

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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

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.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	GROUP		Increase/ (Decrease) %
	FY2018 S\$'000	FY2017 S\$'000	
Revenue	56,455	67,326	(16.1)
Other operating income	1,313	716	83.4
Changes in inventories of finished goods and work-in-progress	(727)	(2,223)	(67.3)
Materials and consumables used and other direct costs	(31,763)	(41,568)	(23.6)
Employee benefits expense	(15,200)	(13,673)	11.2
Depreciation and amortisation expense	(2,277)	(1,762)	29.2
Other operating expenses	(4,141)	(3,696)	12.0
Share of results of an associate	(21)	-	NM
Finance costs	(413)	(294)	40.5
Profit before tax	3,226	4,826	(33.2)
Income tax expense	(460)	(582)	(21.0)
Profit for the year	2,766	4,244	(34.8)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
- Exchange differences on translation of foreign operations	(19)	(50)	(62.0)
Other comprehensive income for the year, net of tax	(19)	(50)	(62.0)
Total comprehensive income for the year	2,747	4,194	(34.5)
Profit (Loss) attributable to:			
Owners of the Company	2,262	4,253	(46.8)
Non-controlling interests	504	(9)	NM
	2,766	4,244	(34.8)
Total comprehensive income (loss) attributable to:			
Owners of the Company	2,250	4,232	(46.9)
Non-controlling interests	497	(38)	NM
	2,747	4,194	(34.5)

NM: Not meaningful

1(a)(ii) Notes to income statement and statement of comprehensive income.

The Group's profit before tax was arrived at after crediting / (charging) the following:

	GROUP		
	FY2018 S\$'000	FY2017 S\$'000	Increase/ (Decrease) %
Allowance for doubtful debts	(481)	(128)	275.8
Bad debts written off	(5)	(43)	(88.4)
Interest income	127	30	323.3
Interest expense	(365)	(227)	60.8
Depreciation of property, plant and equipment	(1,861)	(1,762)	5.6
Amortisation of intangible asset	(416)	(70)	494.3
Intangible written off	(3)	-	NM
Gain (Loss) on disposal of property, plant and equipment	56	(1)	NM
Gain on disposal of intangible assets	18	-	NM
Property, plant and equipment written off	(1)	(22)	(95.5)
Government grants	770	323	138.4
Rental expense	(670)	(414)	61.8
Loss on fair value change on derivative financial instruments	(1)	(3)	(66.7)
Impairment for goodwill	(1)	-	NM
Allowance for inventories	(55)	(93)	(40.9)
(Loss) Gain on foreign exchange	(94)	153	NM

NM: Not meaningful

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

STATEMENT OF FINANCIAL POSITION

	GROUP			COMPANY		
	As at 31 Dec 2018 S\$'000	As at 31 Dec 2017 S\$'000 (Restated) ⁽¹⁾	As at 01 Jan 2017 S\$'000	As at 31 Dec 2018 S\$'000	As at 31 Dec 2017 S\$'000	As at 01 Jan 2017 S\$'000
ASSETS						
Current assets						
Cash and bank balances	23,958	25,592	20,770	15,310	14,864	13,775
Trade and other receivables	14,962	10,774	10,142	58	133	131
Derivative financial instruments	-	-	3	-	-	-
Inventories	10,232	11,014	13,347	-	-	-
Total current assets	49,152	47,380	44,262	15,368	14,997	13,906
Non-current assets						
Property, plant and equipment	19,703	21,166	22,217	-	-	-
Intangible assets	5,433	5,850	5	-	-	-
Investment in subsidiaries	-	-	-	3,564	3,564	2,476
Investment in joint venture	-	-	-	-	-	-
Investment in an associate	119	-	-	-	-	-
Financial asset at fair value through profit or loss	-	-	-	-	-	-
Total non-current assets	25,255	27,016	22,222	3,564	3,564	2,476
Total assets	74,407	74,396	66,484	18,932	18,561	16,382
EQUITY AND LIABILITIES						
Current liabilities						
Trade and other payables	15,317	14,725	14,154	371	258	274
Finance leases	114	211	328	-	-	-
Bank borrowings	828	982	1,093	-	-	-
Derivative financial instruments	1	1	1	-	-	-
Income tax payable	465	612	519	-	-	-
Total current liabilities	16,725	16,531	16,095	371	258	274
Non-current liabilities						
Other payables	141	1,066	31	-	-	-
Deferred tax liabilities	1,768	1,726	429	-	-	-
Finance leases	111	267	435	-	-	-
Bank borrowings	4,449	5,274	6,168	-	-	-
Total non-current liabilities	6,469	8,333	7,063	-	-	-
CAPITAL AND RESERVES						
Share capital	11,351	11,351	11,351	11,351	11,351	11,351
Accumulated profits	37,352	35,936	32,388	6,622	6,364	4,757
Reserves	753	740	352	588	588	-
Equity attributable to owners of the Company	49,456	48,027	44,091	18,561	18,303	16,108
Non-controlling interests	1,757	1,505	(765)	-	-	-
Total equity	51,213	49,532	43,326	18,561	18,303	16,108
Total equity and liabilities	74,407	74,396	66,484	18,932	18,561	16,382

(1) Restatements arose from the finalization of provisional amounts used to complete the accounting for the acquisition of subsidiaries in FY2017.

1(b)(ii) Aggregate amount of the group's borrowings and debt securities.**Amount repayable in one year or less, or on demand**

As at 31 Dec 2018		As at 31 Dec 2017		As at 1 Jan 2017	
Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
942	-	1,193	-	1,421	-

Amount repayable after one year

As at 31 Dec 2018		As at 31 Dec 2017		As at 1 Jan 2017	
Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
4,560	-	5,541	-	6,603	-

Details of any collateral

- (i) The Group's bank borrowings are secured by a corporate guarantee and the Group's land and buildings; and
- (ii) The Group's finance leases are secured by a corporate guarantee and the lessors' title to the leased assets.

- 1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF CASH FLOWS

	GROUP	
	FY2018 S\$'000	FY2017 S\$'000
Operating activities		
Profit before taxation	3,226	4,826
Adjustments for:		
Interest income	(127)	(30)
Impairment of goodwill	1	-
Intangible assets written off	3	-
Depreciation expense	1,861	1,762
Amortisation of intangible assets	416	70
Property, plant and equipment written off	1	22
Bad debts written off	5	43
Allowance for doubtful debts	481	128
(Gain) Loss on disposal of property, plant and equipment	(56)	1
Gain on disposal of intangible assets	(18)	-
Interest expense	365	227
Fair value changes on derivative financial instruments	1	3
Allowance for inventories	55	93
Share of results of an associate	21	-
Operating cash flows before movements in working capital	6,235	7,145
Inventories	719	2,331
Trade and other receivables	(4,651)	135
Trade and other payables	279	(616)
Cash flows generated from operations	2,582	8,995
Income tax paid	(564)	(1)
Net cash from operating activities	2,018	8,994
Investing activities		
Interest received	127	30
Proceeds from disposal of property, plant and equipment	261	1
Proceeds from disposal of intangible assets	34	-
Purchase of property, plant and equipment	(612)	(1,097)
Purchase of intangible assets	(17)	(6)
Investment in an associate	(140)	-
Payment of contingent consideration	(800)	-
Net cash inflow (outflow) on acquisition of subsidiaries	22	(807)
Net cash used in investing activities	(1,125)	(1,879)
Financing activities		
Dividends paid	(1,066)	(705)
Interest paid	(194)	(227)
Increase in pledged deposits	(426)	-
Repayment of bank borrowings	(983)	(1,028)
Repayment of finance leases	(289)	(331)
Net cash used in financing activities	(2,958)	(2,291)
Net (decrease) increase in cash and cash equivalents	(2,065)	4,824
Cash and cash equivalents at beginning of year	25,392	20,570
Effect of foreign exchange rate changes	5	(2)
Cash and cash equivalents at end of year	23,332 ⁽¹⁾	25,392 ⁽¹⁾

(1) Excludes pledged fixed deposits of S\$0.6 million (FY2017: S\$0.2 million).

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.

Group	Share capital S\$'000	Accumulated profits S\$'000	Reserves⁽¹⁾ S\$'000	Equity attributable to owners of the Company S\$'000	Non- controlling interests S\$'000	Total S\$'000
Balance as at January 1, 2018 (Restated)	11,351	35,936	740	48,027	1,505	49,532
Transactions with owners, recognised directly in equity:						
Effects of acquiring part of non-controlling interest in subsidiaries company	-	-	25	25	(25)	-
Dividends paid to owners of the company	-	(846)	-	(846)	-	(846)
Dividends paid to non-controlling interests	-	-	-	-	(220)	(220)
Total	-	(846)	25	(821)	(245)	(1,066)
Total comprehensive income for the year:						
Profit for the year	-	2,262	-	2,262	504	2,766
Other comprehensive income for the year	-	-	(12)	(12)	(7)	(19)
Total	-	2,262	(12)	2,250	497	2,747
Balance as at December 31, 2018	11,351	37,352	753	49,456	1,757	51,213
Balance as at January 1, 2017	11,351	32,388	352	44,091	(765)	43,326
Transactions with owners, recognised directly in equity:						
Contribution by non-controlling interests	-	-	-	-	110	110
Non-controlling interest arising from acquisition of subsidiaries (Restated)	-	-	-	-	2,198	2,198
Effects of acquiring part of non-controlling interest in subsidiaries	-	-	409	409	-	409
Dividends paid to owners of the company	-	(705)	-	(705)	-	(705)
Total	-	(705)	409	(296)	2,308	2,012
Total comprehensive income for the year:						
Profit (Loss) for the year	-	4,253	-	4,253	(9)	4,244
Other comprehensive income for the year	-	-	(21)	(21)	(29)	(50)
Total	-	4,253	(21)	4,232	(38)	4,194
Balance as at December 31, 2017 (Restated)	11,351	35,936	740	48,027	1,505	49,532

(1) Comprises foreign currency translation reserve and capital reserve.

Company	Share capital S\$'000	Accumulated profits S\$'000	Capital reserves S\$'000	Total S\$'000
Balance as at January 1, 2018	11,351	6,364	588	18,303
Dividends paid	-	(846)	-	(846)
Profit for the year, representing total comprehensive income for the year	-	1,104	-	1,104
Balance as at December 31, 2018	11,351	6,622	588	18,561
Balance as at January 1, 2017	11,351	4,757	-	16,108
Dividend paid	-	(705)	-	(705)
Deemed interest	-	-	588	588
Profit for the year, representing total comprehensive income for the year	-	2,312	-	2,312
Balance as at December 31, 2017	11,351	6,364	588	18,303

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 corresponding period immediately preceding financial year.

	Number of shares	Issued and paid-up share capital S\$
Balance as at 30 June 2018 and 31 December 2018	235,000,000	11,350,674

There were no outstanding options, convertibles or treasury shares held by the Company or subsidiary holdings as at 31 December 2018 and 31 December 2017.

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.

	As at 31 Dec 2018	As at 31 Dec 2017
Total number of issued shares	235,000,000	235,000,000

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 treasury shares.

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.

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 auditors of the Company.

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

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation in the Group's financial statement for the financial year ended 31 December 2018 ("FY2018") as those applied in its most recently audited financial statements for the financial year ended 31 December 2017 ("FY2017").

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 and the Company adopted the new financial reporting framework – Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) for the first time for financial year ended 31 December 2018. SFRS(I) is identical to the International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board (IASB).

As a first-time adopter of SFRS(I), the Group and the Company have applied retrospectively, accounting policies based on each SFRS(I) effective as at end of the first SFRS(I) reporting period 31 December 2018. In the first set of SFRS(I) financial statements for the financial year ended 31 December 2018, an additional opening statement of financial position as at date of transition (1 January 2017) is presented.

There is no change to the Group’s and the Company’s previous accounting policies under FRS or material adjustments on the initial transition to the new framework, other than those arising from the application of SFRS(I) 9 and SFRS(I) 15 which are effective at the same time.

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	
	FY2018	FY2017
Profit attributable to owners of the Company (S\$’000)	2,262	4,253
Number of shares (’000)	235,000	235,000
Basic and diluted earnings per share (cents)	0.96	1.81

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	
	As at 31 Dec 2018	As at 31 Dec 2017	As at 31 Dec 2018	As at 31 Dec 2017
Net asset value (S\$’000)	49,456	48,027	18,561	18,303
Number of shares (’000)	235,000	235,000	235,000	235,000
Net asset value per share (cents)	21.05	20.44	7.90	7.79

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.**

REVIEW OF INCOME STATEMENT

Revenue decreased by S\$10.9 million or 16.1% from S\$67.3 million in FY2017 to S\$56.4 million in FY2018. This was mainly attributable to a decrease in revenue from the Engineering segment of S\$17.2 million and partially offset by an increase in revenue from the Training segment of S\$6.3 million. The Engineering segment comprises Equipment Sales, Repairs and Servicing and Projects. The decline in revenue from the Engineering segment was due to a challenging business environment and increased competition from new market entrants. The increase in revenue from the Training segment was due to an increase in the number of WDA approved programs being secured and full year revenue contribution from Ascendo International Holdings Pte Ltd and its subsidiaries ("**Ascendo**").

Other operating income increased by S\$0.6 million or 83.4% from S\$0.7 million in FY2017 to S\$1.3 million in FY2018 mainly due to increase in government grants and fixed deposit income.

Changes in inventories of finished goods and work-in-progress, as well as materials and consumables used and other direct costs, decreased by S\$11.3 million or 25.8% from S\$43.8 million in FY2017 to S\$32.5 million in FY2018 mainly due to a decrease in purchases of equipment in line with the decrease in revenue from Equipment Sales.

Employee benefits expense increased by S\$1.5 million or 11.2% from S\$13.7 million in FY2017 to S\$15.2 million in FY2018 mainly due to full year headcount cost from Ascendo.

Depreciation and amortisation expense increased by S\$0.5 million or 29.2% from S\$1.8 million in FY2017 to S\$2.3 million in FY2018 mainly due to increase in amortisation of intangible assets of our newly acquired 60%-owned subsidiary, Ascendo.

Other operating expenses increased by S\$0.4 million or 12.0% from S\$3.7 million in FY2017 to S\$4.1 million in FY2018 mainly due to (a) an increase in rental expense due to new rental spaces for industrial training purposes, (b) an increase in allowance of doubtful debts, and (c) a decrease in legal and professional fees due to absence of one-off due diligence expenses.

Finance costs increased by S\$0.1 million or 40.5% from S\$0.3 million in FY2017 to S\$0.4 million in FY2018 mainly due to implied interest on contingent consideration payable for the acquisition of Ascendo.

As a result of the foregoing, profit after tax decreased by S\$1.4 million or 34.8% from S\$4.2 million in FY2017 to S\$2.8 million in FY2018.

REVIEW OF FINANCIAL POSITION

The Group's current assets increased by S\$1.8 million or 3.7% from S\$47.4 million as at 31 December 2017 to S\$49.2 million as at 31 December 2018, mainly due to an increase in trade and other receivables of S\$4.2 million and partially offset by a decrease in cash and bank balances of S\$1.6 million and a decrease in inventories of S\$0.8 million. The increase in trade and other receivables was due to the acquisition of Ascendo while the decrease in inventories was due to lesser procurement of equipment which was in line with the decrease in revenue.

The Group's non-current assets decreased by S\$1.8 million or 6.5% from S\$27.0 million as at 31 December 2017 to S\$25.2 million as at 31 December 2018, mainly due to a decrease in intangible assets of S\$0.4 million, a decrease in property, plant and equipment of S\$1.5 million, and partially offset by the increase in investment in an associate of S\$0.1 million. The decrease in intangible assets and property, plant and equipment was due to amortisation and depreciation during the period.

The Group's current liabilities increased by S\$0.2 million or 1.2% from S\$16.5 million as at 31 December 2017 to S\$16.7 million as at 31 December 2018, mainly due to an increase in trade and other payables of S\$0.6 million, partially offset by a decrease in income tax payable of S\$0.1 million and a decrease in bank borrowings and finance leases of S\$0.3 million.

The Group's non-current liabilities decreased by S\$1.8 million or 22.4% from S\$8.3 million as at 31 December 2017 to S\$6.5 million as at 31 December 2018, mainly due to repayment of bank borrowings and finance leases of S\$1.0 million and a decrease in other payables of S\$0.9 million due to reclassification of a non-current contingent consideration payable for the acquisition of Ascendo to current contingent consideration payable.

REVIEW OF CASH FLOWS

In FY2018, the Group generated net cash from operating activities before changes in working capital of S\$6.2 million. Net cash used in working capital amounted to S\$3.6 million mainly due to an increase in trade and other receivables of S\$4.6 million, and partially offset by a decrease in inventories of S\$0.7 million and an increase in trade and other payables of S\$0.3 million. We also paid income tax of S\$0.6 million. As a result, net cash generated from operating activities amounted to S\$2.0 million.

Net cash used in investing activities amounted to S\$1.1 million in FY2018, mainly due to purchase of property, plant and equipment of S\$0.6 million, contingent consideration paid of S\$0.8 million, an investment in an associate of S\$0.1 million, partially offset by proceeds from disposal of property, plant and equipment of S\$0.3 million and interest income of S\$0.1 million.

Net cash used in financing activities amounted to S\$3.0 million in FY2018, mainly due to payment of dividends of S\$1.1 million, repayment of bank borrowings and finance leases of S\$1.3 million, increase in pledged deposits of S\$0.4 million and interest paid of S\$0.2 million.

As a result of the above, the Group's cash and cash equivalents decreased by S\$2.1 million to S\$23.3 million in FY2018.

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 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 IMF had revised downwards its 2019 global growth and the ASEAN economies are expected to grow at a slower pace. Global uncertainties and risks arising from US trade conflicts, economic slowdown in China and a chaotic “no-deal” Brexit are major global events which could have an adverse impact on an open economy like Singapore should these risks materialise. According to the press release dated 15 February 2019 by Singapore Ministry of Trade and Industry (“**MTI**”), it projected a likely further slowdown in the growth of the Singapore economy should any of the above-mentioned risks materialise. Notwithstanding the slowdown, MTI expects the education segment to remain robust and the construction sector to enjoy a turnaround “after three consecutive years of contraction, as the pickup in contracts awarded since the second half of 2017 (and 2018) should translate into construction activities” for 2019 and beyond.

In 2019, the Group will continue to explore and evaluate the introduction of other products into the markets we serve including incorporating SMART technology and Internet of Things into some of our products and solutions. In addition, the Group intends to consolidate its training, education, human capital and consultancy business entities under 1Summit Global Pte. Ltd. (“**1SG**”). This is the culmination of the Group’s successful diversification strategy into the training and education business. With this realignment, 1SG hopes to work more closely with industry partners to realise the synergies both in Singapore and the region. In this regard, the Group will continue to look for and create value adding collaborations and partnerships whenever the opportunities arise.

Based on the above, Group expects the contraction of its engineering segment to moderate and its training segment to continue growing in 2019.

Whilst the Group anticipates 2019 to be a challenging year and barring unforeseen circumstances, the Board is cautiously optimistic and upbeat about the Group’s prospects by adopting a sustainable business diversification and optimal capital structure approach. The Group will continue to invest in upgrading its human capital, enhance existing capabilities, as well as actively seek synergistic alliances. With this, the Board endeavours to deliver sustainable long term value to its shareholders, employees, partners and other stakeholders.

11. Dividend

(a) Whether an interim (final) ordinary dividend has been declared (recommended)

Yes

(b) (i) Amount per share

Name of dividend	Final
Dividend type	Cash
Dividend amount per share (cents)	0.38
Tax rate	Tax exempt (one-tier)

Name of dividend	Special
Dividend type	Cash
Dividend amount per share (cents)	0.13
Tax rate	Tax exempt (one-tier)

The final and special dividend are subject to shareholders’ approval at the forthcoming annual general meeting of the Company (“**AGM**”).

(ii) Previous corresponding period

Name of dividend	Final
Dividend type	Cash
Dividend amount per share (cents)	0.36
Tax rate	Tax exempt (one-tier)

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Tax exempt (one-tier)

(d) Date payable

Subject to shareholders' approval at the AGM, the date payable is to be advised.

(e) Books closure date

Subject to shareholders' approval at the AGM, the books closure date is to be advised.

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

Not applicable.

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.

The Group has not obtained a general mandate from shareholders for interested person transactions. There was no interested person transaction of S\$100,000 or more for FY2018.

14. Negative confirmation by the Board pursuant to Rule 705(5)

Not required for announcement on full year results.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company has procured the undertakings from all its directors and executive officers as required under Rule 720(1) of the Catalist Rules.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

16. **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 for the immediately preceding year.**

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segment⁽¹⁾:

	Group			
	Revenue		Profit before income tax	
	FY2018 S\$'000	FY2017 S\$'000	FY2018 S\$'000	FY2017 S\$'000
Engineering	46,411	63,593	1,094	4,892
Training	10,044	3,733	2,473	553
	<u>56,455</u>	<u>67,326</u>	<u>3,567</u>	<u>5,445</u>
Employee benefits expense			-	(294)
Other operating expenses			(34)	(61)
Interest income			127	30
Share of results of an associate			(21)	-
Finance costs			(413)	(294)
Profit before income tax			<u>3,226</u>	<u>4,826</u>
Income tax expense			(460)	(582)
Profit after income tax			<u><u>2,766</u></u>	<u><u>4,244</u></u>

Segment assets

	Group	
	FY2018 S\$'000	FY2017 S\$'000
Engineering	47,690	49,708
Training	11,523	9,302
Total segment assets	<u>59,213</u>	<u>59,010</u>
Unallocated assets	15,194	15,386
Consolidated total assets	<u><u>74,407</u></u>	<u><u>74,396</u></u>

Liabilities are not allocated as they are not monitored by the chief operating decision makers for the purposes of resource allocation and assessment of segment performance.

Other segment information

	Group			
	Depreciation and amortisation		Additions to non- current assets	
	FY2018 S\$'000	FY2017 S\$'000	FY2018 S\$'000	FY2017 S\$'000
Engineering	1,630	1,666	191	242
Training	647	166	454	6,368
Total	<u>2,277</u>	<u>1,832</u>	<u>645</u>	<u>6,610</u>

- (1) In prior years, segment information reported was analysed based on the types of goods and services supplied (i.e., equipment sales, repairs and servicing, projects and training). As the Training segment expands and had grown to become a substantial part of the Group's business in 2019, the Group had decided to revise its segmental presentation to engineering and training segments to be more reflective of the basis upon which resources are allocated. This is also consistent with the Group's intention to group all its training and training-related businesses under 1SG. Accordingly, comparative figures have been adjusted to conform to the current year's reporting segments.

17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Please refer to paragraph 8.

18. A breakdown of sales

	Group		
	FY2018	FY2017	Increase/ (Decrease)
	S\$'000	S\$'000	%
Sales reported for:			
(a) First half of the financial year	24,318	28,057	(13.3)
(b) Second half of the financial year	32,137	39,269	(18.2)
Profit attributed to owners of the Company reported for:			
(a) First half of the financial year	931	712	30.8
(b) Second half of the financial year	1,331	3,541	(62.4)

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

	FY2018 S\$	FY2017 S\$
Ordinary		
- Final	893,000	846,000
- Special	305,500	-
Total	1,198,500	846,000

The final and special dividend are subject to shareholders' approval at the AGM.

20. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Lew Siew Choo	48	Sister of Liew Chern Yean and Eric Lew	Year 2014: Director (Supply Chain Management and Information Technology). Oversees the Group's supply chain operations and also oversees the Group's administrative and information technology functions.	No change
Jean Liew	60	Sister of James Liew	Year 1994: Finance Manager. Oversees the import and export logistics documentation, corporate secretarial matters of the Group as well as liaison with banks.	No change
Liu Shanni	35	Son of James Liew	Year 2017: Senior Sales Operations Manager. Oversees the sales and operations management, information technology function as well as oversees Myanmar operations.	No change
Ng Chin Yee	65	Father-in-law of Eric Lew	Year 2006: Operations Manager. Oversees the workshop operations efficiency and infrastructure maintenance.	No change
Wong Kong Chong	55	Son of Liew Khuen Choy	Year 2003: Operations Manager. Oversees the production planning and management functions as well as housekeeping activities at Tuas site.	No change
Wong Kong San	56	Son of Liew Khuen Choy	Year 2013: Senior Engineering Manager. Oversees the sourcing and management of subcontracting projects in China as well as oversees design and development function.	No change

BY ORDER OF THE BOARD

James Liew
Deputy Chairman and Managing Director

Eric Lew
Executive Director

28 February 2019

*This announcement has been prepared by Wong Fong Industries Limited (“**Company**”) and its contents have been reviewed by the Company’s sponsor, United Overseas Bank Limited (“**Sponsor**”), 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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