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**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR  
THE FULL YEAR ENDED 31 DECEMBER (“FY”) 2020**

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This announcement has been reviewed by the Company’s sponsor, SAC Capital Private Limited (the “**Sponsor**”). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (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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**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS**

- 1(a)(i) A consolidated statement of profit or loss and a consolidated statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**Consolidated Statement of Profit or Loss**

	<b>Group</b>		
	<b><u>FY2020</u></b> <b><u>(Unaudited)</u></b> <b>S\$'000</b>	<b><u>FY2019</u></b> <b><u>(Audited)</u></b> <b>S\$'000</b>	<b><u>Change</u></b>
<b>Revenue</b>	33,427	31,139	7.3%
Cost of sales	(28,697)	(25,318)	13.3%
<b>Gross profit</b>	4,730	5,821	(18.7%)
Other income and gains	1,307	894	46.2%
Distribution costs	(284)	(337)	(15.7%)
Administrative expenses	(4,395)	(4,586)	(4.2%)
Finance costs	(534)	(785)	(32.0%)
Other losses	(239)	(119)	>100.0%
<b>Profit before tax from continuing operations</b>	585	888	(34.1%)
Income tax expense	(174)	(75)	>100.0%
<b>Profit net of tax</b>	411	813	(49.4%)
<b>Profit attributable to owners of the Company, net of tax</b>	411	813	(49.4%)

**Consolidated Statement of Comprehensive Income**

	<b>Group</b>		
	<b><u>FY2020</u></b>	<b><u>FY2019</u></b>	<b><u>Change</u></b>
	<b><u>(Unaudited)</u></b>	<b><u>(Audited)</u></b>	<b><u>%</u></b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
<b>Profit net of tax</b>	411	813	(49.4%)
<b><u>Other comprehensive income (loss)</u></b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange differences on translating foreign operations, net of tax	187	(72)	NM
<b>Other comprehensive income (loss) for the year, net of tax</b>	187	(72)	NM
<b>Total comprehensive income</b>	598	741	(19.3%)
<b>Total comprehensive income attributable to owners of the Company</b>	598	741	(19.3%)

*NM – Not meaningful*

**1(a)(ii) Profit before tax is arrived at after crediting / (charging) the following:**

	<b>Group</b>		<b>Change</b>
	<b><u>FY2020</u></b> <b><u>(Unaudited)</u></b> <b>S\$'000</b>	<b><u>FY2019</u></b> <b><u>(Audited)</u></b> <b>S\$'000</b>	
Foreign exchange adjustment gains	209	22	>100.0%
Depreciation of property, plant and equipment	(859)	(833)	3.1%
Amortisation of land use right	(135)	(136)	(0.7%)
Amortisation of intangible assets	(18)	(29)	(37.9%)
Depreciation of right-of-use assets	(278)	(137)	>100.0%
Gain on disposal of property, plant and equipment, net	276	27	>100.0%
Reversal of impairment on trade receivables	378	771	(51.0%)
Allowance for impairment on trade receivables	(164)	(45)	>100.0%
Reversal of impairment on inventories	–	27	NM
Allowance for impairment on inventories	(1,915)	(47)	>100.0%
Interest expense	(534)	(785)	(32.0%)
Bad debt written-off	(12)	(25)	(52.0%)
Inventory written-off	(35)	–	NM
Interest income	15	4	>100.0%
Government grant income	405	23	>100.0%

*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.**

**Statements of Financial Position**

	<u>Group</u>		<u>Company</u>	
	As at <u>31.12.2020</u> <u>(Unaudited)</u> S\$'000	As at <u>31.12.2019</u> <u>(Audited)</u> S\$'000	As at <u>31.12.2020</u> <u>(Unaudited)</u> S\$'000	As at <u>31.12.2019</u> <u>(Audited)</u> S\$'000
<b>ASSETS</b>				
<b><u>Non-current assets</u></b>				
Property, plant and equipment	7,291	7,992	–	–
Right-of-use assets	759	284	–	–
Land use right	2,439	2,574	–	–
Intangible assets	–	17	–	–
Investments in subsidiaries	–	–	11,283	11,283
Deferred tax assets	348	266	–	–
<b>Total non-current assets</b>	<b>10,837</b>	<b>11,133</b>	<b>11,283</b>	<b>11,283</b>
<b><u>Current assets</u></b>				
Asset classified as held for sale	–	386	–	–
Inventories	21,073	23,542	–	–
Trade and other receivables	11,961	9,991	2,003	1,640
Other non-financial assets	552	141	24	24
Restricted cash	11	–	–	–
Cash and cash equivalents	6,003	3,971	671	513
<b>Total current assets</b>	<b>39,600</b>	<b>38,031</b>	<b>2,698</b>	<b>2,177</b>
<b>Total assets</b>	<b>50,437</b>	<b>49,164</b>	<b>13,981</b>	<b>13,460</b>
<b>EQUITY AND LIABILITIES</b>				
<b><u>Equity</u></b>				
Share capital	10,579	10,579	10,579	10,579
Retained earnings	19,307	18,900	3,109	2,536
Statutory reserves	243	239	–	–
Foreign currency translation reserves	17	(170)	–	–
<b>Equity attributable to owners of the Company</b>	<b>30,146</b>	<b>29,548</b>	<b>13,688</b>	<b>13,115</b>
<b>Total equity</b>	<b>30,146</b>	<b>29,548</b>	<b>13,688</b>	<b>13,115</b>
<b><u>Non-current liabilities</u></b>				
Financial liabilities - Lease liability	578	387	–	–
Other financial liabilities	9,576	6,172	–	–
Deferred tax liabilities	17	–	–	–
<b>Total non-current liabilities</b>	<b>10,171</b>	<b>6,559</b>	<b>–</b>	<b>–</b>
<b><u>Current liabilities</u></b>				
Liability classified as held for sale	–	154	–	–
Income tax payable	119	16	–	7
Financial liabilities - Lease liability	390	197	–	–
Other financial liabilities	1,585	1,738	–	–
Trade and other payables	8,026	10,952	293	338
<b>Total current liabilities</b>	<b>10,120</b>	<b>13,057</b>	<b>293</b>	<b>345</b>
<b>Total liabilities</b>	<b>20,291</b>	<b>19,616</b>	<b>293</b>	<b>345</b>
<b>Total equity and liabilities</b>	<b>50,437</b>	<b>49,164</b>	<b>13,981</b>	<b>13,460</b>

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

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

As at 31.12.2020		As at 31.12.2019	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
2,486	1,249	6,127	1,435

**Amount repayable after one year**

As at 31.12.2020		As at 31.12.2019	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
4,506	5,226	4,898	1,470

**Details of any collaterals**

The Group's borrowings consist of term loans, bank loans, bills payables and finance leases.

Certain of the Group's term loans, bank loans, bank overdrafts and other credit facilities are secured by the legal mortgages on the leasehold and freehold properties and inventories. The finance leases are secured by the leased assets.

1(c) **A consolidated 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**

	<b>Group</b>	
	<b>FY2020 (Unaudited) S\$'000</b>	<b>FY2019 (Audited) S\$'000</b>
<b><u>Cash flows from operating activities</u></b>		
Profit before tax	585	888
Adjustments for:		
Interest income	(15)	(4)
Interest expense	534	785
Fair value loss on foreign exchange contracts	–	2
Depreciation of property, plant and equipment	859	833
Depreciation of right-of-use assets	278	137
Amortisation of land use right	135	136
Amortisation of intangible assets	18	29
Allowance for impairment on trade receivables	164	45
Reversal of impairment on trade receivables	(378)	(771)
Allowance for impairment on inventories	1,915	47
Reversal of impairment on inventories	–	(27)
Inventory written-off	35	–
Bad debts written-off	12	25
Gain on disposal of property, plant and equipment	(276)	(27)
Plant and equipment written-off	4	–
Net effect of exchange rate changes in consolidating foreign operations	141	(69)
<b>Operating cash flows before changes in working capital</b>	<b>4,011</b>	<b>2,029</b>
Inventories	519	4,882
Trade and other receivables	(1,768)	1,185
Other non-financial assets	(411)	(36)
Trade and other payables	600	(1,984)
<b>Net cash flows from operations</b>	<b>2,951</b>	<b>6,076</b>
Income taxes paid	(104)	(69)
<b>Net cash flows from operating activities</b>	<b>2,847</b>	<b>6,007</b>
<b><u>Cash flows from investing activities</u></b>		
Restricted cash	(11)	–
Disposal of property, plant and equipment	650	157
Purchase of property, plant and equipment	(206)	(1,018)
Interest received	15	4
<b>Net cash flows from (used in) investing activities</b>	<b>448</b>	<b>(857)</b>
<b><u>Cash flows from financing activities</u></b>		
Decrease in borrowings	(13,455)	(11,321)
Increase from new borrowings	13,981	5,570
Lease liabilities	(415)	(249)
Interest paid	(489)	(772)
<b>Net cash flows used in financing activities</b>	<b>(378)</b>	<b>(6,772)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>2,917</b>	<b>(1,622)</b>
Cash and cash equivalents, consolidated statement of cash flows, beginning balance	3,086	4,708
<b>Cash and cash equivalents, consolidated statement of cash flows, ending balance</b>	<b>6,003</b>	<b>3,086</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.**

**Statements of Changes in Equity**

**GROUP**

	<b><u>Total equity</u></b> <b>S\$'000</b>	<b><u>Attributable to parent sub-total</u></b> <b>S\$'000</b>	<b><u>Share capital</u></b> <b>S\$'000</b>	<b><u>Retained earnings</u></b> <b>S\$'000</b>	<b><u>Foreign currency translation reserve</u></b> <b>S\$'000</b>	<b><u>Statutory reserve</u></b> <b>S\$'000</b>
<b>Current year:</b>						
Opening balance at 1 January 2020	29,548	29,548	10,579	18,900	(170)	239
<b>Movements in equity</b>						
Total comprehensive income for the year	598	598	–	411	187	–
Transfer (from) to retained earnings	–	–	–	(4)	–	4
Closing balance at 31 December 2020	30,146	30,146	10,579	19,307	17	243
<b>Previous year:</b>						
Opening balance at 1 January 2019	28,807	28,807	10,579	18,089	(98)	237
<b>Movements in equity</b>						
Total comprehensive income (loss) for the year	741	741	–	813	(72)	–
Transfer (from) to retained earnings	–	–	–	(2)	–	2
Closing balance at 31 December 2019	29,548	29,548	10,579	18,900	(170)	239



**Statements of Changes in Equity (continued)**

**COMPANY**

	<b><u>Total equity</u></b> <b>S\$'000</b>	<b><u>Share capital</u></b> <b>S\$'000</b>	<b><u>Retained earnings</u></b> <b>S\$'000</b>
<b>Current year:</b>			
Opening balance at 1 January 2020	13,115	10,579	2,536
<b>Movements in equity:</b>			
Total comprehensive income for the year	573	–	573
<b>Closing balance at 31 December 2020</b>	<b>13,688</b>	<b>10,579</b>	<b>3,109</b>
<b>Previous year:</b>			
Opening balance at 1 January 2019	13,091	10,579	2,512
<b>Movements in equity:</b>			
Total comprehensive income for the year	24	–	24
<b>Closing balance at 31 December 2019</b>	<b>13,115</b>	<b>10,579</b>	<b>2,536</b>

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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.**

There were no changes in the Company's share capital from 1 July 2020 to 31 December 2020. There were no outstanding convertibles, treasury shares and subsidiary holdings as at 31 December 2020 and 31 December 2019.

**1(d)(iii) Total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

<b>As at 31.12.2020</b>	<b>As at 31.12.2019</b>
108,000,000	108,000,000

The Company did not have any treasury shares as at 31 December 2020 and 31 December 2019.

**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.**

The Company does not have any treasury shares. There were no sale, transfer, cancellation and/or use of treasury shares during and as at 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.**

The Company does not have any subsidiary holdings. There were no sale, transfer, cancellation and/or use of subsidiary holdings during and as at the current financial period reported on.

**2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures had not been audited or reviewed by the Company's auditors.

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

Not applicable. The figures have not been audited or reviewed by the Company's auditors.

**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.**

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

**This is not required for any audit issue that is a material uncertainty relating to going concern.**

Not applicable. The Group's latest audited financial statements for the financial year ended 31 December 2019 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion issued by the Company's auditors.

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

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period reported on, which are consistent with the Company's most recently audited financial statements for the financial year ended 31 December 2019, except for the adoption of new standards, amendments and interpretations that are mandatory for financial year beginning on or after 1 January 2020. The adoption of these new standards, amendments and interpretations has no significant impact to the unaudited financial statements of the Group and of the Company for the current financial period reported on.

**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.**

Please refer to item 4 above.

**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	
	FY2020	FY2019
Earnings per ordinary share for the financial year based on profit after tax attributable to owners of the Company		
(i) Based on the weighted average number of ordinary shares in issue	0.38 cents	0.75 cents
(ii) On a fully diluted basis	0.38 cents	0.75 cents
Weighted average number of ordinary shares in issue	108,000,000	108,000,000

The Group's basic and diluted earnings per ordinary share for FY2020 and FY2019 respectively were the same as there were no potentially dilutive ordinary shares existing during the respective financial periods.

**7. Net asset value (for the issuer and group) per ordinary share based on total number of issued shares excluding treasury shares of the issuer at the end of the:-**

- (a) current financial period reported on; and  
(b) immediately preceding financial year.

	Group		Company	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Net asset value per ordinary share (cents)	27.9	27.4	12.7	12.1

The net asset value per ordinary share for the Group and the Company have been calculated based on the issued share capital of 108,000,000 ordinary shares of the Company as at 31 December 2020 and 31 December 2019.

**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.

**(a) Statement of Comprehensive Income**

The Group's revenue improved year-on-year by S\$2.3 million or 7.3% from S\$31.1 million in FY2019 to S\$33.4 million in FY2020. This was mainly due to an increase in sales to our customers in the precision engineering segment and the stockists and traders segment.

In FY2020, in view of the challenging business environment and the uncertainty from COVID-19 pandemic, the Group reassessed the adequacy for impairment of inventories and took the prudent step to record higher allowance for impairment on inventories of S\$1.9 million in FY2020 (FY2019: S\$0.05 million). As a result, the gross profit decreased

**(a) Statement of Comprehensive Income (continued)**

by S\$1.1 million or 18.7%, from S\$5.8 million in FY2019 to S\$4.7 million in FY2020. Excluding the impact of the allowance for impairment on inventories, the Group's gross profit would have increased by S\$0.7 million or 13.2%, from S\$5.9 million in FY2019 to S\$6.6 million in FY2020.

Accordingly, the Group's gross profit margin decreased by 4.5 percentage points, from 18.7% in FY2019 to 14.2% in FY2020. Excluding the impact of the allowance for impairment on inventories, gross profit margin in FY2020 improved by 1.1 percentage points from 18.8% in FY2019 to 19.9% in FY2020.

Other income and gains increased by S\$0.4 million or 46.2%, from S\$0.9 million in FY2019 to S\$1.3 million in FY2020, mainly due to an increase of S\$0.4 million in government grant income, an increase in foreign exchange gain of \$0.2 million and an increase of S\$0.3 million in gain on disposal of property, plant and equipment which was related to the disposal of the Group's property at No. 5, Jalan Gemilang 3, Taman Perindustrian Cemerlang, 81800 Ulu Tiram, Johor, Malaysia (the "**Property**") completed on 18 February 2020, partially offset by a decrease of S\$0.4 million in reversal of impairment on trade receivables.

Distribution costs is fairly consistent in FY2019 and FY2020.

Administrative expenses decreased by S\$0.2 million or 4.2%, from S\$4.6 million in FY2019 to S\$4.4 million in FY2020, mainly due to the decrease in short term employee benefits expense, partially offset by an increase in depreciation of right-of-use asset.

Finance costs decreased by S\$0.3 million or 32.0%, from S\$0.8 million in FY2019 to S\$0.5 million in FY2020 due to lower usage of trade finance facilities and lower interest rates in FY2020.

Other losses increased by S\$0.1 million, from S\$0.1 million in FY2019 to S\$0.2 million in FY2020, mainly due to higher allowance for impairment on trade receivables.

As a result of the above, the Group recorded a profit before tax of S\$0.6 million in FY2020, as compared to a profit before tax of S\$0.9 million in FY2019. Excluding the impact of the allowance for impairment on inventories, the Group's profit before tax in FY2020 improved by S\$1.6 million or 167% from S\$0.9 million in FY2019 to S\$2.5 million in FY2020.

Despite the challenging operating environment brought by the COVID-19 pandemic and the changes in management team in the first half of FY2020, the new management team has acted shifty in managing various stakeholders and restoring their confidence as well as formulating business strategies to overcome the challenges. The Group reported a stronger performance in second half of FY2020, whereby the Group's revenue and operating profit after tax for second half year ("**2H**") improved from S\$15.7 million in 2H2019 to S\$16.7 million in 2H2020 and S\$0.4 million in 2H2019 to S\$1.3 million in 2H2020 respectively.

**(b)(i) Statement of Financial Position**

Non-current assets decreased by S\$0.3 million, from S\$11.1 million as at 31 December 2019 to S\$10.8 million as at 31 December 2020, mainly due to decrease in property, plant and equipment of S\$0.9 million and decrease in land use right of S\$0.1 million as a result of depreciation charges, partially offset by recognition of right-of-use assets of S\$0.5 million and purchase of property, plant and equipment of S\$0.2 million in FY2020.

Current assets increased by S\$1.6 million, from S\$38.0 million as at 31 December 2019 to S\$39.6 million as at 31 December 2020. This was mainly due to an increase in cash and cash equivalents of S\$2.0 million, trade and other receivables of S\$2.0 million and other non-financial assets of S\$0.4 million, partially offset by a decrease in inventories of S\$2.5 million and asset classified as held for sale of S\$0.4 million. The decrease in inventories was in line with the increase in revenue and a higher allowance for impairment on inventories of S\$1.9 million recognised in FY2020. The asset classified as held for sale

**(b)(i) Statement of Financial Position (continued)**

related to the disposal of the Property, which was completed on 18 February 2020. Please refer to the section on “Statement of Cash Flows” below for the reasons for the increase in cash and cash equivalents.

Non-current liabilities increased by S\$3.6 million, from S\$6.6 million as at 31 December 2019 to S\$10.2 million as at 31 December 2020, mainly due to the drawdown of new loans and an increase in lease liability (non-current portion), partially offset by the repayment of bank loans.

Current liabilities decreased by S\$3.0 million, from S\$13.1 million as at 31 December 2019 to S\$10.1 million as at 31 December 2020, mainly due to a decrease in trade and other payables of S\$2.9 million, a decrease in other financial liabilities of S\$0.1 million and a decrease in liability classified as held for sale of S\$0.2 million, partially offset by an increase in lease liability of S\$0.2 million. The decrease in trade and other payables was mainly due to lower trade payables and bills payables. The decrease in other financial liabilities was mainly due to the non-utilisation of bank overdraft facility as at 31 December 2020. The liability classified as held for sale related to the disposal of the Property, which was completed on 18 February 2020.

The Group reported a positive working capital position of S\$29.5 million as at 31 December 2020, as compared to S\$25.0 million as at 31 December 2019.

Total equity increased by S\$0.6 million, from S\$29.5 million as at 31 December 2019 to S\$30.1 million as at 31 December 2020, as a result of recognition of the total comprehensive income for the year.

**(b)(ii) Statement of Cash Flows**

The Group’s cash and cash equivalents increased by S\$2.9 million from S\$3.1 million as at 31 December 2019 to S\$6.0 million as at 31 December 2020 mainly due to the following:

- (i) Net cash flows from operating activities of S\$2.8 million, arising from positive operating cash flows before changes in working capital of S\$4.0 million, partially offset by negative working capital changes of S\$1.1 million and payment of income taxes of S\$0.1 million; and
- (ii) Net cash flows from investing activities of S\$0.4 million, mainly due to the proceeds from the disposal of the Property of S\$0.7 million, partially offset by purchase of property, plant and equipment of S\$0.2 million.

The increase was partially offset by the net cash flows used in financing activities of S\$0.4 million, mainly due to the interest payment of S\$0.5 million and repayment of lease liabilities of S\$0.4 million, partially offset by a net increase in borrowings of S\$0.5 million.

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

No forecast or prospect statement was previously disclosed.

**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 COVID-19 pandemic continues to impact the global economy by disrupting supply chains, business activities and daily living. While vaccines have been developed and deployed to combat the spread, new strains of the virus and resurging outbreaks translate to a cloudier outlook for most in the coming financial year.

In comparison to Europe and the United States, Asia was relatively successful in managing the pandemic thus leading to a shift in production activity to the region. We have capitalised on this shift since the third quarter of FY2020 and are well-positioned to continue capitalising such shift as our markets and operations are largely based in China, Malaysia, Singapore and Taiwan. The pandemic has fuelled demand for medical devices, and electronics that facilitate telecommuting such as laptops, and that has a positive spill over effect for our precision engineering segment. Likewise for the marine segment, there are improving results with the return in demand especially for deferred projects as oil prices stabilise.

In preparation for the projected higher volume of work, capacity expansion and asset replacement initiatives are underway. The new machines will enable us to do more and with greater efficiency and precision. In tandem with physical assets growth, we have also invested in revamping our internal systems and staff training to overcome challenges arising from prolonged safe-distancing measures.

We are cautiously optimistic of the coming financial year as the sustained demand for our precision and marine segments and our improved capabilities enable us to pursue business stability and strengthen our foundations for the upturn. External developments such as the continued rollout of vaccines globally and the new US economy stimulus may also indirectly benefit the Group. We will remain vigilant for challenges and opportunities alike to build sustainable returns for our stakeholders.

**11. Dividend**

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

Any dividend declared/recommended for the current financial period reported on?

No.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

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

No.

**(c) Date payable**

Not applicable.

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

Not applicable.

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

No dividend has been declared or recommended for FY2020 as the board of directors of the Company (“**Board**”) deems it appropriate to conserve funds for the Group’s business activities.

**13. Interested Person Transactions – Pursuant to Rule 920 (1) (a) of Section B of the Listing Manual of the SGX-ST: Rules of Catalyst (“Catalist Rules”)**

The Company does not have a mandate from its shareholders for any interested person transactions. There are no interested person transactions of S\$100,000 or more during the financial year under review.

**14. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720 (1) of the Catalyst Rules.**

The Company confirms that it has procured all the required undertakings from all its directors and executive officers in the format set out in Appendix 7H under Rule 720 (1) of the Catalyst Rules.

**15. Negative confirmation by the Board pursuant to Rule 705 (5) of the Catalyst Rules**

Not required for announcement on full year results.

**16. 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
Tan Ee Hoon	60	Sister of Mr Tan Yee Ho (Executive Chairman and controlling shareholder of the Company) and Mr Tan Yee Leong (Executive Director, Chief Executive Officer and controlling shareholder of the Company)	<p><u>Position:</u> General Administrative Manager of SL Metals Pte. Ltd., a wholly-owned subsidiary of the Company.</p> <p><u>Year the position was first held:</u> 2021</p>	Not applicable

17. **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.**

**(a) Financial Information by Operating Segments**

**FY2020**

	<u>Precision engineering</u> S\$'000	<u>Marine</u> S\$'000	<u>Stockists and traders</u> S\$'000	<u>Other customers</u> S\$'000	<u>Unallocated</u> S\$'000	<u>Group</u> S\$'000
<b>Continuing Operations 2020</b>						
<b>Revenue by Segment</b>						
Total revenue by segment	18,586	9,347	4,814	680	–	33,427
<b>Recurring EBITDA</b>						
Finance costs	–	–	–	–	(534)	(534)
Depreciation and amortisation	–	–	–	–	(1,290)	(1,290)
Operating results before income tax and other unallocated items	3,133	853	486	258	(1,824)	2,906
Other unallocated items					(2,321)	(2,321)
Profit before tax from continuing operations						585
Income tax expense						(174)
<b>Profit for the year</b>						<b>411</b>
<b>Assets and Reconciliations</b>						
Total assets for reportable segments	7,371	1,894	2,186	81	–	11,532
Unallocated:						
Property, plant and equipment	–	–	–	–	7,291	7,291
Right-of-use assets	–	–	–	–	759	759
Land use right	–	–	–	–	2,439	2,439
Deferred tax assets	–	–	–	–	348	348
Inventories	–	–	–	–	21,073	21,073
Cash and cash equivalents	–	–	–	–	6,003	6,003
Other unallocated amounts	–	–	–	–	992	992
<b>Total group assets</b>	<b>7,371</b>	<b>1,894</b>	<b>2,186</b>	<b>81</b>	<b>38,905</b>	<b>50,437</b>
<b>Liabilities and Reconciliations</b>						
Unallocated:						
Deferred and current tax liabilities	–	–	–	–	136	136
Borrowings	–	–	–	–	11,161	11,161
Lease liabilities	–	–	–	–	968	968
Trade and other payables	–	–	–	–	8,026	8,026
<b>Total group liabilities</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>20,291</b>	<b>20,291</b>
<b>Other Material Items and Reconciliations</b>						
Impairment (reversal) of receivables and inventories (net)	(116)	(190)	91	1	1,915	1,701
Bad debts written off	(12)	–	–	–	–	(12)
Expenditures for non-current assets	–	–	–	–	206	206



**(a) Financial Information by Operating Segments (continued)**

**FY2019**

	<u>Precision engineering</u> S\$'000	<u>Marine</u> S\$'000	<u>Stockists and traders</u> S\$'000	<u>Other customers</u> S\$'000	<u>Unallocated</u> S\$'000	<u>Group</u> S\$'000
<b>Continuing Operations 2019</b>						
<b>Revenue by Segment</b>						
Total revenue by segment	17,681	9,967	3,022	469	–	31,139
<b>Recurring EBITDA</b>	3,881	1,169	446	325	–	5,821
Finance costs	–	–	–	–	(785)	(785)
Depreciation and amortisation	–	–	–	–	(1,135)	(1,135)
Operating results before income tax and other unallocated items	3,881	1,169	446	325	(1,920)	3,901
Other unallocated items					(3,013)	(3,013)
Profit before tax from continuing operations						888
Income tax expense						(75)
<b>Profit for the year</b>						<u>813</u>
<b>Assets and Reconciliations</b>						
Total assets for reportable segments	5,673	2,529	1,324	8	–	9,534
Unallocated:						
Asset classified as held for sale	–	–	–	–	386	386
Property, plant and equipment	–	–	–	–	7,992	7,992
Right-of-use assets	–	–	–	–	284	284
Land use right	–	–	–	–	2,574	2,574
Deferred tax assets	–	–	–	–	266	266
Inventories	–	–	–	–	23,542	23,542
Cash and cash equivalents	–	–	–	–	3,971	3,971
Other unallocated amounts	–	–	–	–	615	615
<b>Total group assets</b>	<u>5,673</u>	<u>2,529</u>	<u>1,324</u>	<u>8</u>	<u>39,630</u>	<u>49,164</u>
<b>Liabilities and Reconciliations</b>						
Unallocated:						
Liability classified as held for sale	–	–	–	–	154	154
Deferred and current tax liabilities	–	–	–	–	16	16
Borrowings	–	–	–	–	7,910	7,910
Lease liabilities	–	–	–	–	584	584
Trade and other payables	–	–	–	–	10,952	10,952
<b>Total group liabilities</b>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>19,616</u>	<u>19,616</u>
<b>Other Material Items and Reconciliations</b>						
Impairment (reversal) of receivables and inventories (net)	(632)	(95)	–	–	21	(706)
Bad debts written off	10	15	–	–	–	25
Expenditures for non-current assets	–	–	–	–	1,261	1,261

The assets and liabilities are not allocated to operating segments because they are not directly attributable to the segment or cannot be allocated to the segment on a reasonable basis.

**(b) Geographical Information**

	<u>Revenue</u>	
	<u>FY2020</u> S\$'000	<u>FY2019</u> S\$'000
Singapore	10,140	12,024
Malaysia	8,528	7,047
China	5,451	2,702
Taiwan	4,420	3,073
Indonesia	1,544	2,265
Other Countries	3,344	4,028
	33,427	31,139

18. 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.

19. A breakdown of sales as follows :

	Group		Increase/ (Decrease)
	FY2020 S\$'000	FY2019 S\$'000	
(a) Sales reported for the first half year	16,722	15,415	8.5%
(b) Operating (loss) profit after tax reported for first half year	(873)	387	NM
(c) Sales reported for second half year	16,705	15,724	6.2%
(d) Operating profit after tax reported for second half year	1,284	426	>100%

*NM – Not meaningful*

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

	<b>FY2020</b>	<b>FY2019</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Ordinary	–	–
Preference	–	–
Total	–	–

**BY ORDER OF THE BOARD**

**TAN YEE HO**  
Executive Chairman

**TAN YEE LEONG**  
Chief Executive Officer

**25 February 2021**