



**FU YU CORPORATION LIMITED
AND SUBSIDIARY COMPANIES**

**SGX APPENDIX 7.2 ANNOUNCEMENT
UNAUDITED FINANCIAL CONDITION, RESULTS OF OPERATIONS AND
CASH FLOWS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED
31 DECEMBER 2016**

Full Year Financial Statement And Dividend Announcement

PART I – INFORMATIONS REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR ANNOUNCEMENTS

1(a) (i) A Consolidated Income Statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

The Board of Directors of Fu Yu Corporation Limited wishes to announce the unaudited results of the Group for the fourth quarter and financial year ended 31 December 2016.

GROUP	Quarter Ended 31-Dec		Change %	Year Ended 31-Dec		Change %
	2016 S\$'000	2015 S\$'000		2016 S\$'000	2015 S\$'000	
Revenue	48,508	50,277	(3.5)	198,561	222,465	(10.7)
Cost of sales	(40,092)	(40,384)	(0.7)	(166,130)	(186,992)	(11.2)
Gross profit	8,416	9,893	(14.9)	32,431	35,473	(8.6)
Other income	2,096	2,588	(19.0)	8,665	9,628	(10.0)
Selling and administrative expenses	(7,067)	(6,041)	17.0	(27,883)	(29,488)	(5.4)
Other operating income/(expenses)	3,456	(1,919)	NM	1,604	2,403	(33.3)
Results from operating activities	6,901	4,521	52.6	14,817	18,016	(17.8)
Finance costs	-	-	-	-	(11)	(100.0)
Share of (loss)/profit of joint venture (net of tax)	(38)	(172)	(77.9)	94	432	(78.2)
Profit before income tax	6,863	4,349	57.8	14,911	18,437	(19.1)
Tax (expense)/credit	(724)	464	NM	(3,049)	(1,755)	73.7
Profit for the quarter/year	6,139	4,813	27.6	11,862	16,682	(28.9)
Profit for the quarter/year attributable to:						
Owners of the Company	5,586	3,869	44.4	10,539	14,070	(25.1)
Non-controlling interests	553	944	(41.4)	1,323	2,612	(49.3)
Profit for the quarter/year	6,139	4,813	27.6	11,862	16,682	(28.9)
Earnings per share						
- basic and diluted earnings per share (cents)	0.74	0.51	44.4	1.40	1.87	(25.1)
N.M denotes Not Meaningful						

Consolidated Statement of Comprehensive Income

GROUP	Quarter Ended 31-Dec		Change %	Year Ended 31-Dec		Change %
	2016 S\$'000	2015 S\$'000		2016 S\$'000	2015 S\$'000	
Profit for the quarter/year	6,139	4,813	27.6	11,862	16,682	(28.9)
Other comprehensive income						
Items that are or may be reclassified subsequently to profit and loss:						
Foreign currency translation differences for foreign operations	215	1,083	(80.1)	(3,765)	(6,220)	(39.5)
Other comprehensive income for the quarter/year (net of tax)	215	1,083	(80.1)	(3,765)	(6,220)	(39.5)
Total comprehensive income for the quarter/year	6,354	5,896	7.8	8,097	10,462	(22.6)
Total comprehensive income attributable to:						
Owners of the Company	6,215	4,483	38.6	7,183	10,681	(32.7)
Non-controlling interests	139	1,413	(90.2)	914	(219)	NM
Total comprehensive income for the quarter/year	6,354	5,896	7.8	8,097	10,462	(22.6)

N.M denotes Not Meaningful

1(a) (ii) Notes to Consolidated Income Statement

GROUP	Quarter Ended 31-Dec		Change %	Year Ended 31-Dec		Change %
	2016 S\$'000	2015 S\$'000		2016 S\$'000	2015 S\$'000	
Profit for the quarter/year is arrived at after charging/(crediting) the following:						
Interest income	(512)	(550)	(6.9)	(1,883)	(1,805)	4.3
Gain on disposal of property, plant and equipment	(42)	(176)	(76.1)	(340)	(483)	(29.6)
Foreign exchange (gain)/loss, net	(3,491)	1,680	NM	(1,658)	(2,710)	(38.8)
Property, plant and equipment written off	31	106	(70.8)	47	157	(70.1)
Allowance for doubtful trade and other receivables	5	132	(96.2)	8	150	(94.7)
Depreciation of property, plant and equipment, and investment property	2,246	3,213	(30.1)	9,791	13,769	(28.9)
Allowance for inventory obsolescence and inventories written off	289	187	54.5	246	365	(32.6)
Finance costs	-	-	NM	-	11	(100.0)
Adjustments for under/(over)provision of income tax in respect of the prior years	157	66	NM	167	(24)	NM
Adjustments for over-provision of deferred tax liabilities in respect of the prior years	(190)	-	100.0	(596)	-	100.0
Adjustments for over/(under)provision of deferred tax assets in respect of the prior years	-	267	(100.0)	-	(40)	(100.0)
Gain on liquidation of subsidiary	-	(2)	(100.0)	-	(393)	(100.0)

1(b)(i) Statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	As at 31 Dec 16 S\$'000	As at 31 Dec 15 S\$'000	As at 31 Dec 16 S\$'000	As at 31 Dec 15 S\$'000
Non-current assets				
Property, plant and equipment	47,703	52,399	12,175	12,069
Investment property	8,215	8,585	-	-
Subsidiaries	-	-	61,166	65,593
Joint venture	2,162	2,484	-	-
Deferred tax assets	2,100	2,464	-	-
	60,180	65,932	73,341	77,662
Current assets				
Inventories	15,968	15,017	1,958	2,517
Trade and other receivables	57,008	61,291	8,438	10,034
Tax recoverable	82	70	-	-
Amounts due from subsidiaries	-	-	5,152	3,977
Short term investments	2,678	3,637	-	-
Cash and cash equivalents	105,632	102,940	36,002	29,962
	181,368	182,955	51,550	46,490
Total assets	241,548	248,887	124,891	124,152
Equity attributable to equity holders of the Company				
Share capital	102,158	102,158	102,158	102,158
Reserves	71,379	75,909	16,090	10,817
	173,537	178,067	118,248	112,975
Non-controlling interests	19,646	19,677	-	-
Total equity	193,183	197,744	118,248	112,975
Non-current liabilities				
Trade and other payables	-	112	-	112
Deferred tax liabilities	614	909	354	647
	614	1,021	354	759
Current liabilities				
Trade and other payables	45,376	47,316	5,924	7,770
Amounts due to subsidiaries	-	-	365	2,648
Tax payable	2,375	2,806	-	-
	47,751	50,122	6,289	10,418
Total liabilities	48,365	51,143	6,643	11,177
Total equity and liabilities	241,548	248,887	124,891	124,152

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

The Group has no borrowings and debts securities as at 31 December 2016 and 31 December 2015.

1(b)(iii) Details of any collaterals

Nil.

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

GROUP	Quarter Ended 31-Dec		Year Ended 31-Dec	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Cash flows from operating activities				
Profit before income tax	6,863	4,349	14,911	18,437
Adjustments for:				
Depreciation of property, plant and equipment and investment property	2,246	3,213	9,791	13,769
Gain on liquidation of subsidiary	-	(2)	-	(393)
Gain on disposal of property, plant and equipment	(42)	(176)	(340)	(483)
Property, plant and equipment written off	31	106	47	157
Interest income	(512)	(550)	(1,883)	(1,805)
Finance costs	-	-	-	11
Share of loss/(profit) of joint venture (net of tax)	38	172	(94)	(432)
Unrealised exchange loss	455	1,979	1,229	1,702
	<u>2,216</u>	<u>4,742</u>	<u>8,750</u>	<u>12,526</u>
	9,079	9,091	23,661	30,963
Changes in working capital:				
Inventories	(251)	110	(1,416)	1,815
Trade and other receivables	2,105	7,696	2,379	18,412
Trade and other payables	1,727	(6,819)	(286)	(14,009)
Cash from operating activities	<u>12,660</u>	<u>10,078</u>	<u>24,338</u>	<u>37,181</u>
Tax paid	(539)	(794)	(3,363)	(3,002)
Net cash from operating activities	<u>12,121</u>	<u>9,284</u>	<u>20,975</u>	<u>34,179</u>
Cash flows from investing activities				
Purchase of property, plant and equipment	(2,569)	(972)	(6,988)	(6,327)
Proceeds from disposal of property, plant and equipment	100	204	600	545
Dividends from joint venture	-	-	374	667
Withdrawal of short term investments	848	92	917	1,743
Interest income received	512	550	1,883	1,805
Acquisition of subsidiary with non-controlling interests *	-	-	-	-
Net cash used in investing activities	<u>(1,109)</u>	<u>(126)</u>	<u>(3,214)</u>	<u>(1,567)</u>
Cash flows from financing activities				
Proceeds from short term borrowings	-	-	-	1,106
Repayment of short term borrowings	-	-	-	(2,520)
Finance costs paid	-	-	-	(11)
Deposit pledged	(22)	(23)	(95)	(27)
Capital reduction	-	-	-	(3,765)
Dividends paid to non-controlling interest of a subsidiary	(144)	(179)	(1,363)	(348)
Dividends paid to owners of the Company	(1,883)	(1,883)	(11,295)	(3,765)
Net cash used in financing activities	<u>(2,049)</u>	<u>(2,085)</u>	<u>(12,753)</u>	<u>(9,330)</u>
Net increase in cash and cash equivalents	8,963	7,073	5,008	23,282
Cash and cash equivalents at beginning of quarter/year	93,832	93,239	99,939	79,921
Effects of exchange rate fluctuations on cash held	(193)	(373)	(2,345)	(3,264)
Cash and cash equivalents at end of quarter/year	<u>102,602</u>	<u>99,939</u>	<u>102,602</u>	<u>99,939</u>
For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise:				
Cash at bank and in hand	33,985	45,729	33,985	45,729
Deposits with banks	71,647	57,211	71,647	57,211
Cash and cash equivalents in the statement of financial position	105,632	102,940	105,632	102,940
Deposits pledged	(3,030)	(3,001)	(3,030)	(3,001)
Cash and cash equivalents in the consolidated cash flow statement	<u>102,602</u>	<u>99,939</u>	<u>102,602</u>	<u>99,939</u>

* The consideration for the acquisition was a nominal of S\$1.00. Please refer to Company's announcement on 26 May 2016 for further details.

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

For the Quarter Ended 31 Dec (Group)

Group - 2016	Attributable to equity holders of the Company								Non-controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Capital reserve S\$'000	Statutory reserve S\$'000	Revaluation reserve S\$'000	Foreign currency translation reserve S\$'000	Share option reserve S\$'000	Retained earnings S\$'000	Total attributable to equity holders of the Company S\$'000		
At 1 Oct 2016	102,158	140	6,571	789	(13,890)	-	73,437	169,205	19,651	188,856
Other comprehensive income for the quarter - Foreign currency translation differences	-	-	-	-	629	-	-	629	(414)	215
Profit for the quarter	-	-	-	-	-	-	5,586	5,586	553	6,139
Total comprehensive income for the quarter	-	-	-	-	629	-	5,586	6,215	139	6,354
Dividends paid to owners of the Company	-	-	-	-	-	-	(1,883)	(1,883)	-	(1,883)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(144)	(144)
Transfer of reserves	-	-	1,045	-	-	-	(1,045)	-	-	-
At 31 Dec 2016	102,158	140	7,616	789	(13,261)	-	76,095	173,537	19,646	193,183

Group - 2015	Attributable to equity holders of the Company								Non-controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Capital reserve S\$'000	Statutory reserve S\$'000	Revaluation reserve S\$'000	Foreign currency translation reserve S\$'000	Share option reserve S\$'000	Retained earnings S\$'000	Total attributable to equity holders of the Company S\$'000		
At 1 Oct 2015	102,158	140	5,754	789	(10,519)	-	77,145	175,467	18,443	193,910
Other comprehensive income for the quarter - Foreign currency translation differences	-	-	-	-	614	-	-	614	469	1,083
Profit for the quarter	-	-	-	-	-	-	3,869	3,869	944	4,813
Total comprehensive income for the quarter	-	-	-	-	614	-	3,869	4,483	1,413	5,896
Dividends paid to owners of the Company	-	-	-	-	-	-	(1,883)	(1,883)	-	(1,883)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(179)	(179)
Transfer of reserves	-	-	807	-	-	-	(807)	-	-	-
At 31 Dec 2015	102,158	140	6,561	789	(9,905)	-	78,324	178,067	19,677	197,744

For the Year Ended 31 Dec (Group)

Group - 2016	Attributable to equity holders of the Company								Non-controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Capital reserve S\$'000	Statutory reserve S\$'000	Revaluation reserve S\$'000	Foreign currency translation reserve S\$'000	Share option reserve S\$'000	Retained earnings S\$'000	Total attributable to equity holders of the Company S\$'000		
At 1 Jan 2016	102,158	140	6,561	789	(9,905)	-	78,324	178,067	19,677	197,744
Other comprehensive income for the year										
- Foreign currency translation differences	-	-	-	-	(3,356)	-	-	(3,356)	(409)	(3,765)
Profit for the year	-	-	-	-	-	-	10,539	10,539	1,323	11,862
Total comprehensive income for the year	-	-	-	-	(3,356)	-	10,539	7,183	914	8,097
Dividends paid to owners of the Company	-	-	-	-	-	-	(11,295)	(11,295)	-	(11,295)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(1,363)	(1,363)
Transfer of reserves	-	-	1,055	-	-	-	(1,055)	-	-	-
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	-	(418)	(418)	418	-
At 31 Dec 2016	102,158	140	7,616	789	(13,261)	-	76,095	173,537	19,646	193,183

Group - 2015	Attributable to equity holders of the Company								Non-controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Capital reserve S\$'000	Statutory reserve S\$'000	Revaluation reserve S\$'000	Foreign currency translation reserve S\$'000	Share option reserve S\$'000	Retained earnings S\$'000	Total attributable to equity holders of the Company S\$'000		
At 1 Jan 2015	121,176	140	6,073	789	(6,516)	1,627	51,627	174,916	20,244	195,160
Other comprehensive income for the year										
- Foreign currencies translation differences	-	-	-	-	(3,389)	-	-	(3,389)	(2,831)	(6,220)
Profit for the year	-	-	-	-	-	-	14,070	14,070	2,612	16,682
Total comprehensive income for the year	-	-	-	-	(3,389)	-	14,070	10,681	(219)	10,462
Dividends paid to owners of the Company	-	-	-	-	-	-	(3,765)	(3,765)	-	(3,765)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(348)	(348)
Transfer of reserves	-	-	488	-	-	(1,627)	1,139	-	-	-
Capital reduction	(19,018) *	-	-	-	-	-	15,253	(3,765)	-	(3,765)
At 31 Dec 2015	102,158	140	6,561	789	(9,905)	-	78,324	178,067	19,677	197,744

* Capital reduction of \$19,018,000 was completed on 17 August 2015.

For the Quarter Ended 31 Dec (Company)

Company - 2016	Share capital S\$'000	Revaluation reserve S\$'000	Share option reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
At 1 Oct 2016	102,158	789	-	15,386	118,333
Profit for the quarter	-	-	-	1,798	1,798
Total comprehensive income for the quarter	-	-	-	1,798	1,798
Dividends paid to owners of the Company	-	-	-	(1,883)	(1,883)
At 31 Dec 2016	102,158	789	-	15,301	118,248

Company - 2015	Share capital S\$'000	Revaluation reserve S\$'000	Share option reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
At 1 Oct 2015	102,158	789	-	12,360	115,307
Loss for the quarter	-	-	-	(449)	(449)
Total comprehensive income for the quarter	-	-	-	(449)	(449)
Dividends paid to owners of the Company	-	-	-	(1,883)	(1,883)
At 31 Dec 2015	102,158	789	-	10,028	112,975

For the Year Ended 31 December (Company)

Company - 2016	Share capital S\$'000	Revaluation reserve S\$'000	Share option reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
At 1 Jan 2016	102,158	789	-	10,028	112,975
Profit for the year	-	-	-	16,568	16,568
Total comprehensive income for the year	-	-	-	16,568	16,568
Dividends paid to owners of the Company	-	-	-	(11,295)	(11,295)
At 31 Dec 2016	102,158	789	-	15,301	118,248

Company - 2015	Share capital S\$'000	Revaluation reserve S\$'000	Share option reserve S\$'000	(Accumulated losses)/ retained earnings S\$'000	Total equity S\$'000
At 1 Jan 2015	121,176	789	1,153	(15,253)	107,865
Profit for the year	-	-	-	12,640	12,640
Total comprehensive income for the year	-	-	-	12,640	12,640
Dividends paid to owners of the Company	-	-	-	(3,765)	(3,765)
Capital reduction	(19,018) *	-	-	15,253	(3,765)
Transfer of reserves	-	-	(1,153)	1,153	-
At 31 Dec 2015	102,158	789	-	10,028	112,975

* Capital reduction of \$19,018,000 was completed on 17 August 2015.

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buybacks, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares or cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuers, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Nil.

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

The total number of issued ordinary shares excluding treasury shares as at 31 December 2016 was 752,994,775 (31 December 2015: 752,994,775).

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

Not applicable.

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

These figures have not been audited or reviewed.

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as compared with the audited financial statements for the year ended 31 December 2015.

However, the Group adopted the new and revised Financial Reporting Standards and interpretations that are mandatory and relevant to the Group for the financial year beginning on or after 1 January 2016. These are assessed to have no material impact to the Group's financial statements.

As set out below, certain new standards and amendments to standards are mandatory for adoption by the Group for annual periods beginning on or after 1 January 2017. The Group does not plan to adopt these standards early.

- FRS 115 Revenue from Contracts with Customers

FRS 115 Revenue from Contracts with Customers will replace FRS 18 Revenue, FRS 11 Construction Contracts and related interpretations. The standard establishes the principle for companies to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration to which the company expects to be entitled to in exchange for those goods or services. The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed (e.g. service revenue and contract modifications) and improved guidance for multi-element arrangements.

- FRS 109: Financial Instruments

The standard replaces FRS 39 Financial Instruments: Recognition and Measurement. The standard sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. FRS 109 is effective for annual periods beginning on or after 1 January 2018.

- Convergence with International Financial Reporting Standards (IFRS)

Singapore-incorporated companies listed on the Singapore Exchange (SGX) will apply a new financial reporting framework identical to the International Financial Reporting Standards for the financial year ending 31 December 2018 onwards.

- FRS 116: Leases

The standard replaces FRS 17 Leases, INT FRS 104 Determining whether an Arrangement contains a Lease, INT FRS15 Operating Leases – Incentives, and INT FRS 27 Evaluating the Substance of Transactions Involving the Legal Form of a lease.

FRS 116 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. FRS 116 is effective for annual periods beginning on or after 1 January 2019.

The Group is currently assessing the potential impact of adopting the above standards on the financial statements of the Group.

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

Not applicable.

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

Group	Quarter Ended 31-Dec		Year Ended 31-Dec	
	2016	2015	2016	2015
<i>Earnings per share</i> - basic and diluted (cents)	0.74	0.51	1.40	1.87

Earnings per ordinary share on existing issued share capital is computed based on the weighted average number of shares in issue during the period of 752,994,775 (2015: 752,994,775).

There is no difference between the basic and diluted earnings per share as the Company has no dilutive securities as at 31 December 2016 and 31 December 2015.

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

	Group As at		Company As at	
	31 Dec 16	31 Dec 15	31 Dec 16	31 Dec 15
Net asset value (S\$'000)	173,537	178,067	118,248	112,975
Issued capital at the end of the period ('000)	752,995	752,995	752,995	752,995
Net asset value per Ordinary Share (cents)	23.05	23.65	15.70	15.00

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors.
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Business Overview

Fu Yu Corporation Limited provides vertically-integrated services for the manufacture of precision plastic components, parts and sub-assemblies, as well as the fabrication of precision moulds and dies. With manufacturing facilities located in Singapore, Malaysia and China, the Group has a large footprint in Asia to serve a broad and diversified customer base in printing and imaging, networking and communications, consumer, medical and automotive sectors.

Income Statement

Revenue

For the three months ended 31 December 2016 (4Q16), the Group's revenue softened 3.5% or S\$1.8 million to S\$48.5 million from S\$50.3 million in 4Q15.

For the year ended 31 December 2016 (FY2016), the Group's revenue decreased 10.7% or S\$23.9 million to S\$198.6 million from S\$222.5 million in FY2015. This was due mainly to a general slowdown in demand from customers.

For FY2016, sales in China decreased 10.8% or S\$14.8 million to S\$121.9 million from S\$136.7 million in FY2015 and contributed 61.4% of the Group's revenue to remain as its largest geographical segment. Sales in Singapore decreased 13.1% or S\$5.9 million to S\$39.1 million from S\$45.0 million in FY2015 while sales in Malaysia declined 7.8% or S\$3.2 million to S\$37.6 million in FY2016 from S\$40.8 million in FY2015. These two segments accounted for 19.7% and 18.9% of Group revenue respectively in FY2016.

Gross Profit

Gross profit (GP) in 4Q16 decreased 14.9% or S\$1.5 million to S\$8.4 million from S\$9.9 million in 4Q15. GP margin of 17.3% in 4Q16 was a decrease from 19.7% in 4Q15. However, GP margin in 4Q16 was an improvement compared to 14.6% in 3Q16, 16.4% in 2Q16 and 16.9% in 1Q16.

For FY2016, GP decreased 8.6% or S\$3.1 million to S\$32.4 million from S\$35.5 million in FY2015. Although the Group recorded lower revenue in FY2016, GP margin improved to 16.3% compared to 15.9% in FY2015. This was due mainly to (i) a decrease in depreciation charge of S\$4.0 million for production assets that have been fully depreciated but are still in use as a result of good maintenance and upkeep; (ii) appreciation in the average exchange rate of the US Dollar against the Singapore Dollar, Malaysia Ringgit and Chinese Renminbi in translating foreign currency transactions during FY2016 as compared to FY2015; and (iii) better cost management and more efficient utilisation of the Group's manufacturing facilities.

Other Income

Other income declined 19.0% or S\$0.5 million to S\$2.1 million in 4Q16 from S\$2.6 million in 4Q15 attributable mainly to the lower rental income, gain on disposal of fixed assets, and sale of scrap and raw materials.

For FY2016, other income decreased 10.0% or S\$0.9 million to S\$8.7 million from S\$9.6 million in FY2015 due primarily to lower rental income and the absence of a gain on liquidation of subsidiary.

Selling and Administrative Expenses

Selling and administrative expenses increased 17.0% or S\$1.1 million to S\$7.1 million in 4Q16 from S\$6.0 million in 4Q15. The increase was due mainly to higher staff related expenses and IT systems upgrade.

For FY2016, selling and administrative expenses declined 5.4% or S\$1.6 million to S\$27.9 million from S\$29.5 million in FY2015. The decrease was attributed mainly to lower staff cost and other general administrative expenses.

Other Operating Income/(Expenses)

The Group recorded other operating income of S\$3.5 million in 4Q16 due mainly to foreign exchange gain. In 4Q15, the Group recorded other operating expenses of S\$1.9 million due mainly to foreign exchange loss of S\$1.7 million and provision of doubtful debts and assets written off of S\$0.1 million each.

For FY2016, other operating income decreased 33.3% or S\$0.8 million to S\$1.6 million from S\$2.4 million in FY2015 due mainly to lower foreign exchange gain for the year under review.

The Group recognises foreign exchange gains or losses as a result of the translation of receivables, cash, payables and borrowings denominated in foreign currencies to the functional currencies of the respective companies in the Group as at each reporting date. As the Group is in net US Dollar assets position, the appreciation of the US Dollar against the Singapore Dollar and Malaysia Ringgit resulted in a foreign exchange gain in 4Q16 and FY2016.

Profit Before Income Tax

The Group's profit before income tax increased 57.8% or S\$2.6 million to S\$6.9 million in 4Q16 from S\$4.3 million in 4Q15 due mainly to the foreign exchange gain in 4Q16 as compared to a foreign exchange loss in 4Q15.

For FY2016, the Group reported profit before income tax of S\$14.9 million, a decrease of 19.1% or S\$3.5 million from S\$18.4 million in FY2015. The decrease is attributable to the decreases in gross profit and other income as well as lower foreign exchange gain.

Tax Expense

The Group incurred tax expense of S\$0.7 million for 4Q16 and S\$3.0 million for FY2016 which translated to effective tax rates of 10.5% and 20.4% respectively. Excluding the withholding taxes which arose from services rendered to and dividend income from China subsidiaries, the effective tax rates for 4Q16 and FY2016 were 9.9% and 15.5% respectively.

The income tax expense arose mainly from the Group's profit-making subsidiaries in China and Malaysia, and offset by utilisation of deferred tax asset not recognised previously. The effective tax rates were lower than the statutory tax rate of 17% in Singapore due mainly to recognition of deferred tax assets of a subsidiary in Malaysia and reversal of deferred tax liabilities.

Net Profit Attributable to Owners of the Company

After deducting tax expense, the Group's net profit attributable to owners of the company in 4Q16 increased 44.4% or S\$1.7 million to S\$5.6 million from S\$3.9 million in 4Q15.

For FY2016, Group net profit attributable to owners of the company decreased 25.1% or S\$3.6 million to S\$10.5 million from S\$14.1 million in FY2015.

Dividend

The Board of Directors has proposed a final tax exempt dividend of 1.0 cent per share in respect of FY2016. Together with the interim dividends of 0.5 cents per share, the Group's total dividend in respect of FY2016 would be 1.5 cents per share. Correspondingly, the total payout in respect of FY2016 will amount to S\$11.3 million, similar to FY2015.

Balance Sheet

As at 31 December 2016, the Group remained in a sound financial position with a cash balance of S\$105.6 million and zero borrowings. Shareholders' equity stood at S\$173.5 million, equivalent to net asset value of 23.05 cents per share (based on the total number of issued shares of approximately 753.0 million shares) which includes cash and cash equivalents of 14.03 cents per share.

Total assets as at 31 December 2016 decreased S\$7.4 million to S\$241.5 million from S\$248.9 million as at 31 December 2015. This was due mainly to (i) decrease of S\$4.7 million in property, plant and equipment to S\$47.7 million (ii) reduction of S\$4.3 million in trade and other receivables and (iii) partially offset by an increase of S\$2.7 million in cash and cash equivalents.

As at 31 December 2016, total liabilities decreased S\$2.7 million to S\$48.4 million from S\$51.1 million as at 31 December 2015. This was due mainly to a reduction of S\$2.0 million in trade and other payables to S\$45.4 million.

Cash Flow Analysis

The Group generated net cash from operating activities of S\$21.0 million in FY2016. Net cash used in investing activities amounted to S\$3.2 million, attributable mainly to capital expenditure. Net cash used in financing activities during FY2016 was S\$12.8 million, due mainly to the payment of dividends to shareholders of the Company and non-controlling interests of a subsidiary.

As a result, the Group recorded a net increase in cash and cash equivalents of S\$5.0 million in FY2016 to close the financial year with cash and cash equivalents of S\$102.6 million (excluding cash deposits pledged of S\$3.0 million).

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

The prevailing uncertainties surrounding the global economic outlook may continue to dampen business sentiment and demand conditions. Hence, the operating environment is expected to remain challenging due to the intensifying competitive landscape, continued pressure on product selling prices and volatility in currency exchange rates. As the Group is in net US Dollar assets position, the fluctuations in the US Dollar will have an effect on the Group's financial performance.

As part of its growth strategy, the Group is focusing its efforts on various business development initiatives to expand its market share with existing and new customers, as well as to enhance its sales mix. The Group will continue to keep abreast of customers' developments and market trends to position itself for opportunities in high growth market segments such as security-related, medical and green products. At the same time, the Group will also work on improving operational efficiency and ensuring prudent cost management to maintain its market competitiveness.

11. Dividend

(a) Current Financial Period Reported On

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

Name of Dividend	Final Dividend
Dividend Type	Cash
Dividend Rate	1.0 cent per ordinary share
Tax rate	One-tier tax exempt

(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	Final Dividend
Dividend Type	Cash
Dividend Rate	1.0 cent per ordinary share
Tax rate	One-tier tax exempt

(c) Date payable

Subject to shareholders' approval at the Annual General Meeting to be held on 28 April 2017.

(d) Books closure date

To be announced.

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.

There is no general mandate obtained from shareholders for IPTs.

There were no IPTs for the period ended 31 December 2016.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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.

Geographical segments	Singapore		China		Malaysia		Total operations before adjustment		Group adjustment and elimination		Consolidated	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Revenue and expenses												
Total external revenue	39,079	44,999	121,899	136,686	37,583	40,780	198,561	222,465	-	-	198,561	222,465
Inter-segment revenue	403	-	-	3	353	1,454	756	1,457	(756)	(1,457)	-	-
Profit before income tax *	19,962	15,443	12,928	12,806	6,947	8,487	39,837	36,736	(16,887)	(7,661)	22,950	29,075
Depreciation of property, plant and equipment, and investment property	(2,252)	(2,282)	(5,912)	(9,767)	(1,728)	(1,838)	(9,892)	(13,887)	101	118	(9,791)	(13,769)
Finance cost		-	-	(11)	-	-	-	(11)	-	-	-	(11)
Foreign exchange gain/(loss), net	1,069	3,304	(495)	810	399	1,438	973	5,552	685	(2,842)	1,658	2,710
Share of profit of joint venture (net of tax)	18,779	16,465	6,521	3,838	5,618	8,087	30,918	28,390	(16,101)	(10,385)	14,817	18,005
Profit before income tax	-	-	-	-	94	432	94	432	-	-	94	432
Tax expense											(3,049)	(1,755)
Net profit for the year											11,862	16,682
Other segment information												
Non-current assets	70,304	75,166	20,227	23,594	25,370	26,063	115,901	124,823	(57,821)	(61,355)	58,080	63,468
Unallocated assets											2,100	2,464
Total non-current assets											60,180	65,932
Capital expenditure	1,815	828	3,836	1,689	948	3,690	6,599	6,207	-	-	6,599	6,207
Interest income	241	353	494	525	1,148	1,130	1,883	2,008	-	(203)	1,883	1,805
Segment reporting assets	126,568	131,943	103,902	111,942	73,686	76,017	304,156	319,902	(64,790)	(73,549)	239,366	246,353
Unallocated assets											2,182	2,534
Total assets											241,548	248,887
Segment reporting liabilities	6,912	9,411	37,201	40,165	7,375	9,249	51,488	58,825	(6,112)	(11,397)	45,376	47,428
Unallocated liabilities											2,989	3,715
Total liabilities											48,365	51,143

* After excluding share of profit of joint venture, finance cost, foreign exchange gain/(loss), net, depreciation of property, plant and equipment and investment property.

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.

Singapore

Singapore segment's revenue decreased by S\$5.9 million to S\$39.1 million in FY2016 from S\$45.0 million in FY2015. This was due mainly to softer demand for products in the printing & imaging, consumer as well as medical segments. Singapore segment contributed 19.7% to Group revenue in FY2016.

Excluding the dividend income from Malaysia and China subsidiaries totaling S\$14.1 million, Singapore segment would have recorded a profit of S\$4.7 million in FY2016 which represented a decrease of S\$4.3 million from the S\$9.0 million reported in FY2015. This decline can be attributed to lower revenue and net foreign exchange gain in FY2016.

China

China segment's revenue decreased S\$14.8 million to S\$121.9 million in FY2016 from S\$136.7 million in FY2015 due primarily to slower orders for the printing & imaging, networking & communications and consumer segments. China operations remained as the Group's largest geographical segment with a revenue contribution of 61.4% in FY2016.

Segment profit increased by S\$2.7 million to S\$6.5 million in FY2016 from S\$3.8 million in FY2015. This was attributable mainly to an improvement in operational efficiency and lower depreciation expenses, which were partially offset by a net foreign exchange loss.

Malaysia

Malaysia segment's revenue decreased S\$3.2 million to S\$37.6 million in FY2016 from S\$40.8 million in FY2015. The decline was attributed primarily to reduced customer orders and the impact of the depreciation of the Malaysia Ringgit against the Singapore Dollar. Malaysia segment contributed 18.9% to Group revenue in FY2016.

Malaysia segment's profit decreased S\$2.5 million to S\$5.6 million in FY2016 from S\$8.1 million in FY2015, due mainly to lower revenue and net foreign exchange gain.

16. A breakdown of sales as follows:-

Group	Year Ended 31-Dec		Change %
	2016 S\$'000	2015 S\$'000	
Sales reported for the first half year	101,998	116,541	(12.5)
Profit after tax before deducting non-controlling interests reported for the first half year	3,557	6,381	(44.3)
Sales reported for the second half year	96,563	105,924	(8.8)
Profit after tax before deducting non-controlling interests reported for the second half year	8,305	10,301	(19.4)

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

	2016	2015
	S\$'000	S\$'000
Declared and paid during the financial year:		
- Final tax exempt dividend (FY 2015) of 1.0 cent per share paid on 13 May 2016	7,530	-
- An interim tax exempt dividend of 0.25 cent per share paid on 8 September 2016 (2015: 16 September 2015)	1,882	1,882
- Second interim tax exempt dividend of 0.25 cent per share paid on 29 November 2016 (2015: 8 December 2015)	1,883	1,883
Total	11,295	3,765
Proposed but not recognized as a liability as at 22 February 2017 (2015: 26 February 2016):		
Dividends on ordinary shares, subject to shareholders' approval at the AGM:		
- A final tax exempt dividend of 1.0 cent per share	7,530	7,530

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.

Pursuant to Rule 704(13) of the listing manual of the Singapore Exchange Securities Trading Limited, the Company confirms that there is no person occupying a managerial position in the Company or any of its subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

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

The Company has procured all the required undertakings as required under Rule 720(1).

BY ORDER OF THE BOARD

Teo Meng Keong
Company Secretary
Singapore, 22 February 2017