

JEP HOLDINGS LTD.
 (the “Company”)
 (Registration No. 199401749E)
 (Incorporated in the Republic of Singapore on 12 March 1994)

Unaudited Full Year Financial Statements for the Period Ended 31 December 2019

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

1(a)(i) 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.

	The Group		
	Full Year Ended		Increase/ (Decrease)
	31 Dec 2019	31 Dec 2018	
	S\$'000	S\$'000	%
Revenue	88,962	85,865	3.6
Cost of sales	(73,268)	(73,274)	N.M
Gross profit	15,694	12,591	24.6
Other operating income	960	1,165	(17.6)
Selling and distribution expenses	(2,133)	(2,094)	1.9
Administrative expenses	(5,495)	(6,270)	(12.4)
Other operating expenses	(289)	(680)	(57.5)
Finance expenses	(1,816)	(1,531)	18.6
Profit before tax	6,921	3,181	117.6
Income tax expense	(403)	(886)	(54.5)
Profit for the year	6,518	2,295	184.0
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Currency translation differences	-	194	N,M
Total comprehensive income for the year	6,518	2,489	161.9
Profit attributable to:			
Owners of the Company	6,518	2,193	197.2
Non-controlling interests	-	102	N.M
	6,518	2,295	184.0
Total comprehensive income attributable to:			
Owners of the Company	6,518	2,387	173.1
Non-controlling interests	-	102	N.M
	6,518	2,489	161.9

N.M denotes not meaningful

1(a)(ii) Notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year:

Profit before tax from operations is derived after charging/(crediting) the following:

	The Group		
	Full Year Ended	31 Dec 2018	Increase/
	31 Dec 2019	31 Dec 2018	(Decrease)
	S\$'000	S\$'000	%
(Reversal of) Allowance for doubtful debts	(9)	10	(190.0)
Amortisation of intangible assets	123	123	N.M
Depreciation of property, plant and equipment	6,457	5,933	8.8
Impairment on asset held for sale	72	-	N.M
Provision for inventory obsolescence	310	1,354	(77.1)
Foreign exchange loss	289	487	(40.7)
Gain on disposal of property, plant and equipment	71	54	31.5
Interest expense	1,816	1,531	18.6

N.M denotes not meaningful

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.

	The Group		The Company	
	31 Dec 19	As at 31 Dec 18	31 Dec 19	As at 31 Dec 18
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and bank balances	11,943	4,541	388	556
Trade and other receivables	20,914	22,713	11	11
Inventories	15,005	15,741	-	-
	<u>47,862</u>	<u>42,995</u>	<u>399</u>	<u>567</u>
Assets of disposal group classified as held for sale	68	-	-	-
Total current assets	<u>47,930</u>	<u>42,995</u>	<u>399</u>	<u>567</u>
Non-current assets				
Property, plant and equipment	53,941	51,185	42	21
Intangibles assets	17,746	17,869	-	-
Subsidiaries	-	-	64,040	64,040
Deferred tax assets	8	91	8	91
Total non-current assets	<u>71,695</u>	<u>69,145</u>	<u>64,090</u>	<u>64,152</u>
Total assets	<u>119,625</u>	<u>112,140</u>	<u>64,489</u>	<u>64,719</u>
LIABILITIES AND EQUITY				
Current liabilities				
Bank loans	5,808	11,105	-	-
Trade and other payables	17,278	15,487	862	571
Amount due to subsidiaries	-	-	-	1,667
Lease liabilities	1,508	2,003	-	-
Total current liabilities	<u>24,594</u>	<u>28,595</u>	<u>862</u>	<u>2,238</u>
Non-current liabilities				
Bank loans	25,260	25,551	-	-
Amount due to subsidiaries	-	-	-	1,660
Lease liabilities	8,097	4,572	-	-
Deferred tax liabilities	1,614	1,295	-	-
Total non-current liabilities	<u>34,971</u>	<u>31,418</u>	<u>-</u>	<u>1,660</u>
Capital and reserves				
Share capital	49,226	47,811	49,226	47,811
Capital reserve	772	553	870	651
Warrants reserve	-	219	-	219
Retained earnings	10,062	3,544	13,531	12,140
Total equity	<u>60,060</u>	<u>52,127</u>	<u>63,627</u>	<u>60,821</u>
Total liabilities and equity	<u>119,625</u>	<u>112,140</u>	<u>64,489</u>	<u>64,719</u>

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

	The Group	
	31 Dec 19	31 Dec 18
	S\$'000	S\$'000
<u>Secured borrowing</u>		
Amount repayable in one year or less, or demand	7,028	13,108
Amount repayable after one year	27,278	30,123
	34,306	43,231
<u>Unsecured borrowing</u>		
Amount repayable in one year or less, or demand	288	-
Amount repayable after one year	6,079	-
	6,367	-

Details of any collaterals.

As at 31 December 2019 the Group's lease liabilities-finance leases and bank term loans are secured as follows:

- 1) Lease liabilities-finance leases amounting to S\$3.2 million (31 December 2018: S\$6.6 million) are secured by the production equipment and motor vehicles of subsidiaries.
- 2) Bank term loan amounting to S\$31.1 million (31 December 2018: S\$36.6 million) are secured by the property, plant and equipment of subsidiaries.

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.

	The Group	
	Full Year Ended	
	31 Dec 2019	31 Dec 2018
	S\$'000	S\$'000
Operating activities		
Profit before income tax	6,921	3,181
Adjustment for:		
(Reversal of) Allowance for doubtful debts	(9)	10
Depreciation of property, plant and equipment	6,457	5,933
Amortization of intangible assets	123	123
Gain on disposal of property, plant and equipment	(71)	(54)
Property, plant and equipment written off	15	3
Club membership de-recognition	-	48
Impairment on asset held for sale	72	-
Provision for inventory obsolescence	310	1,354
Unrealized foreign exchange (gain) loss	(19)	386
Interest income	(2)	(2)
Interest expense	1,816	1,531
Operating cash flow before movements in working capital	15,613	12,513
Inventories	425	(3,320)
Trade and other receivables	1,219	2,734
Trade and other payables	1,885	(269)
Cash generated from operations	19,142	11,658
Interest expense paid	(1,816)	(1,531)
Interest income received	2	2
Income tax paid	*	-
Net cash from operating activities	17,328	10,129
Investing activities		
Purchase of property, plant and equipment	(971)	(3,475)
Proceeds from disposal of property, plant and equipment	467	77
Payment of contingent consideration	-	(2,000)
Acquisition of subsidiary shares	-	(1,800)
Net cash used in investing activities	(504)	(7,198)
Financing activities		
Proceeds from issue of ordinary shares	1,415	2,593
Repayment of lease liabilities	(5,222)	(1,966)
Proceeds from term loans	3,400	766
Repayment of term loans	(3,705)	(3,809)
Proceeds from trade financing loans	2,447	7,619
Repayment of trade financing loans	(7,619)	(8,592)
Net repayments of factoring loans	(138)	(1,235)
Net cash used in financing activities	(9,422)	(4,624)
Net increase (decrease) in cash and bank balances	7,402	(1,693)
Effect of exchange rate changes	*	*
Cash and bank balances at beginning of year	4,541	6,234
Cash and bank balances at end of year	11,943	4,541

* Denotes less than S\$1,000

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.

	Share capital	Warrants reserve	Capital reserve	Translation reserve	Retained earnings	Equity attributable to owners of the Company	Non-controlling interest	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Group								
Balance as at January 1, 2018	45,218	618	252	(194)	1,351	47,245	1,600	48,845
Total comprehensive income for the year								
Profit for the year	-	-	-	194	2,193	2,387	102	2,489
Total	-	-	-	194	2,193	2,387	102	2,489
Transactions with owners, recognised directly in equity								
Effect of acquiring non-controlling interests in a subsidiary	-	-	(98)	-	-	(98)	(1,702)	(1,800)
Issue of new ordinary shares	2,593	(399)	399	-	-	2,593	-	2,593
Total	2,593	(399)	301	-	-	2,495	(1,702)	793
Balance as at December 31, 2018	47,811	219	553	-	3,544	52,127	-	52,127
Total comprehensive income for the year								
Profit for the year	-	-	-	-	6,518	6,518	-	6,518
Total	-	-	-	-	6,518	6,518	-	6,518
Transactions with owners, recognised directly in equity								
Issue of new ordinary shares	1,415	(219)	219	-	-	1,415	-	1,415
Total	1,415	(219)	219	-	-	1,415	-	1,415
Balance as at December 31, 2019	49,226	-	772	-	10,062	60,060	-	60,060

	Share capital	Warrants reserve	Capital reserve	Retained earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Company					
Balance as at January 1, 2018	45,218	618	252	10,254	56,342
Total comprehensive income for the year					
Profit for the year	-	-	-	1,886	1,886
Total	-	-	-	1,886	1,886
Transactions with owners, recognised directly in equity					
Issue of new ordinary shares	2,593	(399)	399	-	2,593
Total	2,593	(399)	399	-	2,593
Balance as at December 31, 2018	47,811	219	651	12,140	60,821
Total comprehensive income for the year					
Profit for the year	-	-	-	1,391	1,391
Total	-	-	-	1,391	1,391
Transactions with owners, recognised directly in equity					
Issue of new ordinary shares	1,415	(219)	219	-	1,415
Total	1,415	(219)	219	-	1,415
Balance as at December 31, 2019	49,226	-	870	13,531	63,627

1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of Issued shares excluding treasury shares and subsidiary holdings of the issuer as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Subsequent to 31 December 2018, 17,688,655 warrants were exercised at S\$0.08 each pursuant to the warrants adjustment effective 21 May 2018 ("Share Consolidation and Warrants Adjustment"). Pursuant to Deed Poll executed by the Company on 20 December 2016, the Warrants will expire on 20 December 2019 after which time, any subscription rights comprised in the Warrants which have not been exercised will lapse and the Warrants will cease to be valid for any purpose whatsoever.

The Company did not have any treasury shares as at 31 December 2019 and 31 December 2018.

Share Capital	Number of Shares	S\$
Share capital as at 31 December 2018	396,256,066	47,810,999
Issuance of new ordinary shares pursuant to Rights cum Warrants Issue	17,688,655	1,415,093
Share capital as at 31 December 2019	413,944,721	49,226,092

Warrants	Number of Warrants	S\$
Warrants as at 31 December 2018	17,781,439	218,849
Exercised during the year	(17,688,655)	(217,707)
Lapsed and ceased to be valid	(92,784)	(1,142)
Warrants as at 31 December 2019	-	-

As at 20 December 2019, total 92,784 warrants remain unexercised and right to subscribe ordinary shares have been lapsed and ceased to be valid.

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 total number of issued shares excluding treasury shares as at 31 December 2019 was 413,944,721 shares (31 December 2018: 396,256,066 shares).

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

There were no sales, transfers, cancellation and/or use of treasury shares as at 31 December 2019.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

There are no sales, transfers, cancellation and/or subsidiary holdings during and as at 31 December 2019.

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

The figures have not been audited nor reviewed by our auditors.

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

Not applicable.

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

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

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

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

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.

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those applied in the Group's most recently audited financial statements for the year ended 31 December 2018.

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 new and revised standards did not have substantial effect on the financial performance and position of the Group except for the adoption of Singapore Financial Reporting Standards (International) (SFRS(I)) 16 Leases which took effect on 1 January 2019, using the modified retrospective approach at the date of initial application which is on 1 January 2019. In compliance with SFRS(I) 16 Leases, the Group has applied the practical expedients to recognise the amount of right-of-use assets equal to the lease liabilities, adjusted by the amount of accrued lease payment related to that lease recognised in the statement of financial position immediately from 1 January 2019.

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.

The Group	31 Dec 2019	31 Dec 2018
i) based on the weighted average number of ordinary shares in issue, and	1.610 cents	0.578 cents
ii) on a fully diluted basis	1.574 cents	0.530 cents
Weighted average number of ordinary shares in issue:		
- Basic	404,944,665	379,346,652
- Diluted	414,037,505	414,037,505

Note:

Basic earnings per share is computed by dividing net profit for the year of S\$6,518,599 (2018: net profit of S\$2,192,758) by the weighted average number of 404,944,665 shares (2018: 379,346,652 shares) in issue during the year.

Diluted earnings per share is computed by dividing net profit for the year of S\$6,518,599 (2018: net profit of S\$2,192,758) by the weighted average number of 414,037,505 shares (2018: 414,037,505) in issue during the year.

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.

	The Group		The Company	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
Net assets value, net of non-controlling interests (S\$)	60,060,046	52,126,354	63,626,644	60,821,280
Net assets per ordinary share at end of the period	14.5 cents	13.2 cents	15.4 cents	15.3 cents

Note:

Net assets per ordinary share based on number of issued 413,944,721 ordinary shares (excluding treasury shares) as at 31 December 2019 (2018: 396,256,066 ordinary shares (excluding treasury shares)).

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**

Revenue and cost of sales

For the full year of FY2019, the Group revenue increased 3.6% to S\$89.0 million compared to FY2018 total revenue of S\$85.9 million. The higher revenue from Precision Manufacturing segment of S\$10.4 million which were offset by lower sales from Equipment Manufacturing of S\$1.3 million and Trading and Others segment of S\$6.0 million.

Cost of sales for FY2019 and FY2018 were relatively same with S\$73.3 million for each financial year. The gross margin in FY2019 was improved by 3% to 18% from 15% in FY2018 primarily due to an initiative carried out to move some labour-intensive work to low operation cost region, effect of cost controlling initiatives and lesser provision of stock obsolescence in FY2019 compared to FY2018.

Other operating income

Compared to FY2018, other operating income decreased by S\$0.2 million from S\$1.2 million to S\$1.0 million in FY2019. This was primarily caused by lower income generated from government grants and scrap income in FY2019.

Selling and distribution expenses

Selling expenses mainly comprise staff costs of our sales and marketing staff, outward freight, travelling and marketing expenses, and other related expenses. Compared to FY2018, expenses for FY2019 was remained relatively constant at S\$2.1 million.

Administrative expenses

Administrative expenses mainly comprise of staff costs, Directors' fee and compensation, depreciation charge in relation to non-production assets, amortisation of intangible assets, professional fees, foreign exchange and other office expenses.

Administrative expenses decreased S\$0.8 million or 12.4%, from S\$6.3 million in FY2018 to S\$5.5 million in FY2019, mainly attributed to the absence of one-time expenses of retirement packages of S\$0.5 million paid to the former executive chairman in FY2018.

Other operating expenses

Total other operating expenses was S\$0.2 million in 2019 arose from forex exchange loss which primarily attributed to borrowings and lease liabilities denominated in United States Dollar ("USD") and Japanese Yen ("Yen").

Finance expenses

Finance costs increased S\$0.3 million from S\$1.5 million in FY2018 to S\$1.8 million in FY2019, mainly due to one-time break funding cost of S\$0.1 million in relation full settlement of hire purchases and term loan before maturity and recognition of S\$0.2 million interest in relation to an adoption of new accounting standards SFRS(I) 16: Leases.

Income tax expenses

The Group recorded a total income tax expense of S\$0.4 million in FY2019 compared to S\$0.8 million in FY2018 mainly due to tax expenses arising from the origination and reversal of temporary differences and recognition of tax credit arising from Productivity and Innovation Credit Scheme.

Group Performance

Note: all figures rounded to the nearest single decimal point. Any discrepancies between the listed amounts and the totals thereof are due to rounding.

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Non-current assets

Total non-current assets increased by S\$2.6 million mainly attributed to property, plant and equipment net additions of S\$2.5 million and an initial recognition of rights-of-use assets at S\$6.7 million, pursuant to an adoption of new accounting standard SFRS(I) 16: Leases before offset against amortisation and depreciation charge of S\$6.6 million in FY2019.

Trade and other receivables

Trade and other receivables decreased by S\$1.8 million from S\$22.7 million as at 31 December 2018 to S\$20.9 million as at 31 December 2019. The decrease was mainly due to fluctuations arising from timing of payments made by customers.

Trade and other payables

Trade and other payables increased by S\$1.8 million, from S\$15.5 million as at 31 December 2018 to S\$17.3 million as at 31 December 2019. This reduction was mainly due to fluctuation arising from timing of payments made to creditors.

Lease liabilities

The Group's lease liabilities increased S\$3.0 million, from S\$6.6 million as at 31 December 2018 to S\$9.6 million as at 31 December 2019 mainly attributed to a lease liabilities of S\$6.4 million pursuant to the adoption of new accounting standard SFRS(I) 16: Leases and the addition lease liability of S\$1.5 million for new machinery purchase before offset against total repayment of S\$4.9 million in FY2019.

Bank Loans

The Group's total loans and borrowings decreased S\$5.5 million from S\$36.6 million as at 31 December 2018 to S\$31.1 million as at 31 December 2019. This decrease was due to term loans repayment of S\$11.3 million which partially offset by addition term loans of S\$5.8 million in FY2019.

Deferred tax liabilities

Deferred tax liabilities increased S\$0.3 million to S\$1.6 million in FY2019 from S\$1.3 million in FY2018 primarily due to deferred tax expenses arising from the origination and reversal of temporary differences.

Statement of cash flows of the Group

Net cash generated from operating activities of S\$17.3 million in FY2019 was mainly due to the improvement in cash generated before movement in working capital by S\$7.4 million compared to FY2018.

Net cash used in financing activities amounted to S\$9.4 million in FY2019. This was attributed to bank borrowings and lease liabilities repayment of S\$16.6 million which was partially offset with addition term loans of S\$5.8 million and proceeds from issue of share capital of S\$1.4 million in FY2019.

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.**

Aerospace segment remains the key revenue of the Group. Emerging markets, rapid urbanisation and growth in world urban populations are bolstering air traffic demand, and are projected to maintain that growth into the new decade. With our long term strategy of migrating into low cost region driving for cost competitiveness, our customers are enthusiastically engaging us with more enquiry and growing intention of migrating projects from their incumbent domestic sources to companies in this region.

Revenue from the oil and gas segment is facing challenges from the uncertainty in the Middle East tension and the pressure from the U.S – China trade war. The group has been pursuing enquiry from new customers while remain close proximity with existing customers collaborating on cost reduction initiatives to sustain business buoyancy.

In 2020, the semiconductor industry is expected a positive growth compared to the previous year. The group has seamlessly moved most of the non-critical manufacturing activities to the low operation cost region, which led to increasing capacity locally to cope with the foreseeable rising demand.

The outbreak of the COVID-19 has the potential to cause severe economic and market dislocation. Align to the local health authority's guidelines, the group is taking every preventive measure cautiously to ensure any affected employees is quarantined, virus is contained out of the premises and business continues as usual with the least disruption.

11. **If a decision regarding dividend has been made:**

- (a) **Whether an interim (final) ordinary dividend has been declared (recommended): and**

None

- (b) **Corresponding Period of the immediately preceding financial year
Any dividend declared for the corresponding period of the immediately preceding financial year?**

None

- (c) **Date payable**

Not applicable

- (e) **The date on which Registrable Transfers received by the Company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

Not applicable

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

No dividend has been declared or recommended for the financial year ended 31 December 2019. The available fund will be retained for working capital use.

13. If the group has obtained a general mandate from the 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.

The Group has obtained a general mandate from its shareholders for IPTs at EGM held on 23 April 2019.

As shown in the table below, the aggregate value of all interested person transaction during the period was approximately 16.0% of the group's latest audited net tangible assets as at 31 December 2018.

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	31 December 2019	31 December 2019
UMS Holdings Limited & its subsidiaries	S\$433,611	S\$5,052,696

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

The Company confirmed that it has procured undertakings from all of its directors and executive officers in the format set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15. Segmented revenue and results for operating 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.

	Operating Segments				Group S\$'000
	Precision Machining S\$'000	Trading and Others S\$'000	Equipment manufacturing S\$'000		
2019					
<u>Revenue:</u>					
Segment revenue	61,594	13,147	15,093		89,834
Elimination of inter-reporting unit sales	(26)	(845)	(1)		(872)
Total revenue	61,568	12,302	15,092		88,962
Segment result	6,679	1,035	1,985		9,699
Unallocated corporate expenses					(962)
Profit from operations					8,737
Finance cost					(1,816)
Profit before tax					6,921
Income tax expense					(403)
Net profit for the year, net of tax					6,518

Operating Segments

2018	Precision Machining S\$'000	Trading and Others S\$'000	Equipment manufacturing S\$'000	Group S\$'000
<u>Revenue:</u>				
Segment revenue	51,955	20,512	16,430	88,897
Elimination of inter-reporting unit sales	(751)	(2,218)	(63)	(3,032)
Total revenue	51,204	18,294	16,367	85,865
Segment result	1,991	1,980	2,177	6,148
Unallocated corporate expenses				(1,436)
Profit from operations				4,712
Finance cost				(1,531)
Loss before tax				3,181
Income tax credit				(886)
Net loss for the year, net of tax				2,295

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

There are no factors which led to material changes in contribution to turnover and earnings as compared to FY2018. For detailed review of performance, please refer to section 8(a) above.

17. A breakdown of sales as follows:

	The Group		
	FY2019 S\$'000	FY2018 S\$'000	%increase / (decrease)
a) Sales reported for first half year	44,694	43,643	2.4
b) Operating profit (loss) after tax before deducting non-controlling interests reported for first half year	3,338	(328)	N.M
c) Sales reported for the second half year	44,268	42,222	4.8
d) Operating profit after tax before deducting non-controlling interests reported for second half year	3,180	2,623	21.2

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

- (a) Ordinary
- (b) Preference
- (c) Total

No dividend has been declared and paid for the latest and its previous financial year.

19. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there is 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 first held	Details of changes in duties and position held, if any, during the year
Darren Zee Yu Liang	33	The eldest son of Mr. Zee Hoong Huay, the Executive Director and substantial shareholder of the Company	Managing Director of Dolphin Engineering Pte Ltd (“DEPL”) Responsible for overseeing the operations and developing new businesses for DEPL.	N.A.

BY ORDER OF THE BOARD

Andy Luong
 Executive Chairman and Chief Executive Officer
 24 February 2020

This announcement has been prepared by the Company and its contents have been reviewed by the Company’s Sponsor, RHT Capital Pte. Ltd. (the “**Sponsor**”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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