

**Full Year Financial Statement And Related Announcement for the Year Ended 31 DECEMBER 2018**

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

1(a) 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.

1(a)(i) **CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018 AND 31 DECEMBER 2017**

**Consolidated Income Statement**

	Group 4Q2018	Group 4Q2017	Increase/ (Decrease)	Group FY2018	Group FY2017	Increase/ (Decrease)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	271,669	297,524	(8.7%)	1,255,975	1,146,394	9.6%
Cost of sales	(257,651)	(280,447)	(8.1%)	(1,188,142)	(1,085,487)	9.5%
<b>Gross profit</b>	<b>14,018</b>	<b>17,077</b>	<b>(17.9%)</b>	<b>67,833</b>	<b>60,907</b>	<b>11.4%</b>
Other income	70	106	(34.0%)	942	483	95.0%
Sales and distribution expenses	(7,121)	(8,512)	(16.3%)	(34,655)	(29,181)	18.8%
General and administrative expenses	(4,253)	(5,300)	(19.8%)	(18,559)	(17,403)	6.6%
(Impairment losses)/ reversal of impairment losses on financial assets	(87)	1,323	N.M.	(409)	(476)	(14.1%)
Interest expense	(1,837)	(1,163)	58.0%	(6,756)	(4,107)	64.5%
<b>Profit before taxation</b>	<b>790</b>	<b>3,531</b>	<b>(77.6%)</b>	<b>8,396</b>	<b>10,223</b>	<b>(17.9%)</b>
Income tax credit/ (expense)	1,108	(718)	N.M.	(293)	(2,125)	(86.2%)
<b>Profit after taxation</b>	<b>1,898</b>	<b>2,813</b>	<b>(32.5%)</b>	<b>8,103</b>	<b>8,098</b>	<b>0.1%</b>

<b>Profit attributable to:-</b>						
Equity holders of the Company	1,898	2,813	(32.5%)	8,103	8,098	0.1%

Note:

N.M. = Not meaningful

- 1(a) 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 (Cont'd).

1(a)(i) **CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2018 AND 31 DECEMBER 2017 (CONT'D)**

**Consolidated Statement of Other Comprehensive Income**

	Group 4Q2018	Group 4Q2017	Increase/ (Decrease)	Group FY2018	Group FY2017	Increase/ (Decrease)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
<b>Profit after taxation</b>	<b>1,898</b>	<b>2,813</b>	<b>(32.5%)</b>	<b>8,103</b>	<b>8,098</b>	<b>0.1%</b>
<b>Other comprehensive income</b>						
<b>Items that may be reclassified subsequently to profit or loss</b>						
Foreign currency translation	(72)	(17)	323.5%	(27)	6	N.M.
Net (loss)/ gain on fair value changes of available-for-sale financial assets	–	(34)	N.M.	–	540	N.M.
<b>Item that will not be classified to profit or loss</b>						
Net fair value changes on equity instrument designated at fair value through other comprehensive income ("FVOCI")	(90)	–	N.M.	(202)	–	N.M.
<b>Other comprehensive income for the period, net of tax</b>	<b>(162)</b>	<b>(51)</b>	<b>217.6%</b>	<b>(229)</b>	<b>546</b>	<b>N.M.</b>
<b>Total comprehensive income for the period</b>	<b>1,736</b>	<b>2,762</b>	<b>(37.1%)</b>	<b>7,874</b>	<b>8,644</b>	<b>(8.9%)</b>
<b>Total comprehensive income attributable to:-</b>						
Equity holders of the Company	<b>1,736</b>	<b>2,762</b>	<b>(37.1%)</b>	<b>7,874</b>	<b>8,644</b>	<b>(8.9%)</b>

1(a)(ii) **NOTES TO THE CONSOLIDATED INCOME AND STATEMENT OF COMPREHENSIVE INCOME**

Notes to the consolidated income and statement of comprehensive income	Group 4Q2018	Group 4Q2017	Group FY2018	Group FY2017
	US\$'000	US\$'000	US\$'000	US\$'000
Interest income	6	10	22	31
Interest on borrowings	(1,837)	(1,163)	(6,756)	(4,107)
(Impairment losses)/ reversal of impairment losses on trade debtors	(87)	1,323	(409)	(476)
Reversal of stocks written down	721	691	2,959	2,251
Stocks written down/ off	(1,019)	(810)	(3,093)	(3,285)
Net (loss)/ gain on disposal of property, plant and equipment	(15)	2	(16)	(9)
Property, plant and equipment written off	–	–	–	(4)
Depreciation of property, plant and equipment	(337)	(251)	(1,271)	(853)
Net gain on disposal of club membership	11	–	117	1
Net foreign exchange (loss)/ gain	(97)	317	(1,333)	1,131
Fair value change on derivative financial instruments	(22)	–	(84)	–
Grant and subsidy income	19	20	317	98
Dividend income from investment security	–	–	195	181

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.

STATEMENT OF FINANCIAL POSITION	Group 31/12/2018	Group 31/12/2017	Company 31/12/2018	Company 31/12/2017
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Non-current assets</b>				
Property, plant and equipment	3,411	2,621	–	–
Intangible assets	752	472	–	–
Investments in subsidiaries	–	–	25,878	9,878
Other investments	2,418	2,354	2,198	2,354
Deferred tax assets	142	–	–	–
<b>Total non-current assets</b>	<b>6,723</b>	<b>5,447</b>	<b>28,076</b>	<b>12,232</b>
<b>Current assets</b>				
Trade and other debtors	191,521	199,055	–	–
Prepayments	455	375	2	2
Stocks	164,422	174,980	–	–
Amounts due from subsidiaries	–	–	13,555	30,071
Derivative	386	–	–	–
Cash and short term deposits	20,571	9,979	1,484	718
<b>Total current assets</b>	<b>377,355</b>	<b>384,389</b>	<b>15,041</b>	<b>30,791</b>
<b>Current liabilities</b>				
Trade and other creditors	(150,765)	(161,599)	(1,522)	(1,558)
Contract liabilities	(4,037)	(7,679)	–	–
Interest-bearing loans and borrowings	(148,947)	(142,720)	–	–
Provision for taxation	(2,459)	(4,003)	(134)	(149)
<b>Total current liabilities</b>	<b>(306,208)</b>	<b>(316,001)</b>	<b>(1,656)</b>	<b>(1,707)</b>
<b>Net current assets</b>	<b>71,147</b>	<b>68,388</b>	<b>13,385</b>	<b>29,084</b>
<b>Net assets</b>	<b>77,870</b>	<b>73,835</b>	<b>41,461</b>	<b>41,316</b>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	38,859	38,553	38,859	38,553
Reserves	39,011	35,282	2,602	2,763
	<b>77,870</b>	<b>73,835</b>	<b>41,461</b>	<b>41,316</b>

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

**Amount repayable in one year or less, or on demand**

<b>At 31/12/2018 (US\$'000)</b>		<b>At 31/12/2017 (US\$'000)</b>	
Secured	Unsecured	Secured	Unsecured
–	148,947	–	142,720

**Amount repayable after one year, or on demand**

<b>At 31/12/2018 (US\$'000)</b>		<b>At 31/12/2017 (US\$'000)</b>	
Secured	Unsecured	Secured	Unsecured
–	–	–	–

**Details of any collateral**

There is no collateral on the Group's interest-bearing loans and borrowings as at 31 December 2018.

As at 31 December 2018, the Company has provided corporate guarantees to banks and institutions in connection with credit facilities provided to its subsidiaries, of which US\$148,947,000 (31 December 2017: US\$144,806,000) of the credit facilities have been utilised.

**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 4Q2018</b>	<b>Group 4Q2017</b>	<b>Group FY2018</b>	<b>Group FY2017</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Operating activities</b>				
Profit before taxation	790	3,531	8,396	10,223
Adjustments for:-				
Interest income	(6)	(10)	(22)	(31)
Interest expense	1,837	1,163	6,756	4,107
Depreciation of property, plant and equipment	337	251	1,271	853
Net loss/ (gain) on disposal of property, plant and equipment	15	(2)	16	9
Property, plant and equipment written off	–	–	–	4
Net gain on disposal of club membership	(11)	–	(117)	(1)
Impairment losses/(reversal of impairment losses) on trade debtors	87	(1,323)	409	476
Net stock written down	298	119	134	1,034
Dividend income from investment security	–	–	(195)	(181)
Net fair value changes on derivative financial instruments	22	–	84	–
Share based payments under EPSS	264	283	306	309
<b>Operating cash flows before changes in working capital</b>	<b>3,633</b>	<b>4,012</b>	<b>17,038</b>	<b>16,802</b>
Decrease/ (increase) in stocks	44,274	(21,129)	10,424	(44,416)
Decrease/ (increase) in trade debtors and other debtors and prepayments	35,328	(15,735)	6,936	(44,174)
(Decrease)/ increase in trade creditors and other creditors and contract liabilities	(54,917)	18,378	(14,476)	55,424
<b>Cash flows generated from/ (used in) operations</b>	<b>28,318</b>	<b>(14,474)</b>	<b>19,922</b>	<b>(16,364)</b>
Interest received	6	10	22	31
Interest paid	(1,837)	(1,163)	(6,756)	(4,107)
Income tax paid	(1,000)	(486)	(1,984)	(1,329)
<b>Net cash flows generated from/ (used in) operating activities</b>	<b>25,487</b>	<b>(16,113)</b>	<b>11,204</b>	<b>(21,769)</b>
<b>Investing activities</b>				
Purchase of property, plant and equipment	(446)	(496)	(2,100)	(905)
Proceed from disposal of property, plant and equipment	8	5	12	5
Purchase of club membership	–	–	(339)	–
Proceed from disposal of club membership	11	–	176	48
Purchase of derivative financial instruments	–	–	(496)	–
Proceed from derivative financial instruments	14	–	18	–
Purchase of debt security	–	–	(220)	–
Dividend income from investment security	–	–	150	160
<b>Net cash flows used in investing activities</b>	<b>(413)</b>	<b>(491)</b>	<b>(2,799)</b>	<b>(692)</b>
<b>Financing activities</b>				
(Decrease)/ increase in interest-bearing loans and borrowings	(17,546)	9,901	6,227	19,219
Dividend paid on ordinary shares	–	–	(4,028)	(3,376)
<b>Net cash flows (used in)/ generated from financing activities</b>	<b>(17,546)</b>	<b>9,901</b>	<b>2,199</b>	<b>15,843</b>
Net increase/ (decrease) in cash and short-term deposits	7,528	(6,703)	10,604	(6,618)
Effects of exchange rate changes on cash and short-term deposits	(81)	(20)	(12)	(9)
Cash and short-term deposits at beginning of period	13,124	16,702	9,979	16,606
<b>Cash and short-term deposits at end of period</b>	<b>20,571</b>	<b>9,979</b>	<b>20,571</b>	<b>9,979</b>

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.

Attributable to equity holders of the Company								
Group	Equity, total US\$'000	Share capital US\$'000	Reserves, total US\$'000	Other reserve US\$'000	Fair value reserve US\$'000	Statutory reserve US\$'000	Foreign currency translation reserve US\$'000	Revenue reserve US\$'000
<b>FY2018</b>								
<b>Opening balance at 1 January 2018 (FRS framework)</b>	<b>73,835</b>	<b>38,553</b>	<b>35,282</b>	<b>227</b>	<b>804</b>	<b>25</b>	<b>(1,097)</b>	<b>35,323</b>
Cumulative effects of adopting SFRS(I)	(117)	–	(117)	–	–	–	1,103	(1,220)
<b>Opening balance at 1 January 2018 (SFRS(I) framework)</b>	<b>73,718</b>	<b>38,553</b>	<b>35,165</b>	<b>227</b>	<b>804</b>	<b>25</b>	<b>6</b>	<b>34,103</b>
Profit for the period	8,103	–	8,103	–	–	–	–	8,103
Other comprehensive income for the period	(229)	–	(229)	–	(202)	–	(27)	–
Total comprehensive income for the period	7,874	–	7,874	–	(202)	–	(27)	8,103
<b>Contributed by and distribution to owners:-</b>								
Issuance of new shares	306	306	–	–	–	–	–	–
Dividends on ordinary shares	(4,028)	–	(4,028)	–	–	–	–	(4,028)
Total contributions by and distributions to owners	(3,722)	306	(4,028)	–	–	–	–	(4,028)
<b>Closing balance at 31 December 2018</b>	<b>77,870</b>	<b>38,859</b>	<b>39,011</b>	<b>227</b>	<b>602</b>	<b>25</b>	<b>(21)</b>	<b>38,178</b>
<b>FY2017</b>								
<b>Opening balance at 1 January 2017 (FRS framework)</b>	<b>68,258</b>	<b>38,244</b>	<b>30,014</b>	<b>227</b>	<b>264</b>	<b>25</b>	<b>(1,103)</b>	<b>30,601</b>
Cumulative effects of adopting SFRS(I)	–	–	–	–	–	–	1,103	(1,103)
<b>Opening balance at 1 January 2017 (SFRS(I) framework)</b>	<b>68,258</b>	<b>38,244</b>	<b>30,014</b>	<b>227</b>	<b>264</b>	<b>25</b>	<b>–</b>	<b>29,498</b>
Profit for the period	8,098	–	8,098	–	–	–	–	8,098
Other comprehensive income for the period	546	–	546	–	540	–	6	–
Total comprehensive income for the period	8,644	–	8,644	–	540	–	6	8,098
<b>Contributed by and distribution to owners:-</b>								
Issuance of new shares	309	309	–	–	–	–	–	–
Dividends on ordinary shares	(3,376)	–	(3,376)	–	–	–	–	(3,376)
Total contributions by and distributions to owners	(3,067)	309	(3,376)	–	–	–	–	(3,376)
<b>Closing balance at 31 December 2017</b>	<b>73,835</b>	<b>38,553</b>	<b>35,282</b>	<b>227</b>	<b>804</b>	<b>25</b>	<b>6</b>	<b>34,220</b>

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 (Cont'd).

Attributable to equity holders of the Company								
Group	Equity, total US\$'000	Share capital US\$'000	Reserves, total US\$'000	Other reserve US\$'000	Fair value reserve US\$'000	Statutory reserve US\$'000	Foreign currency translation reserve US\$'000	Revenue reserve US\$'000
<b>4Q2018</b>								
<b>Opening balance at 1 October 2018</b>	<b>75,870</b>	<b>38,595</b>	<b>37,275</b>	<b>227</b>	<b>692</b>	<b>25</b>	<b>51</b>	<b>36,280</b>
Profit for the period	1,898	–	1,898	–	–	–	–	1,898
Other comprehensive income for the period	(162)	–	(162)	–	(90)	–	(72)	–
Total comprehensive income for the period	1,736	–	1,736	–	(90)	–	(72)	1,898
<b>Contributed by and distribution to owners:-</b>								
Issuance of new shares	264	264	–	–	–	–	–	–
<b>Closing balance at 31 December 2018</b>	<b>77,870</b>	<b>38,859</b>	<b>39,011</b>	<b>227</b>	<b>602</b>	<b>25</b>	<b>(21)</b>	<b>38,178</b>
<b>4Q2017</b>								
<b>Opening balance at 1 October 2017 (FRS framework)</b>	<b>70,790</b>	<b>38,270</b>	<b>32,520</b>	<b>227</b>	<b>838</b>	<b>25</b>	<b>(1,080)</b>	<b>32,510</b>
Cumulative effects of adopting SFRS(I)	–	–	–	–	–	–	1,103	(1,103)
<b>Opening balance at 1 October 2017 (SFRS(I) framework)</b>	<b>70,790</b>	<b>38,270</b>	<b>32,520</b>	<b>227</b>	<b>838</b>	<b>25</b>	<b>23</b>	<b>31,407</b>
Profit for the period	2,813	–	2,813	–	–	–	–	2,813
Other comprehensive income for the period	(51)	–	(51)	–	(34)	–	(17)	–
Total comprehensive income for the period	2,762	–	2,762	–	(34)	–	(17)	2,813
<b>Contributed by and distribution to owners:-</b>								
Issuance of new shares	283	283	–	–	–	–	–	–
<b>Closing balance at 31 December 2017</b>	<b>73,835</b>	<b>38,553</b>	<b>35,282</b>	<b>227</b>	<b>804</b>	<b>25</b>	<b>6</b>	<b>34,220</b>

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 (Cont'd).

Attributable to equity holders of the Company						
Company	Equity, total US\$'000	Share capital US\$'000	Reserves, total US\$'000	Other reserve US\$'000	Fair value reserve US\$'000	Revenue reserve US\$'000
<b>FY2018</b>						
<b>Opening balance at 1 January 2018</b>	<b>41,316</b>	<b>38,553</b>	<b>2,763</b>	<b>227</b>	<b>804</b>	<b>1,732</b>
Profit for the period	4,069	—	4,069	—	—	4,069
Other comprehensive income for the period	(202)	—	(202)	—	(202)	—
Total comprehensive income for the period	3,867	—	3,867	—	(202)	4,069
<b>Contributed by and distribution to owners:-</b>						
Issuance of new shares	306	306	—	—	—	—
Dividends on ordinary shares	(4,028)	—	(4,028)	—	—	(4,028)
Total contributions by and distributions to owners	(3,722)	306	(4,028)	—	—	(4,028)
<b>Closing balance at 31 December 2018</b>	<b>41,461</b>	<b>38,859</b>	<b>2,602</b>	<b>227</b>	<b>602</b>	<b>1,773</b>
<b>FY2017</b>						
<b>Opening balance at 1 January 2017</b>	<b>40,155</b>	<b>38,244</b>	<b>1,911</b>	<b>227</b>	<b>264</b>	<b>1,420</b>
Profit for the period	3,688	—	3,688	—	—	3,688
Other comprehensive income for the period	540	—	540	—	540	—
Total comprehensive income for the period	4,228	—	4,228	—	540	3,688
<b>Contributed by and distribution to owners:-</b>						
Issuance of new shares	309	309	—	—	—	—
Dividends on ordinary shares	(3,376)	—	(3,376)	—	—	(3,376)
Total contributions by and distributions to owners	(3,067)	309	(3,376)	—	—	(3,376)
<b>Closing balance at 31 December 2017</b>	<b>41,316</b>	<b>38,553</b>	<b>2,763</b>	<b>227</b>	<b>804</b>	<b>1,732</b>



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 (Cont'd).

Attributable to equity holders of the Company						
Company	Equity, total US\$'000	Share capital US\$'000	Reserves, total US\$'000	Other reserve US\$'000	Fair value reserve US\$'000	Revenue reserve US\$'000
<b>4Q2018</b>						
Opening balance at 1 October 2018	40,696	38,595	2,101	227	692	1,182
Profit for the period	591	–	591	–	–	591
Other comprehensive income for the period	(90)	–	(90)	–	(90)	–
Total comprehensive income for the period	501	–	501	–	(90)	591
<b>Contributed by and distribution to owners:-</b>						
Issuance of new shares	264	264	–	–	–	–
Closing balance at 31 December 2018	41,461	38,859	2,602	227	602	1,773
<b>4Q2017</b>						
Opening balance at 1 October 2017	40,865	38,270	2,595	227	838	1,530
Profit for the period	202	–	202	–	–	202
Other comprehensive income for the period	(34)	–	(34)	–	(34)	–
Total comprehensive income for the period	168	–	168	–	(34)	202
<b>Contributed by and distribution to owners:-</b>						
Issuance of new shares	283	283	–	–	–	–
Closing balance at 31 December 2017	41,316	38,553	2,763	227	804	1,732

- 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.**

	FY2018		FY2017	
	No. of shares	US\$'000	No. of shares	US\$'000
<b><u>Issued share capital</u></b>				
At beginning of financial period	118,502,940	38,553	117,810,940	38,244
Issuance of EPSS	689,900	306	692,000	309
At end of financial period	119,192,840	38,859	118,502,940	38,553

**Grant of Share Awards Pursuant to the Excelpoint Performance Share Scheme ("EPSS")**

In May 2017, the Company issued and allotted 60,000 ordinary shares in the share capital of the Company at the Market Price of US\$0.430 (\$0.600) under the EPSS.

In November 2017, the Company issued and allotted 632,000 ordinary shares in the share capital of the Company at the Market Price of US\$0.448 (\$0.610) under the EPSS.

In May 2018, the Company issued and allotted 80,000 ordinary shares in the share capital of the Company at the Market Price of US\$0.517 (\$0.685) under the EPSS.

In November 2018, the Company issued and allotted 609,900 ordinary shares in the share capital of the Company at the Market Price of US\$0.433 (\$0.600) under the EPSS.

- 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 the end of 31 December 2018 is 119,192,840 (31 December 2017: 118,502,940). There were no treasury shares as at the end of 31 December 2018.

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

There were no sales, transfers, cancellation and/or use of treasury share during the current financial period reported on.

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

There were no subsidiary holdings during the current financial period reported on.

- 2. Whether the figures have been audited or reviewed, 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 ("N.A.").

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's accounting policies adopted are consistent with those disclosed in the FY2017 audited financial statements except that in the current financial period, the Group has adopted Singapore Financial Reporting Standards (International) ("SFRS(I)") effective on 1 January 2018.

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

Convergence with International Financial Reporting Standards

The Group adopted SFRS(I) on 1 January 2018.

On transition to SFRS(I), the Group elected the option to deem cumulative translation differences for foreign operations to be zero on 1 January 2017, and accordingly, the gain or loss that will be recognised on subsequent disposal of the foreign operations will exclude cumulative translation differences that arose before 1 January 2017. The Group reclassified an amount of US\$1,103,000 of foreign currency translation reserve to the opening retained earnings as at 1 January 2017.

SFRS(I) 9 – Financial Instruments

The Group recognised loss allowance amounting to US\$117,000 on initial application without restating prior periods' information according to SFRS(I) 9 – *Financial Instruments*. The difference between the previous carrying amount and the carrying amount was recognised in the opening retained earnings as at 1 January 2018.

SFRS(I) 15 – Revenue from Contracts with Customers

The Group previously included advances received from customers for sale of electronics equipment in trade and other creditors. Upon adoption of SFRS(I) 15 – *Revenue from Contracts with Customers*, the Group reclassified trade and other creditors of US\$7,679,000 related to advances received from customers to contract liabilities as at 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		Group	
	4Q2018	4Q2017	FY2018	FY2017
Basic and diluted earnings per share (US cent)	1.60	2.38	6.83	6.87
Weighted average number of ordinary shares	118,868,002	118,186,940	118,626,736	117,927,904

The basic and diluted earnings per share of the Group were the same, as there were no share options and warrants granted.

7. **Net asset value (for the issuer and Group) per ordinary share based on the total number of issued share 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	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Net asset value per ordinary share based on existing issued share capital as at end of period reported on (US cents)	65.33	62.31	34.78	34.86
Number of ordinary shares, excluding treasury shares	119,192,840	118,502,940	119,192,840	118,502,940

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.**

#### **COMPARING 4Q2018 TO 4Q2017**

##### **INCOME STATEMENT**

The Group's revenue decreased by 8.7% from US\$297.5 million to US\$271.7 million, and gross profit decreased by 17.9% from US\$17.1 million to US\$14.0 million, mainly due to lower sales from the Singapore and Hong Kong business units.

Sales and distribution costs decreased by 16.3% from US\$8.5 million to US\$7.1 million, and general and administrative expense decreased by 19.8% from US\$5.3 million to US\$4.3 million. These were mainly due to lower staff cost, professional fees and one-off expense incurred last year relating to the Group's 30<sup>th</sup> year anniversary.

Impairment losses on financial assets was US\$0.1 million in 4Q2018 as compared to US\$1.3 million reversal of impairment losses on financial assets in 4Q2017. This was due to net write-back of allowance for doubtful trade debts in 4Q2017.

Interest expense increased by 58.0% from US\$1.2 million to US\$1.8 million, due to higher borrowings and higher financing cost from the hikes in interest rates.

The income tax credit of US\$1.1 million was mainly due to write-back of previous year's tax provisions no longer required, benefits from tax incentive programme and the recognition of deferred tax asset arising from the provision of employee entitlement.

Overall, the Group reported profit after taxation of US\$1.9 million for 4Q2018.

##### **CASHFLOW**

The Group's net cash flows generated from operating activities was US\$25.5 million compared to net cash flows used in operating activities of US\$16.1 million in 4Q2017, mainly due to decrease in stocks and trade debtors.

The Group's net cash flows used in investing activities was US\$0.4 million compared to US\$0.5 million in 4Q2017. The decrease was mainly due to lower purchase of fixed assets in 4Q2018.

The Group's net cash flows used in financing activities was US\$17.5 million compared to net cash flows generated from investing activities of US\$9.9 million in 4Q2017, mainly due to the decrease in interest-bearing loans and borrowings.

## **COMPARING FY2018 TO FY2017**

### **INCOME STATEMENT**

The Group's revenue increased by 9.6% from US\$1,146.4 million to US\$1,256.0 million, and gross profit increased by 11.4% from US\$60.9 million to US\$67.8 million, due to higher sales arising from stronger demand in FY2018.

Other income increased by 95.0% from US\$0.5 million to US\$0.9 million mainly due to government grants received in FY2018.

Sales and distribution costs increased by 18.8% from US\$29.2 million to US\$34.7 million, and general and administrative expenses increased by 6.6% from US\$17.4 million to US\$18.6 million. These were mainly due to higher staff costs, net foreign exchange loss arising from the translation of balances denominated in foreign currency into functional currency and depreciation for new system enhancements across the Group.

Interest expense increased by 64.5% from US\$4.1 million to US\$6.8 million mainly due to higher borrowings and higher financing costs from the hikes in interest rates.

The decrease in income tax expense by US\$1.8 million was mainly due to write-back of previous year's tax provisions no longer required, benefits from tax incentive programme and the recognition of deferred income tax asset arising from the provision of employee entitlement.

Overall, the Group reported profit after taxation of US\$8.1 million for FY2018.

### **CASHFLOW AND FINANCIAL POSITION**

The Group's net cash flows generated from operating activities was US\$11.2 million compared to net cash flows used in operating activities of US\$21.8 million in FY2017.

Net cash flows used in investing activities was US\$2.8 million compared to US\$0.7 million in FY2017. The increase was mainly due to purchase of new systems enhancements across the Group, renovations and the premium paid for derivative financial instruments.

Net cash flows generated from financing activities was US\$2.2 million compared to US\$15.8 million in FY2017. The decrease was mainly due to lower working capital requirement.

Cash and short term deposits was US\$20.6 million as at 31 December 2018 as compared to US\$10.0 million as at 31 December 2017.

Non-current assets increased from US\$5.4 million to US\$6.7 million as at 31 December 2018 was mainly due to the increase in the property, plant and equipment and club memberships.

Current assets decreased from US\$384.4 million to US\$377.4 million as at 31 December 2018 mainly due to:-

- a) decrease in trade and other debtors of US\$7.5 million due to higher collection;
- b) decrease in stock of US\$10.6 million due to lower purchase of stock; and
- c) partially offset by increase in cash and short term deposits of US\$10.6 million.

Current liabilities decreased from US\$316.0 million to US\$306.2 million as at 31 December 2018 mainly due to:-

- a) decrease in trade and other creditors of US\$10.8 million due to lower purchase of stock;
- b) decrease in contract liabilities of US\$3.6 million due to lower advance received from customers; and
- c) partially offset by increase in interest-bearing loans and borrowings of US\$6.2 million.

Overall, shareholders' equity increased from US\$73.8 million to US\$77.9 million as at 31 December 2018, mainly due to the profit for the year of US\$8.1 million and issuance of new shares of US\$0.3 million. This was partially offset by the payment of dividends of US\$4.0 million during the year and the net loss on fair value changes on equity instrument designated at FVOCI of US\$0.2 million.

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

Not applicable. No forecast or a prospect statement has been previously disclosed to shareholders.

**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.**

The Group continues to be vigilant in view of a challenging business environment due to geopolitical uncertainties, such as trade tensions, as well as rising interest rates and foreign exchange fluctuations. Notwithstanding these challenges, we believe in strengthening our value-add to our partners and investing in new innovations to put us ahead of competition. The IoT Demonstration Facility that we are building in Singapore serves as a platform to showcase our technical capabilities and solutions, alongside our suppliers' technologies.

Moving forward, we see exciting business opportunities in emerging markets such as India and Vietnam, which should contribute to our business growth.

**11. Dividend**

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

Any dividend recommended for the current financial period reported on? **Yes.**

Name of Dividend (First and Final)	Ordinary	Special
Dividend Type	Cash	Cash
Dividend Amount per Ordinary Share (in Singapore cent)	3.00 (tax exempt one-tier)	1.00 (tax exempt one-tier)
Tax Rate	Tax Exempted	Tax Exempted

**(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 and Final)	Ordinary	Special
Dividend Type	Cash	Cash
Dividend Amount per Ordinary Share (in Singapore cent)	3.00 (tax exempt one-tier)	1.50 (tax exempt one-tier)
Tax Rate	Tax Exempted	Tax Exempted

**(c) Date payable**

To be announced later.

**(d) Books closure date**

To be announced later.

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

N.A.

13. If the Group has obtained a 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.

No IPT mandate has been obtained.

The aggregate value of all interested person transactions during the financial period ended 31 December 2018 were as follows:-

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)	Description of the transaction entered into with the interested person during the financial year under review	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Albert Phuay Yong Hen	US\$107,000	Rental of premises	N.A.

**PART II – ADDITIONAL INFORMATION REQUIRED FOR ANNOUNCEMENT OF FULL YEAR RESULTS**

- 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.**

**Sales Revenue and results by Business Units**

	Hong Kong Business Unit		Singapore Business Unit		Corporate Business Unit		Adjustment and Eliminations		Total	
	FY2018	FY2017	FY2018	FY2017	FY2018	FY2017	FY2018	FY2017	FY2018	FY2017
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Revenue</b>										
External customers	627,668	625,001	628,307	521,393	–	–	–	–	1,255,975	1,146,394
Inter-segment	16,613	468	169	39,911	–	–	(16,782)	(40,379)	–	–
Total revenue	644,281	625,469	628,476	561,304	–	–	(16,782)	(40,379)	1,255,975	1,146,394
<b>Results</b>										
Interest income	17	21	4	8	1	2	–	–	22	31
Loss on disposal of property, plant and equipment	(16)	(9)	–	–	–	–	–	–	(16)	(9)
Depreciation of property, plant and equipment	(793)	(414)	(478)	(439)	–	–	–	–	(1,271)	(853)
Other non-cash expenses:-										
- Reversal of stocks written down	1,588	974	1,371	1,277	–	–	–	–	2,959	2,251
- Stocks written down/ off	(1,606)	(2,152)	(1,487)	(1,133)	–	–	–	–	(3,093)	(3,285)
- (Impairment losses)/ reversal of impairment losses on trade debtors	(63)	(480)	(346)	4	–	–	–	–	(409)	(476)
Income tax credit/ (expenses)	88	(1,114)	(234)	(874)	(147)	(137)	–	–	(293)	(2,125)
Segment profit	2,135	5,820	5,049	3,842	1,210	505	2	56	8,396	10,223
<b>Assets</b>										
Additions to non-current assets	1,579	423	860	482	–	–	–	–	2,439	905
Segment assets	231,099	222,329	149,043	164,433	3,936	3,074	–	–	384,078	389,836
Segment liabilities	(172,843)	(165,981)	(131,703)	(148,312)	(1,662)	(1,708)	–	–	(306,208)	(316,001)



- 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. (Cont'd)**

**By geographical**

	Revenue		Non-current asset	
	FY2018	FY2017	FY2018	FY2017
	US\$'000	US\$'000	US\$'000	US\$'000
Hong Kong/ PRC	952,095	904,976	2,364	1,596
South-East Asia	207,350	172,237	1,660	1,326
India	59,469	31,769	139	171
Others	37,061	37,412	–	–
	<b>1,255,975</b>	<b>1,146,394</b>	<b>4,163</b>	<b>3,093</b>

Non-current assets information presented above consist of property, plant and equipment and intangible assets.

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.**

Please refer to paragraph 8.

16. **A breakdown of sales.**

	Group FY2018	Group FY2017	Increase/ (Decrease)
	US\$'000	US\$'000	US\$'000
(a) Sales reported for first half year	635,043	536,229	98,814
(b) Profit after tax before deducting minority interests reported for first half year	3,669	2,762	907
(c) Sales reported for second half year	620,932	610,165	10,767
(d) Profit after tax before deducting minority interests reported for second half year	4,434	5,336	(902)

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

	FY2018	FY2017
	US\$'000	US\$'000
(a) Ordinary	4,028	3,376
(b) Preference	NIL	NIL
<b>Total</b>	<b>4,028</b>	<b>3,376</b>

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

<b>Name</b>	<b>Age</b>	<b>Family relationship with any director and/or substantial shareholder</b>	<b>Current position and duties, and the year the position was held</b>	<b>Details of changes in duties and position held, if any, during the year</b>
Tonny Phuay Yong Choon	49	Youngest brother of Chairman and Group Chief Executive Officer ("CEO"), Albert Phuay Yong Hen	<p>(i) Group Vice President of Sales since 2013.</p> <p>Responsible for Group's sales activities.</p> <p>(ii) Managing Director of Excelpoint Systems (Pte) Ltd, wholly-owned subsidiary of Excelpoint Technology Ltd since 2015.</p> <p>Responsible for the overall business in Excelpoint Systems (Pte) Ltd.</p> <p>(iii) Appointed Directors for:-</p> <ul style="list-style-type: none"> <li>- Excelpoint Technology Ltd</li> <li>- Excelpoint Systems (H.K.) Limited</li> <li>- Excelpoint International Trading (Shanghai) Co., Ltd</li> <li>- Excelpoint International Trading (Shenzhen) Co., Ltd</li> <li>- Excelpoint Systems (USA) Inc</li> <li>- PlanetSpark Pte Ltd</li> </ul>	<p>(i) Appointed as Director of PlanetSpark Pte Ltd</p> <p>(ii) Appointed as Director of Excelpoint Systems (USA) Inc.</p>
Phuay Yong Hua	56	Younger brother of Chairman and Group CEO, Albert Phuay Yong Hen	<p>(i) Group Senior Vice President, HR &amp; Administration since 2016.</p> <p>Responsible for the overall Group Human Resources &amp; Administrative departments.</p> <p>(ii) Appointed Directors for:-</p> <ul style="list-style-type: none"> <li>- Excelpoint Systems (H.K.) Limited</li> <li>- Excelpoint Systems (India) Pvt Ltd</li> </ul>	N.A.
Phuay Li Ying	29	Daughter of Chairman and Group CEO, Albert Phuay Yong Hen	<p>(i) Deputy Director, Corporate Development from 1 July 2018.</p> <p>Responsible for overseeing Corporate Development including the Group's branding and corporate communication strategies, as well as corporate matters.</p> <p>(ii) Appointed Director for PlanetSpark Pte Ltd.</p>	<p>(i) Promoted from Senior Manager, Corporate Development to Deputy Director, Corporate Development effective from 1 July 2018.</p> <p>(ii) Appointed as Director of PlanetSpark Pte.Ltd</p>
Ivy Chan Yuk Wah	53	Wife of Executive Director, Herbert Kwok Fei Lung	<p>(i) Vice President of Sales Administration of Excelpoint Systems (H.K.) Limited since 2012.</p> <p>Responsible for over-seeing sales and administration and logistic departments in Excelpoint Systems (H.K.) Limited.</p> <p>(ii) Appointed Director for Excelpoint Systems (H.K.) Limited.</p>	N.A

**19. Use of Placement Proceeds as at Date of this Announcement**

The Company refers to the net proceeds of approximately S\$7,825,000 raised from the placement of 15 million new ordinary shares at S\$0.525 each in the issued and paid-up share capital of the Company on 5 October 2016 (the "Net Proceeds") (as defined in the Company's announcement dated 2 September 2016).

The status on the use of the Net Proceeds is as follows:-

<b>Intended Uses</b>	<b>Approximate Amount (S\$'000)</b>	<b>Estimated Percentage Allocation of Net Proceeds</b>	<b>Amount Utilised as at Date of this Announcement (S\$'000)</b>	<b>Balance as at Date of this Announcement (S\$'000)</b>
Strategic Investments and Acquisitions	5,000	63.9%	(300)	4,700
Development of New Technology and Application	1,700	21.7%	(646)	1,054
Investments in Research and Development Expertise	1,125	14.4%	(735)	390
Total	7,825	100.0%	(1,681)	6,144

**20. Confirmation Pursuant to Rule 720(1) of the Listing Manual**

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual.

**BY ORDER OF THE BOARD**

Wong Yoen Har  
Company Secretary  
20 February 2019