

JADASON ENTERPRISES LTD (REG. NO. 199003898K)

Financial Statement And Dividend Announcement for the Year Ended 31 December 2017

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

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

Unaudited Income Statement of the Group for the year ended 31 December 2017 ("FY2017"):

| | S\$'000 | | % |
|------------------------------------------------------|-----------------|-----------------|-------------------------|
| | FY2017 | FY2016 | Increase/ (Decrease) |
| Revenue | 63,079 | 57,149 | 10 |
| Cost of sales (Note 1) | <u>(51,093)</u> | <u>(44,211)</u> | 16 |
| Gross profit (Note 1) | 11,986 | 12,938 | (7) |
| Other operating income (Note 2) | 2,745 | 755 | 264 |
| Selling and distribution expenses (Note 3) | (1,982) | (1,662) | 19 |
| Administrative expenses | <u>(9,645)</u> | <u>(9,478)</u> | 2 |
| Profit from operations | 3,104 | 2,553 | 22 |
| Finance cost | (233) | (376) | (38) |
| Impairment loss on amount owing by associate | <u>-</u> | <u>(301)</u> | (100) |
| Profit before income tax | 2,871 | 1,876 | 53 |
| Income tax (Note 4) | <u>(47)</u> | <u>(48)</u> | (2) |
| Profit after income tax | <u>2,824</u> | <u>1,828</u> | 54 |
| Attributable to: Equity holders of the Company | <u>2,824</u> | <u>1,828</u> | 54 |

Profit for the year is arrived at after crediting/(charging) the following:

| | S\$'000 | | % |
|-------------------------------------------------------------|---------|---------|-------------------------|
| | FY2017 | FY2016 | Increase/ (Decrease) |
| Allowance for doubtful trade debt | - | (3) | (100) |
| Write-back of allowance for doubtful trade debt | 73 | 53 | 38 |
| Foreign exchange gain/(loss) (Note 2) | 1,137 | (943) | NM |
| Depreciation of property, plant and equipment | (1,742) | (1,412) | 23 |
| Gain/(loss) on sale of plant and equipment | 50 | (3) | NM |
| Write-off of plant and equipment | (23) | (9) | 156 |
| Write-off of inventories | (7) | (171) | (96) |
| Write-back of allowance for inventory obsolescence (Note 1) | 61 | 473 | (87) |
| Write-back of provision for long service payment (Note 2) | 375 | - | NM |

Notes to Income Statement:

Note 1

Included in the cost of sales for FY2016 was a write-back of allowance for inventory obsolescence of S\$0.5 million as certain inventory items for which allowance for inventory obsolescence was made in prior year were utilised in producing equipment for use in the Group's Manufacturing and Support Services business.

Please refer to Section 8 of this report for a more detailed discussion on the performance of the Group's operating segments.

Note 2

The increase in other operating income in FY2017 was due mainly to a foreign exchange gain of S\$1.1 million compared with a foreign exchange loss of S\$0.9 million incurred last year, and a write-back in provision for long service payment of S\$0.4 million (FY2016: Nil).

During the year under review, the Group benefited from a weaker Hong Kong dollar, as it has certain creditor balances denominated in that currency.

Please refer to Note 6 of Section 1(b)(i) for further details regarding the write-back of provision for long service payment.

Note 3

The increase in selling and distribution expenses was related to the increase in business activities during the year under review.

Note 4

The effective tax rate was low due mainly to the utilisation of prior years' tax losses by certain entities in the Group.

NM – Percentage changes are not meaningful.

Unaudited statement of comprehensive income/(loss) of the Group for the year ended 31 December 2017:

| | FY2017 | FY2016 | Increase/ (Decrease) |
|----------------------------------------------------------------------|------------|--------------|-------------------------|
| | S\$'000 | S\$'000 | % |
| Profit after income tax for the year | 2,824 | 1,828 | 54 |
| Other comprehensive income: | | | |
| <u>Items that may be reclassified subsequently to profit or loss</u> | | | |
| Exchange differences on translating foreign operations | (1,905) | (2,235) | (15) |
| | (1,905) | (2,235) | |
| Total comprehensive income / (loss) for the year | <u>919</u> | <u>(407)</u> | NM |
| | | | |
| Total comprehensive income / (loss) attributable to: | | | |
| Equity holders of the Company | 919 | (407) | NM |

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

Financial positions as at 31 December 2017 and 31 December 2016:

| | Group | | Company | |
|----------------------------------------|---------------|---------------|---------------|---------------|
| | 31.12.2017 | 31.12.2016 | 31.12.2017 | 31.12.2016 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and bank balances (Note 1) | 6,631 | 16,743 | 1,466 | 2,916 |
| Bank deposits (Note 1) | - | 1,978 | - | - |
| Inventories (Note 2) | 6,630 | 5,086 | 357 | 325 |
| Trade receivables | 27,066 | 26,871 | 1,691 | 1,920 |
| Bills receivables (Note 2) | 11,239 | 6,168 | - | - |
| Other receivables and prepayments | 1,104 | 1,355 | 108 | 93 |
| Amounts due from subsidiaries | - | - | 422 | 371 |
| Total | 52,670 | 58,201 | 4,044 | 5,625 |
| Non-current assets: | | | | |
| Property, plant and equipment (Note 3) | 18,636 | 19,969 | 141 | 198 |
| Subsidiaries | - | - | 56,046 | 62,708 |
| Total | 18,636 | 19,969 | 56,187 | 62,906 |
| TOTAL ASSETS | 71,306 | 78,170 | 60,231 | 68,531 |

| | Group | | Company | |
|-------------------------------------------------|---------------|---------------|---------------|---------------|
| | 31.12.2017 | 31.12.2016 | 31.12.2017 | 31.12.2016 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| LIABILITIES & EQUITY | | | | |
| Current liabilities: | | | | |
| Bank loans (Note 4) | 1,000 | 7,624 | 1,000 | 1,000 |
| Trust receipts | 2,193 | 1,715 | 2,001 | 1,715 |
| Trade payables (Note 5) | 12,247 | 12,997 | 1,438 | 2,930 |
| Other payables (Note 5) | 3,862 | 4,331 | 484 | 409 |
| Income tax payable | 9 | 1 | - | - |
| Finance leases | 8 | 15 | 7 | 14 |
| Amounts due to subsidiaries | - | - | 3,342 | 11,553 |
| Total | 19,319 | 26,683 | 8,272 | 17,621 |
| Non-current liabilities: | | | | |
| Finance leases | 4 | 7 | - | 7 |
| Deferred income tax | 16 | 16 | 16 | 16 |
| Provision for long service payment (Note 6) | 94 | 510 | - | - |
| Total | 114 | 533 | 16 | 23 |
| Capital & reserves: | | | | |
| Share capital | 50,197 | 50,197 | 50,197 | 50,197 |
| Share option reserve | 1,280 | 1,280 | 1,280 | 1,280 |
| Treasury shares | (307) | (307) | (307) | (307) |
| Translation reserve | (2,385) | (480) | (82) | (82) |
| Reserve and Enterprise Expansion Funds (Note 7) | 5,711 | 5,711 | - | - |
| Accumulated (losses)/profits | (2,623) | (5,447) | 855 | (201) |
| Total | 51,873 | 50,954 | 51,943 | 50,887 |
| TOTAL LIABILITIES AND EQUITY | 71,306 | 78,170 | 60,231 | 68,531 |

Notes:

Note 1

Please refer to the statement of cash flows of the Group, found in Section 1(c) of this report.

Note 2

The increases in inventories and bills receivables of the Group were related to the higher business activities at the Group's Manufacturing and Support Services business during the year under review. Please also refer to Section 8 of this report for further details regarding the performance of the Group's operating segments.

Note 3

The decrease in property, plant and equipment of the Group was due mainly to depreciation charge and the effects of translating the financial statements of foreign subsidiaries into Singapore dollar, offset partially by the acquisition of equipment for use in the Group's Manufacturing and Support Services business.

Note 4

During the year under review, the Group repaid bank loans totaling S\$8.5 million and obtained new loans of S\$1.9 million.

Note 5

The decreases in trade and other payables were due mainly to payments made by the Group during the year under review.

Note 6

The decrease in provision for long service payment was due mainly to a write-back of provision of S\$0.4 million as some employees at one of the Group's subsidiaries in Hong Kong resigned during the year under review.

Note 7

Reserve and Enterprise Expansion Funds pertain to subsidiaries in China, and are appropriations of profits made in accordance with applicable laws and regulations.

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 Dec 2017 | | As at 31 Dec 2016 | |
|-------------------|-------------|-------------------|-------------|
| Secured | Unsecured | Secured | Unsecured |
| \$8,000 | \$3,193,000 | \$15,000 | \$9,339,000 |

Amount repayable after one year

| As at 31 Dec 2017 | | As at 31 Dec 2016 | |
|-------------------|-----------|-------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| \$4,000 | - | \$7,000 | - |

Details of any collateral

Plant and equipment of the Group with net book values of \$36,000 (31 December 2016: \$52,000) are acquired under finance leases.

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.

| | FY2017 | FY2016 |
|----------------------------------------------------------------------------------------------|--------------|---------------|
| | S\$'000 | S\$'000 |
| Cash flows from operating activities: | | |
| Profit before income tax | 2,871 | 1,876 |
| Adjustments for: | | |
| Allowance for doubtful trade debt | - | 3 |
| Depreciation of property, plant and equipment | 1,742 | 1,412 |
| Impairment loss on amount owing by associate | - | 301 |
| Interest expense | 233 | 376 |
| Interest income | (146) | (285) |
| (Gain)/loss on disposal of plant and equipment | (50) | 3 |
| Write-back of allowance for doubtful trade debts | (73) | (53) |
| Write-back of allowance for inventory obsolescence | (61) | (473) |
| Write-back of provision for long service payment | (375) | - |
| Write-off of inventories | 7 | 171 |
| Write-off of plant and equipment | 23 | 9 |
| Operating cash flows before working capital changes | 4,171 | 3,340 |
| | | |
| Trade receivables | (45) | (5,900) |
| Bills receivables | (5,071) | 2,913 |
| Other receivables and prepayments | 254 | 449 |
| Inventories | (1,484) | (259) |
| Trade payables | (788) | 1,462 |
| Trust receipts | 478 | (482) |
| Other payables | (560) | (295) |
| Provision for long service payment | (41) | 11 |
| | | |
| Cash (used in)/generated from operations | (3,086) | 1,239 |
| | | |
| Interest paid | (233) | (376) |
| Interest received | 146 | 285 |
| Income tax paid | (39) | (214) |
| | | |
| Net cash (used in)/from operating activities | (3,212) | 934 |
| | | |
| Cash flows from investing activities: | | |
| Amounts due from associate | - | (301) |
| Acquisition of a subsidiary which was previously an associate, net of cash acquired (Note A) | 111 | - |
| Purchase of plant and equipment (Note B) | (1,044) | (2,324) |
| Proceeds from disposal of plant and equipment | 215 | 5 |
| Net cash used in investing activities | (718) | (2,620) |
| | | |
| Cash flows from financing activities: | | |
| Proceeds from loans | 1,882 | 3,732 |
| Repayment of loans | (8,506) | (14,594) |
| Repayment of finance leases | (15) | (13) |
| Net cash used in financing activities | (6,639) | (10,875) |
| | | |
| Net decrease in cash and cash equivalents | (10,569) | (12,561) |
| Cash and cash equivalents at beginning of year | 18,721 | 32,568 |
| Effects of exchange rate changes | (1,521) | (1,286) |
| Cash and cash equivalents at end of year | <u>6,631</u> | <u>18,721</u> |

Notes to statement of cash flows:

Note A (Acquisition of a subsidiary which was previously an associate, net of cash acquired)

During the year, the fair values of the assets acquired and liabilities assumed of a subsidiary acquired, which was previously an associate of the Group, were as follows:

| | FY2017 |
|-------------------------------------------------|---------|
| | S\$'000 |
| Plant and equipment | 15 |
| Inventories | 6 |
| Trade and other receivables | 80 |
| Cash and cash equivalents | 111 |
| Trade and other payables | (4,651) |
| Net liabilities | (4,439) |
| Amount previously accounted for as an associate | 4,521 |
| Gain on purchase arising on acquisition | (82) |
| Purchase consideration | - |
| Less: Cash and cash equivalents acquired | (111) |
| Net cash inflow on acquisition | 111 |

The acquisition had no material impact on the Group's results for the year ended 31 December 2017.

Note B (Purchase of plant and equipment)

| | FY2017 | FY2016 |
|-----------------------------------------------------|---------|---------|
| | S\$'000 | S\$'000 |
| Purchase of plant and equipment | 1,049 | 2,324 |
| Less: Assets purchased under financing arrangements | (5) | - |
| Net | 1,044 | 2,324 |

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 | Treasury Shares | Share Option Reserve | Translation Reserve | Surplus Reserve # | Accumulated Profits / (losses) | Total Equity |
|-------------------------------|---------------|-----------------|----------------------|---------------------|-------------------|--------------------------------|--------------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| GROUP | | | | | | | |
| 2017 | | | | | | | |
| Balance at 1 January 2017 | 50,197 | (307) | 1,280 | (480) | 5,711 | (5,447) | 50,954 |
| Profit for the year | - | - | - | - | - | 2,824 | 2,824 |
| Currency translation loss | - | - | - | (1,905) | - | - | (1,905) |
| Balance at 31 December 2017 | 50,197 | (307) | 1,280 | (2,385) | 5,711 | (2,623) | 51,873 |
| 2016 | | | | | | | |
| Balance at 1 January 2016 | 50,197 | (307) | 1,280 | 1,755 | 6,063 | (7,627) | 51,361 |
| Profit for the year | - | - | - | - | - | 1,828 | 1,828 |
| Transfer from Surplus Reserve | - | - | - | - | (352) | 352 | - |
| Currency translation loss | - | - | - | (2,235) | - | - | (2,235) |
| Balance at 31 December 2016 | 50,197 | (307) | 1,280 | (480) | 5,711 | (5,447) | 50,954 |
| COMPANY | | | | | | | |
| 2017 | | | | | | | |
| Balance at 1 January 2017 | 50,197 | (307) | 1,280 | (82) | - | (201) | 50,887 |
| Profit for the year | - | - | - | - | - | 1,056 | 1,056 |
| Balance at 31 December 2017 | 50,197 | (307) | 1,280 | (82) | - | 855 | 51,943 |
| 2016 | | | | | | | |
| Balance at 1 January 2016 | 50,197 | (307) | 1,280 | (78) | - | 2,270 | 53,362 |
| Loss for the year | - | - | - | - | - | (2,471) | (2,471) |
| Currency translation loss | - | - | - | (4) | - | - | (4) |
| Balance at 31 December 2016 | 50,197 | (307) | 1,280 | (82) | - | (201) | 50,887 |

Surplus Reserve refers to Reserve Fund and Enterprise Expansion Fund (Note 7 of Section 1(b)(i)).

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

There was no change in the share capital of the company during the year ended 31 December 2017.

As at 31 December 2017, there were unexercised options for 14,800,000 (31 December 2016: 14,800,000) unissued ordinary shares under the Jadason Share Option Scheme 2000.

As at 31 December 2017, there were 3,670,000 (31 December 2016: 3,670,000) shares held in treasury. (See also Section 1(d)(iv) below.)

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 2017 was 722,395,000 (31 December 2016: 722,395,000).

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.

| | |
|----------------------------------------|-------------|
| At 1 January 2017 and 31 December 2017 | (3,670,000) |
|----------------------------------------|-------------|

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 the 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.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year compared with those of the audited financial statements for the year ended 31 December 2016 except as described in Section 5 of this report.

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 new and revised Singapore Financial Reporting Standards ("FRSs") that are mandatory for financial years beginning on and after 1 January 2017, where applicable. The adoption of these standards did not result in substantial changes to the Group's accounting policies, and there is no material impact on the retained earnings of the Group as at 1 January 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 Figures | |
|-------------------------------------------------------------------------------------------------|---------------|------------|
| | FY2017 | FY2016 |
| Profit per ordinary share for the year after deducting any provision for preference dividends:- | | |
| (i) Based on weighted average number of ordinary shares in issue | 0.39 cents | 0.25 cents |
| (ii) On a fully diluted basis | 0.39 cents | 0.25 cents |

The calculation of earnings per share for the year ended 31 December 2017 is based on:

- (1) Group's profit after taxation attributable to equity holders of \$2,824,000 (2016: \$1,828,000);
- (2) Weighted average number of ordinary shares of 722,395,000 (2016: 722,395,000) applicable to basic earnings per share;
- (3) Weighted average number of ordinary shares of 722,395,000 (2016: 722,395,000) applicable to diluted earnings per share.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the: (a) current financial period reported on; and (b) immediately preceding financial year.

| | Group | | Company | |
|------------------------------------|------------|------------|------------|------------|
| | 31.12.2017 | 31.12.2016 | 31.12.2017 | 31.12.2016 |
| Net asset value per ordinary share | 7.18 cents | 7.05 cents | 7.19 cents | 7.04 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.

| | Revenue | | Profit/(loss) from Operations | |
|------------------------------------|---------------|---------------|-------------------------------|--------------|
| | FY2017 | FY2016 | FY2017 | FY2016 |
| Business Segments: | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Equipment and Supplies | 23,602 | 22,608 | 370 | (173) |
| Manufacturing and Support Services | 39,477 | 34,541 | 2,734 | 2,726 |
| Total | 63,079 | 57,149 | 3,104 | 2,553 |

Revenue for FY2017 was S\$63.1 million, an increase of 10% compared with the previous year. Both business segments of the Group saw higher business activities during the year under review, and the Group posted a profit from operations of S\$3.1 million for FY2017, compared with S\$2.6 million for FY2016.

Revenue of the Equipment and Supplies business for FY2017 increased by S\$1.0 million, or 4%, compared with FY2016 due to stronger demand for materials and supplies from printed circuit board ("PCB") manufacturers. The business segment posted an operating profit of S\$0.4 million for the year under review, compared with an operating loss of S\$0.2 million for the previous year.

Revenue of the Manufacturing and Support Services business for FY2017 increased by 14% to S\$39.5 million compared with FY2016. During the year under review, this business segment saw higher demand from customers for its manufacturing services, but also experienced higher cost and turnover of workers, and reported a profit from operations of S\$2.7 million (FY2016: S\$2.7 million).

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 our announcement dated 8 November 2017.

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.

Our PCB manufacturers customers continue to remain cautious in their capital expenditure programmes notwithstanding the uptick in economic activities, and the Group expects a challenging environment for its Equipment and Supplies business.

Based on discussions with long-term customers, we expect our Manufacturing and Support Services business to see a high level of activities for FY2018. The Group also sees business opportunities from the development of 5th generation mobile networks in China. However, the shortage of workers, especially skilled labour, may affect the growth potential of this business segment.

The Group will continue to rationalise and streamline its core businesses.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No.

| | |
|------------------|--|
| Name of dividend | |
| Dividend type | |
| Dividend rate | |
| Tax rate | |

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No.

| | |
|------------------------------|--|
| Name of dividend | |
| Dividend type | |
| Dividends in cents per share | |
| Tax rate | |

(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 for the year ended 31 December 2017.

13. If the Group has obtained a general mandate from shareholders for interested person transactions ("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.

14. Confirmation pursuant to Rule 720(1)

The Company confirms that it has procured the undertakings from all its directors and executive officers in the format set out in Appendix 7.7 pursuant to Rule 720(1) of the Singapore Exchange Listing Manual.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

15. 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.

| | Equipment and supplies | Manufacturing and support services | Others | Total |
|----------------------------------------------|------------------------|------------------------------------|--------------|----------------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| <u>2017</u> | | | | |
| Revenue: | | | | |
| - External sales | <u>23,602</u> | <u>39,477</u> | - | <u>63,079</u> |
| Total | <u>23,602</u> | <u>39,477</u> | - | <u>63,079</u> |
| Results: | | | | |
| EBITDA* | 433 | 4,267 | - | 4,700 |
| Interest income | 9 | 137 | - | 146 |
| Depreciation | <u>(72)</u> | <u>(1,670)</u> | - | <u>(1,742)</u> |
| Operating profit | 370 | 2,734 | - | 3,104 |
| Interest expense | <u>(85)</u> | <u>(148)</u> | - | <u>(233)</u> |
| Profit before income tax | 285 | 2,586 | - | 2,871 |
| Income tax expense | <u>(1)</u> | <u>(46)</u> | - | <u>(47)</u> |
| Profit for the year | <u>284</u> | <u>2,540</u> | - | <u>2,824</u> |
| <u>2016</u> | | | | |
| Revenue: | | | | |
| - External sales | <u>22,608</u> | <u>34,541</u> | - | <u>57,149</u> |
| Total | <u>22,608</u> | <u>34,541</u> | - | <u>57,149</u> |
| Results: | | | | |
| EBITDA* | (50) | 3,730 | - | 3,680 |
| Interest income | 24 | 261 | - | 285 |
| Depreciation | <u>(147)</u> | <u>(1,265)</u> | - | <u>(1,412)</u> |
| Operating (loss)/profit | (173) | 2,726 | - | 2,553 |
| Interest expense | (178) | (198) | - | (376) |
| Impairment loss on amount owing by associate | - | - | (301) | (301) |
| (Loss)/profit before income tax | (351) | 2,528 | (301) | 1,876 |
| Income tax (expense)/credit | <u>(130)</u> | <u>82</u> | - | <u>(48)</u> |
| (Loss)/profit for the year | <u>(481)</u> | <u>2,610</u> | <u>(301)</u> | <u>1,828</u> |

* EBITDA – Earnings before interest, taxation, depreciation and amortisation.

16. 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 Section 8 of this announcement.

17. A breakdown of sales.

| | FY2017 | FY2016 | + / (-) |
|----------------------------------------------------|---------|---------|---------|
| Group | S\$'000 | S\$'000 | % |
| Sales reported for first half-year | 28,692 | 25,587 | 12 |
| Profit/(loss) after income tax for first half-year | 1,015 | (925) | NM |
| Sales reported for second half-year | 34,387 | 31,562 | 9 |
| Profit after income tax for second half-year | 1,809 | 2,753 | (34) |

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

| | FY2017 | FY2016 |
|----------------------------------------|---------|---------|
| | S\$'000 | S\$'000 |
| Ordinary dividend | - | - |
| Special dividend (Preference dividend) | - | - |
| Total | - | - |

19. 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(1) 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 related to a director or chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Fung Chi Wai
Chief Executive Officer
28 February 2018