
**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR
THE FULL YEAR ENDED 31 DECEMBER 2017**

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "**Sponsor**"), for compliance with 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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PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

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.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

| | Group | | |
|---|-------------------------|-----------------------|----------------------|
| | <u>FY2017</u> | <u>FY2016</u> | <u>Change</u> |
| | <u>Unaudited</u> | <u>Audited</u> | |
| | S\$'000 | S\$'000 | |
| Revenue | 38,356 | 34,162 | 12.3% |
| Cost of Sales | (31,546) | (28,380) | 11.2% |
| Gross Profit | 6,810 | 5,782 | 17.8% |
| <u>Other Items of Income</u> | | | |
| Interest Income | 5 | 2 | >100.0% |
| Other Gains | 2,292 | 269 | >100.0% |
| <u>Other Items of Expense</u> | | | |
| Marketing and Distribution Costs | (678) | (678) | – |
| Administrative Expenses | (4,909) | (4,603) | 6.6% |
| Finance Costs | (897) | (946) | (5.2%) |
| Other Losses | (773) | (2,091) | (63.0%) |
| Profit (Loss) Before Tax from Continuing Operations | 1,850 | (2,265) | NM |
| Income Tax Expense | (298) | (168) | 77.4% |
| Profit (Loss), Net of Tax | 1,552 | (2,433) | NM |
| Profit (Loss) Attributable to Owners of the Company, Net of Tax | 1,552 | (2,433) | NM |
| Profit (Loss) Attributable to Non-Controlling Interests, Net of Tax | – | – | – |
| Profit (Loss) Net of Tax | 1,552 | (2,433) | NM |

Consolidated Statement of Comprehensive Income

| | Group | | |
|---|-------------------------|-----------------------|----------------------|
| | <u>FY2017</u> | <u>FY2016</u> | <u>Change</u> |
| | <u>Unaudited</u> | <u>Audited</u> | |
| | S\$'000 | S\$'000 | |
| Profit (Loss) Net of Tax | 1,552 | (2,433) | NM |
| <u>Other Comprehensive Income (Loss)</u> | | | |
| Items That May Be Reclassified | | | |
| Subsequently to Profit or Loss: | | | |
| Exchange Differences on Translating Foreign Operations, Net of Tax | (30) | (121) | (75.2%) |
| Other Comprehensive Loss for the Year, Net of Tax | (30) | (121) | (75.2%) |
| Total Comprehensive Income (Loss) | 1,522 | (2,554) | NM |
| Total Comprehensive Income (Loss) Attributable to Owners of the Company | 1,522 | (2,554) | NM |
| Total Comprehensive Income (Loss) Attributable to Non-Controlling Interests | – | – | – |
| Total Comprehensive Income (Loss) | 1,522 | (2,554) | NM |

NM – Not meaningful

1(a)(ii) Notes to the Consolidated Statement of Comprehensive Income

Profit (Loss) before tax is arrived at after crediting / (charging) the following:

| | Group | | Change |
|---|---|---|---------------|
| | <u>FY2017</u> <u>Unaudited</u> S\$'000 | <u>FY2016</u> <u>Audited</u> S\$'000 | |
| Foreign exchange adjustment gains (losses) | 227 | (300) | NM |
| Depreciation of property, plant and equipment | (909) | (1,227) | (25.9%) |
| Amortisation of intangible assets | (30) | (28) | 7.1% |
| Directors' fee | (87) | (87) | – |
| Gains on disposal of property, plant and equipment, net | 1,753 | 56 | >100.0% |
| Allowance for impairment on trade receivables | (55) | (1,777) | (96.9%) |
| Reversal for impairment on trade receivables | 212 | 47 | >100.0% |
| Bad debts written off | (16) | (10) | 60.0% |
| Allowance for impairment on inventories | (302) | (4) | >100.0% |
| Reversal for impairment on inventories | 75 | 95 | (21.1%) |
| Property, plant and equipment written off | (400) | – | NM |
| Interest expense | (897) | (946) | (5.2%) |
| Interest income | 5 | 2 | >100.0% |
| Government grant income | 25 | 71 | (64.8%) |

NM – 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.

Statements of Financial Position

| | <u>Group</u> | | <u>Company</u> | |
|---|---|---|---|---|
| | As at <u>31.12.17</u> <u>Unaudited</u> S\$'000 | As at <u>31.12.16</u> <u>Audited</u> S\$'000 | As at <u>31.12.17</u> <u>Unaudited</u> S\$'000 | As at <u>31.12.16</u> <u>Audited</u> S\$'000 |
| ASSETS | | | | |
| <u>Non-Current Assets</u> | | | | |
| Property, Plant and Equipment | 2,595 | 24,152 | – | – |
| Intangible Assets | 76 | 106 | – | – |
| Investments in Subsidiaries | – | – | 11,871 | 11,871 |
| Deferred Tax Assets | 327 | 314 | – | – |
| Total Non-Current Assets | 2,998 | 24,572 | 11,871 | 11,871 |
| <u>Current Assets</u> | | | | |
| Inventories | 22,462 | 20,216 | – | – |
| Trade and Other Receivables | 33,588 | 10,429 | 1,982 | 1,792 |
| Other Assets | 114 | 63 | 19 | 19 |
| Cash and Cash Equivalents | 5,912 | 3,433 | 500 | 240 |
| Total Current Assets | 62,076 | 34,141 | 2,501 | 2,051 |
| Total Assets | 65,074 | 58,713 | 14,372 | 13,922 |
| EQUITY AND LIABILITIES | | | | |
| <u>Equity Attributable to Owners of the Company</u> | | | | |
| Share Capital | 10,579 | 10,579 | 10,579 | 10,579 |
| Retained Earnings | 18,350 | 16,798 | 3,342 | 3,013 |
| Statutory Reserve | 225 | 225 | – | – |
| Foreign Currency Translation Reserve | (13) | 17 | – | – |
| Equity, Attributable to Owners of the Company, Total | 29,141 | 27,619 | 13,921 | 13,592 |
| Non-Controlling Interests | 9 | 9 | – | – |
| Total Equity | 29,150 | 27,628 | 13,921 | 13,592 |
| <u>Non-Current Liabilities</u> | | | | |
| Other Financial Liabilities | 2,596 | 13,285 | – | – |
| Total Non-Current Liabilities | 2,596 | 13,285 | – | – |
| <u>Current Liabilities</u> | | | | |
| Income Tax Payable | 170 | 88 | 41 | 42 |
| Trade and Other Payables | 17,897 | 14,951 | 410 | 288 |
| Other Financial Liabilities | 15,261 | 2,761 | – | – |
| Total Current Liabilities | 33,328 | 17,800 | 451 | 330 |
| Total Liabilities | 35,924 | 31,085 | 451 | 330 |
| Total Equity and Liabilities | 65,074 | 58,713 | 14,372 | 13,922 |

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

Amount repayable in one year or less, or on demand

| As at 31.12.2017 | | As at 31.12.2016 | |
|-------------------------|------------------|-------------------------|------------------|
| Secured | Unsecured | Secured | Unsecured |
| S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| 14,130 | 10,530 | 805 | 11,190 |

Amount repayable after one year

| As at 31.12.2017 | | As at 31.12.2016 | |
|-------------------------|------------------|-------------------------|------------------|
| Secured | Unsecured | Secured | Unsecured |
| S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| 206 | 2,390 | 13,056 | 229 |

Details of any collateral

The Group's borrowings consist of term loans, bank loans, bank overdrafts, bills payables and finance leases.

Certain of the Group's term loans, bank loans, bank overdrafts and other credit facilities are secured by (a) legal mortgages on the subsidiaries' leasehold and freehold properties; and (b) corporate guarantees issued by the Company. The finance leases are secured by the leased assets.

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

| | Group | |
|--|---|---|
| | <u>FY2017</u> <u>Unaudited</u> S\$'000 | <u>FY2016</u> <u>Audited</u> S\$'000 |
| <u>Cash Flows From Operating Activities</u> | | |
| Profit (Loss) Before Tax | 1,850 | (2,265) |
| Interest Income | (5) | (2) |
| Interest Expense | 897 | 946 |
| Depreciation of Property, Plant and Equipment | 909 | 1,227 |
| Amortisation of Intangible Assets | 30 | 28 |
| Gains on Disposal of Property, Plant and Equipment | (1,753) | (56) |
| Property, plant and equipment written off | 400 | – |
| Net Effect of Exchange Rate Changes in Consolidating Subsidiaries | (43) | (50) |
| Operating Cash Flows before Changes in Working Capital | 2,285 | (172) |
| Changes in:- | | |
| Inventories | (2,246) | 7,844 |
| Trade and Other Receivables | (634) | 573 |
| Other Assets | (50) | 21 |
| Trade and Other Payables | (1,453) | 2,297 |
| Net Cash Flows (Used in) From Operations | (2,098) | 10,563 |
| Income Taxes Paid | (218) | (31) |
| Net Cash Flows (Used in) From Operating Activities | (2,316) | 10,532 |
| <u>Cash Flows From Investing Activities</u> | | |
| Disposal of Property, Plant and Equipment | 158 | 59 |
| Purchase of Property, Plant and Equipment (Note B) | (628) | (240) |
| Interest Received | 5 | 2 |
| Net Cash Flows Used in Investing Activities | (465) | (179) |
| <u>Cash Flows From Financing Activities</u> | | |
| Decrease in Borrowings | (2,030) | (14,823) |
| Increase from New Borrowings | 13,819 | 5,374 |
| Net movements in amount due to parent company | (5,000) | 3,800 |
| Interest Paid | (897) | (946) |
| Net Cash Flows From (Used in) Financing Activities | 5,892 | (6,595) |
| Net Increase in Cash and Cash Equivalents | 3,111 | 3,758 |
| Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance | 2,223 | (1,535) |
| Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance (Note A) | 5,334 | 2,223 |

Note A

Cash and cash equivalents in the consolidated statement of cash flows comprised the following:

| | <u>Group</u> | |
|--|--|--|
| | <u>FY2017</u> <u>Unaudited</u> <u>S\$'000</u> | <u>FY2016</u> <u>Audited</u> <u>S\$'000</u> |
| Cash and cash equivalents at end of year | 5,912 | 3,433 |
| Bank overdraft | (578) | (1,210) |
| | <u>5,334</u> | <u>2,223</u> |

Note B

Non-cash transaction:

There were acquisitions of plant and equipment with a total cost of S\$52,000 in FY2017 (FY2016: S\$137,000). These assets were acquired by means of finance leases.

- 1 (d)(i) A statement (for the group and issuer) 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.

GROUP

| | <u>Total Equity</u> S\$'000 | <u>Attributable to Owners of the Company</u> S\$'000 | <u>Share Capital</u> S\$'000 | <u>Retained Earnings</u> S\$'000 | <u>Foreign Currency Translation Reserve</u> S\$'000 | <u>Statutory Reserve</u> S\$'000 | <u>Non- controlling Interests</u> S\$'000 |
|--|------------------------------------|---|-------------------------------------|---|--|---|--|
| Current Year: | | | | | | | |
| Opening Balance at 1 January 2017 | 27,628 | 27,619 | 10,579 | 16,798 | 17 | 225 | 9 |
| Movements in Equity | | | | | | | |
| Total Comprehensive Income (Loss) for the Year | 1,522 | 1,522 | – | 1,552 | (30) | – | – |
| Closing Balance at 31 December 2017 | 29,150 | 29,141 | 10,579 | 18,350 | (13) | 225 | 9 |
| Previous Year: | | | | | | | |
| Opening Balance at 1 January 2016 | 30,182 | 30,173 | 10,579 | 19,231 | 138 | 225 | 9 |
| Movements in Equity | | | | | | | |
| Total Comprehensive Loss for the Year | (2,554) | (2,554) | – | (2,433) | (121) | – | – |
| Closing Balance at 31 December 2016 | 27,628 | 27,619 | 10,579 | 16,798 | 17 | 225 | 9 |

COMPANY

| | Total Equity | Share Capital | Retained Earnings |
|--|-------------------------|--------------------------|------------------------------|
| | S\$'000 | S\$'000 | S\$'000 |
| Current Year: | | | |
| Opening Balance at 1 January 2017 | 13,592 | 10,579 | 3,013 |
| Movement in Equity: | | | |
| Total Comprehensive Income for the Year | 329 | – | 329 |
| Closing Balance at 31 December 2017 | 13,921 | 10,579 | 3,342 |
| Previous Year: | | | |
| Opening Balance at 1 January 2016 | 13,250 | 10,579 | 2,671 |
| Movement in Equity: | | | |
| Total Comprehensive Income for the Year | 342 | – | 342 |
| Closing Balance at 31 December 2016 | 13,592 | 10,579 | 3,013 |

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 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.

There were no changes in the Company's share capital from 1 July 2017 to 31 December 2017. There were no outstanding convertibles, treasury shares and subsidiary holdings as at 31 December 2017 and 31 December 2016.

1(d)(iii) 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.

| As at 31.12.2017 | As at 31.12.2016 |
|-------------------------|-------------------------|
| 108,000,000 | 108,000,000 |

The Company did not have any treasury shares as at 31 December 2017 and 31 December 2016.

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.

The Company does not have any treasury shares. There were no sale, transfer, cancellation and/or use of treasury shares during and as at 31 December 2017.

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.

The Company does not have any subsidiary holdings. There were no sale, transfer, cancellation and/or use of subsidiary holdings during and as at 31 December 2017.

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

The figures have not been audited or reviewed by the Company's auditors.

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

Not applicable. The figures have not been audited or reviewed by the Company's auditors.

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 item 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year reported on, which are consistent with the audited financial statements for the financial year ended 31 December 2016.

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

The Group has adopted the applicable new and revised Singapore Financial Reporting Standards ("**FRS**") and Interpretations of Financial Reporting Standards ("**INT FRS**") which became effective for the reporting periods beginning on or after 1 January 2017. The adoption of these new and revised FRS and INT FRS is not expected to result in material adjustments to the financial position, results of operations or cash flows of the Group for the financial year ended 31 December 2017.

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 | |
|--|-------------|--------------|
| | FY2017 | FY2016 |
| Earnings / (Loss) per ordinary share for the year based on net profit / (loss) after tax attributable to owners of the Company | | |
| (i) Based on the weighted average number of ordinary shares in issue | 1.44 cents | (2.25) cents |
| (ii) On a fully diluted basis | 1.44 cents | (2.25) cents |
| Weighted average number of ordinary shares in issue | 108,000,000 | 108,000,000 |

The Group's basic and diluted earnings / (loss) per ordinary share for FY2017 and FY2016 respectively were the same as there were no potentially dilutive ordinary shares existing during the respective financial years.

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 financial period reported on; and
(b) immediately preceding financial year.**

| | Group | | Company | |
|--|------------|------------|------------|------------|
| | 31.12.2017 | 31.12.2016 | 31.12.2017 | 31.12.2016 |
| Net asset value per ordinary share (cents) | 27.0 | 25.6 | 12.9 | 12.6 |

The net asset value per ordinary share for the Group and the Company have been calculated based on the issued share capital of 108,000,000 ordinary shares of the Company as at 31 December 2017 and 31 December 2016.

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.**

(a) Statement of Comprehensive Income

The Group's revenue increased by S\$4.2 million or 12.3%, from S\$34.2 million in FY2016 to S\$38.4 million in FY2017. This was mainly due to the overall increase in sales across all segments.

Sales to customers in the precision engineering industry increased by S\$2.0 million in FY2017 as compared to FY2016, due to increased demand from customers in the precision engineering segment. Sales to customers in the marine industry increased by S\$2.0 million in FY2017 as compared to FY2016, mainly due to an increase in sales to overseas customers. Sales to the stockists and traders increased by S\$0.1 million in FY2017 as compared to FY2016, mainly due to moderate growth in demand from overseas stockists and traders.

Gross profit increased by S\$1.0 million or 17.8%, from S\$5.8 million in FY2016 to S\$6.8 million in FY2017, largely in line with the increase in revenue. The Group's gross profit margin increased from 16.9% in FY2016 to 17.8% in FY2017, mainly attributable to a marginal increase in the average selling price of our products.

Other gains increased by S\$2.0 million from S\$0.3 million in FY2016 to S\$2.3 million in FY2017. Other gains in FY2017 mainly consisted of the S\$1.8 million gain on disposal of the Group's property at 9 Tuas Avenue 2, Singapore 639449 (the "**Existing Property**") which was completed on 4 January 2018, foreign exchange adjustment gains of S\$0.2 million and reversals of impairment on trade receivables and inventories of S\$0.2 million and S\$0.1 million respectively.

Marketing and distribution costs remained consistent at S\$0.7 million for both FY2017 and FY2016.

Administrative expenses increased by S\$0.3 million or 6.6%, from S\$4.6 million in FY2016 to S\$4.9 million in FY2017, mainly due to the increase in staff costs of S\$0.2 million and executive directors' remuneration of S\$0.1 million.

Finance costs remained consistent at S\$0.9 million for both FY2017 and FY2016.

Other losses decreased by S\$1.3 million or 63.0%, from S\$2.1 million in FY2016 to S\$0.8 million in FY2017. Other losses in FY2017 comprised mainly allowance for impairment on inventories and trade receivables of S\$0.3 million and S\$0.1 million respectively, and write off of plant and equipment of S\$0.4 million.

As a result of the above, the Group recorded a profit before tax of S\$1.9 million in FY2017 as compared to a loss before tax of S\$2.3 million in FY2016.

(b)(i) Statement of Financial Position

Non-current assets decreased by S\$21.6 million, from S\$24.6 million as at 31 December 2016 to S\$3.0 million as at 31 December 2017, mainly due to the disposal of the Existing Property which was completed on 4 January 2018 and depreciation charged, partially offset by the purchase of new plant and equipment in FY2017.

Current assets increased by S\$28.0 million, from S\$34.1 million as at 31 December 2016 to S\$62.1 million as at 31 December 2017, mainly due to increases in inventories of S\$2.3 million, trade and other receivables of S\$23.2 million and cash and cash equivalents of S\$2.5 million. The increase in trade and other receivables was mainly due to the proceeds from the disposal of the Existing Property of S\$22.8 million which was completed on 4 January 2018.

Non-current liabilities decreased by S\$10.7 million, from S\$13.3 million as at 31 December 2016 to S\$2.6 million as at 31 December 2017, mainly due to the reclassification of the long term portion of borrowings related to the Existing Property of S\$13.1 million as current liabilities due to the disposal of the Existing Property which was completed on 4 January 2018, partially offset by an increase in long-term bank loans of S\$2.4 million.

Current liabilities increased by S\$15.5 million, from S\$17.8 million as at 31 December 2016 to S\$33.3 million as at 31 December 2017, mainly due to (i) the aforementioned reclassification of liabilities relating to the Existing Property; (ii) an increase in trade and other payables; and (iii) new bank borrowings obtained by the Group in FY2017, partially offset by repayments of certain bank borrowings.

The Group reported a positive working capital position of S\$28.7 million as at 31 December 2017.

Total equity increased S\$1.6 million from S\$27.6 million as at 31 December 2016 to S\$29.2 million as at 31 December 2017 as a result of the net profit for the year.

(b)(ii) Statement of Cash Flows

In FY2017, operating cash flows before changes in working capital amounted to S\$2.3 million, mainly due to the Group's profit before tax of S\$1.9 million, adjusted for non-cash items, mainly comprising depreciation of property, plant and equipment of S\$0.9 million, interest expense of S\$0.9 million and write off of property, plant and equipment of S\$0.4 million, partially offset by the gain on disposal of the Existing Property of S\$1.8 million. Net cash used in operating activities of S\$4.4 million was mainly due to increases in inventories of S\$2.2 million, trade and other receivables of S\$0.7 million and decrease in trade and other payables of S\$1.5 million.

Net cash used in investing activities amounted to S\$0.5 million in FY2017, and was mainly due to the purchase of plant and equipment of S\$0.6 million, partially offset by the proceeds from the disposal of plant and equipment of S\$0.2 million.

Net cash from financing activities amounted to S\$5.9 million due to the increase in new borrowings of S\$13.8 million, partially offset by the repayment of bills payables, short-term bank loans, bank overdrafts, loans from a related party and finance leases of S\$7.0 million and interest payment of S\$0.9 million.

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

No forecast or prospect statement was previously disclosed.

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.

With recent oil prices showing less signs of volatility, it is a change welcomed by most businesses, translating to a pickup of economic activity in most sectors. On our end, the returning confidence resulted in more orders for products in our marine and oil and gas segments.

In the current financial year ending 31 December 2018 (“**FY2018**”), we anticipate that the returns from our core segments, namely the marine segment, will increase due to growing regional demand for aluminium boats with more orders placed for crewboats and newbuilds. Consequently, there should also be more repair work for these vessels and that will translate into demand for our products and services.

Meanwhile, demand for semiconductor and precision engineering services and products are expected to remain stable. We will continue tapping on our expertise and experience to best unlock value from opportunities and challenges that arise for all our segments.

On another note, subject to shareholders’ approval at a general meeting to be convened, we anticipate completing our shift of operating location from 9 Tuas Avenue 2 to our new premises in FY2018. Moving forward, we will continue to apply our strategy of being nimble and flexible, as it is proven effective and demonstrated our ability to shift our focus when and where necessary to continue generating value for our stakeholders.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared/recommended for the financial year ended 31 December 2017.

13. Interested Person Transactions – Pursuant to Rule 920 (1) (a) of Section B of the Catalist Listing Manual

The Company does not have a mandate from its shareholders for any interested person transactions.

In FY2016, the Company obtained an interest-free and unsecured loan (“**Loan**”) from Soon Tien Holdings Pte. Ltd. (“**ST**”), a controlling shareholder of the Company. The Loan was fully settled during FY2017. Pursuant to Chapter 9 of the Catalist Rules, ST is considered an interested person and the Loan is considered an interested person transaction. However, there is no amount at risk to the Company due to the interest-free nature of the Loan.

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

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

15. Negative confirmation pursuant to Rule 705(5).

Not required for announcement on full year results.

16. 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 (10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement

There is no person occupying a managerial position in the Group who is a relative of a director, chief executive officer, or substantial shareholder of the Company pursuant to Rule 704(10) of the Catalist Rules.

17. **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.**

(a) Financial Information by Operating Segments

FY2017

| | <u>Precision engineering</u> S\$'000 | <u>Marine</u> S\$'000 | <u>Stockists and traders</u> S\$'000 | <u>Other customers</u> S\$'000 | <u>Unallocated</u> S\$'000 | <u>Group</u> S\$'000 |
|---|---|--------------------------|---|---------------------------------------|-------------------------------|-------------------------|
| Continuing Operations 2017 | | | | | | |
| Revenue by Segment | | | | | | |
| Total revenue by segment | 27,707 | 7,361 | 2,190 | 1,098 | – | 38,356 |
| Recurring EBITDA | 4,945 | 575 | 338 | 952 | – | 6,810 |
| Finance costs | – | – | – | – | (897) | (897) |
| Depreciation and amortisation | – | – | – | – | (939) | (939) |
| Operating results before income tax and other unallocated items | 4,945 | 575 | 338 | 952 | (1,836) | 4,974 |
| Other unallocated items | | | | | (3,124) | (3,124) |
| Profit before tax from continuing operations | | | | | | 1,850 |
| Income tax expense | | | | | | (298) |
| Profit from continuing operations | | | | | | <u>1,552</u> |
| Assets and Reconciliations | | | | | | |
| Total assets for reportable segments | 7,442 | 1,117 | 550 | 404 | – | 9,513 |
| Unallocated: | | | | | | |
| Property, plant and equipment | – | – | – | – | 2,595 | 2,595 |
| Deferred tax assets | – | – | – | – | 327 | 327 |
| Inventories | – | – | – | – | 22,462 | 22,462 |
| Cash and cash equivalents | – | – | – | – | 5,912 | 5,912 |
| Other unallocated amounts | – | – | – | – | 24,265 | 24,265 |
| Total group assets | <u>7,442</u> | <u>1,117</u> | <u>550</u> | <u>404</u> | <u>55,561</u> | <u>65,074</u> |
| Liabilities and Reconciliations | | | | | | |
| Unallocated: | | | | | | |
| Deferred and current tax liabilities | – | – | – | – | 170 | 170 |
| Borrowings | – | – | – | – | 17,857 | 17,857 |
| Trade and other payables | – | – | – | – | 17,897 | 17,897 |
| Total group liabilities | <u>–</u> | <u>–</u> | <u>–</u> | <u>–</u> | <u>35,924</u> | <u>35,924</u> |

FY2017

| | <u>Precision engineering</u> S\$'000 | <u>Marine</u> S\$'000 | <u>Stockists and traders</u> S\$'000 | <u>Other customers</u> S\$'000 | <u>Unallocated</u> S\$'000 | <u>Group</u> S\$'000 |
|---|---|--------------------------|---|---------------------------------------|-------------------------------|-------------------------|
| Other Material Items and Reconciliations | | | | | | |
| Impairment (reversal) of receivables and inventories (net) | (141) | – | – | – | 227 | 86 |
| Property, plant and equipment written off | – | – | – | – | 400 | 400 |
| Expenditures for non-current assets | – | – | – | – | 680 | 680 |

FY2016

| | <u>Precision engineering</u> S\$'000 | <u>Marine</u> S\$'000 | <u>Stockists and traders</u> S\$'000 | <u>Other customers</u> S\$'000 | <u>Unallocated</u> S\$'000 | <u>Group</u> S\$'000 |
|---|---|--------------------------|---|---------------------------------------|-------------------------------|-------------------------|
| Continuing Operations 2016 | | | | | | |
| Revenue by Segment | | | | | | |
| Total revenue by segment | 25,740 | 5,313 | 2,102 | 1,007 | – | 34,162 |
| Recurring EBITDA | 4,176 | 370 | 413 | 823 | – | 5,782 |
| Finance costs | – | – | – | – | (946) | (946) |
| Depreciation and amortisation | – | – | – | – | (1,255) | (1,255) |
| Operating results before income tax and other unallocated items | 4,176 | 370 | 413 | 823 | (2,201) | 3,581 |
| Other unallocated items | | | | | (5,846) | (5,846) |
| Loss before tax from continuing operations | | | | | | (2,265) |
| Income tax expense | | | | | | (168) |
| Loss from continuing operations | | | | | | <u>(2,433)</u> |
| Assets and Reconciliations | | | | | | |
| Total assets for reportable segments | 8,776 | 602 | 639 | 76 | – | 10,093 |
| Unallocated: | | | | | | |
| Property, plant and equipment | – | – | – | – | 24,152 | 24,152 |
| Deferred tax assets | – | – | – | – | 314 | 314 |
| Inventories | – | – | – | – | 20,216 | 20,216 |
| Cash and cash equivalents | – | – | – | – | 3,433 | 3,433 |
| Other unallocated amounts | – | – | – | – | 505 | 505 |
| Total group assets | <u>8,776</u> | <u>602</u> | <u>639</u> | <u>76</u> | <u>48,620</u> | <u>58,713</u> |
| Liabilities and Reconciliations | | | | | | |
| Unallocated: | | | | | | |
| Deferred and current tax liabilities | – | – | – | – | 88 | 88 |
| Borrowings | – | – | – | – | 16,046 | 16,046 |
| Trade and other payables | – | – | – | – | 14,951 | 14,951 |
| Total group liabilities | <u>–</u> | <u>–</u> | <u>–</u> | <u>–</u> | <u>31,085</u> | <u>31,085</u> |

FY2016

| | <u>Precision engineering</u> S\$'000 | <u>Marine</u> S\$'000 | <u>Stockists and traders</u> S\$'000 | <u>Other customers</u> S\$'000 | <u>Unallocated</u> S\$'000 | <u>Group</u> S\$'000 |
|---|---|--------------------------|---|---------------------------------------|-------------------------------|-------------------------|
| Other Material Items and Reconciliations | | | | | | |
| Impairment (reversal) of receivables and inventories (net) | 276 | 795 | 669 | – | (91) | 1,649 |
| Expenditures for non-current assets | – | – | – | – | 377 | 377 |

The assets and liabilities are not allocated to operating segments because they are not directly attributable to the segment or cannot be allocated to the segment on a reasonable basis.

(b) Geographical Information

| | <u>Revenue</u> | |
|-----------------|--------------------------|--------------------------|
| | <u>FY2017</u> S\$'000 | <u>FY2016</u> S\$'000 |
| Singapore | 10,541 | 7,850 |
| Taiwan | 9,025 | 5,930 |
| China | 7,444 | 10,008 |
| Malaysia | 4,813 | 4,481 |
| Indonesia | 2,772 | 2,017 |
| Other Countries | 3,761 | 3,876 |
| | 38,356 | 34,162 |

18. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to paragraph 8.

19. **A breakdown of sales as follows :**

| | Group | | Increase/ (Decrease) |
|---|-------------------|-------------------|-------------------------|
| | FY2017 S\$'000 | FY2016 S\$'000 | |
| (a) Sales reported for the first half year | 20,868 | 16,804 | 24.2% |
| (b) Operating profit (loss) after tax reported for first half year | 33 | (954) | NM |
| (c) Sales reported for second half year | 17,488 | 17,358 | 0.7% |
| (d) Operating profit (loss) after tax reported for second half year | 1,519 | (1,479) | NM |

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

| | FY2017 | FY2016 |
|------------|---------|---------|
| | S\$'000 | S\$'000 |
| Ordinary | – | – |
| Preference | – | – |
| Total | – | – |

BY ORDER OF THE BOARD
TAN YEE CHIN
Chairman and CEO
12 February 2018