

2014 FULL YEAR FINANCIAL STATEMENT ANNOUNCEMENT

1(a) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2014

(In Singapore Dollars)

	GROUP		% Increase/ (Decrease)
	31/12/2014 S\$'000	31/12/2013 S\$'000	
Revenue	27,401	30,957	(11.5)
Cost of sales	(25,448)	(27,841)	(8.6)
Gross profit	1,953	3,116	(37.3)
Other income			
- Other operating income	4,103	5,051	(18.8)
- Finance income	102	129	(20.9)
Expenses			
- Selling & distribution expenses	(811)	(863)	(6.0)
- Administrative expenses	(5,465)	(4,918)	11.1
- Other operating expenses	(6,732)	-	nm
- Finance cost	(106)	(114)	(7.0)
Share of results of associate	(1,281)	(16)	7,906.3
(Loss) / profit before tax	(8,237)	2,385	nm
Income tax	17	(501)	nm
(Loss) / profit net of tax	(8,220)	1,884	nm
(Loss) / profit for the year attributable to :			
Owners of the parent	(7,893)	2,012	nm
Non-controlling interests	(327)	(128)	155.5
	(8,220)	1,884	nm
Other comprehensive (loss) / income for the year, net of tax			
Foreign currency translation	(149)	22	nm
Share of foreign currency translation of associated company	73	66	10.6
Total comprehensive (loss) / income for the year	(8,296)	1,972	nm
Total comprehensive (loss) / income attributable to :			
Owners of the parent	(7,977)	2,098	nm
Non-controlling interests	(319)	(126)	153.2
	(8,296)	1,972	nm

nm - not meaningful

Notes to the Consolidated Statement of Comprehensive Income :		
	31/12/2014 S\$'000	31/12/2013 S\$'000
The profit after tax is determined after (crediting) / charging the following :		
Sale of aluminium scraps	(3,035)	(3,573)
Interest on fixed deposits	(102)	(129)
Impairment loss on China operations	1,538	-
Impairment loss on associate's operations	3,890	-
Accrual of China operation expenses	1,300	-
Depreciation of property, plant and equipment	2,176	2,595
Write-back on convertible loan	-	(500)
Interest on finance leases / term loan	106	114
Foreign exchange gain	(875)	(643)
Loss / (gain) on disposal of property, plant and equipment	85	(91)
Provision of doubtful debts - trade, net	-	9

1(b)(i) STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	S\$' 000	S\$' 000	S\$' 000	S\$' 000
Non-current assets				
Property, plant and equipment	11,206	13,691	10,763	11,979
Leasehold land	4,928	-	-	-
Investment in subsidiaries	-	-	955	8,062
Investment in associate	2,543	7,251	-	-
	<u>18,677</u>	<u>20,942</u>	<u>11,718</u>	<u>20,041</u>
Current assets				
Inventories	11,402	12,464	10,370	11,303
Trade receivables	5,917	4,684	4,525	2,764
Amounts due from subsidiaries	-	-	2,230	3,444
Receivable from associate	25	329	6	6
Other receivables	147	358	69	47
Prepaid operating expenses	49	122	41	47
Cash and cash equivalents	22,678	25,134	21,089	23,554
	<u>40,218</u>	<u>43,091</u>	<u>38,330</u>	<u>41,165</u>
Current liabilities				
Trade payables	2,864	1,221	2,210	482
Other payables	3,299	2,207	1,311	1,507
Amounts due to subsidiaries	-	-	517	561
Current portion of finance leases	-	269	-	269
Current portion of term loans	478	1,561	-	229
Provision for taxation	270	524	269	515
	<u>6,911</u>	<u>5,782</u>	<u>4,307</u>	<u>3,563</u>
Net current assets	33,307	37,309	34,023	37,602
Non-current liabilities				
Non-current portion of term loans	4,128	672	-	-
Deferred taxation	1,649	1,820	1,633	1,793
	<u>5,777</u>	<u>2,492</u>	<u>1,633</u>	<u>1,793</u>
Net assets	<u>46,207</u>	<u>55,759</u>	<u>44,108</u>	<u>55,850</u>
Equity attributable to owners of the Company				
Share capital	46,465	46,465	46,465	46,465
Asset revaluation reserve	1,296	1,296	1,296	1,296
Treasury shares	(1,697)	(1,697)	(1,697)	(1,697)
Foreign currency translation reserves	(55)	29	-	-
Retained earnings	836	9,985	(1,956)	9,786
	<u>46,845</u>	<u>56,078</u>	<u>44,108</u>	<u>55,850</u>
Non-controlling interests	(638)	(319)	-	-
Total Equity	<u>46,207</u>	<u>55,759</u>	<u>44,108</u>	<u>55,850</u>

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 December 2014		As at 31 December 2013	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
478	0	1,601	229

Amount repayable after one year :

As at 31 December 2014		As at 31 December 2013	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
4,128	-	672	0

Details of any collateral

Leases are entered for certain plant and machineries and land that are secured by the lessors' charge over the leased assets. Certain term loan is entered by subsidiary to finance working capital and is secured by Corporate Guarantee from the Company.

1(c) CONSOLIDATED STATEMENT OF CASH FLOWS**Group**

	31/12/2014	31/12/2013
	S\$'000	S\$'000
Cash flows from operating activities :		
(Loss) / profit before tax	(8,237)	2,385
Adjustments for :		
Depreciation expense	2,176	2,595
Loss / (gain) on disposal of property, plant and equipment	85	(91)
Impairment loss on China operations	1,538	-
Impairment loss on associates operations	3,890	-
Share of results of associated company	1,281	16
Write-back on convertible loan receivable	-	(500)
Translation differences - foreign subsidiary	(67)	(118)
Interest expense	106	114
Interest income	(102)	(129)
Write-down / (write-back) of inventories to net realisable value	42	(4)
Provision of doubtful debts - trade, net	-	9
Operating profit before reinvestment in working capital	712	4,277
(Increase) / decrease in receivables	(1,163)	1,800
Decrease in inventories	1,021	6,717
Increase / (decrease) in payables	2,795	(8,371)
Cash generated from operations	3,365	4,423
Interest paid	(167)	(106)
Income tax paid	(408)	(601)
Interest received	99	140
Net cash provided by operating activities	2,889	3,856
Cash flows from investing activities :		
Proceeds from disposal of property, plant and equipment	50	216
Purchase of property, plant and equipment	(1,328)	(816)
Leasehold land	(4,928)	-
Net cash used in investing activities	(6,206)	(600)
Cash flow from financing activities :		
Proceeds from term loan	5,553	518
Dividends paid	(1,256)	(2,512)
Proceeds from recovery of convertible loan receivable	-	500
Repayment of finance lease obligations	(269)	(529)
Repayment of term loan	(3,179)	(433)
Net cash received from / (used in) financing activities	849	(2,456)
Net (decrease)/increase in cash and cash equivalents	(2,468)	800
Effect of exchange rate changes on cash and cash equivalents	12	48
Cash and cash equivalents at 1 January	25,134	24,286
Cash and cash equivalents at end of the year	22,678	25,134

1(d)(i) STATEMENT OF CHANGES IN EQUITY

Group	Attributable to Owners of the Company						Non - Controlling Interests S\$'000
	Share	Treasury	Asset	Foreign	Retained	Total	
	Capital	Shares	Revaluation	Currency	Earnings	Equity	
	S\$'000	S\$'000	Reserve	Reserves	S\$'000	S\$'000	
As at 1 January 2013	46,465	(1,697)	1,296	(57)	10,485	56,492	(193)
Profit for the year	-	-	-	-	2,012	2,012	(128)
Dividends on ordinary shares	-	-	-	-	(2,512)	(2,512)	-
Other comprehensive income							
Foreign currency translation	-	-	-	20	-	20	2
Share of foreign currency translation of associate	-	-	-	66	-	66	-
As at 31 December 2013	46,465	(1,697)	1,296	29	9,985	56,078	(319)
As at 1 January 2014	46,465	(1,697)	1,296	29	9,985	56,078	(319)
Profit for the year	-	-	-	-	(7,893)	(7,893)	(327)
Dividends on ordinary shares	-	-	-	-	(1,256)	(1,256)	-
Other comprehensive income							
Foreign currency translation	-	-	-	(157)	-	(157)	8
Share of foreign currency translation of associate	-	-	-	73	-	73	-
As at 31 December 2014	46,465	(1,697)	1,296	(55)	836	46,845	(638)

Company	Share	Treasury	Asset	Retained	Total
	Capital	Shares	Revaluation	Earnings	Equity
	S\$'000	S\$'000	Reserve	S\$'000	S\$'000
As at 1 January 2013	46,465	(1,697)	1,296	9,241	55,305
Total comprehensive income for the year	-	-	-	3,057	3,057
Dividends on ordinary shares	-	-	-	(2,512)	(2,512)
As at 31 December 2013	46,465	(1,697)	1,296	9,786	55,850
As at 1 January 2014	46,465	(1,697)	1,296	9,786	55,850
Total comprehensive income for the year	-	-	-	(10,486)	(10,486)
Dividends on ordinary shares	-	-	-	(1,256)	(1,256)
As at 31 December 2014	46,465	(1,697)	1,296	(1,956)	44,108

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

None

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.

	31/12/2014	31/12/2013
Total number of issued shares (excluding treasury shares)	251,196,667	251,196,667

The Group has, on 15 January 2015 completed the issue and allotment of 20,000,000 Placement Shares at an issue price of \$0.13 for each Placement Share. No treasury shares were re-issued for the period ended 31 December 2014.

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

Share of results of associate

Not applicable.

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 our auditors.

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

Except as disclosed under item 5 below, the Group has the same accounting policies and methods of computation consistent with those adopted in the most recent audited financial statements for the year ended 31 Dec 2013.

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 accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards and Interpretations of FRS (INT FRS) that are effective for annual periods beginning on or after 1 January 2014. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group.

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.

Earnings per share (EPS)	Group	
	31/12/2014	31/12/2013
i) Based on weighted average number of ordinary shares	(3.1) cents	0.8 cents
Weighted average number of shares	251,196,667	251,196,667
ii) On a fully diluted basis	(3.1) cents	0.8 cents

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	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Net asset value per ordinary share based on the existing issued share capital at the respective period	18.7 cents	22.2 cents	17.6 cents	22.2 cents

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.

Group Performance Review

The Group's revenue for FY2014 was \$27.4 million, a decrease of 11.5% from FY2013. The decrease was mainly due to weakness in demand in the Group's core Electric and Precision Engineering segment. Issues related to specifications in the requirements of materials had resulted in the Group not being able to participate in certain customer programs.

The Group's gross profit declined from \$3.1 million in FY2013 to \$2.0 million in FY2014 due to lower revenue, fixed production cost, losses from the China subsidiary and higher labour costs.

Other operating income decreased by 18.8% to \$4.1 million, compared to \$5.1 million in FY2013. Other operating income, which comprised mainly proceeds from sale of production scrap, decreased due to lower production activities and the absence of write back on the provision for convertible loan in FY2014. The decrease was offset by higher exchange gain arising from the strengthening of United States Dollar.

Finance income decreased by 20.9% to \$0.10 million from \$0.13 million. Finance income comprised interest earned from interest-bearing deposits. The decrease was due to lower level of bank deposits.

Selling and distribution expenses decreased by 6.0% to \$0.81 million from \$0.86 million in FY2013. The decrease was due to lower sales activities.

Administrative expenses increased by 11.1% to \$5.5 million from \$4.9 million in FY2013. The increase was partly due to a gain arising from disposal of equipment in FY2013 which was not the case in FY2014. Increase in JTC land rental, higher travelling expenses, higher labour costs in China and in Singapore also contributed to the increase.

Other operating expenses consisted of (i) impairment of \$1.5 million and an accrual of \$1.3 million for expenses in the China operations, and (ii) impairment of \$3.9 million on investment in associate.

Finance cost decreased by 7.0% to \$0.10 million, compared with \$0.11 million in FY2013. Finance cost comprised interest expense on loans obtained to finance the purchase of plant and machineries and to fund the investment in China subsidiary. The decrease was mainly due to full repayment of machinery loan in FY2014.

The share resulting from associate's loss for FY2014 was \$1.28 million, compared with a loss of \$0.02 million in FY2013. The loss was mainly incurred by the provision of impairment made by the associate due to the fact that its production and trading had not resumed as a result of high raw material prices, controlled selling prices and stricter food safety regulations.

The Group as a whole reported a loss before tax of \$8.2 million, compared with a profit of \$2.4 million in FY2013. After taking into account income tax and non-controlling interests and other comprehensive income, net loss attributable to shareholders was \$8.2 million.

Group Balance Sheet and Cash Flow Review

The Group's non-current assets decreased by \$2.2 million from \$20.9 million as at 31 December 2013 to \$18.7 million as at 31 December 2014. The decrease was due to depreciation and impairment of property, plant and equipment as well as decrease in investment in an associate arising from impairment loss. The decrease was offset by the Group's purchase of a leasehold land in Tuas South.

The Group's total current assets amounted to \$40.2 million as at 31 December 2014, a decrease of \$2.9 million from the balance as at 31 December 2013. The decrease was mainly due to lower inventory, lower receivable due from associate, lower other receivables and cash balance. However, the decrease was offset by higher trade receivables resulting from higher sales recorded towards the end of FY2014.

The Group's total current liabilities increased by \$1.1 million from \$5.8 million as at 31 December 2013 to \$6.9 million. The increase was mainly due to higher trade and other payables. The decrease was partially offset by lower tax provision, lower term loans and full repayment of finance lease.

The Group's non-current liabilities increased by \$3.3 million. This was mainly due to a new loan taken to finance the purchase of leasehold land at Tuas South, partially offset by lower deferred tax liability.

Net cash provided by operating activities for FY2014 was \$2.9 million compared to \$3.9 million in FY2013. The decrease was due to lower profits and higher receivables.

The Group's net cash used in investing activities for FY2014 was \$6.2 million, which was \$5.6 million higher compared with \$0.6 million in FY2013 mainly due to purchase of the leasehold land at Tuas South.

The Group's cash from financing activities was \$0.8 million, compared with cash used in financing activities of \$2.5 million in FY2013. Cash inflow from financing activities was mainly due to proceeds from borrowings, partially offset by cash used in repayment of term loan and dividend payment.

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

The results are in line with the disclosure made in the profit guidance issued on 9 February 2015.

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.

Global consumer demand for personal computer remains tepid and slow. The Group's core business namely in the Electronics & Precision Engineering segment, faced weak demand in FY2014. The Group is taking steps to qualify for certain customer programs which it was not able to take part in last year, due to more stringent material specifications. The outcome of customer qualification will have an impact on sales.

The business environment in which our China forging subsidiary operates remains difficult. We continue to face issues with increasing operating costs especially labour related costs, stringent quality and safety requirements.

The manufacturing environment in Singapore remains challenging and competitive. The Group continues to take steps to improve operating efficiencies amid tight labour market as well as increasing wage cost. At the same time, the Group will monitor closely fluctuations in energy prices, raw material costs and product requirements, which will have significant impact on the Group's profitability.

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?

Yes.

Name of Dividend	First & Final
Dividend type	Cash
Dividend amount per share	0.5 cents
Tax Rate	Tax exempt one - tier

(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 current financial year.

13. If the Group has obtained 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.

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

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.

	Electronics and precision engineering 31/12/2014 S\$'000	Construction and infrastructure building 31/12/2014 S\$'000	Forged components 31/12/2014 S\$'000	Others 31/12/2014 S\$'000	Consolidated 31/12/2014 S\$'000
Revenue	22,169	1,887	3,336	9	27,401
Results :					
Segment result	2,856	376	(987)	(208)	2,037
Impairment loss on China operations	-	-	(1,538)	-	(1,538)
Impairment loss on associate's operations	-	-	-	(3,890)	(3,890)
Accrual of China operation expenses	-	-	(1,300)	-	(1,300)
Depreciation	(1,669)	(136)	(371)	-	(2,176)
Loss on disposal of property, plant and equipment	(78)	(7)	-	-	(85)
Finance income					102
Finance costs					(106)
Share of results of associate					(1,281)
Profit before taxation					(8,237)
Taxation					17
Profit for the year					(8,220)

	Electronics and precision engineering 31/12/2013 S\$'000	Construction and infrastructure building 31/12/2013 S\$'000	Forged components 31/12/2013 S\$'000	Others 31/12/2013 S\$'000	Consolidated 31/12/2013 S\$'000
Revenue	26,495	1,666	2,778	18	30,957
Results :					
Segment result	5,165	463	(776)	38	4,890
Depreciation	(1,938)	(116)	(341)	(200)	(2,595)
Gain on disposal of property, plant and equipment	86	5	-	-	91
Finance income					129
Finance costs					(114)
Share of results of associate					(16)
Profit before taxation					2,385
Taxation					(501)
Profit for the year					1,884

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.

Electronics & Precision Engineering Segment

Revenue from this segment decreased by 16.3% to \$22.2 million for the year ended 31 December 2014, compared with \$26.5 million for the previous year. This customer segment faced weak industry demand and lower customer order level this financial year, in the face of continuing slowdown in global personal computer demand. The Group was also not able to participate in certain end customer programs due to more stringent material specifications. Segment result decreased as a result of lower sales contribution and higher operational cost.

Construction & Infrastructure Segment

Revenue from this segment increased by 13.3% to \$1.9 million during the year, compared with \$1.7 million for the previous year. Segment result decreased as a result of higher operational cost amid ongoing price competition faced in this segment.

Forged Components Segment

Revenue from this segment increased by 20.1% to \$3.3 million during the year, compared with \$2.8 million for the previous year. Segment loss increased due to higher operating costs.

Others Segment

Revenue from this segment relates to service fee income from associated company. Segment loss in FY2014 relates to impairment on associate. (Please refer to note 8)

16 A breakdown of sales.

	31/12/2014 S\$'000	31/12/2013 S\$'000	% Increase/ (Decrease)
Sales reported in first half year	12,983	16,627	(21.9)
Operating profit after tax before non-controlling interests reported for the first half year	(1,881)	1,619	nm
Sales reported in second half year	14,418	14,330	0.6
Operating profit / (loss) after tax before non-controlling interests reported for the second half year	(6,339)	265	nm

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

Share of results of associate	FY2014	FY2013
Ordinary (one tier tax exempt)	\$0	\$1,256,000
Preference	\$0	\$0
Total annual dividend	\$0	\$1,256,000

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

Name	Age	Family relationship with any director, CEO or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Tan Chu En Ian	51	Spouse of Ms Sinta Muchtar, an Executive Director of the Company	Chief Executive Officer with effect from 1 October 2003. Responsible for the Group's management, business strategies and expansion.	Nil.
Sinta Muchtar	52	Spouse of Mr Tan Chu En Ian, the Chief Executive Officer and Executive Director of the Company.	Executive Director since 1987. Responsible for the general administration, finance and human resource matters of the Company.	Nil.

BY ORDER OF THE BOARD

Ngiam Zee Moey
Company Secretary
25 February 2015