



UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

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) %
	FY2019 S\$'000	FY2018 S\$'000	
Revenue	54,537	56,455	(3.4)
Other operating income	663	1,313	(49.5)
Changes in inventories of finished goods and work-in-progress	749	(727)	NM
Materials and consumables used and other direct costs	(30,347)	(31,763)	(4.5)
Employee benefits expense	(15,141)	(15,200)	(0.4)
Depreciation and amortisation expense	(3,022)	(2,277)	32.7
Other operating expenses	(4,015)	(4,141)	(3.0)
Share of results of an associate	(62)	(21)	NM
Finance costs	(521)	(413)	26.2
Profit before tax	2,841	3,226	(11.9)
Income tax expense	(548)	(460)	19.1
Profit for the year	2,293	2,766	(17.1)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
- Exchange differences on translation of foreign operations	(6)	(19)	(68.4)
Other comprehensive loss for the year, net of tax	(6)	(19)	(68.4)
Total comprehensive income for the year	2,287	2,747	(16.7)
Profit attributable to:			
Owners of the Company	2,267	2,262	0.2
Non-controlling interests	26	504	(94.8)
	2,293	2,766	(17.1)
Total comprehensive income attributable to:			
Owners of the Company	2,259	2,250	0.4
Non-controlling interests	28	497	(94.4)
	2,287	2,747	(16.7)

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		
	FY2019 S\$'000	FY2018 S\$'000	Increase/ (Decrease) %
<u>Material items included in other income:</u>			
Gain on disposal of property, plant and equipment	23	56	(58.9)
Gain on disposal of intangible assets	-	18	NM
Government grants	319	770	(58.6)
Interest income	173	127	36.2
Other income	46	257	(82.1)
<u>Material items included in other operating expenses:</u>			
Allowance for doubtful debts and bad debts written off – trade and non-trade	(352)	(486)	(27.6)
Allowance for inventories and inventories written off	(222)	(55)	NM
Impairment of goodwill	-	(1)	NM
Depreciation of property, plant and equipment	(1,799)	(1,861)	(3.3)
Depreciation of right-of-use assets	(806)	-	NM
Amortisation of intangible assets	(417)	(416)	0.2
Property, plant and equipment written off	(34)	(1)	NM
Intangible assets written off	-	(3)	NM
Interest expense	(467)	(365)	27.9
Rental expense	(242)	(675)	(64.1)
Loss on foreign exchange – net	(114)	(94)	21.3
Fair value changes on derivative financial instruments	(4)	(1)	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 2019 S\$'000	As at 31 Dec 2018 S\$'000	As at 31 Dec 2019 S\$'000	As at 31 Dec 2018 S\$'000
ASSETS				
Current assets				
Cash and bank balances	25,178	23,958	12,818	15,310
Trade and other receivables	13,620	14,962	548	58
Inventories	10,906	10,232	-	-
Total current assets	49,704	49,152	13,366	15,368
Non-current assets				
Property, plant and equipment	19,129	19,703	3	-
Right-of-use assets ⁽¹⁾	7,687	-	-	-
Intangible assets	5,147	5,433	-	-
Investment in subsidiaries	-	-	3,564	3,564
Investment in an associate ⁽²⁾	57	119	-	-
Investment in joint venture ⁽²⁾	-	-	-	-
Financial asset at fair value through profit or loss	-	-	-	-
Total non-current assets	32,020	25,255	3,567	3,564
Total assets	81,724	74,407	16,933	18,932
EQUITY AND LIABILITIES				
Current liabilities				
Trade and other payables	14,463	15,317	314	371
Lease liabilities ⁽¹⁾	1,181	114	-	-
Bank borrowings	830	828	-	-
Derivative financial instruments	5	1	-	-
Income tax payable	698	465	-	-
Total current liabilities	17,177	16,725	314	371
Non-current liabilities				
Other payables	131	141	-	-
Deferred tax liabilities	1,689	1,768	-	-
Lease liabilities ⁽¹⁾	6,716	111	-	-
Bank borrowings	3,618	4,449	-	-
Total non-current liabilities	12,154	6,469	-	-
CAPITAL AND RESERVES				
Share capital	11,351	11,351	11,351	11,351
Accumulated profits	38,420	37,352	4,680	6,622
Reserves	745	753	588	588
Equity attributable to owners of the Company	50,516	49,456	16,619	18,561
Non-controlling interests	1,877	1,757	-	-
Total equity	52,393	51,213	16,619	18,561
Total equity and liabilities	81,724	74,407	16,933	18,932

(1) The Group adopted SFRS(I)16 *Leases* with effect from January 1, 2019. The effects of changes in accounting standard are disclosed in item 5 page 9.

(2) Cost of investment is reduced by share of post-acquisition loss, net of dividends received.

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 2019		As at 31 Dec 2018	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
2,011	-	942	-

Amount repayable after one year

As at 31 Dec 2019		As at 31 Dec 2018	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
10,334	-	4,560	-

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	
	FY2019 S\$'000	FY2018 S\$'000
Operating activities		
Profit before taxation	2,841	3,226
Adjustments for:		
Interest income	(173)	(127)
Impairment of goodwill	-	1
Depreciation of property, plant and equipment	1,799	1,861
Depreciation of right-of-use assets	806	-
Intangible assets written off	-	3
Amortisation of intangible assets	417	416
Property, plant and equipment written off	34	1
Allowance for doubtful debts and bad debts written off	352	486
Gain on disposal of property, plant and equipment	(23)	(56)
Gain on disposal of intangible assets	-	(18)
Interest expense	467	365
Fair value changes on derivative financial instruments	4	1
Allowance for inventories and inventories written off	222	55
Share of results of an associate	62	21
Operating cash flows before movements in working capital	6,808	6,235
Inventories	(893)	719
Trade and other receivables	1,563	(4,651)
Trade and other payables	(1,376)	279
Cash flows generated from operations	6,102	2,582
Income tax paid	(394)	(564)
Net cash from operating activities	5,708	2,018
Investing activities		
Interest received	173	127
Proceeds from disposal of property, plant and equipment	47	261
Proceeds from disposal of intangible assets	-	34
Purchase of property, plant and equipment	(1,201)	(612)
Purchase of intangible assets	-	(17)
Investment in an associate	-	(140)
Payment of contingent consideration	(800)	(800)
Net cash inflow on acquisition of subsidiaries	511	22
Net cash used in investing activities	(1,270)	(1,125)
Financing activities		
Contribution by non-controlling interest	55	-
Dividends paid	(1,199)	(1,066)
Interest paid	(412)	(194)
Increase in pledged fixed deposits	(13)	(426)
Repayment of lease liabilities	(821)	(289)
Repayment of bank borrowings	(827)	(983)
Net cash used in financing activities	(3,217)	(2,958)
Net increase (decrease) in cash and cash equivalents	1,221	(2,065)
Cash and cash equivalents at beginning of year	23,332	25,392
Effect of foreign exchange rate changes	(14)	5
Cash and cash equivalents at end of year	24,539 ⁽¹⁾	23,332 ⁽¹⁾

⁽¹⁾ Excludes pledged fixed deposits of S\$0.6 million (FY2018: S\$0.6 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, 2019	11,351	37,352	753	49,456	1,757	51,213
Transactions with owners, recognised directly in equity:						
Dividends paid to owners of the company	-	(1,199)	-	(1,199)	-	(1,199)
Contribution by non-controlling interests	-	-	-	-	55	55
Non-controlling interest arising from acquisition of subsidiaries	-	-	-	-	37	37
Total	-	(1,199)	-	(1,199)	92	(1,107)
Total comprehensive income for the year:						
Profit for the year	-	2,267	-	2,267	26	2,293
Other comprehensive (loss) income for the year	-	-	(8)	(8)	2	(6)
Total	-	2,267	(8)	2,259	28	2,287
Balance as at December 31, 2019	11,351	38,420	745	50,516	1,877	52,393
Balance as at January 1, 2018	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	-	-	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 loss 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

⁽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, 2019	11,351	6,622	588	18,561
Dividends paid	-	(1,199)	-	(1,199)
Loss for the year, representing total comprehensive income for the year	-	(743)	-	(743)
Balance as at December 31, 2019	11,351	4,680	588	16,619
Balance as at January 1, 2018	11,351	6,364	588	18,303
Dividend 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

- 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 2019 and 31 December 2019	235,000,000	11,350,674

There are no outstanding options, convertibles or treasury shares held by the Company or subsidiary holdings as at 31 December 2019 and 31 December 2018.

- 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 2019	As at 31 Dec 2018
Total number of issued shares excluding treasury 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.

- 3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: —**

- (a) Updates on the efforts taken to resolve each outstanding audit issue.**

The latest financial statements are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

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 current reporting period as those applied in its most recently audited financial statements for the financial year ended 31 December 2018 ("FY2018").

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 SFRS(I) 16 *Leases* that is effective for annual periods beginning on or after January 1, 2019. The Group and the Company adopted the simplified transition approach and the comparative amount for the year prior to first adoption was not restated. All right-of-use assets are measured at the amount equal to the lease liability (adjusted for any prepaid or accrued lease payments) at the date of initial application. Under SFRS(I) 16, qualifying lease payments were no longer taken to other operating expenses but capitalized to the statement of financial position as right-of-use assets and depreciated over the term of the lease. Cash paid for the interest portion of lease liability is presented as part of financing activities, in accordance with the Group's and the Company's accounting policy.

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	
	FY2019	FY2018
Profit attributable to owners of the Company (S\$'000)	2,267	2,262
Number of shares ('000)	235,000	235,000
Basic and diluted earnings per share (cents)	0.96	0.96

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 2019	As at 31 Dec 2018	As at 31 Dec 2019	As at 31 Dec 2018
Net asset value (S\$'000)	50,516	49,456	16,619	18,561
Number of shares ('000)	235,000	235,000	235,000	235,000
Net asset value per share (cents)	21.50	21.05	7.07	7.90

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\$1.9 million or 3.4% from S\$56.4 million in FY2018 to S\$54.5 million in FY2019. This was mainly attributable to a decrease in revenue from the Engineering business of S\$5.4 million, partially offset by the increase in revenue from the Training business of S\$3.5 million. The Engineering segment comprises Equipment Sales, Repairs and Servicing and Projects. The increase in revenue from the Training business was due to increased student in-take for the courses under its curriculum. The decline in revenue from the Engineering business was mainly due to deferred deliveries and increased competition from new market entrants.

Other operating income decreased by S\$0.7 million or 49.5% from S\$1.3 million in FY2018 to S\$0.6 million in FY2019 mainly due to decrease in government grants and non-recurring income from insurance claim.

Changes in inventories of finished goods and work-in-progress, as well as materials and consumables used and other direct costs, decreased by S\$2.9 million or 8.9% from S\$32.5 million in FY2018 to S\$29.6 million in FY2019 mainly due to a decrease in purchases of equipment in line with the decrease in revenue from Equipment Sales.

Employee benefits expense remained comparable to prior year with a marginal decrease of S\$0.1 million or 0.4% from S\$15.2 million in FY2018 to S\$15.1 million in FY2019.

Depreciation and amortisation expense increased by S\$0.7 million or 32.7% from S\$2.3 million in FY2018 to S\$3.0 million in FY2019 mainly due to additional depreciation charge on right-of-use ("ROU") assets of S\$0.8 million as a result of the adoption of SFRS(I) 16 *Leases*.

Other operating expenses remained comparable to prior year with a marginal decrease of S\$0.1 million or 3.0% from S\$4.1 million in FY2018 to S\$4.0 million in FY2019.

Finance costs increased by S\$0.1 million or 26.2% from S\$0.4 million in FY2018 to S\$0.5 million in FY2019 mainly due to interest expense on lease liabilities of S\$0.2 million arising from the adoption of SFRS(I) 16 *Leases* and offset by a decrease in imputed interest of contingent consideration payable to the founders for the acquisition of Ascendo of S\$0.1 million.

Share of results of an associate of S\$0.06 million represented our share of loss in an associated company.

As a result of the foregoing, profit after tax decreased by S\$0.5 million or 17.1% from S\$2.8 million in FY2018 to S\$2.3 million in FY2019.

REVIEW OF FINANCIAL POSITION

The Group's current assets increased by S\$0.5 million or 1.1% from S\$49.2 million as at 31 December 2018 to S\$49.7 million as at 31 December 2019, mainly due to an increase in cash and bank balances of S\$1.2 million and an increase in inventories of S\$0.7 million and partially offset by a decrease in trade and other receivables of S\$1.4 million.

The Group's non-current assets increased by S\$6.8 million or 26.8% from S\$25.2 million as at 31 December 2018 to S\$32.0 million as at 31 December 2019, mainly due to right-of-use assets of S\$7.7 million arising from the adoption of SFRS(I) 16 *Leases* and partially offset by a decrease in property, plant and equipment of S\$0.6 million and a decrease in intangible asset of S\$0.3 million. The decrease in intangible asset and property, plant and equipment were due to amortisation and depreciation during the period. Properties are stated at historical cost less accumulated depreciation.

The Group's current liabilities increased by S\$0.5 million or 2.7% from S\$16.7 million as at 31 December 2018 to S\$17.2 million as at 31 December 2019, mainly due to an increase in lease liabilities of S\$1.1 million and increase in income tax payable of S\$0.2 million, and partially offset by a decrease in trade and other payables of S\$0.8 million.

The Group's non-current liabilities increased by S\$5.7 million or 87.9% from S\$6.5 million as at 31 December 2018 to S\$12.2 million as at 31 December 2019, mainly due to an increase in lease liabilities of S\$6.6 million arising from the adoption of SFRS(I) 16 *Leases* and partially offset by repayment of bank borrowings of S\$0.8 million and a decrease in deferred tax liabilities of S\$0.1 million.

REVIEW OF CASH FLOWS

In FY2019, the Group generated net cash from operating activities before changes in working capital of S\$6.8 million. Net cash used in working capital amounted to S\$0.7 million mainly due to a decrease in trade and other receivables of S\$1.6 million, and partially offset by an increase in inventories of S\$0.9 million and a decrease in trade and other payables of S\$1.4 million. We also paid income tax of S\$0.4 million. As a result, net cash generated from operating activities amounted to S\$5.7 million.

Net cash used in investing activities amounted to S\$1.3 million in FY2019, mainly due to purchase of property, plant and equipment of S\$1.2 million, contingent consideration paid of S\$0.8 million, and offset by net cash inflow on acquisition of subsidiaries of S\$0.5 million and interest received of S\$0.2 million.

Net cash used in financing activities amounted to S\$3.2 million in FY2019, mainly due to payment of dividends of S\$1.2 million, repayment of bank borrowings and lease liabilities of S\$1.6 million, and interest paid of S\$0.4 million.

As a result of the above, the Group's cash and cash equivalents increased by S\$1.2 million to S\$24.5 million in FY2019.

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.

Given the possibility of Singapore slipping into a recession in 2020 arising from global uncertainties and the unfolding COVID-19 epidemic, we expect the next 12 months to be more challenging and uncertain.

Accordingly, we anticipate a decrease in demand for new equipment, engineering and repair services.

For the next 12 months, we foresee that the Training business will continue to expand in all its key business segments. With the recent acquisitions of Educare Human Capital Pte. Ltd. and Educare International Consultancy Pte. Ltd., the Training business will further enhance its human capital management and consultancy business networks. Coupled with the increased course offerings, we anticipate the Training business to continue being a key profit contributor to the Group.

Barring unforeseen circumstances, the Group's overall business should remain profitable. Notwithstanding, the Group will continue to closely monitor and streamline its operations whilst actively investing in strategic alliances and most importantly, its own employees and potential future leaders.

In spite of the above, the Company is proposing a 36.8% increase in final dividend to 0.52 cents per share. If we include the special dividend of 0.13 cents per share paid in FY2018, the proposed increase in total one-tier dividend for FY2019 compared to FY2018 will be about 2.0%.

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)	0.52
Tax rate	Tax exempt (one-tier)

The final dividend is 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)	0.38
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)

(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) The date on which Registrable Transfers receive by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

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 FY2019.

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:

	Group			
	Revenue		Profit before income tax	
	FY2019 S\$'000	FY2018 S\$'000	FY2019 S\$'000	FY2018 S\$'000
Engineering	41,033	46,411	1,339	1,094
Training	13,504	10,044	1,919	2,473
	<u>54,537</u>	<u>56,455</u>	<u>3,258</u>	<u>3,567</u>
Other operating expenses			(7)	(34)
Interest income			173	127
Share of results of an associate			(62)	(21)
Finance costs			(521)	(413)
Profit before income tax			<u>2,841</u>	<u>3,226</u>
Income tax expense			(548)	(460)
Profit after income tax			<u>2,293</u>	<u>2,766</u>

Segment assets

	Group	
	FY2019 S\$'000	FY2018 S\$'000
Engineering	51,349	47,690
Training	17,247	11,523
Total segment assets	<u>68,596</u>	<u>59,213</u>
Unallocated assets	13,128	15,194
Consolidated total assets	<u>81,724</u>	<u>74,407</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	
	FY2019 S\$'000	FY2018 S\$'000	FY2019 S\$'000	FY2018 S\$'000
Engineering	1,638	1,630	617	191
Training	1,384	647	4,684	454
Total	<u>3,022</u>	<u>2,277</u>	<u>5,301</u>	<u>645</u>

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		
	FY2019	FY2018	Increase/ (Decrease)
	S\$'000	S\$'000	%
Sales reported for:			
(a) First half of the financial year	24,774	24,318	1.9
(b) Second half of the financial year	29,763	32,137	(7.4)
Profit attributed to owners of the Company reported for:			
(a) First half of the financial year	1,620	1,051	54.1
(b) Second half of the financial year	647	1,211	(46.6)

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:

	FY2019	FY2018
	S\$	S\$
Ordinary		
- Final	1,222,000	893,000
- Special	-	305,500
Total	1,222,000	1,198,500

The final 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	49	Sister of Liew Chern Yean and Eric Lew	Year 2019: Director of Group Supply Chain and Operations and Human Resource. Oversees the Group's supply chain and operations and also oversees the Group's human resource functions.	Promoted from Director (Supply Chain Management and Information Technology) to Director of Group Supply Chain and Operations and Human Resource.
Jean Liew	61	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	36	Son of James Liew	Year 2019: Director of Group Business Development and Information Technology. Oversees the business development and information technology function.	Promoted from Senior Sales Operations Manager to Director of Group Business Development and Information Technology.
Ng Chin Yee	66	Father-in-law of Eric Lew	Year 2006: Operations Manager. Oversees the workshop operations efficiency and infrastructure maintenance.	No change
Wong Kong Chong	56	Son of Liew Khuen Choy	Year 2003: Operations Manager. Oversees the production planning and management functions as well as housekeeping activities at 16 Tuas Avenue 6 site.	No change
Wong Kong San	57	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

Pao Kiew Tee
Independent Chairman

James Liew
Co-Founder and Group Chief Executive Officer

26 February 2020

This announcement has been prepared by Wong Fong Industries Limited (the "Company") and has been reviewed by the Company's sponsor, United Overseas Bank Limited (the "Sponsor"), for compliance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst. This announcement has not been examined or approved by the SGX-ST. 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.

The contact person for the Sponsor is Mr Chia Beng Kwan, Senior Director, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, telephone: +65 6533 9898.