



MEMTECH INTERNATIONAL LTD

(Incorporated in the Republic of Singapore)
Company Registration Number: 200312032Z

Fourth Quarter Financial Statements Announcement For the period ended 31 December 2018



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

Income Statement

For the period ended 31 December 2018

	Group Fourth Quarter			Group Full Year		
	2018 31-Dec	2017 31-Dec	Increase/ (Decrease)	2018 31-Dec	2017 31-Dec	Increase/ (Decrease)
	US\$'000	US\$'000		US\$'000	US\$'000	
Revenue	52,130	49,614	5.1%	192,452	170,013	13.2%
Cost of sales	(42,924)	(40,308)	6.5%	(161,279)	(139,076)	16.0%
Gross profit	9,206	9,306	-1.1%	31,173	30,937	0.8%
Other income	608	898	-32.3%	2,628	5,822	-54.9%
Sales and marketing expenses	(2,638)	(2,268)	16.3%	(9,346)	(8,076)	15.7%
General and Administration expenses	(3,206)	(3,136)	2.2%	(12,889)	(11,315)	13.9%
Exchange (loss)/gain	(44)	(365)	-87.9%	160	(767)	NM
Other operating expenses	(174)	(82)	NM	(613)	(254)	NM
Impairment loss of financial assets	(193)	(80)	NM	(114)	(346)	-67.1%
Net gain from liquidation of subsidiary	-	-	NM	701	-	NM
Finance costs	(74)	(53)	39.6%	(312)	(296)	5.4%
Profit before tax	3,485	4,220	-17.4%	11,388	15,705	-27.5%
Income tax expenses, net	(424)	(422)	0.5%	(1,714)	(1,462)	17.2%
Profit for the period/year	3,061	3,798	-19.4%	9,674	14,243	-32.1%
Attributable to:						
Owners of the Company	3,019	3,759	-19.7%	9,601	14,125	-32.0%
Non-controlling interests	42	39	7.7%	73	118	-38.1%



Statement of Comprehensive Income
For the period ended 31 December 2018

	Group Fourth Quarter			Group Full Year		
	2018 31-Dec	2017 31-Dec	Increase/ (Decrease)	2018 31-Dec	2017 31-Dec	Increase/ (Decrease)
	US\$'000	US\$'000		US\$'000	US\$'000	
Profit for the period/year	3,061	3,798	-19.4%	9,674	14,243	-32.1%
Other comprehensive income (net of tax)						
Items that may be reclassified to profit and loss:						
Currency translation differences	383	1,776	-78.4%	(4,465)	4,765	NM
Total comprehensive income for the period/year	<u>3,444</u>	<u>5,574</u>	<u>NM</u>	<u>5,209</u>	<u>19,008</u>	<u>-72.6%</u>
Attributable to:						
Owners of the company	3,400	5,529	-38.5%	5,154	18,873	-72.7%
Non-controlling interests	44	45	-2.2%	55	135	-59.3%
Total comprehensive income for the period/year attributable to Owners of the company	<u>3,444</u>	<u>5,574</u>	<u>-38.2%</u>	<u>5,209</u>	<u>19,008</u>	<u>-72.6%</u>

Notes

NM: Not meaningful

1 Profit from operating activities

Profit from operating activities is arrived at after charging /(crediting):

	Group Fourth Quarter			Group Full Year		
	2018 31-Dec	2017 31-Dec	Increase/ (Decrease)	2018 31-Dec	2017 31-Dec	Increase/ (Decrease)
	US\$'000	US\$'000		US\$'000	US\$'000	
Depreciation	2,330	2,213	5.3%	9,312	8,464	10.0%
Allowance for doubtful receivables, trade	193	80	NM	114	346	-67.1%
Allowance for/(write-back of) stock obsolescence	645	(70)	NM	1,082	43	NM
Net loss/(gain) on disposal of property, plant and equipment	126	(81)	NM	225	(3,299)	NM
Exchange loss/(gain)	44	365	-87.9%	(160)	767	NM



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.

Statement of Financial Position

As at 31 December 2018

	Group		Company	
	2018 31-Dec	2017 31-Dec	2018 31-Dec	2017 31-Dec
	US\$'000	US\$'000	US\$'000	US\$'000
Non-Current Assets:				
Property, plant and equipment	45,382	43,790	-	-
Trade receivables	997	769	-	-
Advance prepayment for property, plant and equipment	3,239	2,868	-	-
Investment in subsidiaries	-	-	69,365	75,107
Intangible assets	542	564	-	-
	<u>50,160</u>	<u>47,991</u>	<u>69,365</u>	<u>75,107</u>
Current Assets:				
Cash and cash equivalents	22,156	34,896	1,897	611
Bank deposits pledged	2,587	1,611	-	-
Trade receivables	74,796	69,893	-	-
Bills and other receivables	10,064	6,691	3	3
Amounts due from subsidiaries	-	-	7,753	8,792
Prepayments	1,812	1,757	-	-
Inventories	25,802	24,579	-	-
	<u>137,217</u>	<u>139,427</u>	<u>9,653</u>	<u>9,406</u>
Current Liabilities:				
Trade payables and accruals	41,578	39,676	415	516
Bills and other payables	11,059	9,499	10	15
Amounts due to subsidiaries	-	-	6,500	5,000
Provision for taxation	295	707	-	-
Other liabilities	684	784	-	-
Loans and borrowings	3,468	1,498	-	-
	<u>57,084</u>	<u>52,164</u>	<u>6,925</u>	<u>5,531</u>
Net Current Assets	80,133	87,263	2,728	3,875
Non-Current Liabilities:				
Loans and borrowings	-	3,342	-	-
Other liabilities	535	754	-	-
Deferred taxation	3,717	3,840	-	-
	<u>4,252</u>	<u>7,936</u>	<u>-</u>	<u>-</u>
Net Assets	<u>126,041</u>	<u>127,318</u>	<u>72,093</u>	<u>78,982</u>



Statement of Financial Position (Cont'd)

As at 31 December 2018

	Group		Company	
	2018 31-Dec	2017 31-Dec	2018 31-Dec	2017 31-Dec
	US\$'000	US\$'000	US\$'000	US\$'000
Equity Attributable to Owners of the Company				
Share capital	57,808	57,808	57,808	57,808
Treasury shares	(2,127)	(1,441)	(2,127)	(1,441)
Currency translation reserve	(5,921)	(1,474)	-	-
Statutory reserve fund	9,545	10,457	-	-
Acquisition reserve	(714)	(714)	-	-
Revenue reserves	67,069	62,356	16,412	22,615
	<u>125,660</u>	<u>126,992</u>	<u>72,093</u>	<u>78,982</u>
Non-controlling interests	381	326	-	-
Total Equity	<u>126,041</u>	<u>127,318</u>	<u>72,093</u>	<u>78,982</u>

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

	Group Secured		Group Unsecured	
	2018 31-Dec	2017 31-Dec	2018 31-Dec	2017 31-Dec
	US\$'000	US\$'000	US\$'000	US\$'000
Amount repayable in one year or less or on demand	-	-	3,468	1,498
Amount repayable after one year	-	-	-	3,342
	<u>-</u>	<u>-</u>	<u>3,468</u>	<u>4,840</u>



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 the period ended 31 December 2018

	Group Fourth Quarter		Group Full Year	
	2018 31-Dec	2017 31-Dec	2018 31-Dec	2017 31-Dec
	US\$'000	US\$'000	US\$'000	US\$'000
Cash flows from operating activities:				
Profit before tax	3,485	4,220	11,388	15,705
<u>Adjustments for:</u>				
Depreciation of property, plant and equipment	2,330	2,213	9,312	8,464
Amortisation of intangible assets	-	-	-	10
Interest expense	74	53	312	296
Interest income	(164)	(75)	(375)	(107)
Allowance for doubtful receivables, trade	193	80	114	346
Allowance for/(write-back of) stock obsolescence	645	(70)	1,082	43
Net loss/(gain) on disposal of property, plant and equipment	126	(81)	225	(132)
Net gain on disposal of non-current asset held for sale	-	-	-	(3,167)
Net gain on liquidation of a subsidiary	-	-	(701)	-
Unrealised exchange loss/(gain), net	1,026	-	(48)	167
Total adjustments	4,230	2,120	9,921	5,920
Operating cash flows before changes in working capital	7,715	6,340	21,309	21,625
<u>Changes in working capital</u>				
Trade and other receivables	(8,367)	(6,107)	(11,875)	(4,576)
Inventories	(787)	(96)	(3,126)	(4,742)
Trade and other payables	8,284	4,522	6,612	2,589
Total changes in working capital	(870)	(1,681)	(8,389)	(6,729)
Cash flows generated from operations	6,845	4,659	12,920	14,896
Interest received	152	75	375	118
Interest paid	(74)	(53)	(312)	(296)
Income taxes paid	(479)	(558)	(2,034)	(2,167)
Net cash flows generated from operating activities	6,444	4,123	10,949	12,551
Cash flows from investing activities:				
Purchases of property, plant and equipment	(2,865)	(2,399)	(13,452)	(10,147)
Proceeds from disposal of property, plant and equipment	32	(537)	240	384
Proceeds from disposal of non-current asset held for sale	-	-	-	5,057
Net cash used in investing activities	(2,833)	(2,936)	(13,212)	(4,706)
Cash flows from financing activities:				
Proceeds from loans and borrowings	-	-	312	1,161
Dividends Paid	-	-	(5,800)	(2,523)
Repayments of loans and borrowings	-	(277)	(1,485)	(1,185)
Bank deposits (pledged)/received	(617)	119	(1,094)	441
Purchase of treasury shares	-	-	(690)	-
Net cash used in financing activities	(617)	(158)	(8,757)	(2,106)
Net increase/(decrease) in cash and cash equivalents	2,994	1,029	(11,020)	5,739
Effects of exchange rate changes on opening cash and cash equivalents	(80)	620	(1,720)	1,804
Cash and cash equivalents at the beginning of the period/year	19,242	33,247	34,896	27,353
Cash and cash equivalents at the end of the period/year	22,156	34,896	22,156	34,896



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

As at 31 December 2018

	Group		Company	
	2018	2017	2018	2017
	US\$'000	US\$'000	US\$'000	US\$'000
Issued Capital				
Balance at 1 January, 31 March, 30 June, 30 September and 31 December	57,808	57,808	57,808	57,808
Treasury Shares				
Balance at 1 January and 31 March	(1,441)	(1,441)	(1,441)	(1,441)
Purchase of treasury Shares	(686)	-	(686)	-
Balance at 30 June, 30 September and 31 December	(2,127)	(1,441)	(2,127)	(1,441)
Statutory Reserve Fund				
Balance at 1 January and 31 March	10,457	10,035	-	-
Reclassification of statutory fund to revenue reserves	(980)	-	-	-
Balance at 30 June and 30 September	9,477	10,035	-	-
Transfer from revenue reserve	68	422	-	-
Balance at 31 December	9,545	10,457	-	-
Acquisition reserve				
Balance at 1 January, 31 March, 30 June, 30 September and 31 December	(714)	(714)	-	-
Currency Translation Reserve				
Balance at 1 January	(1,474)	(6,222)	-	-
Net effect of exchange translation differences	3,007	362	-	-
Balance at 31 March	1,533	(5,860)	-	-
Net effect of exchange translation differences	(4,727)	1,256	-	-
Balance at 30 June	(3,194)	(4,604)	-	-
Net effect of exchange translation differences	(3,108)	1,360	-	-
Balance at 30 September	(6,302)	(3,244)	-	-
Net effect of exchange translation differences	381	1,770	-	-
Balance at 31 December	(5,921)	(1,474)	-	-
Revenue Reserves				
Balance at 1 January	62,356	51,176	22,615	25,874
Net profit/(loss) for the period	1,337	1,597	(172)	(136)
Balance at 31 March	63,693	52,773	22,443	25,738
Net profit/(loss) for the period	2,101	4,871	222	(158)
Reclassification of statutory fund to revenue reserves	980	-	-	-
Dividend paid	(5,800)	(2,523)	(5,800)	(2,523)
Balance at 30 June	60,974	55,121	16,865	23,057
Net profit/(loss) for the period	3,144	3,898	(271)	(120)
Balance at 30 September	64,118	59,019	16,594	22,937
Net profit/(loss) for the period	3,019	3,759	(182)	(322)
Transfer to statutory reserve	(68)	(422)	-	-
Balance at 31 December	67,069	62,356	16,412	22,615



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

As at 31 December 2018 (Cont'd)

	Group		Company	
	2018	2017	2018	2017
	US\$'000	US\$'000	US\$'000	US\$'000
Non- controlling interests				
Balance at 1 January	326	191	-	-
Net profit for the period	1	14	-	-
Net effect of exchange translation differences	12	1	-	-
Balance at 31 March	339	206	-	-
Net (loss)/profit for the period	(1)	18	-	-
Net effect of exchange translation differences	(17)	4	-	-
Balance at 30 June	321	228	-	-
Net profit for the period	31	47	-	-
Net effect of exchange translation differences	(15)	6	-	-
Balance at 30 September	337	281	-	-
Net profit for the period	42	39	-	-
Net effect of exchange translation differences	2	6	-	-
Balance at 31 December	381	326	-	-
Total Equity				
Balance at 1 January	127,318	110,833	78,982	82,241
Total for the period	4,357	1,974	(172)	(136)
Balance at 31 March	131,675	112,807	78,810	82,105
Total for the period	(9,130)	3,626	(6,264)	(2,681)
Balance at 30 June	122,545	116,433	72,546	79,424
Total for the period	52	5,311	(271)	(120)
Balance at 30 September	122,597	121,744	72,275	79,304
Total for the period	3,444	5,574	(182)	(322)
Balance at 31 December	126,041	127,318	72,093	78,982



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 for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares, excluding treasury shares of the 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

	2018	2017
	31-Dec	31-Dec
	No. of shares	No. of shares
Ordinary shares	<u>143,999,998</u>	<u>143,999,998</u>

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.

	2018	2017
	31-Dec	31-Dec
	No. of shares	No. of shares
Issued ordinary shares excluding treasury shares	<u>140,080,878</u>	<u>140,880,878</u>

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.

	2018	2017
	31-Dec	31-Dec
	No. of shares	No. of shares
Balance as at beginning and end of the year	3,119,120	3,119,120
Open market purchase	800,000	-
Balance as at end of the year	<u>3,919,120</u>	<u>3,119,120</u>



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

The above figures have not been audited or reviewed.

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

Not Applicable.

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

The Group has adopted all the new/revised FRSs that are mandatory for financial year beginning on or after 1 January 2018. Except for the adoption of these new/revised FRSs, the Group has consistently adopted the same accounting policies and methods of computation as stated in the audited financial statements of the Group for the year ended 31 December 2017.

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 adoption of the new/revised FRSs has no material financial impact on the Group's financial statements.



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

	Group Fourth Quarter		Group Full Year	
	2018 31-Dec	2017 31-Dec	2018 31-Dec	2017 31-Dec
	US cents	US cents	US cents	US cents
Earnings per ordinary share for the period/year after deducting any provision for preference dividends:				
(i) Based on weighted average number of ordinary shares on issue *	2.2	2.7	6.8	10.0
(ii) On a fully diluted basis *	2.2	2.7	6.8	10.0

*Earning per ordinary share included an exchange gain of US\$0.7million due to reclassification from foreign currency translation reserve to income statement upon the liquidation of a Huzhou subsidiary. The reclassification has no effect on net asset value of the company.

	Group Fourth Quarter		Group Full Year	
	2018 31-Dec	2017 31-Dec	2018 31-Dec	2017 31-Dec
	'000	'000	'000	'000
Weighted average number of shares:				
(i) Based on weighted average number of ordinary shares on issue	140,081	140,881	140,452	140,881
(ii) On a fully diluted basis	140,081	140,881	140,452	140,881

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

	Group		Company	
	2018 31-Dec	2017 31-Dec	2018 31-Dec	2017 31-Dec
	US cents	US cents	US cents	US cents
Net asset value per ordinary share based on issued share capital at the end of the period reported on	89.7	90.1	51.5	56.1
Number of shares ('000)	140,081	140,881	140,081	140,881



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

Revenue and Profitability Analysis

4Q2018 vs. 4Q2017

The Group's revenue increased 5.1% year-on-year ("yoy") to US\$52.1 million for 4Q2018. Growth in the Group's revenue was led by the Consumer Electronics segment which increased 17.9% yoy to US\$18.3 million. Revenue of the Group's Industrial & Medical and Automotive segments increased 17.3% yoy and 0.8% yoy to US\$5.0 million and US\$24.9 million respectively. Conversely, the Group's Telco segment sales declined 23.5% yoy to US\$3.9 million.

Segment (US\$'000)	4Q2018	4Q2017	Change (%)
Automotive	24,903	24,695	0.8
Consumer Electronics	18,315	15,540	17.9
Telco	3,927	5,134	-23.5
Industrial & Medical	4,981	4,245	17.3
Total	52,130	49,614	5.1

The Group's gross profit declined 1.1% yoy to US\$9.2 million, while gross profit margin declined from 18.8% for 4Q2017 to 17.7% for 4Q2018. The decline in gross profit margin was attributed to 1) a rise in raw material costs, 2) a rise in product packaging cost, 3) increased depreciation costs for new equipment and 4) lower manufacturing yield for certain new projects during the initial ramp up phase.

The Group's other operating income declined 32.3% yoy to US\$0.6 million. This was mainly due to a decline of government incentives in 4Q2018 as compared to 4Q2017.

The Group's sales and marketing expenses increased 16.3% yoy to US\$2.6 million for 4Q2018 due mainly to the increase in sales bonus and transportation costs.



General and Administration expenses increased 2.2% yoy to US\$3.2 million for 4Q2018 due mainly to higher staff costs arising from annual salary adjustments and environmental related costs.

As a result, the Group reported a 19.7% yoy decline in net profit attributable to owners of the Company amounting to US\$3.0 million for 4Q2018.

FY2018 vs. FY2017

The Group's revenue increased 13.2% yoy to US\$192.5 million for FY2018. This growth was led by the Group's automotive segment which increased 18.9% yoy to US\$94.6 million. The Group's Consumer Electronics segment grew 16.5% yoy to US\$68.2 million while the Industrial & Medical segment reported a 15.0% yoy increase to US\$13.7 million. Conversely, the Telco segment declined 20.2% yoy to US\$15.9 million.

Segment (US\$'000)	FY2018	FY2017	Change (%)
Automotive	94,630	79,583	18.9
Consumer Electronics	68,205	58,559	16.5
Telco	15,945	19,985	-20.2
Industrial & Medical	13,672	11,886	15.0
Total	192,452	170,013	13.2

The Group's gross profit increased 0.8% yoy to US\$31.2 million for FY2018. Conversely, the Group's gross profit margin declined from 18.2% for FY2017 to 16.2% for FY2018. The decline in gross profit margin was attributed to 1) rising labour costs, 2) a rise in raw material prices and product packaging cost 3) increased depreciation costs for new equipment, 4) increased costs to meet new environmental standards and 5) lower manufacturing yield for certain new projects during the initial ramp up phase.

The Group's other operating income declined 54.9% yoy to US\$2.6 million for FY2018. This was primarily attributed to the one-off disposal gain amounting US\$3.2 million from the sale of the Group's land and factory in Huzhou, China in FY2017.

The Group's Sales and marketing expenses increased 15.7% yoy to US\$9.3 million for FY2018 due mainly to increase in transportation costs, and salaries of our sales & marketing staff.

The Group's General and Administration expenses increased 13.9% yoy to US\$12.9 million for FY2018 due mainly to higher staff costs arising from annual salary adjustments and environmental related costs.



The Group reported foreign exchanges gain amounting to US\$0.2 million for FY2018 as compared to foreign exchange losses of US\$0.8 million for FY2017.

As a result, the Group reported a 32.0% yoy decline in net profit attributable to owners of the Company amounting to US\$9.6 million for FY2018.

Balance Sheet Analysis

The net book value of property, plant and equipment increased from US\$43.8 million as at 31 December 2017 to US\$45.4 million as at 31 December 2018 due mainly to additions for new projects along with upgrading and replacement of machinery. The Group saw an increase in trade receivables, bills and other receivables, trade payables and bills and other payables in line with the growth in revenue.

The Group's inventories increased 5.0% from US\$24.6 million as at 31 December 2017 to US\$25.8 million as at 31 December 2018.

The Group's cash and cash equivalents declined from US\$34.9 million as at 31 December 2017 to US\$22.2 million as at 31 December 2018 due mainly to the repayment of loans and borrowings amounting to US\$1.2 million, dividend payout of US\$5.8 million and payment of US\$13.5 million for capital expenditure. This resulted in a net cash position of US\$18.7 million as at 31 December 2018 as compared to US\$30.1 million as at 31 December 2017.

Cash Flow Analysis

The Group used US\$10.9 million net cash from operating activities for FY2018 as compared to net cash generated in operating activities amounting to US\$12.6 million for FY2017. Net cash used in investing activities was US\$13.2 million for FY2018 as compared to net cash used in investing activities amounting to US\$4.7 million for FY2017. This was mainly attributable to the purchase of fixed assets required to support orders from key customers for FY2018 as compared to FY2017 where the Group received proceeds from the sale of its land and factory in Huzhou. Net cash used in financing activities increased to US\$8.8 million for FY2018 as compared to US\$2.1 million for FY2017 primarily due to the payment of higher dividends and repayment of loans and borrowings.

Overall, the Group maintained a healthy financial position as at 31 December 2018. The Group's current ratio was 2.4 times with cash and cash equivalents amounting to US\$22.2 million or approximately 16 US cents per share.



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

These results are in line with the statement made in the 3Q2018 results announcement for the period ended 30 September 2018.

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 continues to face cost pressures in form of rising labour costs, higher raw material prices and increasing costs to meet new environmental standards. In addition, the ongoing trade tension presents uncertainty to the Group's business.

Despite the challenges, the Group continues to develop new business avenues from both new and existing customers, leveraging on its material science know-how and niche capabilities in plastic and rubber. The Group continues to aggressively seek new business opportunities within its Automotive, Consumer Electronics and Industrial & Medical segments.

These initiatives have gained traction as the Group will launch new projects within each of these business segments in FY2019, having secured new project wins from key customers as well as new customers. The Group is well positioned to capture prevailing market opportunities within high-growth trends such as electric vehicles, internet of things applications such as smart home devices and audio-related products.

For FY2019, the Group will continue to put emphasis on enhancing cost controls, streamlining operations and boosting productivity by investing in automation to enhance its competitive edge. Concurrently, the Group has maintained its focus on improving earnings quality through the gradual elimination of lower-margin processes while taking on projects related to higher margin, complex engineering parts.

The Group continues to monitor the trade tension situation closely. At present, the Group is in the preliminary stages of exploring potential manufacturing locations in new geographic regions. Furthermore, the Group is exploring inorganic growth opportunities that are synergistic to the Group's operations. Backed by a strong balance sheet with a net cash position of US\$18.7 million, the Group is cautiously optimistic on our outlook for FY2019.



11 Dividend

(a) *Current Financial Period Reported On*

Name of Dividend	First & Final
Dividend Type	Cash
Dividend Amount per Share (in Singapore cents)	3.0 cents per ordinary share
Tax Rate	Not applicable (one-tier tax)

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

Name of Dividend	First & Final
Dividend Type	Cash
Dividend Amount per Share (in Singapore cents)	5.5 cents per ordinary share
Tax Rate	Not applicable (one-tier tax)

(c) *Date payable*

17 May 2019

(d) *Books closure date*

The Share Transfer Books and Register of Members will be closed from 5 p.m. on 3 May 2019 for the preparation of dividend entitlements.

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 interested person transactions (“IPs”), the aggregate value of such transactions as required under Rule 920(1) (a) (ii). If no IPT mandate has been obtained, a statement to the effect.**

The Group has not obtained a general mandate from shareholders for IPTs.



14 Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1)

The Company hereby confirms that it has procured undertakings from all the directors and executive officers under Rule 720(1).

15 A breakdown of sales

	2018	Group	Difference
	US\$'000	2017	%
		US\$'000	
Sales reported for the first half year	86,586	74,188	16.7
Operating profit after tax reported for first half	3,438	6,500	-47.1
Sales reported for the second half year	105,866	95,825	10.5
Operating profit after tax reported for second half	6,236	7,743	-19.5



16 Segmented revenue and results for business or business segments (of the group) in the form for which information is reported to key management personnel for the purpose of evaluating the units' past performance and for making decisions about future allocations of resources.

By Business Segments

	Automotive		Telecommunication		Consumer Electronic		Industrial & Medical		Consolidated	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Segment Revenue	94,630	79,583	15,945	19,985	68,205	58,559	13,672	11,886	192,452	170,013
Results:										
Interest income	196	53	58	12	106	36	15	6	375	107
Depreciation and amortisation	(4,477)	(3,808)	(855)	(1,152)	(3,296)	(2,977)	(684)	(537)	(9,312)	(8,474)
Finance costs	(190)	(195)	(6)	(6)	(102)	(78)	(14)	(17)	(312)	(296)
Other non-cash (expenses)/ income	(540)	(387)	(202)	119	(375)	(52)	(79)	(69)	(1,196)	(389)
Taxation	(1,093)	(877)	-	(82)	(546)	(419)	(75)	(84)	(1,714)	(1,462)
Segment profit	6,179	5,019	(388)	725	2,881	4,494	301	838	8,973	11,076
Net gain from liquidation of subsidiary									701	-
Net gain on disposal of non-current asset held for sale									-	3,167
Total Profit									9,674	14,243

Geographical information

	Revenue		
	2018	2017	Increas/ (Decrease)
	US\$'000	US\$'000	%
People's Republic of China	149,213	137,233	8.7
United States	13,949	11,261	23.9
Singapore	7,656	2,685	NM
Japan	5,708	5,502	3.7
Other	15,926	13,332	19.5
	192,452	170,013	13.2



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

	Full Year	
	2018	2017
	31-Dec	31-Dec
	S\$	S\$
Ordinary shares	<u>7,748,448</u>	<u>3,522,022</u>

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
Chuang Tze Mon	44	Chuang Wen Fu	Acting Head of Group Administration	NA

BY ORDER OF THE BOARD

Chuang Wen Fu
 Chairman

27 February 2019