8,608	7,480	15.1	1,154	-	n.m.
	66,385	32,690	n.m.	17,264	547	n.m.
Net assets	369,542	381,315	(3.1)	356,292	332,299	7.2
<u>Equity attributable to owners of the Company</u>						
Share capital	303,313	302,096	0.4	303,313	302,096	0.4
Reserves	66,229	79,219	(16.4)	52,979	30,203	75.4
Total equity	369,542	381,315	(3.1)	356,292	332,299	7.2

1(b)(ii) **Aggregate amount of group's borrowings and debt securities****Amount repayable in one year or less, or on demand**

	As at 31.12.2019		As at 31.12.2018	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Loans and borrowings	1,546	62,152	1,591	84,673
Lease liabilities ⁽¹⁾	-	7,449	-	-

Amount repayable after one year

	As at 31.12.2019		As at 31.12.2018	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Loans and borrowings	-	40,670	-	23,458
Lease liabilities ⁽¹⁾	-	15,383	-	-

Details of any collateral

Collateral for secured borrowings is as follows:

- Sunningdale Innovative Technology (Tianjin) Co Ltd's loan of \$1.5 million (31.12.2018: \$1.6 million) is secured by cash and bank balances of the same amount of other subsidiary companies.

⁽¹⁾ On adoption of SFRS(I) 16, the lease liabilities of \$7.4 million (31.12.2018: \$nil) and \$15.4 million (31.12.2018: \$nil) as at 31 December 2019 were included in unsecured borrowings for amount repayable in one year or less or on demand and amount repayable after one year respectively.

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

Consolidated statement of cash flows for financial year ended 31 December 2019

(In Singapore dollars)	Oct - Dec 2019 \$'000	Oct - Dec 2018 \$'000	Jan - Dec 2019 \$'000	Jan - Dec 2018 \$'000
Cash flows from operating activities:				
Profit before tax	2,975	12,734	13,542	37,757
Adjustments for:				
Depreciation of property, plant and equipment	6,523	7,428	27,333	29,223
Depreciation of right-of-use assets	2,178	-	7,803	-
Allowance for impairment on property, plant and equipment	218	552	709	552
Property, plant and equipment written off	62	33	85	103
Net loss/(gain) on disposal of property, plant and equipment	22	(13,057)	(172)	(12,925)
Net gain on termination of lease contract	(23)	-	(23)	-
Net (write-back of allowance)/allowance for inventories obsolescence	(8)	376	656	(62)
Net (reversal of impairment loss)/impairment loss on capitalised contract costs	(393)	337	(489)	1,120
Net reversal of impairment loss on trade receivables	178	20	178	8
Bad debts written-off	6	-	6	-
Amortisation of intangible assets	252	409	1,401	1,538
Reversal of provision for onerous contract	(54)	(82)	(300)	(324)
Share of results of joint venture	(681)	(421)	(1,351)	(1,423)
Provision for retrenchment costs	676	3,891	1,346	3,926
Grant of equity-settled share awards to employees	270	214	1,130	1,110
Interest expense	1,263	804	5,203	4,030
Interest income	(144)	(125)	(541)	(468)
Currency realignment	(1,391)	(1,497)	(1,957)	1,337
Operating cashflows before changes in working capital	11,929	11,616	54,559	65,502
Decrease/(increase) in inventories	9,111	(4,307)	4,753	(16,343)
Decrease in prepayments	556	320	2,152	659
Decrease/(increase) in trade and other receivables and contract assets	25,376	4,322	7,307	(5,533)
(Decrease)/increase in trade and other payables and contract liabilities	(19,952)	9,251	(4,694)	3,325
Retrenchment costs	(317)	(470)	(4,785)	(1,314)
Cash flows from operations	26,703	20,732	59,292	46,296
Interest paid	(1,263)	(804)	(5,203)	(4,030)
Interest received	144	125	541	468
Income tax paid	(2,012)	(2,816)	(7,104)	(7,403)
Net cash flows from operating activities	23,572	17,237	47,526	35,331
Cash flows from investing activities:				
Purchase of property, plant and equipment	(10,617)	(9,457)	(34,572)	(37,008)
Net proceeds from disposal of property, plant and equipment	396	71	28,898	238
Payment of transaction costs on disposal of property	-	(5,855)	-	(5,855)
Dividend income from joint venture	445	-	770	750
Purchase of other investments	-	(111)	-	(111)
Acquisition of subsidiary, net of cash acquired	-	-	-	287
Net cash flows used in investing activities	(9,776)	(15,352)	(4,904)	(41,699)
Cash flows from financing activities:				
Proceeds from loans and borrowings	7,238	3,808	33,208	31,147
Repayment of loans and borrowings	(7,795)	(4,848)	(37,462)	(25,896)
Increase in bank balances pledged	-	(100)	-	(100)
Payment of principal portion of lease liabilities	(1,677)	-	(6,670)	-
Dividends paid to shareholders	-	-	(15,252)	(14,190)
Net cash flows used in financing activities	(2,234)	(1,140)	(26,176)	(9,039)
Net increase/(decrease) in cash and cash equivalents	11,562	745	16,446	(15,407)
Cash and cash equivalents at beginning of period	90,322	85,747	86,484	102,951
Effects of exchange rate changes on cash and cash equivalent	(503)	(8)	(1,549)	(1,060)
Cash and cash equivalents at end of period	101,381	86,484	101,381	86,484

1(c) **Note:**
(Cont'd)

	31.12.2019	31.12.2018	30.09.2018	31.12.2017
Cash and cash at bank	103,366	88,746	87,691	105,281
Less: Bank overdraft	(439)	(571)	(354)	(693)
Less: Bank balances pledged	(1,546)	(1,691)	(1,590)	(1,637)
Cash and cash equivalents	101,381	86,484	85,747	102,951
	30.09.2019	30.09.2018		
Cash and cash at bank	92,288	87,691		
Less: Bank overdraft	(306)	(354)		
Less: Bank balances pledged	(1,660)	(1,590)		
Cash and cash equivalents	90,322	85,747		

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

Statement of Changes in Equity for financial year ended 31 December 2019

(In Singapore dollars)

Group

	Attributable to owners of the Company				Total \$'000
	Share Capital \$'000	Retained Earnings \$'000	Foreign Currency Translation Reserve \$'000	Other Reserve \$'000	
Balance at 01.01.2018	301,015	52,661	(1,632)	14,080	366,124
Profit for the period	-	1,940	-	-	1,940
<u>Other comprehensive income</u>					
Foreign currency translation	-	-	6,034	323	6,357
<u>Contributions by and distributions to owners</u>					
Grant of equity-settled share awards to employees	-	-	-	299	299
Balance at 31.03.2018	301,015	54,601	4,402	14,702	374,720
Profit for the period	-	9,737	-	-	9,737
<u>Other comprehensive income</u>					
Foreign currency translation	-	-	(166)	1,391	1,225
<u>Contributions by and distributions to owners</u>					
Grant of equity-settled share awards to employees	-	-	-	299	299
Dividends paid	-	(8,514)	-	-	(8,514)
Balance at 30.06.2018	301,015	55,824	4,236	16,392	377,467
Profit for the period	-	7,522	-	-	7,522
<u>Other comprehensive income</u>					
Foreign currency translation	-	-	(9,193)	(564)	(9,757)
<u>Contributions by and distributions to owners</u>					
Grant of equity-settled share awards to employees	-	-	-	298	298
Transfer to statutory reserve	-	(239)	-	239	-
Dividends paid	-	(5,676)	-	-	(5,676)
Balance at 30.09.2018	301,015	57,431	(4,957)	16,365	369,854
Profit for the period	-	10,559	-	-	10,559
<u>Other comprehensive income</u>					
Foreign currency translation	-	-	678	10	688
<u>Contributions by and distributions to owners</u>					
Grant of equity-settled share awards to employees	-	-	-	214	214
Issue of share under share awards	1,081	-	-	(1,081)	-
Transfer to statutory reserve	-	(493)	-	493	-
Balance at 31.12.2018	302,096	67,497	(4,279)	16,001	381,315

1(d)(i) (In Singapore dollars)
(Cont'd)

Group

Balance at 01.01.2019

Profit for the period

Other comprehensive income

Foreign currency translation

Contributions by and distributions to owners

Grant of equity-settled share awards to employees

Transfer to statutory reserve

Balance at 31.03.2019

Loss for the period

Other comprehensive income

Foreign currency translation

Contributions by and distributions to owners

Grant of equity-settled share awards to employees

Dividends paid

Balance at 30.06.2019

Profit for the period

Other comprehensive income

Foreign currency translation

Contributions by and distributions to owners

Grant of equity-settled share awards to employees

Transfer to statutory reserve

Dividends paid

Balance at 30.09.2019

Profit for the period

Other comprehensive income

Foreign currency translation

Contributions by and distributions to owners

Grant of equity-settled share awards to employees

Issue of share under share awards

Transfer to statutory reserve

Balance at 31.12.2019

Attributable to owners of the Company

Share Capital	Retained Earnings	Foreign Currency Translation Reserve	Other Reserve	Total
\$'000	\$'000	\$'000	\$'000	\$'000
302,096	67,497	(4,279)	16,001	381,315
-	793	-	-	793
-	-	1,736	183	1,919
-	-	-	295	295
-	(276)	-	276	-
302,096	68,014	(2,543)	16,755	384,322
-	(1,085)	-	-	(1,085)
-	-	(4,302)	(335)	(4,637)
-	-	-	295	295
-	(9,532)	-	-	(9,532)
302,096	57,397	(6,845)	16,715	369,363
-	5,574	-	-	5,574
-	-	96	(206)	(110)
-	-	-	270	270
-	(120)	-	120	-
-	(5,720)	-	-	(5,720)
302,096	57,131	(6,749)	16,899	369,377
-	2,706	-	-	2,706
-	-	(2,753)	(58)	(2,811)
-	-	-	270	270
1,217	-	-	(1,217)	-
-	(1,441)	-	1,441	-
303,313	58,396	(9,502)	17,335	369,542

(In Singapore dollars)

Company

Balance at 01.01.2018

Profit for the period

Contributions by and distributions to owners

Grant of equity-settled share awards to employees

Balance at 31.03.2018

Profit for the period

Contributions by and distributions to owners

Grant of equity-settled share awards to employees

Dividends paid

Balance at 30.06.2018

Profit for the period

Contributions by and distributions to owners

Grant of equity-settled share awards to employees

Dividends paid

Balance at 30.09.2018

Profit for the period

Contributions by and distributions to owners

Grant of equity-settled share awards to employees

Issue of share under share awards

Balance at 31.12.2018

Attributable to owners of the Company

Share Capital	Retained Earnings	Other Reserve	Total
\$'000	\$'000	\$'000	\$'000
301,015	17,522	1,301	319,838
-	398	-	398
-	-	299	299
301,015	17,920	1,600	320,535
-	3,041	-	3,041
-	-	299	299
-	(8,514)	-	(8,514)
301,015	12,447	1,899	315,361
-	17,770	-	17,770
-	-	298	298
-	(5,676)	-	(5,676)
301,015	24,541	2,197	327,753
-	4,332	-	4,332
-	-	214	214
1,081	-	(1,081)	-
302,096	28,873	1,330	332,299

1(d)(i) (In Singapore dollars)
(Cont'd)

Company	Attributable to owners of the Company			
	Share Capital	Retained Earnings	Other Reserve	Total
Balance at 01.01.2019	302,096	28,873	1,330	332,299
Profit for the period	-	14,070	-	14,070
<u>Contributions by and distributions to owners</u>				
Grant of equity-settled share awards to employees	-	-	295	295
Issue of share under share awards	-	-	-	-
Balance at 31.03.2019	302,096	42,943	1,625	346,664
Profit for the period	-	9,741	-	9,741
<u>Contributions by and distributions to owners</u>				
Grant of equity-settled share awards to employees	-	-	295	295
Dividends paid	-	(9,532)	-	(9,532)
Balance at 30.06.2019	302,096	43,152	1,920	347,168
Profit for the period	-	8,698	-	8,698
<u>Contributions by and distributions to owners</u>				
Grant of equity-settled share awards to employees	-	-	270	270
Dividends paid	-	(5,720)	-	(5,720)
Balance at 30.09.2019	302,096	46,130	2,190	350,416
Profit for the period	-	5,606	-	5,606
<u>Contributions by and distributions to owners</u>				
Grant of equity-settled share awards to employees	-	-	270	270
Issue of share under share awards	1,217	-	(1,217)	-
Balance at 31.12.2019	303,313	51,736	1,243	356,292

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares or cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as 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

Issued and fully paid	Ordinary Share
Balance as at 31.12.2018	190,646,836
Issue of shares to employees under STL RSP on 9 Dec 19	1,295,000
Balance as at 31.12.2019	191,941,836

As at 31.12.2019, the share capital of the Company comprised 191,941,836 ordinary shares.

The number of shares that may be issued on conversion of share awards as at 31.12.2019 was 2,043,000 (31.12.2018: 2,938,500) shares.

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.

The Company does not have treasury shares as at 31.12.2019 (31.12.2018 : nil)

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

There was no sales, transfers, disposal, cancellation and/or use of treasury shares as at 31.12.2019

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

The figures are not audited or reviewed.

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

Not applicable

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the year ended 31.12.2018, except all the new and revised standards which are effective for annual financial periods beginning on or after 01.01.2019.

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 applied SFRS(I) 16 retrospectively and had not restated comparative information in the year of initial application. The comparative information was prepared in accordance with the requirement of SFRS(I) 1-17. On adoption of SFRS(I) 16, the Group recognised right-of-use assets and lease liabilities of \$20,630,000 respectively for its leases previously classified as operating leases and reclassified land use right of \$19,977,000 from property, plant and equipment to right-of-use assets as of 1 January 2019.

Other than the effect of the matter as described above, the adoption of the new and revised standards did not have any material effect on the financial performance or position of the Group.

6 Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group		Group	
	4th Qtr 2019	4th Qtr 2018	12 mths ended 31.12.2019	12 mths ended 31.12.2018
Earnings per ordinary share (EPS) for the period based on net profit attributable to				
(a) on weighted average number of ordinary shares (cents)	1.42	5.54	4.19	15.70
(b) on a fully diluted basis (cents)	1.40	5.46	4.13	15.44

Earnings per ordinary share is calculated on the Group profit for the financial periods attributable to the shareholders of the Company divided by the weighted average number of ordinary share of 190,970,586 (4Q2018: 190,427,477) and 190,728,439 (12 months ended 31.12.2018 : 189,513,383) for forth quarter ended 31.12.2019 and 12 months ended 31.12.2019 respectively.

Earnings per ordinary share (diluted basis) is computed based on the same basis as earnings per share by applying the weighted average number of ordinary shares in issuance during the period under review and adjusted to include all potential dilutive ordinary shares up to 31.12.2019. The adjusted weighted average number of ordinary shares is 193,630,548 (4Q2018: 193,288,450) and 193,638,121 (12 months ended 31.12.2019 : 192,738,905) for forth quarter ended 31.12.2019 and 12 months ended 31.12.2019.

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 period reported on and (b) immediately preceding financial year

	Group		Company	
	At 31.12.2019	At 31.12.2018	At 31.12.2019	At 31.12.2018
Net asset value per ordinary share				
Net asset value per ordinary share based on existing issued share capital as at the end of period (\$)	1.93	2.00	1.86	1.74

	Group		Company	
	At 31.12.2019	At 31.12.2018	At 31.12.2019	At 31.12.2018
Net tangible asset value per ordinary share				
Net tangible asset value per ordinary share based on existing issued share capital as at the end of period (\$)	1.86	1.93	1.86	1.74

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on and any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

CONSOLIDATED INCOME STATEMENT

October - December 2019 ("4Q19")

The Group's revenue decreased 9.1% year-on-year ("yoy") from \$184.2 million for 4Q18 to \$167.4 million for 4Q19. This decrease was attributed to a decline in revenue from each of the Group's business segments.

Revenue from the Group's Automotive segment decreased 2.8% yoy to \$61.8 million. This was mainly due to a decrease in orders from customers as a result of weakening demand across global automotive markets and certain projects reaching end-of-life, partially offset by new projects launched.

Revenue from the Group's Consumer/IT segment declined 15.8% yoy to \$59.1 million. This was due to a slowdown in demand from customers for certain projects and our deliberate shift away from lower-margin projects to focus on more complex engineering projects.

Revenue from the Group's Healthcare segment declined 5.4% yoy to \$13.6 million. This was due to a customer pulling certain projects in-house and delays in the qualification of tools for a new project set for mass production.

Revenue from the Mould Fabrication segment declined 8.8% yoy to \$32.9 million. This was due to a decrease in demand from customers in the Automotive industry, partially offset by an increase in orders from new and existing customers from the Healthcare industry.

	Oct - Dec 2019	Oct - Dec 2018	Inc/(Dec)
	\$'000	\$'000	%
Automotive	61,750	63,517	(2.8)
Consumer/IT	59,125	70,252	(15.8)
Healthcare	13,612	14,385	(5.4)
Mould Fabrication	32,865	36,041	(8.8)
	<u>167,352</u>	<u>184,195</u>	<u>(9.1)</u>

The Group's gross profit decreased 3.4% yoy from \$19.2 million for 4Q18 to \$18.5 million for 4Q19. Gross profit margin improved from 10.4% for 4Q18 to 11.1% for 4Q19. This was due to a change in product mix, tightening cost controls and the completion of the relocation of the Group's parts operations from one plant in Shanghai to Chuzhou.

The decrease in other income was due to a gain on the disposal of property amounting to \$13.1 million for 4Q18 and none for 4Q19.

The decrease in marketing and distribution expenses from \$3.9 million for 4Q18 to \$3.3 million for 4Q19 was due to lower marketing activities.

The decrease in other expenses for 4Q19 was mainly due to lower retrenchment costs amounting to \$0.7 million (4Q18: \$3.9 million). Conversely, the Group reported net foreign exchange losses of \$1.0 million for 4Q19 (4Q18: net foreign exchange gain \$0.2 million) and incurred a penalty of \$0.4 million for the early termination of rental contracts due to the consolidation of two operating locations into one location in Tianjin.

The Group achieved a net profit of \$2.7 million for 4Q19 compared to a net profit of \$10.6 million for 4Q18. Excluding the impact from net foreign exchange gains/losses, retrenchment costs, onerous rental, penalty on the early termination of rental contracts, net losses on the disposal of property, plant and equipment ("PPE"), net gain on the disposal of property and allowance for impairment on PPE, net profit would have been \$5.0 million for 4Q19 and \$1.7 million for 4Q18, representing a 189.6% yoy increase.

	Oct - Dec 2019	Oct - Dec 2018	Inc/(Dec)
			%
Profit for the period reported	2,706	10,559	(74.4)
Adjustments:			
Net foreign exchange loss/(gain)	1,004	(237)	n.m.
Retrenchment costs	676	3,926	(82.8)
Onerous rental *	67	-	n.m.
Penalty for early termination of rental contracts	354	-	n.m.
Net loss on disposal of property, plant and equipment	22	68	(67.6)
Net gain on disposal of property	-	(13,125)	n.m.
Allowance for impairment on property, plant and equipment	218	552	n.m.
Adjusted profit for the period reported	<u>5,047</u>	<u>1,743</u>	<u>189.6</u>

**Onerous rent refers to rent paid at the Group's operations in Shanghai and Thailand despite the shifting of operations from these locations. The Group was required to pay rent at these vacant premises during 3Q19 as the rental agreements will expire at a later date.*

January – December 2019 (“FY19”)

The Group’s revenue decreased by 7.3% year-on-year (“yoy”) from \$726.8 million for FY18 to \$673.8 million for FY19.

The Group reported a decrease in revenue from all business segments except for the Healthcare segment.

Revenue from the Group’s Automotive segment decreased 9.2% yoy to \$245.1 million. This was mainly due to a decrease in orders from customers as a result of weakening demand across global automotive markets and certain projects reaching end-of-life, partially offset by new projects launched.

Revenue from the Group’s Consumer/IT segment declined 7.7% yoy to \$253.0 million. This was due to a slowdown in demand from customers for certain projects and our deliberate shift away from low-margin projects, partially offset by new projects launched.

Revenue from the Group’s Healthcare segment increased 1.0% yoy to \$57.3 million. This was due to new projects from new and existing customers, partially offset by a customer pulling certain projects in-house and delays in the qualification of tools for a new project set for mass production.

Revenue from the Mould Fabrication segment declined 6.1% yoy to \$118.3 million. This was due to a decrease in demand from customers in the Automotive industry, partially offset by an increase in orders from customers in the Healthcare industry.

	FY2019	FY2018	Inc/(Dec)
	\$'000	\$'000	%
Automotive	245,142	269,933	(9.2)
Consumer/IT	253,035	274,184	(7.7)
Healthcare	57,317	56,739	1.0
Mould Fabrication	118,297	125,939	(6.1)
	<u>673,791</u>	<u>726,795</u>	<u>(7.3)</u>

The Group’s gross profit decreased 14.7% yoy from \$87.1 million for FY18 to \$74.3 million for FY19. Correspondingly, the Group’s gross profit margin declined from 12.0% for FY18 to 11.0% for FY19. This was mainly due to lower utilisation as a result of the decline in orders, lower levels of utilisation during the initial start-up phase at the Group’s new plant in Penang and the relocation of the Group’s Shanghai operations to Chuzhou.

The decrease in other income was due to a gain on the disposal of property amounting to \$13.1 million for FY18 and none for FY19.

The decrease in other expenses in FY19 was mainly due to lower retrenchment costs which amounted to \$1.3 million (FY18: \$3.9 million). Conversely, the Group reported net foreign exchange losses of \$1.1 million (FY18: net foreign exchange gain \$0.7 million), incurred a penalty of \$0.4 million on the early termination of rental contracts due to the consolidation of two operating locations into one location in Tianjin, and the payment of rent at the Group’s operations in Shanghai and Thailand despite shifting operations out of these locations.

The increase in finance costs in FY19 was due to accounting for interest expense on lease liabilities relating to right of use assets upon the adoption of SFRS(I) 16.

The Group achieved a net profit of \$8.0 million for FY19 compared to a net profit of \$29.8 million for FY18. Excluding the impact from net foreign exchange gains/losses, retrenchment costs, onerous rental, penalties on the early termination of a rental contract, net loss on the disposal of property, plant and equipment (“PPE”), net gain on the disposal of property, reversal of allowance for impairment on PPE and transaction costs relating to acquisition, the Group’s net profit would have been \$11.9 million for FY19 and \$20.9 million for FY2018, representing a 43.3% yoy decline.

	FY2019	FY2018	Inc/(Dec)
	\$'000	\$'000	%
Profit for the period reported	7,988	29,758	(73.2)
Adjustments:			
Net foreign exchange loss/(gain)	1,145	(657)	n.m.
Retrenchment costs	1,346	3,926	(65.7)
Onerous rental *	483	-	n.m.
Penalty on the early termination of rental contracts	354	-	n.m.
Net (gain)/loss on disposal of PPE	(172)	200	n.m.
Net gain on disposal of property	-	(13,125)	n.m.
Allowance for impairment on property, plant and equipment	709	552	28.4
Transaction costs relating to acquisition	-	260	n.m.
Adjusted profit for the period reported	<u>11,853</u>	<u>20,914</u>	<u>(43.3)</u>

*Onerous rent refers to rent paid at the Group’s operations in Shanghai and Thailand despite the shifting of operations from these locations. The Group was required to pay rent at these vacant premises during 3Q19 as the rental agreements will expire at a later date.

8 CONSOLIDATED BALANCE SHEET

(Cont'd) The Group's PPE amounted to \$171.7 million as at 31 December 2019 as compared to \$190.4 million as at 31 December 2018. PPE was stated net of depreciation charges of \$27.3 million (FY18: \$29.2 million), partially offset by currency realignment, reclassification of land use rights to right-of-use assets and additions of \$32.8 million (FY18: \$37.2 million). During the year, the Group had purchased a building for \$5.7 million in Singapore to consolidate warehousing inhouse and to expand the Group's manufacturing capacity in Singapore.

Upon the adoption of SFRS(I) 16, the Group recognised right-of-use assets and lease liabilities as of 1 January 2019.

The Group maintained a cash balance of \$103.4 million as at 31 December 2019 (31 December 2018: \$88.7 million). This resulted in a net debt position of \$1.0 million (31 December 2018: net debt position of \$21.0 million) after accounting for loans and borrowings amounting to \$104.4 million (31 December 2018: \$109.7 million). The decrease in net debt was mainly due to the collection of proceeds from the disposal of property and cash generated from operations. This was partially offset by the payment of PPE, payment of dividends and retrenchment costs.

CONSOLIDATED CASHFLOW STATEMENT

January - December 2019 ("FY19")

Net cash flows from operating activities amounted to \$47.5 million for FY19 as compared to \$35.3 million for FY18. Net cash flows used in investing activities amounted to \$4.9 million for FY19 as compared to \$41.7 million for FY18 mainly due to the collection of proceeds from the disposal of property in FY18.

Net cash flows used in financing activities amounted to \$26.2 million for FY19 as compared to \$9.0 million for FY18 mainly due to the repayment of loans and borrowings.

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

Not Applicable.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Business conditions remain challenging as the Group continues to face headwinds such as foreign exchange volatility, rising labour and utility costs, price pressure and subdued global economic sentiment. Moreover, although a phase one trade deal was signed between the US and China, the underlying fundamental conflict remains as global supply chains adjust to the changing business landscape.

In addition, the Group was impacted by mandatory government closures of its factories in China as a result of Covid-19 during the first half of February 2020. While operations have gradually resumed production, the full extent of the financial impact is difficult to ascertain as the situation continues to evolve and cause disruption across global supply chains. The Group continues to monitor the situation closely, adhering to regulations imposed by local authorities and controlling costs to mitigate the impact from the virus.

The slowdown across global automotive markets continues and the onset of Covid-19 should weigh on demand. Amid slowing demand within the Automotive segment, the Group is aggressively pursuing new projects with business development initiatives geared towards less labour-intensive projects. The Group's overarching strategy is to leverage on its complex, precision engineering capabilities to produce higher-margin plastic parts.

Within the Consumer/IT segment, the Group continues to see softening demand from customers due to subdued global economic growth and the added uncertainty surrounding Covid-19. Conversely, having laid the groundwork through continued investment, the Group remains positive on the Healthcare segment as a key growth driver for the Group in the near to mid-term. In the Healthcare segment, the Group has secured new projects from both new and existing customers.

Heading into the new financial year, the Group is focusing on tightening cost controls, enhancing capacity utilisation and aggressively pursuing new projects. While remaining vigilant of the headwinds, the Group is confident in its resilient business model and healthy balance sheet as the long-term sustainability of its operations remain on track.

11 Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

Yes

Name of Dividend: Ordinary
Dividend Type: Final
Dividend Amount per Share (in cents): 5.0 cents per ordinary share
Tax rate: Tax exempt one-tier

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Yes

Name of Dividend: Ordinary
Dividend Type: Final
Dividend Amount per Share (in cents): 5.0 cents per ordinary share
Tax rate: Tax exempt one-tier

(c) Date payable

To be announced later

(d) Books closure date

To be announced later

12 If no dividend has been declared/recommended, a statement to that effect

Not Applicable

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than \$100,000)
	FY2019 \$'000	FY2019 \$'000
Innovalues Precision Sdn Bhd		
Sales of parts	7	-
Agilent Technologies Singapore (International) Pte Ltd		
Sales of parts	4	-
Agilent Technologies Sales (Malaysia) Sdn Bhd		
Purchase of Services	4	-
Total	<u>15</u>	<u>-</u>

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or 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

Business Segments

	Group					
	Jan 2019 - Dec 2019					
	Automotive	Consumer/ IT	Healthcare	Mould Fabrication	Adjustment	Consolidated
Revenue	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External sales	245,142	253,035	57,317	118,297	-	673,791
Result						
Depreciation property, plant and equipment	(10,885)	(10,219)	(2,612)	(3,617)	-	(27,333)
Amortisation of intangible assets	(813)	(336)	(111)	(141)	-	(1,401)
Interest income	175	309	16	41	-	541
Property, plant and equipment written off	(32)	(46)	-	(7)	-	(85)
Retrenchment cost	(550)	(358)	(1)	(437)	-	(1,346)
Share of results of joint venture	1,351	-	-	-	-	1,351
Other non-cash (expenses)/income	(929)	(692)	(124)	265	-	(1,480)
Segmental (loss)/profit before tax	(13,763)	19,416	5,278	7,813	(5,202)	13,542
Segmental (loss)/profit (excluding retrenchment cost, foreign exchange, onerous rental contract, penalty on early termination of rental contract and gain on disposal of non-current assets held for sales)	(12,147)	20,300	5,465	8,421	(5,202)	16,837
	Group					
	Jan 2018 - Dec 2018					
	Automotive	Consumer/ IT	Healthcare	Mould Fabrication	Adjustment	Consolidated
Revenue	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External sales	269,933	274,184	56,739	125,939	-	726,795
Result						
Depreciation property, plant and equipment	(10,097)	(11,302)	(2,174)	(5,650)	-	(29,223)
Impairment loss on intangible assets	-	-	-	(26)	-	(26)
Amortisation of intangible assets	(870)	(378)	(108)	(156)	-	(1,512)
Interest income	245	152	18	53	-	468
Property, plant and equipment written off	(12)	(62)	(4)	(25)	-	(103)
Retrenchment cost	(3,328)	(563)	-	(35)	-	(3,926)
Share of results of joint venture	1,423	-	-	-	-	1,423
Other non-cash expenses	(247)	(332)	(242)	(1,355)	-	(2,176)
Segmental (loss)/profit before tax	(1,656)	23,904	632	18,907	(4,030)	37,757
Segmental profit (excluding retrenchment cost, foreign exchange and gain on disposal of non-current assets held for sales)	1,260	24,288	613	5,770	(4,030)	27,901

14 Geographical Segments
(cont'd)

		Group			
		Jan 2019 - Dec 2019			
	Singapore & Malaysia	China & Hong Kong	America & Europe	Others	Consolidated
Revenue	\$'000	\$'000	\$'000	\$'000	\$'000
External sales	158,696	212,902	224,915	77,278	673,791
Other information as at 31.12.2019					
Segment non-current assets	79,244	106,694	36,238	11,191	233,367

Other information as at 31.12.2019

Segment non-current assets		79,244	106,694	36,238	11,191	233,367
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	Group				
	Jan 2018 - Dec 2018				
	Singapore & Malaysia	China & Hong Kong	America & Europe	Others	Consolidated
Revenue	\$'000	\$'000	\$'000	\$'000	\$'000
External sales	168,204	248,749	227,866	81,976	726,795
Other information as at 31.12.2018					
Segment non-current assets	70,118	104,529	28,444	8,765	211,856

Other information as at 31.12.2018

Segment non-current assets		70,118	104,529	28,444	8,765	211,856
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15 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Not Applicable

16 A breakdown of sales

		Group		
		Latest Financial Year (Actual)	Previous Financial Year (Actual)	% increase/ (decrease)
		\$'000	\$'000	
Sales reported for first half year		322,640	350,840	(8.0)
Operating profit after tax before deducting minority interests reported for first half year		(292)	11,677	(102.5)
Sales reported for second half year		351,151	375,955	(6.6)
Operating profit after tax before deducting minority interests reported for second half year		8,280	18,081	(54.2)

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 (Refer to Para 16 of Appendix 7.2 for the required details)

	Latest Full Year (\$'000)	Previous Full Year (\$'000)
Interim	5,720	5,676
Final*	9,597	9,532
Total:	15,317	15,208

* Note : 2019 dividend is comprised of a proposed final dividend of \$ 9.6 million, based on the number of shares outstanding as at the end of the financial year.

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.

There are no employees as at 31st December 2019 who are related to the Directors.

BY ORDER OF THE BOARD

KHOO BOO HOR

Executive Director &

Chief Executive Officer

28 February 2020

19 Issuer to confirm that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under

The Board of Directors confirms that they have procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1).