

# **METAL COMPONENT ENGINEERING LIMITED**

(Company Registration No. 198804700N)

## **ANNOUNCEMENT OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor ("Sponsor"), Canaccord Genuity Singapore Pte. Ltd. for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). 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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**METAL COMPONENT ENGINEERING LIMITED**

(Company Registration No. 198804700N)

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014**

**PART I - INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

**1 (ai) An income statement and statement of other 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.**

	Note	GROUP		+ / - %
		FY2014	FY2013	
		(Unaudited)	(Audited)	
		S\$'000	S\$'000	
Revenue		69,069	69,346	-0.4%
Other income		60	173	-65.3%
Changes in inventories of finished goods and work-in-progress		(417)	265	NM
Raw materials and consumables used		(34,535)	(31,344)	10.2%
Employee benefits expense		(19,807)	(18,349)	7.9%
Depreciation expense		(4,054)	(3,760)	7.8%
Other expenses		(13,446)	(15,060)	-10.7%
Other credits/(charges)	A	849	(286)	NM
Financial expense		(480)	(437)	9.8%
<b>(Loss)/profit before tax</b>		<b>(2,761)</b>	<b>548</b>	NM
Income tax expense		(72)	(211)	-65.9%
<b>(Loss)/profit for the year</b>		<b>(2,833)</b>	<b>337</b>	NM
<b>Other comprehensive income:</b>				
Items that may be reclassified subsequently to profit or loss				
- Currency translation differences arising from consolidation		252	1,269	-80.1%
Total comprehensive income for the year		<b>(2,581)</b>	<b>1,606</b>	NM
(Loss)/profit attributable to:				
Equity holders of the Company		<b>(2,833)</b>	<b>337</b>	NM
Total comprehensive income attributable to :				
Equity holders of the Company		<b>(2,581)</b>	<b>1,606</b>	NM
<i>NM - Not meaningful</i>				

Explanatory note to the Consolidated Statement of Profit or Loss and Other Comprehensive Income:

	FY2014	FY2013
	S\$'000	S\$'000
A) Major items for other credits/(charges):		
Impairment of property, plant and equipment	(91)	-
Loss on disposal of property, plant and equipment	(23)	(12)
Reversal/(write-down) on inventories	92	(57)
Reversal/(allowance) for impairment of trade receivables	117	(14)
Foreign exchange gain/(loss)	754	(203)

**METAL COMPONENT ENGINEERING LIMITED**

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1 (bi) 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.

	GROUP		COMPANY	
	As at 31-Dec-14 (Unaudited) S\$'000	As at 31-Dec-13 (Audited) S\$'000	As at 31-Dec-14 (Unaudited) S\$'000	As at 31-Dec-13 (Audited) S\$'000
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment	17,503	20,251	1,687	2,056
Subsidiaries	-	-	22,964	22,586
Other assets	138	138	138	138
	<b>17,641</b>	<b>20,389</b>	<b>24,789</b>	<b>24,780</b>
<b>Current Assets</b>				
Inventories	7,648	8,366	1,960	1,545
Trade and other receivables	23,696	22,217	40,507	35,381
Cash and bank balances	10,951	10,722	2,612	2,529
	<b>42,295</b>	<b>41,305</b>	<b>45,079</b>	<b>39,455</b>
<b>Total assets</b>	<b>59,936</b>	<b>61,694</b>	<b>69,868</b>	<b>64,235</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and Reserves</b>				
Share capital	21,576	21,127	21,576	21,127
Retained earnings	1,997	5,099	7,484	7,322
Other reserves	3,144	2,903	915	965
<b>Total equity</b>	<b>26,717</b>	<b>29,129</b>	<b>29,975</b>	<b>29,414</b>
<b>Non-Current Liabilities</b>				
Deferred tax liabilities	264	276	262	216
Borrowings	740	1,015	740	1,015
	<b>1,004</b>	<b>1,291</b>	<b>1,002</b>	<b>1,231</b>
<b>Current Liabilities</b>				
Trade and other payables	19,604	20,324	26,837	23,202
Borrowings	12,554	10,874	12,054	10,320
Current tax payable	57	76	-	68
	<b>32,215</b>	<b>31,274</b>	<b>38,891</b>	<b>33,590</b>
<b>Total liabilities</b>	<b>33,219</b>	<b>32,565</b>	<b>39,893</b>	<b>34,821</b>
<b>Total equity and liabilities</b>	<b>59,936</b>	<b>61,694</b>	<b>69,868</b>	<b>64,235</b>

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**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014**

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

	<b>GROUP</b>	
	<b>As at 31 Dec 2014 S\$'000</b>	<b>As at 31 Dec 2013 S\$'000</b>
<b>Payable within 1 year</b>		
Secured	4,634	4,658
Unsecured	7,920	6,216
	<b>12,554</b>	<b>10,874</b>
<b>Payable after 1 year</b>		
Secured	740	1,015
Unsecured	-	-
	<b>740</b>	<b>1,015</b>
<b>TOTAL</b>	<b>13,294</b>	<b>11,889</b>

**Details of any collaterals**

Certain borrowings are secured by pledges on certain plant and equipment as well as certain trade receivables of the Group.

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**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014**
**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.**

	<b>GROUP</b>	
	<b>FY2014 (Unaudited) S\$'000</b>	<b>FY2013 (Audited) S\$'000</b>
<b>Cash flows from operating activities</b>		
(Loss)/profit before taxation	(2,761)	548
Adjustments for :		
Depreciation of property, plant and equipment	4,054	3,760
Loss on disposal of property, plant and equipment	23	12
Interest income	(39)	(47)
Interest expense	480	437
Allowance for share-based payment expense	50	30
(Reversal)/write-down on inventories	(92)	57
(Reversal)/allowance for impairment of trade receivables	(117)	14
Impairment of property, plant and equipment	91	-
Unrealised currency translation differences	(214)	148
<b>Operating profit before working capital changes</b>	<b>1,475</b>	<b>4,959</b>
Changes in cash restricted in use	(341)	771
Changes in inventories	810	(1,935)
Changes in trade and other receivables	(1,362)	(1,013)
Changes in trade and other payables	(720)	2,803
<b>Cash (used in)/generated from operations</b>	<b>(138)</b>	<b>5,585</b>
Income tax paid	(103)	(147)
<b>Net cash (used in)/generated from operating activities</b>	<b>(241)</b>	<b>5,438</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	56	35
Purchase of property, plant and equipment	(1,044)	(4,063)
Interest received	39	47
<b>Net cash used in investing activities</b>	<b>(949)</b>	<b>(3,981)</b>
<b>Cash flows from financing activities</b>		
Dividends paid	(274)	(547)
Proceeds from exercise of share options	254	118
Proceeds from exercise of warrants	139	8
Proceeds from borrowings	2,482	1,773
Repayments of borrowings	(1,276)	(3,714)
Interest paid	(480)	(437)
<b>Net cash generated from/(used in) financing activities</b>	<b>845</b>	<b>(2,799)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(345)</b>	<b>(1,342)</b>
<b>* Cash and cash equivalents at beginning of year</b>	<b>8,969</b>	<b>9,927</b>
<b>Effect of currency translation on cash and cash equivalents</b>	<b>144</b>	<b>384</b>
<b>* Cash and cash equivalents at end of year</b>	<b>8,768</b>	<b>8,969</b>
* Cash and cash equivalents are net of bank overdraft and cash restricted in use.		
Cash and cash equivalents consist the following:		
Cash at banks and on hand	10,951	10,722
Bank overdraft	(1,685)	(1,596)
Fixed deposit restricted in use	(498)	(157)
	<u>8,768</u>	<u>8,969</u>

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**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014**

**1 (di) 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.**

<u>The Group</u>	<u>Share Capital</u>	<u>Retained Earnings</u>	<u>Share Option Reserve</u>	<u>Warrant Reserve</u>	<u>Translation Reserve</u>	<u>Statutory Reserve</u>	<u>Total Equity</u>
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance as at 1 January 2013</b>	20,909	5,338	227	800	(1,189)	1,829	27,914
Total comprehensive income for the year	-	337	-	-	1,269	-	1,606
Share-based payment transactions	-	-	30	-	-	-	30
Exercise of share options	209	-	(91)	-	-	-	118
Exercise of warrants	9	-	-	(1)	-	-	8
Dividends	-	(547)	-	-	-	-	(547)
Transfer to other reserves	-	(29)	-	-	-	29	-
<b>Balance as at 1 January 2014</b>	21,127	5,099	166	799	80	1,858	29,129
Total comprehensive income for the year	-	(2,833)	-	-	252	-	(2,581)
Share-based payment transactions	-	-	50	-	-	-	50
Expiry of share options	-	44	(44)	-	-	-	-
Exercise of share options	299	-	(45)	-	-	-	254
Exercise of warrants	150	-	-	(11)	-	-	139
Dividends	-	(274)	-	-	-	-	(274)
Transfer to other reserves	-	(39)	-	-	-	39	-
<b>Balance as at 31 December 2014</b>	<b>21,576</b>	<b>1,997</b>	<b>127</b>	<b>788</b>	<b>332</b>	<b>1,897</b>	<b>26,717</b>

<u>The Company</u>	<u>Share Capital</u>	<u>Retained Earnings</u>	<u>Share Option Reserve</u>	<u>Warrant Reserve</u>	<u>Total Equity</u>
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance as at 1 January 2013</b>	20,909	4,833	227	800	26,769
Total comprehensive income for the year	-	3,036	-	-	3,036
Share-based payment transactions	-	-	30	-	30
Issue of ordinary shares	209	-	(91)	-	118
Issue of warrants	9	-	-	(1)	8
Dividends	-	(547)	-	-	(547)
<b>Balance as at 1 January 2014</b>	21,127	7,322	166	799	29,414
Total comprehensive income for the year	-	392	-	-	392
Share-based payment transactions	-	-	50	-	50
Expiry of share options	-	44	(44)	-	-
Exercise of share options	299	-	(45)	-	254
Exercise of warrants	150	-	-	(11)	139
Dividends	-	(274)	-	-	(274)
<b>Balance as at 31 December 2014</b>	<b>21,576</b>	<b>7,484</b>	<b>127</b>	<b>788</b>	<b>29,975</b>

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**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014**

- 1 (dii) 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.

**a) Share options scheme**

As at 31 December 2014, unissued shares of the Company in respect of MCE Share Option Scheme are as follows:

	<b>Balance as at 30.06.2014</b>	<b>Granted during the period</b>	<b>Exercised/forfeited during the period</b>	<b>Balance as at 31.12.2014</b>	<b>Balance as at 31.12.2013</b>
MCE Share Option Scheme	17,700,000	-	(7,490,000)	10,210,000	18,300,000

During the period 01.07.2014 to 31.12.2014, 4,790,000 new ordinary shares were allotted and issued upon the exercise of options pursuant to the MCE Share Option Scheme. In addition, 2,700,000 options were forfeited during the period.

**b) Warrants issue**

As at 31 December 2014, unissued shares of the Company in respect of warrants are as follows:

	<b>Balance as at 30.06.2014</b>	<b>Warrants issued during the period</b>	<b>Exercised during the period</b>	<b>Balance as at 31.12.2014</b>	<b>Balance as at 31.12.2013</b>
Warrants	179,828,000	-	(2,763,000)	177,065,000	179,828,000

There were no treasury shares as at 31 December 2014 and as at 31 December 2013.

As a result of (a) and (b) above, the number of ordinary shares in issue has increased from 365,412,000 shares as at 30 June 2014 to 372,965,000 shares as at 31 December 2014.

- 1 (diii) 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.

	<b>COMPANY</b>	
	<b>As at 31-Dec-14</b>	<b>As at 31-Dec-13</b>
Number of ordinary shares in issue	372,965,000	364,812,000

- 1 (div) 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.

Not applicable as the Company has no treasury shares during and as at the end of the current financial year reported on.

**METAL COMPONENT ENGINEERING LIMITED**

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**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014****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 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**

Save as disclosed in section 5 below, the Group and Company have applied the same accounting policies and methods of computations in the financial statements for the current financial year and is consistent with those of the most recent audited financial statements for the financial year ended 31 December 2013.

**5 If there were 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 new and revised Financial Reporting Standards which became effective for the financial period beginning on or after 1 January 2014. The adoption of these new and revised accounting standards did not give rise to any significant impact on the financial statements of the Group for the financial year ended 31 December 2014.

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

	GROUP	
	FY2014	FY2013
(Loss)/earnings per share (Cents)		
on weighted average number of ordinary shares	(0.77)	0.09
on fully diluted basis	(0.77)	0.09
Net (loss)/profit attributable to shareholders (S\$'000)		
for basic EPS	(2,833)	337
for diluted EPS	(2,833)	337
Weighted average number of ordinary shares in issue		
for basic EPS	366,733,323	363,068,307
for diluted EPS	366,733,323	363,309,011

The Company had outstanding share options and warrants as at 31 December 2014 and 31 December 2013. For FY2014, these outstanding share options and warrants were excluded from the calculation of the diluted weighted average number of ordinary shares in issue as their effect would have been anti-dilutive as the Group recorded a net loss for FY2014.

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

	GROUP		COMPANY	
	As at 31-Dec-14	As at 31-Dec-13	As at 31-Dec-14	As at 31-Dec-13
Net asset value per ordinary share based on existing issued capital as at end of the year (cents)	7.16	7.98	8.04	8.06
Number of ordinary shares in issue at the end of the year ('000)	372,965	364,812	372,965	364,812



- 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 period reported on.**

#### **STATEMENT OF COMPREHENSIVE INCOME REVIEW**

The Group recorded revenue of S\$69.1 million for the financial year ended 31 December 2014 ("FY2014"). This represented a 0.4% decrease from the financial year ended 31 December 2013 ("FY2013"), where revenue stood at S\$69.3 million.

The decrease in the Group's revenue was mainly due to the decline in revenue from the Mechanical Integration ("MI") and Hard Disk Drive Components ("HDD") businesses by 35.5% and 3.8% respectively, partially offset by the increase in revenue from the Precision Components ("PC") business by 31.5%.

The Group recorded a loss after tax of S\$2.8 million for FY2014 as compared to a profit after tax of S\$337,000 for FY2013, mainly due to the increase in direct materials content arising from a shift in sales mix. Percentage of cost of direct materials to revenue increased from 44.8% in FY2013 to 50.6% in FY2014, partially offset by the decrease in other expenses from 21.7% of revenue in FY2013 to 19.5% of revenue in FY2014 due to improved cost efficiency. Direct material costs and other expenses as a percentage of revenue stood at 70.1%, representing an increase of 3.6 percentage points in FY2014 as compared to FY2013 (FY2013: 66.5%).

Employee benefit expenses increased by 7.9% from S\$18.3 million in FY2013 to S\$19.8 million in FY2014 mainly due to the upward adjustment of minimum wage in China, as well as higher headcount in Thailand. Depreciation expenses increased by 7.8% as compared to FY2013, due to the increase in property, plant and equipment in FY2013.

Other credits stood at S\$849,000 for FY2014, mainly arising from the foreign currency translation gain of S\$754,000 for the financial year (FY2013: Foreign currency translation loss of S\$203,000), as well as the reversal for impairment of trade receivables and inventories amounting to S\$117,000 and S\$92,000 respectively. This was partially offset by the impairment of property, plant and equipment and loss on disposal of property, plant and equipment by S\$91,000 and S\$23,000 respectively.

Finance expense increased by 9.8% to S\$480,000 in FY2014, as compared to S\$437,000 in FY2013. This was mainly due to higher level of borrowings during FY2014. Income tax expense amounted to S\$72,000 in FY2014 (FY2013: Income tax expense of S\$211,000).

#### **STATEMENT OF CASH FLOWS / WORKING CAPITAL REVIEW**

Overall, the Group's cash and cash equivalents stood at S\$11.0 million as at 31 December 2014.

In FY2014, the Group generated S\$845,000 from financing activities while S\$949,000 and S\$241,000 were utilised in investing and operating activities respectively.

Net cash used in operating activities was mainly attributable to the lower operating profit before working capital changes of S\$1.5 million and the decrease in inventories of S\$810,000, partially offset by the increase in trade and other receivables and decrease in trade and other payables by S\$1.4 million and S\$720,000 respectively.

Net cash used in investing activities were mainly due to additions in plant and equipment amounting to S\$1.0 million.

Net cash generated from financing activities was mainly attributed to proceeds from borrowings and the exercise of share options and warrants amounting to S\$2.5 million, S\$254,000 and S\$139,000 respectively. This was partially offset by the repayment of borrowings and payment of interest expense and dividends of S\$1.3 million, S\$480,000 and S\$274,000 respectively.

Current ratio as at 31 December 2014 stood at 1.31, a marginal decrease from 1.32 as at 31 December 2013.

Debt-equity ratio increased from 1.12 as at 31 December 2013 to 1.24 as at 31 December 2014.

As at 31 December 2014, the Group had a positive net working capital of S\$10.1 million.

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**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014****9 Where a forecast, or a prospect statement, has been previously disclosed to our shareholders, any variance between it and the actual results**

The unaudited financial results for the financial year ended 31 December 2014 set out in this announcement are in line with the results guidance released by the Company on 24 February 2015.

**10 A commentary at the date of the announcement of the competitive conditions of the industry in which the company operates and any known factors or events that may affect the company in the next reporting period and the next 12 months**

Notwithstanding the uncertainties in the global economic outlook, the Group will continue to focus on securing high value-added projects to improve capacity utilization and productivity, leveraging on its leaner cost structure to strengthen its competitiveness. We continue to see new enquires in the Mechanical Integration and Precision Components businesses and our new Thailand plant has ramped up its operations. In addition, we are expecting a more stable outlook for our Hard Disk Drive business.

Barring unforeseen circumstances, the Group is cautiously optimistic about its financial performance in FY2015.

**11 Dividend****(a) Current Financial Period Reported On**

Not applicable

**(b) Prior Financial Period Reported On**

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

Yes

Name of dividend : Final, one-tier tax exempt  
Dividend type : Cash  
Dividend amount per share : 0.075 cents per ordinary share

**(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 by the Directors for FY2014.

**13 Interested Persons Transactions**

The Group has obtained a general mandate from shareholders for interested person transactions which was approved on 16 September 2010 and was last renewed at the Annual General Meeting of the Company on 25 April 2014. The table below sets out interested person transactions that had been entered into by the Group for the financial year ended 31 December 2014.

Name of Interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (SGD)	Aggregate value of all interested person transactions under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) (SGD)
Cal-Comp Electronics (Thailand) Public Company Limited	Not applicable	SGD 6,302,204

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**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014**

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**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

- 14 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 of the immediately preceding year.**

**By Business Activity**

For management purposes, the Group is organised into business units based on their geographical locations, and has three reportable operating segments: Singapore and others, Malaysia and China.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating results.

Management monitors the operating results of the Group's business units separately for the purpose of making decisions about which, in certain respects, as explained in the table below, is measured differently from operating income statement in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a Group basis and are not allocated to operating segments.

Inter-segment pricing is on terms agreed between the segments.

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**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014**
**14 SEGMENT INFORMATION (CONTINUED)**
**By Geographical Areas**

	FY2014					TOTAL
	Singapore And Others	Malaysia	China	Adjustments	Note	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
External sales	35,681	5,405	27,983	-		69,069
Inter-segment sales	14,315	8,633	27,542	(50,490)		-
<b>Total revenue</b>	<b>49,996</b>	<b>14,038</b>	<b>55,525</b>	<b>(50,490)</b>		<b>69,069</b>
Profit/(loss) before interest and taxation	2,144	249	(2,505)	(672)		(784)
Finance cost						(480)
Unallocated expenses					(i)	(1,497)
Loss before taxation						(2,761)
Taxation						(72)
<b>Net loss after taxation</b>						<b>(2,833)</b>

**Other segment information:**

Segment assets	78,135	13,364	51,185	(82,748)		59,936
Segment liabilities	48,655	10,632	31,624	(57,692)		33,219

**Other segment information:**

Additions of property, plant and equipment	344	332	713	(236)		1,153
Depreciation of property, plant and equipment	1,194	507	2,567	(214)		4,054
Write-down/(Reversal of write-down) on inventories	-	26	(118)	-		(92)
Reversal of impairment loss on trade and other receivables	(126)	-	9	-		(117)
Loss/(Gain) on disposal of property, plant & equipment	-	(29)	23	29		23

	FY2013					TOTAL
	Singapore And Others	Malaysia	China	Adjustments	Note	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
External sales	35,390	4,828	29,128	-		69,346
Inter-segment sales	13,989	11,110	28,715	(53,814)		-
<b>Total revenue</b>	<b>49,379</b>	<b>15,938</b>	<b>57,843</b>	<b>(53,814)</b>		<b>69,346</b>
Profit before interest and taxation	4,526	537	282	(2,640)		2,705
Finance cost						(437)
Unallocated expenses					(i)	(1,720)
Profit before taxation						548
Taxation						(211)
<b>Net profit after taxation</b>						<b>337</b>

**Other segment information:**

Segment assets	69,866	11,531	52,241	(71,944)		61,694
Segment liabilities	40,689	8,971	30,482	(47,577)		32,565

**Other segment information:**

Additions of property, plant and equipment	3,319	647	2,843	(1,455)		5,354
Depreciation of property, plant and equipment	840	475	2,518	(73)		3,760
Write-down/(Reversal of write-down) on inventories	-	120	(597)	534		57
(Reversal)/allowance for impairment loss on trade and other receivables	(104)	-	-	118		14
Loss/(Gain) on disposal of property, plant & equipment	-	(35)	4	43		12

(i) Unallocated expenses primarily relate to Directors' fees, Directors' remuneration, listing expenses and other corporate related expenses.

**METAL COMPONENT ENGINEERING LIMITED**

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- 15 In view of performance, the factors leading to any material changes in contributions to turnover and earnings by business or geographical segments.**

Please refer to paragraph 8.

**16 SEGMENTAL REVENUE AND RESULTS FOR OPERATING SEGMENTS**

	GROUP		+ / - %
	FY2014 S\$'000	FY2013 S\$'000	
Sales reported for first half	33,442	31,919	4.8%
Operating (loss)/profit after tax before deducting minority interests reported for the first half	(1,721)	802	NM
Sales reported for second half	35,627	37,427	-4.8%
Operating loss after tax before deducting minority interests reported for the second half	(1,112)	(465)	NM

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

	FY2014	FY2013
Final, one-tier tax exempt	-	S\$273,609

- 18 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13). If there are no such persons, the issuer must make an appropriate negative statement.**

There is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

**ON BEHALF OF THE BOARD**

Chua Kheng Choon  
Chief Executive Officer

27 February 2015