



Fourth Quarter Financial Statements Announcement for the Financial Period Ended 31 December 2018

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3) RESULTS, HALF YEAR AND FULL YEAR RESULTS

1(a) A statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

1(a)(i) Income Statement

	Group			Group		
	Fourth quarter ended		% Change	Full year ended		% Change
	31-Dec-18	31-Dec-17	Increase/ (Decrease)	31-Dec-18	31-Dec-17	Increase/ (Decrease)
	S\$'000	S\$'000		S\$'000	S\$'000	
Revenue	12,038	11,642	3%	40,413	38,345	5%
Cost of sales	(8,267)	(7,902)	5%	(26,710)	(25,942)	3%
Gross profit	<u>3,771</u>	<u>3,740</u>	1%	<u>13,703</u>	<u>12,403</u>	10%
Other operating income	421	325	30%	2,284	113	1,921%
Selling and distribution expenses	(3,513)	(8,974)	(61%)	(10,862)	(15,036)	(28%)
Administrative expenses	(2,046)	(20,944)	(90%)	(8,846)	(25,025)	(65%)
Finance costs	(302)	(104)	190%	(875)	(377)	132%
Loss from operations	<u>(1,669)</u>	<u>(25,957)</u>	(94%)	<u>(4,596)</u>	<u>(27,922)</u>	(84%)
Share of results of joint ventures	(39)	5	(880%)	271	762	(64%)
Share of results of associated companies	(294)	(432)	(32%)	(1,162)	(1,244)	(7%)
Loss before tax	<u>(2,002)</u>	<u>(26,384)</u>	(92%)	<u>(5,487)</u>	<u>(28,404)</u>	(81%)
Income tax (expense)/credit	(107)	1,586	(107%)	(20)	1,441	(101%)
Net loss for the period	<u>(2,109)</u>	<u>(24,798)</u>	(91%)	<u>(5,507)</u>	<u>(26,963)</u>	(80%)
Attributable to:						
Equity holders of the Company	(1,380)	(23,152)	(94%)	(4,017)	(24,844)	(84%)
Non-controlling interests	(729)	(1,646)	(56%)	(1,490)	(2,119)	(30%)
	<u>(2,109)</u>	<u>(24,798)</u>	(91%)	<u>(5,507)</u>	<u>(26,963)</u>	(80%)
Other Comprehensive Income:						
Currency translation differences arising on consolidation, net of tax	(222)	(521)	(57%)	(710)	297	(339%)
Total Comprehensive Income	<u>(2,331)</u>	<u>(25,319)</u>	(91%)	<u>(6,217)</u>	<u>(26,666)</u>	(77%)
Total Comprehensive Income Attributable to:						
Equity holders of the Company	(1,443)	(23,734)	(94%)	(4,630)	(24,608)	(81%)
Non-controlling interests	(888)	(1,585)	(44%)	(1,587)	(2,058)	(23%)
Total Comprehensive Income	<u>(2,331)</u>	<u>(25,319)</u>	(91%)	<u>(6,217)</u>	<u>(26,666)</u>	(77%)

Fourth Quarter Financial Statements Announcement for the Financial Period Ended 31 December 2018

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3) RESULTS, HALF YEAR AND FULL YEAR RESULTS

1(a) A statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

1(a)(ii) Notes to income statement

	Group			Group		
	Fourth quarter ended		% Change	Full year ended		% Change
	31-Dec-18	31-Dec-17	Increase/ (Decrease)	31-Dec-18	31-Dec-17	Increase/ (Decrease)
	S\$'000	S\$'000		S\$'000	S\$'000	
Other income including interest income	185	443	(58%)	481	813	(41%)
Fair value gain on contingent consideration payable	-	765	N.M.	-	765	N.M.
Fair value loss on financial assets at fair value through profit of loss	3	(14)	(121%)	(14)	(14)	N.M.
Gain on disposal of a subsidiary	-	-	N.M.	1,581	-	N.M.
(Loss)/gain on disposal of a property, plant and equipment	(1)	4	(125%)	(1)	4	(125%)
Loss on disposal of an intangible assets	(6)	-	N.M.	(6)	-	N.M.
Amortization of intangible assets	17	(406)	(104%)	(152)	(702)	(78%)
Depreciation of property, plant and equipment	(164)	(325)	(50%)	(1,278)	(1,344)	(5%)
Foreign exchange (loss)/gain	242	96	152%	244	(485)	(150%)
Interest on borrowings	(302)	(104)	190%	(875)	(377)	132%
Provision for liabilities	(515)	(7,717)	(93%)	(2,564)	(7,717)	(67%)
Provision for stock obsolescence	(329)	(2,507)	(87%)	(1,004)	(2,991)	(66%)
Impairment loss on investment in an associated company	-	(7,663)	N.M.	-	(7,663)	N.M.
Impairment loss on intangible assets	(825)	(2,482)	(67%)	(825)	(2,482)	(67%)
Impairment loss on goodwill	-	(1,236)	N.M.	-	(1,236)	N.M.
Provision for doubtful debts	(551)	(4,016)	(86%)	(1,301)	(4,146)	(69%)

Note:

(1) N.M. = 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 immediate preceding financial year

	Group			Company		
	31-Dec-18 S\$'000	31-Dec-17 S\$'000 (Restated)*	01-01-2017 S\$'000 (Restated)*	31-Dec-18 S\$'000	31-Dec-17 S\$'000 (Restated)*	01-01-2017 S\$'000 (Restated)*
Non-current assets						
Property, plant and equipment	11,378	12,572	15,827	-	-	-
Investment in subsidiaries	-	-	-	12,336	11,337	14,654
Investment in joint ventures	2,431	2,504	2,705	912	912	912
Investment in associated companies	1,963	3,260	11,982	3,085	3,085	12,748
Loan to an associated company	4,000	-	-	4,000	-	-
Deferred tax assets	11	15	11	-	-	-
Intangible assets	428	1,096	5,254	-	49	49
Purchase deposit to a supplier	-	2,673	5,077	-	-	-
Financial assets, at fair value through profit or loss	28	42	-	-	1,307	-
Total non-current assets	20,239	22,162	40,856	20,333	16,690	28,363
Current assets						
Inventories	22,260	24,772	27,179	-	-	-
Contract assets	-	1,655	8	-	-	-
Trade receivables	10,941	8,910	14,222	-	-	-
Other receivables	3,467	2,234	5,044	570	3,222	5,126
Tax recoverable	97	1,708	-	-	-	-
Restricted cash	2,805	890	1,369	-	-	-
Cash and cash equivalents	3,568	6,329	7,040	3,266	194	180
	43,138	46,498	54,862	3,836	3,416	5,306
Disposal group assets classified as held for sale	-	2,274	-	-	-	-
Total current assets	43,138	48,772	54,862	3,836	3,416	5,306
Total assets	63,377	70,934	95,718	24,169	20,106	33,669
Non-current liabilities						
Deferred tax liability	281	434	1,463	-	-	-
Convertible loan notes	715	690	-	-	-	-
Other payables	-	-	765	-	-	765
Shareholder's loan	11,500	-	-	11,500	-	-
Bank borrowings	3,467	-	-	3,467	-	-
Finance lease liabilities	31	95	207	-	-	-
Total non-current liabilities	15,994	1,219	2,435	14,967	-	765

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

	Group			Company		
	31-Dec-18 S\$'000	31-Dec-17 S\$'000 (Restated)*	01-01-2017 S\$'000 (Restated)*	31-Dec-18 S\$'000	31-Dec-17 S\$'000 (Restated)*	01-01-2017 S\$'000 (Restated)*
Current liabilities						
Contract liabilities	-	25	3,645	-	-	-
Trade payables	1,823	2,576	2,504	-	-	-
Other payables	6,457	2,195	2,351	15,125	5,118	1,300
Provisions	529	17,621	12,351	-	16,410	12,351
Bank borrowings	13,077	13,486	14,090	533	-	-
Finance lease liabilities	64	119	147	-	-	-
Tax payable	548	2,125	495	232	184	51
	22,498	38,147	35,583	15,890	21,712	13,702
Disposal group classified as held for sale	-	498	-	-	-	-
Total current liabilities	22,498	38,645	35,583	15,890	21,712	13,702
Total liabilities	38,492	39,864	38,018	30,857	21,712	14,467
Net assets/liabilities	24,885	31,070	57,700	(6,688)	(1,606)	19,202
Equity						
Share capital	43,461	43,461	43,461	43,461	43,461	43,461
Currency translation reserves	(345)	268	-	-	-	-
Equity component of convertible loan notes	36	36	-	-	-	-
Reserve of disposal group classified as held-for-sale	-	(32)	-	-	-	-
Capital reserves	(2,010)	-	-	-	-	-
Accumulated losses	(11,471)	(7,454)	17,390	(50,149)	(45,067)	(24,259)
Equity Attributable to Owners of the Company	29,671	36,279	60,851	(6,688)	(1,606)	19,202
Non-Controlling Interests	(4,786)	(5,209)	(3,151)	-	-	-
Total Equity and Liabilities	24,885	31,070	57,700	(6,688)	(1,606)	19,202

- The Group has adopted the new Singapore Financial Statements (International) (“SFRS(I)”) framework for the financial year ended 31 December 2018 and has applied SFRS(I) 1 with 1 January 2017 as the date of transition, which required the first SFRS(I) financial statements to comprise of an opening SFRS(I) statement of financial position at the date of transition to SFRS(I)s.

1(b)(ii) In relation to the aggregate amount of the Group's borrowings and debt securities, specify the following as at the financial period reported on with comparative figures as at the end of the immediate preceding financial year:

Amount repayable in one year or less, or on demand

As at 31.12.18 (\$'000)		As at 31.12.17 (\$'000)	
Secured	Unsecured	Secured	Unsecured
13,077	-	9,000	4,486

Amount repayable after one year

As at 31.12.18 (\$'000)		As at 31.12.17 (\$'000)	
Secured	Unsecured	Secured	Unsecured
3,467	11,500	-	-

Details of any collateral

(i) The Group's banking facilities were secured by the following:

- (a) Legal charge on the Group's leasehold property with net book value of \$10.61 million (31.12.2017: \$11.24 million)
- (b) Corporate guarantee by the Company.

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

	Group			
	4th quarter ended 31-Dec-18 \$'000	4th quarter ended 31-Dec-17 \$'000	Financial year ended 31-Dec-18 \$'000	Financial year ended 31-Dec-17 \$'000
Cash flows from operating activities				
Loss before tax	(2,002)	(26,384)	(5,487)	(28,404)
Adjustments for :				
Amortisation of intangible assets	(17)	406	152	702
Exchange difference	(156)	485	(30)	485
Depreciation of property, plant and equipment	164	325	1,278	1,344
Loss/(gain) on disposal of property, plant and equipment	1	(4)	1	(4)
Loss on disposal of intangible assets	6	-	6	-
Fair value gain on contingent consideration payable	-	(765)	-	(765)
Fair value (gain)/loss on financial assets at fair value through profit or loss	(3)	14	14	14
Impairment loss on investment in an associated company	-	7,663	-	7,663
Impairment loss on intangible assets	825	2,482	825	2,482
Impairment loss on goodwill	-	1,236	-	1,236
Interest expense	302	104	875	377
Interest income	(19)	(8)	(90)	(132)
Provision, net	515	7,717	2,564	7,717
Share of results of associated companies	294	432	1,162	1,244
Share of results of joint ventures	39	(5)	(271)	(762)
Gain on disposal of a subsidiary	-	-	(1,581)	-
Property, plant and equipment written off	7	-	7	-
Operating cash flows before working capital changes	(44)	(6,302)	(575)	(6,803)
Inventories	1,625	3,220	2,512	2,407
Contract assets/liabilities	47	(2,154)	1,630	(5,258)
Receivables	954	4,632	(525)	7,702
Payables	2,379	(788)	3,534	(101)
Currency translation adjustments	(217)	(151)	(244)	650
Provision for claims and vendor costs	15	1,211	(1,196)	1,211
Cash generated from/(used in) operations	4,759	(332)	5,136	(192)
Income tax refund/(paid)	7	1,272	(189)	847
Net cash from operations activities	4,766	940	4,947	655

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

	Group				
	4th quarter ended 31-Dec-18 \$'000	4th quarter ended 31-Dec-17 \$'000	Financial year ended 31-Dec-18 \$'000	Financial year ended 31-Dec-17 \$'000	
	Cash flows from investing activities				
	Dividend received from joint venture	-	386	392	781
Interest received	19	8	90	132	
Loan to an associated company	-	-	(4,000)	-	
Investment in an associated company	-	(257)	-	(257)	
Investment in quoted equity shares	-	-	-	(56)	
Disposal of a subsidiary	-	-	3,000	-	
Repayment of purchase deposit from a supplier	-	658	-	2,339	
Proceeds from disposal of property, plant and equipment	-	4	1	4	
Purchase of property, plant and equipment	(97)	(48)	(366)	(488)	
Proceeds from disposal of intangible assets	43	-	43	-	
Settlement of provision for liabilities	(676)	(1,550)	(18,459)	(3,658)	
Development cost	(88)	(45)	(358)	(262)	
Government grants received	-	-	279	-	
Net cash used in investing activities	(799)	(844)	(19,378)	(1,465)	
Cash flows from financing activities					
Net (repayment)/drawdown of short-term borrowing	(418)	292	(1,933)	(1,384)	
Drawdown of bank borrowings	-	2,000	6,000	2,500	
Repayment from bank borrowings	(409)	(244)	(1,009)	(1,720)	
Repayment of finance lease liabilities	(21)	(32)	(119)	(140)	
Interest paid	(302)	(90)	(875)	(363)	
(Increase)/decrease in restricted cash	(1,927)	479	(1,915)	479	
Issuance of convertible notes	-	482	-	727	
Proceeds from shareholder loan	-	-	11,500	-	
Net cash (used in)/from financing activities	(3,077)	2,887	11,649	99	
Net increase/(decrease) in cash and cash equivalents	890	2,983	(2,782)	(711)	
Cash and cash equivalents at beginning of period	2,657	3,346	6,329	7,040	
Effect of exchange rate changes on cash and cash equivalents	21	-	21	-	
Cash and cash equivalent at end of the financial year	3,568	6,329	3,568	6,329	
Cash and cash equivalents comprise the following					
Cash and cash equivalents	6,373	7,219	6,373	7,219	
Less Restricted cash	(2,805)	(890)	(2,805)	(890)	
Cash and cash equivalents as per statement of cash flows	3,568	6,329	3,568	6,329	

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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Attributable to equity holders of the Company								Total equity S\$'000
	Share capital S\$'000	Currency translation reserves S\$'000	Equity component convertible loan notes S\$'000	Reserve of disposal group classified held-for-sale S\$'000	Capital reserve S\$'000	Accumulated losses S\$'000	Total S\$'000	Non-controlling interests S\$'000	
Balance as at 1 January 2018	43,461	1,784	36	(946)	-	(8,056)	36,279	(5,209)	31,070
Effect of transition to SFRS(1)s	-	(1,516)	-	914	-	602	-	-	-
Restated balance as at 1 2018	43,461	268	36	(32)	-	(7,454)	36,279	(5,209)	31,070
Loss for the financial period	-	-	-	-	-	(1,988)	(1,988)	(371)	(2,359)
Currency translation differences arising on consolidation, net of tax	-	434	-	-	-	-	434	(190)	244
Balance as at 31 March 2018	43,461	702	36	(32)	-	(9,442)	34,725	(5,770)	28,955
Loss for the financial period	-	-	-	-	-	(1,178)	(1,178)	(131)	(1,309)
Currency translation differences arising on consolidation, net of tax	-	(838)	-	-	-	-	(838)	104	(734)
Disposal of a subsidiary	-	-	-	32	-	-	32	-	32
Balance as at 30 June 2018	43,461	(136)	36	-	-	(10,620)	32,741	(5,797)	26,944
Profit/(loss) for the financial period	-	-	-	-	-	529	529	(259)	270
Currency translation differences arising on consolidation, net of tax	-	44	-	-	-	-	44	(42)	2
Balance as at 30 September 2018	43,461	(92)	36	-	-	(10,091)	33,314	(6,098)	27,216
Loss for the financial period	-	-	-	-	-	(1,380)	(1,380)	(729)	(2,109)
Currency translation differences arising on consolidation, net of tax	-	(253)	-	-	-	-	(253)	31	(222)
Acquisition of a subsidiary	-	-	-	-	(2,010)	-	(2,010)	2,010	-
Balance as at 31 December 2018	43,461	(345)	36	-	(2,010)	(11,471)	29,671	(4,786)	24,885

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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd).

Group	Attributable to equity holders of the Company								Total equity S\$'000
	Share capital S\$'000	Currency translation reserves S\$'000	Equity component convertible loan notes S\$'000	Reserve of disposal group classified as held-for-sale S\$'000	Capital reserve S\$'000	Accumulated losses S\$'000	Total S\$'000	Non-controlling interests S\$'000	
Balance as at 1 January 2017	43,461	602	-	-	-	16,788	60,851	(3,151)	57,700
Effect of transition to SFRS(1)s	-	(602)	-	-	-	602	-	-	-
Restated balance as at 1 2017	43,461	-	-	-	-	17,390	60,851	(3,151)	57,700
Profit/(loss) for the financial period	-	-	-	-	-	367	367	(108)	259
Currency translation differences arising on consolidation, net of tax	-	53	-	-	-	-	53	(67)	(14)
Balance as at 31 March 2017	43,461	53	-	-	-	17,757	61,271	(3,326)	57,945
Profit/(loss) for the financial period	-	-	-	-	-	38	38	(15)	23
Currency translation differences arising on consolidation, net of tax	-	(416)	-	-	-	-	(416)	55	(361)
Balance as at 30 June 2017	43,461	(363)	-	-	-	17,795	60,893	(3,286)	57,607
Loss for the financial period	-	-	-	-	-	(2,097)	(2,097)	(350)	(2,447)
Currency translation differences arising on consolidation, net of tax	-	694	-	-	-	-	694	152	846
Balance as at 30 September 2017	43,461	331	-	-	-	15,698	59,490	(3,484)	56,006
Loss for the financial period	-	-	-	-	-	(23,152)	(23,152)	(1,646)	(24,798)
Currency translation differences arising on consolidation, net of tax	-	(95)	-	-	-	-	(95)	(79)	(174)
Equity component of convertible loan notes, note of tax	-	-	36	-	-	-	36	-	36
Transfer to disposal group classified as held-for-sale	-	32	-	(32)	-	-	-	-	-
Balance as at 31 December 2017	43,461	268	36	(32)	-	(7,454)	36,279	(5,209)	31,070

Note 1: The Group has adopted SFRS(I) for the financial year ended 31 December 2018 and has applied SFRS(I) 1 with 1 January 2017 as the date of transition for the Group.

The Group has elected the optional exemption in SFRS(I) 1 to reset its cumulative Currency Translation Reserve for all foreign operations to NIL at the date of transition, and reclassify the cumulative Currency Translation Reserve of approximately S\$602k as at 1 January 2017 as determined in accordance with the previous Financial Reporting Standards at that date to retained earnings. After the date of transition, any gain or loss on disposal of any foreign operations will exclude translation difference that arose before the date of transition.

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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd).

Company	Share capital SS'000	Accumulated losses SS'000	Total SS'000
Balance as at 1 January 2018	43,461	(45,067)	(1,606)
Profit for the financial period	-	172	172
Balance as at 31 March 2018	43,461	(44,895)	(1,434)
Profit for the financial period	-	(1,746)	(1,746)
Balance as at 30 June 2018	43,461	(46,641)	(3,180)
Profit for the financial period	-	321	321
Balance as at 30 September 2018	43,461	(46,320)	(2,859)
Loss for the financial period	-	(3,829)	(3,829)
Balance as at 31 December 2018	43,461	(50,149)	(6,688)
Balance as at 1 January 2017	43,461	(24,259)	19,202
Profit for the financial period	-	67	67
Balance as at 31 March 2017	43,461	(24,192)	19,269
Profit for the financial period	-	434	434
Balance as at 30 June 2017	43,461	(23,758)	19,703
Profit for the financial period	-	119	119
Balance as at 30 September 2017	43,461	(23,639)	19,822
Loss for the financial period	-	(21,428)	(21,428)
Balance as at 31 December 2017	43,461	(45,067)	(1,606)

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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Not applicable.

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.

	31.12.2018	31.12.2017
Total number of issued shares excluding treasury shares)	119,999,995	119,999,995

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

Not applicable.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice. (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited or reviewed by the auditors.

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

Not applicable.

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

The Group's financial statements for the financial year ending 31 December 2018 is prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") issued by the Accounting Standard Council ("ASC").

Other than the adoption of the new framework and the new SFRS(I)s, which took effect from the current financial year, there were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the latest audited annual financial statements for the financial year ended 31 December 2017.

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.

In adopting the new SFRS(I) 1 framework with effect from 1 January 2018, the Group is required to apply the specific transition requirement in SFRS(I) 1 First-time Adoption of International Financial Reporting Standards

In 2Q2018 the Group disposed a foreign subsidiary and recorded a gain on disposal of \$1.6 million. The Group has elected the optional exemption under the new SFRS(I) 1 to reset cumulative currency translation reserve for all foreign operations to \$nil at the date of transition on 1 January 2017. As a result, the currency translation reserve of \$914k relating to this foreign subsidiary has been reclassified to retained earnings as at 1 January 2017. Thus, the gain on disposal of this subsidiary will exclude translation differences that arose before the date of transition. The gain on disposal of this subsidiary would have been \$686k if not for the election of this optional exemption

In addition, during the current financial year, the Group and the Company have adopted the SFRS(I) 9 Financial Instruments and SFRS(I) Revenue from Contracts with Customers 15

Save for the impact of adoption of the new SFRS(I) 1 as disclosed above, the adoption of these new SFRS(I)s is assessed to have no material impact on the results and financial position of the Group and of the Company for the year ending 31 December 2018

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.

(Loss)/Profit per ordinary share for the period based on net loss attributable to shareholders:-

	Group			
	Fourth quarter ended		Full year ended	
	31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17
(i) Based on number of ordinary shares	(1.15) cents	(19.29) cents	(3.35) cents	(20.70) cents
in issue Net loss per ordinary share for the	(1.15) cents	(19.29) cents	(3.35) cents	(20.70) cents
Number of ordinary shares in issue	119,999,995	119,999,995	119,999,995	119,999,995
(ii) On a fully diluted basis	(1.19) cents	(19.30) cents	(3.37) cents	(20.77) cents
Net loss per ordinary share for the period	(1.19) cents	(19.30) cents	(3.37) cents	(20.77) cents
Diluted number of ordinary shares in issue	119,999,995	119,999,995	119,999,995	119,999,995

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	
	31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17
Net asset value per ordinary share based on existing share capital	25 cents	30 cents	(6) cents	(1) cents

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

Key changes in the Group's financials:

Profit or loss review

4Q2018 vs 4Q2017

Revenue

	Group		
	4Q2018	4Q2017	%
	\$'000	\$'000	Change
Supply Chain Management			
Marine cables and accessories	6,359	3,459	84%
Marine lighting equipment and accessories	2,461	3,273	(25%)
Lamp and others	1,286	1,331	(3%)
	10,106	8,063	25%
Security	1,896	781	143%
Engineering Services	36	2,798	(99%)
Total sales revenue	12,038	11,642	3%

Supply Chain Management

Supply Chain Management Division accounts for 84% of the Group's turnover in 4Q2018, of which marine cables and accessories contributed 63%, marine lighting equipment and accessories 24% and others 13%. Revenue from the division increased by 25% mainly due to increased business activities of customers.

Security

Security Division mainly provides security products and solutions relating to information technology. The division accounts for 16% of the Group's turnover in 4Q2018. Revenue from the division increased by 143% mainly due to sales to new customers.

Engineering Services

Engineering Services Division accounts less than 1% of the Group's turnover in 4Q2018. Revenue from Engineering Services Division decreased by 99% mainly due to termination of an engineering contract by a customer in 4Q2017. There is no other significant contract in 4Q2018.

Gross profit

There was no significant difference in the gross profit of the Group between 4Q2018 and 4Q2017. The Group's overall gross margin decreased from 32.1% in 4Q2017 to 31.3% in 4Q2018, mainly due to higher revenue in the Security division where the margin is lower.

Operating expenses

The Group's operating expenses comprise mainly of selling & distribution and administrative expenses. Selling & distribution expenses decreased by 61% or \$5.5 million, from \$9.0 million in 4Q2017 to \$3.5 million in 4Q2018, mainly due to provisions for stock obsolescence and provision for doubtful debts of \$2.5 million and \$4.0 million respectively that were recognized in 4Q2017.

Administrative expense decreased by 90% or \$18.9 million, from \$20.9 million in 4Q2017 to \$2.0 million in 4Q2018, mainly due to provision for liabilities of \$7.7 million, impairment losses on investments in an associated company of \$7.7 million, impairment loss on intangible assets of \$2.5 million and impairment loss on goodwill of \$1.2 million recognized in 4Q2017.

Share of results of joint venture

The decrease in share of results of joint venture was mainly due to increased provisions for stock obsolescence and doubtful debts recognized by the Group's joint venture company in 4Q2018.

Share of results of associated companies

The decrease in share of losses of associated companies was mainly due to lower expenses recognized by the Group's associated companies for 4Q2018.

Income tax expense

The income tax credit in FY2017 was due mainly to the recognition of income tax refund which arose from the tax authority allowing a subsidiary to claim group relief that was previously disallowed.

Interest on borrowings

The increase in interest on borrowings in 4Q2018 compared to 4Q2017 was mainly due to increase in amount of shareholder's loan and bank borrowings to support the Group's working capital.

Provision for liabilities

Provision for liabilities in 4Q2018 and 4Q2017 were in relation to additional losses and expenses of the Group's joint venture company, GSSI.

Provision for stock obsolescence

The decrease in provision for stock obsolescence expenses in 4Q2018 compared to 4Q2017 is due to improved management of inventories resulting in lower levels of obsolete stocks.

Impairment loss on investment in an associated company

Impairment loss on investment in an associated company was recognized in 4Q2017 based on assessment of the future discounted cash flows of the associated company. There were no such impairment losses recognized in 4Q2018.

Impairment loss on intangible assets

Impairment loss on intangible assets were recognized in 4Q2018 and 4Q2017 based on assessment of the future discounted cash flows from acquired technology.

Impairment loss on goodwill

Impairment loss on goodwill was recognized in 4Q2017 based on assessment of the future discounted cash flows of a subsidiary. There were no such impairment losses recognized in 4Q2018.

Provision for doubtful debts

Provision for doubtful debts expenses decreased to \$0.5 million in 4Q2018 from \$4.0 million in 4Q2017, mainly due to higher impairment provisions recognized in 4Q2017 in view of the weak marine and offshore markets where payment from customers are slower coupled with poor performance by certain customers.

Net loss for the period

Net loss for 4Q2018 decreased to \$2.1 million, compared with \$24.8 million in 4Q2017, mainly due to decrease in provision for doubtful debts and stock obsolescence, provision for liabilities, impairment loss on investment in an associated company, intangible assets and goodwill.

FY2018 vs FY2017

Revenue

	Group		
	FY2018	FY2017	%
	\$'000	\$'000	Change
Supply Chain Management			
Marine cables and accessories	20,823	14,274	46%
Marine lighting equipment and accessories	10,146	9,433	8%
Lamp and others	4,473	4,934	(9%)
	35,442	28,641	24%
Security	4,623	2,657	74%
Engineering Services	348	7,047	(95%)
Total sales revenue	40,413	38,345	5%

Supply Chain Management

Supply Chain Management Division accounts for 88% of the Group's turnover in FY2018, of which marine cables and accessories contributed 59%, marine lighting equipment and accessories 29% and others 12%. Revenue from the division increased by 24% mainly due to increased business activities of customers.

Security

Security Division mainly provides security products and solutions relating to information technology. The division accounts for 11% of the Group's turnover in FY2018. Revenue from the division increased by 74% mainly due to sales to new customers.

Engineering Services

Engineering Services Division accounts for 1% of the Group's turnover in FY2018. Revenue from Engineering Services Division decreased by 95% mainly due to termination of an engineering contract by a customer in 4Q2017. There is no other significant contract in FY2018.

Gross profit

In FY2018, the Group's overall gross profit increased by \$1.3 million or 10% from \$12.4 million in FY2017 to \$13.7 million in FY2018, mainly due to higher revenue from the Supply Chain Management and Security Divisions. The Group's overall gross margin increased from 32.3% in FY2017 to 33.9% in FY2018, mainly due to higher revenue in the Supply Chain Management Division where the margins are higher.

Other operating income

Other operating income increased by \$2.2 million from \$113,000 in FY2017 to \$2.3 million in FY2018, mainly due to a gain on disposal of subsidiary and lower foreign exchange losses.

Operating expenses

The Group's operating expenses comprise mainly of selling & distribution and administrative expenses. Selling & distribution expenses decreased by 28% or \$4.2 million, from \$15.0 million in FY2017 to \$10.9 million in FY2018, mainly due to higher provisions for stock obsolescence and provision for doubtful debts recognized in FY2017.

Administrative expense decreased by 65% or \$16.2 million, from \$25.0 million in FY2017 to \$8.8 million in FY2018, mainly due to provision for liabilities of \$7.7 million, impairment losses on investments in an associated company of \$7.7 million, impairment loss on intangible assets of \$2.5 million and impairment loss on goodwill of \$1.2 million recognized in FY2017.

Share of results of joint venture

The decrease in share of results of joint venture was mainly due to increased provisions for stock obsolescence and doubtful debts recognized by the Group's joint venture company in FY2018.

Share of results of associated companies

The decrease in share of losses of associated companies was mainly due to lower expenses recognized by the Group's associated companies for FY2018.

Income tax expense

The income tax credit in FY2017 was due mainly to the recognition of income tax refund which arose from the tax authority allowing a subsidiary to claim group relief that was previously disallowed.

Interest on borrowings

The increase in interest on borrowings in FY2018 compared to FY2017 was mainly due to increase in amount of shareholder's loan and bank borrowings to support the Group's working capital.

Provision for liabilities

Provision for liabilities in FY2018 and FY2017 were in relation to additional losses and expenses of the Group's joint venture company, GSSI.

Provision for stock obsolescence

The decrease in provision for stock obsolescence expenses in FY2018 compared to FY2017 is due to improved management of inventories resulting in lower levels of obsolete stocks.

Impairment loss on investment in an associated company

Impairment loss on investment in an associated company was recognized in FY2017 based on assessment of the future discounted cash flows of the associated company. There were no such impairment losses recognized in FY2018.

Impairment loss on intangible assets

Impairment loss on intangible assets were recognized in FY2018 and FY2017 based on assessment of the future discounted cash flows from acquired technology.

Impairment loss on goodwill

Impairment loss on goodwill was recognized in FY2017 based on assessment of the future discounted cash flows of a subsidiary. There were no such impairment losses recognized in FY2018.

Provision for doubtful debts

Provision for doubtful debts expenses decreased to \$1.3 million in FY2018 from \$4.1 million in FY2017, mainly due to higher impairment provisions recognized in FY2017 in view of the weak marine and offshore markets where payment from customers are slower coupled with poor performance by certain customers.

Net loss for the year

Net loss for FY2018 decreased to \$5.5 million, compared with \$27.0 million in FY2017, mainly due to decrease in provision for doubtful debts and stock obsolescence, provision for liabilities, impairment loss on investment in an associated company, intangible assets and goodwill.

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Balance Sheet Analysis

Investment in associated companies

The decrease in investment in associated companies was mainly due to the share of losses in associated companies.

Intangible assets

The decrease in intangible assets was mainly due to the impairment of acquired technology of a Group subsidiary.

Purchase deposit paid to a supplier

The purchase deposit is paid to a main cable supplier which will be offset against future purchases over a five-year period. The balance for FY2018 is nil as the balance of the purchase deposit has been reclassified to current assets during the year.

Inventories

Inventories decreased by \$2.5 million from \$24.8 million in FY2017 to \$22.3 million in FY2018, mainly due to higher sales and better inventory control in FY2018 by the Supply Chain Management Division, partially offset by increases in raw materials and work in progress by the Security Division.

Contract assets

This relates to unbilled work-in-progress for a project of the Engineering Division in FY2017. This amount has been billed and there are no further balances in FY2018.

Trade receivables

Trade receivables increased by \$2.0 million from \$8.9 million in FY2017 to \$10.9 million in FY2018, mainly due to higher revenue.

Other receivables

The increase in other receivables of \$1.2 million from \$2.2 million in FY2017 to \$3.4 million in FY2018 was mainly due to purchase deposit to a supplier being reclassified from non-current assets to current assets in FY2018, partially offset by settlement of other receivable balances.

Tax recoverable

The decrease in tax recoverable was due to the receipt of income tax refund in FY2018 which arose from the tax authority allowing a subsidiary to claim group relief which was previously disallowed.

Disposal group assets classified as held for sale

Asset held for sale in FY2017 relates to the Batam Land and the assets held by a subsidiary where the Group has disposed in FY2018.

Convertible loan notes

The carrying value of convertible loan notes relate to the debt portion of convertible loan notes issued pursuant to a convertible loan agreement (“CLA”) dated 7 September 2017 where shareholders of a Group subsidiary agreed to subscribe to convertible notes up to an aggregate principle amount of \$4 million at an interest rate at 6.0% per annum.

Trade payables

Trade payables decreased by \$0.8 million from \$2.6 million in FY2017 to \$1.8 million in FY2018, mainly due to higher level of payments made to suppliers.

Other payables

The increase in other payables of \$4.3 million was mainly due to advance subscription monies received from undertaking shareholders who have paid monies in advance to the Company in lieu of their subscription of the rights issue offered by the Company in January 2019.

Provisions

The decrease in provisions of \$17.1 million was mainly due to the settlement of liabilities relating to an associated company in FY2018.

Cash flow review

Net cash flows generated from operating activities were \$4.8 million in 4Q2018 and \$5.0 million for FY2018 respectively, as compared to net cash flows generated from operating activities of \$0.9 million in 4Q2017 and \$0.7 million in FY2017 respectively. The increases were mainly due to lower impairment losses recognized in 4Q2018 and FY2018 compared to 4Q2017 and FY2017 respectively.

The net cash used in investing activities for FY2018 was \$19.4 million compared to \$1.5 million in FY2017, mainly due to the settlement of provisions for liabilities and loan to an associated company made in FY2018.

The net cash used in financing activities for 4Q2018 was \$3.1 million, mainly due to increase in restricted cash. Net cash generated from financing activities in FY2018 was \$11.7 million compared to \$0.1 million in FY2017, mainly due to a shareholder loan of \$11.5 million received 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.

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.

With continuing uncertainties and volatility in the business environment that the Group operates in, the Group expects conditions to remain challenging.

The Group's core business, the Supply Chain Management division, has seen a 24% increase in revenue for FY2018 to S\$35.4 million, driven primarily by increased orders from the marine cables and marine lighting segments. It has seen increasing levels of enquiries from both Singapore and overseas customers, however this trend may be impacted by the continuing volatility of oil prices. The Group also expects new regulations by the International Maritime Organization coming into effect in 2020 to have a positive impact on the demand of the Supply Chain Management division's products in FY2019 and FY2020.

The Group's Security division continues to see good prospects, steadily growing with orders from both government agencies and private companies in Singapore and overseas. The Group is continuing to invest in product development activities - a research and development ("R&D") facility was set up in Taipei to accelerate the pace of R&D activities of various new products. This will help facilitate the launch of a series of products to complete the Group's Security division's range of advanced sensing system products. On the cybersecurity front, the Group has established strategic partnerships with Sasa Software (Israel) to promote its unique Content, Dis-arm and Re-construction (CDR) technology to the Asia Pacific region. The Good Hackers Alliance (GHA) was also strengthened with the addition of Horangi Cyber Security to its list of reputable white hat hackers. These recent developments put the Group in a strong position to offer timely and relevant cyber security solutions to aid the protection of critical info-infrastructures in the region.

The Group is also building on its strength in LED lighting systems. Its associated company, GLH, has seen the completion of its new LED factory in Kunshan in 4Q2018 and the commencement of production in 2019. The new factory offers 22,500 square meters of mechanical and electronic production facilities featuring automation processes. With the increased capacities, GLH will be able to take on long-term OEM/ODM contracts with major international customers with improved efficiency and compliance with strict safety and technical requirements.

The Group has commenced liquidation proceedings of GSSI in Q42018, which is expected to be completed by Q32019. The Group will update on the progress accordingly.

On its Engineering Services division, the liquidation of OGS remains ongoing. The Group's joint venture company which was set up in FY2017 with reputable Japanese partners, sees good prospects on the distribution of the Group's products and services to the Japanese maritime market. The Group is working on securing orders to be delivered in Japan in FY2019 and FY2020 through this joint venture company.

On 28 September 2018, the Group announced the proposal to undertake a renounceable non-underwritten rights issue on the basis of three Rights Shares for every two existing ordinary shares in the issued and paid up capital of the Company held by Entitled Shareholders. A total of 179,999,992 Rights Shares were listed and quoted on the Main Board of the SGX-ST on 15 February 2019.

11. Dividend

(a) Current Financial Period Reported On?

Any dividend declared for the current financial period reported on?

None.

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

None.

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

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended for the quarter ended 31 December 2018.

13. Interested Person Transactions

[Note Rule 920(1)(a)(ii) – An issuer must announce the aggregate value of transactions conducted pursuant to the general mandate for interested person transactions for the financial periods which it is required to report on pursuant to Rule 705.]

The Group has not obtained a shareholder's mandate pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

14. Segmental revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

	Supply Chain Management				Manufacturing S\$'000	Security S\$'000	Engineering services S\$'000	Corporate S\$'000	Eliminations S\$'000	Total S\$'000
	Marine cables S\$'000	Marine lighting S\$'000	Others S\$'000	Total S\$'000						
Segment revenue:										
Sales to external customers	20,823	10,146	4,473	35,442	-	4,623	348	-	-	40,413
Intersegment sales	36	31	54	121	-	16	-	-	(137)	-
	20,859	10,177	4,527	35,563	-	4,639	348	-	(137)	40,413
Segment results	428	209	92	729	(70)	(2,703)	(735)	(1,817)	-	(4,596)
Share of Profit from Equity- Accounted Joint Ventures and Associates	159	78	34	271	(953)	-	(209)	-	-	(891)
Depreciation and amortisation	657	321	141	1,119	-	299	12	-	-	1,430
Impairment loss	-	-	-	-	63	825	-	-	-	888
Other significant non-cash expense	1,843	900	396	3,139	2,564	-	(835)	-	-	4,868
Segment assets	28,843	14,077	6,199	49,119	1,989	3,860	562	7,847	-	63,377
Segment assets includes Investment in joint ventures and associates	1,427	697	307	2,431	1,963	-	-	-	-	4,394
Additions to non-current assets	104	51	22	177	-	495	52	-	-	724
Segments liabilities	8,547	4,171	1,837	14,555	520	2,342	379	20,696	-	38,492

14. Segmental revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year. (Cont'd)

	Supply Chain Management				Manufacturing S\$'000	Security S\$'000	Engineering services S\$'000	Corporate S\$'000	Eliminations S\$'000	Total S\$'000
	Marine cables S\$'000	Marine lighting S\$'000	Others S\$'000	Total S\$'000						
Segment revenue:										
Sales to external customers	14,274	9,433	4,934	28,641	-	2,657	7,047	-	-	38,345
Intersegment sales	37	24	13	74	-	26	-	-	(100)	-
	14,311	9,457	4,947	28,715	-	2,983	7,047	-	(100)	38,345
Segment results	(3,208)	(2,220)	(1,158)	(6,586)	(13,390)	(5,853)	(1,091)	(1,002)	-	(27,922)
Share of Profit from Equity- Accounted Joint Ventures and Associates	380	251	131	762	(1,198)	-	(46)	-	-	(482)
Depreciation and amortization	536	369	193	1,098	-	698	128	-	-	1,924
Impairment loss	-	-	-	-	7,663	3,718	-	-	-	11,381
Other significant non-cash expense	3,583	2,469	1,288	7,340	7,717	84	-	-	-	15,141
Segment assets	28,380	19,554	10,201	58,135	3,082	3,791	5,569	357	-	70,934
Segment assets includes Investment in joint ventures and associates	1,250	825	429	2,504	3,049	-	211	-	-	5,764
Additions to non-current assets	208	137	73	418	-	332	-	-	-	750
Segments liabilities	8,902	6,133	3,200	18,235	16,416	1,995	2,414	804	-	39,864

14. Segmental revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year. (Cont'd)

	Revenue		Non-current assets	
	FY2018	FY2017	FY2018	FY2017
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	22,228	20,836	11,690	13,651
China	512	5	6,069	3,049
Japan	5,798	11,097	-	211
Vietnam	925	996	-	-
United Arab Emirates	297	650	2,431	2,504
Indonesia	1,604	1,529	-	2
Malaysia	5,730	1,204	-	-
Other countries	3,319	2,028	10	15
	40,413	38,345	20,200	19,432

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

Please refer to the review of performance in paragraph 8 and paragraph 10.

16. A breakdown of sales

	Group		%
	FY2018	FY2017	
	S\$'000	S\$'000	Change
Sales reported for first half year	16,565	20,314	(18%)
Operating (loss)/profit after tax reported for the first half year	(3,668)	282	(1,401%)
Sales reported for second half year	23,848	18,031	32%
Operating loss after tax reported for the second half year	(1,839)	(27,245)	(93%)

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

Nil

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(11) 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 held	Details of changes in duties and position held, if any, during the year
Johnny Lim Huay Hua	50	Brother of executive directors and substantial shareholders, Vincent Lim Hui Eng and Patrick Lim Hui Peng	Director of principal subsidiary - Beng Hui Marine Electrical Pte Ltd - Sopex Innovations Pte Ltd	NA
Eileen Lim Chye Hoon	55	Sister of executive directors and substantial shareholders, Vincent Lim Hui Eng and Patrick Lim Hui Peng	Director of principal subsidiary - Beng Hui Marine Electrical Pte Ltd	NA
Hing Kah Wah	53	Husband of substantial shareholder, Eileen Lim Chye Hoon	Senior Operational Manager of principal subsidiary - Beng Hui Marine Electrical Pte Ltd	NA

On behalf of the Board of Directors

Vincent Lim Hui Eng
Executive Chairman and
Chief Executive Officer
1 March 2019

Patrick Lim Hui Peng
Chief Operating Officer