



HLN TECHNOLOGIES LIMITED
FULL YEAR FINANCIAL STATEMENT FOR PERIOD ENDED 31 DECEMBER 2010
(UNAUDITED)

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3),
 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

(In \$'000)	FY 2010	FY 2009	Change
Revenue	30,115	29,055	3.6%
Cost of Sales	(19,747)	(19,550)	1.0%
Gross Profit	10,368	9,505	9.1%
Other Items of Income			
Interest Income	17	23	(26.1%)
Dividend Income	5	5	0.0%
Other Credits	140	1,027	(86.4%)
Other Items of Expenses			
Marketing and Distribution Costs	(2,296)	(1,809)	26.9%
Administrative Expenses	(6,022)	(5,534)	8.8%
Financial Costs	(55)	(127)	(56.7%)
Other Charges	(325)	(1,999)	(83.7%)
Profit Before Income Tax	1,832	1,091	67.9%
Income Tax Expense	(806)	(578)	39.4%
Profit Net of Income Tax	1,026	513	100.0%
Other Comprehensive Loss:			
Foreign Currency Translation Loss, Net	(348)	(123)	182.9%
Fair Value Gain on Quoted Shares	3	19	(84.2%)
Other Comprehensive Loss for the Year, Net of Tax	(345)	(104)	231.7%
Total Comprehensive Income for the Year	681	409	66.5%
Profit Attributable to Owners of the Parent, Net of Tax	1,029	355	189.9%
(Loss)/Profit Attributable to Non-Controlling Interests, Net of Tax	(3)	158	NM
Profit Net of Income Tax	1,026	513	100.0%
Total Comprehensive Income Attributable to Owners of the Parent	693	262	164.5%
Total Comprehensive (Loss)/Income Attributable to Non-Controlling Interests	(12)	147	NM
Total Comprehensive Income for the Year	681	409	66.5%
Earnings Per Share			
Earnings Per Share Currency Unit	Cents	Cents	
Basic and Diluted	0.80	0.29	175.9%

Note: Refer to paragraph 8 - Review of the performance of the Group, found on pages 8 to 10 of this announcement.

Profit net of income tax is arrived at after (charging)/crediting the following:

(in \$'000)	FY 2010	FY 2009	Change	Note
Depreciation of plant & equipment	(1,332)	(1,535)	(13.2%)	(a)
Amortisation of intangible assets	-	(39)	NM	
Reversal on inventory allowance/(impairment charges)	46	(419)	NM	(b)
Reversal on allowance for bad debts/(bad debts written-off)	8	(43)	NM	(b)
Plant & equipment written off	-	(278)	NM	(c)
(Loss)/Gain on disposal of plant & equipment	(3)	412	NM	(d)
Impairment loss on plant & equipment	-	(1,107)	NM	(d)
Gain on disposal of Pri-V Group	-	311	NM	(e)
Loss on disposal of Sheung Ho Group	-	(306)	NM	(f)
Gain on disposal of quoted securities	147	183	(19.7%)	(g)
Foreign exchange loss	(400)	(19)	2005.3%	(h)

NM – not meaningful

- (a) Depreciation decrease was mainly due to plant and equipment written off by a subsidiary in Malaysia and disposal of Pri-V Group.
- (b) Allowance for slow moving & obsolete inventories and bad debts in accordance with Group accounting policy.
- (c) Plant & equipment written off in 2009 was mainly due to relocation of a plant in Malaysia.
- (d) Impairment loss on plant & equipment arose from the closure of our precision turning operations in Malaysia in FY2009. These plant & equipment were subsequently sold in FY 2009 at a gain of \$443,000
- (e) The entire 60% interest in Pri-V Group was disposed off on 1st November 2009 for cash consideration of \$1,259,000 (refer to SGXNET announcement dated 17 November 2009).
- (f) Sheung Ho Group was established in August 2009 and disposed off on 1st December 2009 for cash consideration of \$450,000 (refer to SGXNET announcement dated 29 December 2009).
- (g) The Group invested in quoted securities and some were held for trading purposes.
- (h) Foreign exchange loss was due to the stronger SGD against USD and regional currencies during the year.

1(b)(i) Statement of Financial Position (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year

(in \$'000)

	Group 31.12.10	Group 31.12.09	Company 31.12.10	Company 31.12.09
Non-Current Assets				
Plant & Equipment	5,425	6,204	62	101
Investments in Subsidiaries	-	-	11,395	11,395
Financial Assets, Available-for-sale	105	102	105	102
Total Non-Current Assets	5,530	6,306	11,562	11,598
Current Assets				
Inventories	4,950	3,508	-	-
Trade and Other Receivables	7,719	7,695	2,524	2,460
Other Assets	6,817	792	6,025	63
Cash and Cash Equivalents	12,115	10,958	5,116	4,667
Financial Assets, Held-for-trading	-	468	-	468
Total Current Assets	31,601	23,421	13,665	7,658
Total Assets	37,131	29,727	25,227	19,256
EQUITY AND LIABILITIES				
Equity				
Share Capital	22,724	16,648	22,724	16,648
Treasury Shares	(942)	(942)	(942)	(942)
Retained Earnings	9,232	8,424	2,345	2,938
Other Reserves	(540)	(270)	5	2
Equity, Attributable to Owners of the Parent	30,474	23,860	24,132	18,646
Non-Controlling Interests	29	487	-	-
Total Equity	30,503	24,347	24,132	18,646
Non-Current Liabilities				
Deferred Tax Liabilities	453	389	15	28
Trade and Other Payables, Non Current	32	84	-	-
Finance Lease Liabilities, Non Current	-	3	-	-
Total Non-Current Liabilities	485	476	15	28
Current Liabilities				
Income Tax Payable	252	379	-	3
Trade and Other Payables, Current	3,557	3,901	1,080	579
Finance Lease Liabilities, Current	2	7	-	-
Other Financial Liabilities	2,332	617	-	-
Total Current Liabilities	6,143	4,904	1,080	582
Total Liabilities	6,628	5,380	1,095	610
Total Equity and Liabilities	37,131	29,727	25,227	19,256

Note: Refer to paragraph 8 - Review of the performance of the Group, found on pages 8 to 10 of this announcement.

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

Amount repayable in one year or less, or on demand

(In \$'000)	As at 31.12.2010		As at 31.12.2009	
	Secured	Unsecured	Secured	Unsecured
Finance lease liabilities	2	-	7	-
Borrowings	2,332	-	617	-
Total	<u>2,334</u>	<u>-</u>	<u>624</u>	<u>-</u>

Amount repayable after one year

(In \$'000)	As at 31.12.2010		As at 31.12.2009	
	Secured	Unsecured	Secured	Unsecured
Finance lease liabilities	-	-	3	-
Borrowings	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>3</u>	<u>-</u>

Details of any collateral

Finance lease liabilities refer to hire purchases for motor vehicles which are secured by a pledge of the assets and guaranteed by a director of our subsidiary in Singapore.

Bank borrowings amounting to \$2,332,000 (31 December 2009: \$617,000) consist of:

- \$417,000 (31 December 2009: \$410,000) revolving cash loans by one of the subsidiaries in Malaysia, secured by Corporate Guarantee from one of the subsidiaries in Singapore
- \$1,915,000 (31 December 2009: \$207,000) short-term loans and trade finance facilities extended to our subsidiaries in China, secured by Corporate Guarantee and fixed deposit from the Company

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

(In \$'000)

	FY 2010	FY 2009
Cash Flows From Operating Activities		
Profit Before Income Tax	1,832	1,091
Adjustments for :		
Dividend Income	(5)	(5)
Interest Income	(17)	(23)
Interest Expense	55	127
Amortisation of Intangible Assets	-	39
Depreciation of Plant and Equipment	1,332	1,535
Impairment Loss on Plant and Equipment	-	1,107
Loss/(Gain) on Disposal of Plant and Equipment	3	(412)
Plant and Equipment Written Off	-	278
Intangible Assets Written Off	-	33
Fair Value Loss/(Gain) on Financial Assets Held for Trading	50	(50)
Gain on Disposal of Subsidiaries	-	(5)
Loss on Disposal of Shares in a Subsidiary	-	6
Gain on Disposal of Quoted Securities	(147)	(183)
Share Based Payment	-	69
Foreign Exchange Adjustment Gains	(268)	(160)
Operating Cash Flows Before Changes in Working Capital	2,835	3,447
Inventories	(1,442)	2,304
Trade and Other Receivables	(24)	(785)
Other Assets	(97)	(16)
Trade and Other Payables, Total	(396)	437
Net Cash Flows From Operations Before Interest and Tax	876	5,387
Income Taxes Paid	(869)	(569)
Net Cash Flows From Operating Activities	7	4,818
Cash Flows From Investing Activities		
Purchase of Plant and Equipment	(790)	(647)
Proceeds from Disposals of Plant and Equipment	154	634
Proceeds from Disposals of Quoted Securities	565	233
Proceeds from Disposal of Shares in a Subsidiary	-	17
Disposal of Subsidiaries (Net of Cash Inflow)	-	461
Acquiring Additional Shares in a Subsidiary	(380)	-
Investment in Quoted Equities	-	(418)
Deposit Paid for Acquisition of Shares in Subsidiary	(5,928)	-
Interest Income Received	17	23
Dividend Income Received	5	5
Net Cash Flows (Used In)/From Investing Activities	(6,357)	308
Cash Flows From Financing Activities		
Issue of Shares	6,076	-
Issue of Treasury Shares Under Share Option Scheme	-	42
Purchase of Treasury Shares	-	(337)
Cash Restricted in Use Over 3 Months	(642)	23
Interest Expense Paid	(55)	(127)
Repayment of Finance Lease Liabilities	(8)	(7)
Increase/(Decrease) in Net Borrowings	1,715	(2,279)
Dividends Paid	(221)	(124)
Net Cash Flows From/(Used In) Financing Activities	6,865	(2,809)
Net Increase in Cash and Cash Equivalents	515	2,317
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	10,958	8,641
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	11,473	10,958
Balance as in Statement of Financial Position	12,115	10,958
Cash Restricted in Use over 3 Months	(642)	-
Cash and Cash Equivalent as in Statement of Cash Flows	11,473	10,958

1(d)(i) A statement (for the issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Attributable to owners of the parent				Parent sub-total \$'000	Non-controlling interest \$'000	Total equity \$'000
	Share capital \$'000	Treasury shares \$'000	Other reserves \$'000	Retained earnings \$'000			
Group							
Opening Balance as at 1 January 2009	16,648	(740)	(107)	8,193	23,994	942	24,936
Total Comprehensive Income/(Loss) for the Year	-	-	(93)	355	262	147	409
<u>Other Movements in Equity:</u>							
Issue of treasury shares	-	135	-	-	135	-	135
Purchase of treasury shares	-	(337)	-	-	(337)	-	(337)
Disposal of subsidiaries	-	-	-	-	-	(623)	(623)
Disposal of shares in non-wholly owned subsidiary	-	-	-	-	-	21	21
Expiry of share options	-	-	(1)	-	(1)	-	(1)
Share-based payments	-	-	(69)	-	(69)	-	(69)
Dividends paid	-	-	-	(124)	(124)	-	(124)
	-	(202)	(70)	(124)	(396)	(602)	(998)
Closing Balance at 31 December 2009	16,648	(942)	(270)	8,424	23,860	487	24,347
Opening Balance as at 1 January 2010	16,648	(942)	(270)	8,424	23,860	487	24,347
Total Comprehensive Income/(Loss) for the Year	-	-	(336)	1,029	693	(12)	681
<u>Other Movements in Equity:</u>							
Issue of share capital	6,076	-	-	-	6,076	-	6,076
Acquiring additional shares in a subsidiary	-	-	66	-	66	(446)	(380)
Dividends paid	-	-	-	(221)	(221)	-	(221)
	6,076	-	66	(221)	5,921	(446)	5,475
Closing Balance at 31 December 2010	22,724	(942)	(540)	9,232	30,474	29	30,503
Company							
	Share capital \$'000	Treasury shares \$'000	Other reserves \$'000	Retained earnings \$'000	Total equity \$'000		
Opening Balance at 1 January 2009	16,648	(740)	53	(6,311)	9,650		
Total Comprehensive Income for the Year	-	-	19	9,373	9,392		
<u>Other Movements in Equity</u>							
Issue of treasury shares	-	135	-	-	135		
Purchase of treasury shares	-	(337)	-	-	(337)		
Expiry of share options	-	-	(1)	-	(1)		
Share-based payments	-	-	(69)	-	(69)		
Dividends paid	-	-	-	(124)	(124)		
	-	(202)	(70)	(124)	(396)		
Closing Balance at 31 December 2009	16,648	(942)	2	2,938	18,646		
Opening Balance at 1 January 2010	16,648	(942)	2	2,938	18,646		
Total Comprehensive Income/(Loss) for the Year	-	-	3	(372)	(369)		
<u>Other Movements in Equity:</u>							
Issue of share capital	6,076	-	-	-	6,076		
Dividends paid	-	-	-	(221)	(221)		
	6,076	-	-	(221)	5,855		
Closing Balance at 31 December 2010	22,724	(942)	5	2,345	24,132		

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 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

On 25 October 2010, the Company issued 24,600,000 new ordinary shares pursuant to a Share Placement exercise.

As at 31 December 2010, there were 7,577,000 shares held as Treasury Shares (31 December 2009: 7,577,000 shares).

(d)(iii) To show the total number of Issued share excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

<u>As at 31.12.2010</u>	<u>As at 31.12.2009</u>
148,060,920	123,460,920

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

Not applicable

2. Whether the figures have been audited, or reviewed and in accordance with which standard (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 external 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 and the Company have adopted the new and revised Financial Reporting Standards ("FRS") and Interpretation to FRS ("INT FRS") that are applicable to its operations and effective from the period beginning on or after 1 January 2010. The adoption of these new and review FRSs and INT FRSs did not have a material effect on the financial statements of the Group and the Company for the financial year ending 31 December 2010.

Other than the adoption of the new and review FRSs and INT FRSs described above, the Group and the Company have applied the same accounting policies and methods of computation in the preparation of the current year's financial statements as those applied in the audited financial statements for the year ended 31 December 2009.

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

Not applicable.

6. Earnings per ordinary share of the Group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	12 months ended 31.12.2010	12 months ended 31.12.2009
Earnings per share based on profit attributable to shareholders:		
(a) Basic (in cents)	0.80	0.29
(b) On a fully diluted basis (in cents)	0.80	0.29

The basic earnings per share and fully diluted earnings per share above have been calculated based on net profit attributable to shareholders of \$1,029,000 (FY 2009: \$355,000) and the weighted average number of ordinary shares in issue during the period of 127,976,536 (FY 2009: 123,808,583).

7. Net asset value (for the issuer and Group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	Group	Group	Company	Company
as at	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Net Asset Value per ordinary share (cents)	20.58	19.33	16.30	15.10

The net asset value per share of the Group has been calculated based on shareholders' equity of \$30,474,000 (31 December 2009: \$23,860,000) and 148,060,920 shares (31 December 2009: 123,460,920 shares). The net asset value per share of the Company has been calculated based on shareholders' equity of \$24,132,000 (31 December 2009: \$18,646,000) and issued share capital of 148,060,920 shares (31 December 2009: 123,460,920 shares).

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on

The principal activities of our Group involve the manufacture and sale of a wide range of customised precision elastomeric, polymeric and metallic components which are used in a variety of industries principally in office automation, lifestyle products, industrial application, consumer electronics and automotive industries.

Our metallic, elastomeric and polymeric component production capabilities range from material formulation and compounding as well as molding to secondary process including polymeric die-cutting, precision turning and precision machining of metallic components. We also supply machined aluminum products through our aluminum service centres. Our production facilities and sales offices are located in Singapore, Johor, Malaysia, Batam, Indonesia, Shenzhen and Suzhou, PRC. Our customers include multinational corporations with presence in South East Asia, North and East Asia, the US and Europe.

Income Statement

The Group's overall FY2010 performance improved due to the global economic recovery. Revenue increased by \$1.06 million or 3.6% to \$30.1 million in FY2010 from \$29.1 million in FY2009. The Group's three business units – elastomeric, polymeric and metallic – generated higher sales in FY2010.

On a geographical basis, the Group witnessed a broad-based sales recovery for its operations in Singapore, Malaysia, Indonesia and China during FY2010. In June 2010, the Group increased its stake in HLN Metal Centre Pte Ltd ("HMC") to 99% to capitalise on the improving business environment, particularly in China.

In tandem with the increase in revenue, the Group's gross profit improved by \$0.87 million or 9.1% to \$10.4 million in FY2010 from \$9.5 million in FY2009. The overall GP margin also increased to 34.4% from 32.7% due to better sales margin achieved by the elastomeric business unit and aluminium business.

The increase in distribution costs and administrative expenses was mainly due to an increase in staff costs. These expenses increased by \$0.98 million or 13.3% in FY2010 to \$8.3 million from \$7.3 million in FY2009.

Financial cost was reduced by \$72,000 or 56.7% to \$55,000 in FY2010, from \$127,000 in FY2009 as the Group did not consolidate the interest expenses of Pri-V Group which had been disposed in November 2009. In addition, interest expenses were also relatively lower as new bank borrowings were secured towards the end of 2010.

Other charges comprise mainly foreign exchange difference, impairment losses and accounting provisions. Other charges declined by \$1.67 million to \$0.33 million in FY2010 from \$2.0 million in FY2009 mainly due to absence of a one-off impairment loss on plant & equipment of \$1.0 million at the Group's precision turning operations in Malaysia, as well as the provision for impairment loss on inventory of \$0.42 million that were incurred in FY2009.

Due to the stronger SGD against the USD during FY2010, the Group recognised foreign exchange loss of \$0.4 million. This was partially offset by a reversal of inventory impairment charges of \$46,000 in FY2010. Other credits in FY2010 were lower by \$0.9 million to \$0.1 million as the Group posted lower other operating income from investment gain and consultancy income.

Due to the combined effect of the above factors, the Group posted higher profitability with \$1.8 million in net profit before tax ("NPBT") and \$1.0 million in net profit after tax ("NPAT") in FY2010, compared to NPBT of \$1.1 million and NPAT of \$0.51 million NPAT in FY2009. The higher income tax expenses in FY2010 was due to profitable operations in higher tax jurisdictions. Additionally, losses incurred by subsidiaries in one tax jurisdiction were not available for offset against profit generated by subsidiaries in other tax jurisdictions.

The Group achieved profit attributable to owners of the Company of \$1.0 million in FY2010, an increase of 189.9% from \$0.4 million in FY2009. The jump in profit attributable to owners of the Company was driven primarily by the increased profitability of business operations and consolidation of higher profits from HMC following the increase of the Group's equity interest in HMC to 99.0%.

Financial Position

Non-current Assets

The Group's non-current assets stood at \$5.5 million as at 31 December 2010. This was a decline of \$0.78 million from \$6.3 million as at 31 December 2009, mainly due to the depreciation of plant & equipment and after adjusting for additional plant & equipment purchased in FY2010. The Group made capital investments of \$0.79 million during FY2010.

Current Assets

The Group's current assets amounted to \$31.6 million as at 31 December 2010. This was an increase of \$8.2 million from \$23.4 million as at 31 December 2009. The increase was mainly due to increased investment in inventories of \$1.4 million in anticipation of higher production and sales as well as payment of a deposit for acquisition of shares in subsidiary, a majority stake in a BVI incorporated company that holds a 30% shareholding interest in a PRC developer, of \$5.9 million. Funding for the deposit payment came from issue of new shares through a share placement exercise in October 2010.

Total Liabilities

The Group has \$6.6 million total liabilities as at 31 December 2010, with approximately \$0.49 million under non-current liabilities mainly as deferred tax liabilities. The other financial liabilities comprise the short term loan and trade finance facilities. The increase of the other financial liabilities in FY2010 was

mainly due to higher utilisation of trade finance facilities that were extended to the Group's subsidiaries in China. The rest comprises mainly trade and related payables of \$3.8 million.

The Group was in a net cash position as at 31 December 2010.

Total Equity

Total equity increased by \$6.2 million to \$30.5 million from \$24.3 million as at 31 December 2009. The increase was mainly due to the share placement of \$6.1 million in October 2010. While retained earnings increased by about \$0.8 million during the year, the increase in losses from foreign currency translation reserve (due to strengthening of the SGD) and acquisition of the 17.65% non-controlling interest in HMC reduced the effect of higher retained earnings on total equity.

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

In the SGXNET HY2010 announcement released on 13 August 2010, the Group stated that it was cautiously optimistic about the second half year prospect and expected the Group to be profitable in FY2010. The Group's actual results are in line with that expectation as the Group posted a net profit attributable to shareholders of \$1,029,000 for FY2010 as compared to \$355,000 in FY2009.

10. A commentary at the date of the announcement of the 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

In line with the Group's strategy to explore business opportunities that can enhance long-term shareholder value, the Company has taken its first step to diversify and broaden its earnings base.

On 19 January 2011, the Group announced that it had entered into a conditional Sale and Purchase Agreement ("SPA") ("Proposed Acquisition") to acquire 50.54% interest in a BVI-incorporated company ("BVI Co") which holds a 30% shareholding interest in Tianjin Swan Lake Real Estate Development Co., Ltd ("Tianjin Swan Lake"), a Chinese developer based in Tianjin, PRC. Tianjin Swan Lake is developing a twin tower Grade 5A office development with a gross floor area of about 74,888 square meters in the Wuqing Development Area located between Beijing and Tianjin in Northern China.

Upon completion, the Company would have an effective interest of 15.16% in Tianjin Swan Lake. The purchase consideration of approximately RMB64.03 million (\$12.7 million) for the BVI Co is at a substantial discount to the independent valuation of the project developed by Tianjin Swan Lake the PRC Co. Hence, upon completion and in compliance with FRS 103, Business Combination, the Group would recognize \$6.75 million as share of the associate's profit, this being the excess of the Group's 15.16% share of the net fair value of Tianjin Swan Lake's identifiable assets and liabilities over the fair value of the purchase consideration, ("Share of profits of associate"). This share of profits of associate would, however, be adjusted against the Group's attributable profits to be realized from the subsequent sale of the project and when the associated company reports its financial results.

The Directors are of the view that the proposed acquisition will provide a mean of diversification from the Company's existing manufacturing business and offer an alternative source of earnings. In addition, the proposed acquisition also provides the Company with an opportunity to participate in the growing PRC economy through its involvement in the projects undertaken by Tianjin Swan Lake.

The world economy has generally been recovering well from the 2008 global financial crisis with resilient performances seen by the emerging economies in Asia, notably China. The Directors are confident that the Group, which operates mainly in this region, will be able to leverage its competitive strengths and strategic diversification to ride on the economic recovery. However, the Directors believe that the general business environment is still susceptible to economic and political shocks such as the recent political upheaval in the Middle East, rising crude oil prices, accelerating global inflation and persistent financial instability in the Euro zone countries.

Nevertheless, the Group intends to continue exploring other business opportunities which can enhance long term shareholder value. These include geographical expansion, mergers and acquisitions,

divestment and partnerships with long term strategic investor(s) who can add depth and breadth to the Group's existing business portfolio.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Name of Dividend	Final FY2009
Dividend Type	Cash
Dividend Rate	0.18 cent per ordinary share one-tier tax exempt
Date Paid/Payable	18 May 2010

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

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

No dividend is recommended for the financial year ended 31 December 2010.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

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

Operating Segments

For management purposes, the Group is organized into operating segments based on their product and service which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance.

Segment Information

For management purposes, the Group is organized into controlling business units ("CBU") based on their products and services which are further aggregated into four reportable segments as follows:

- 1) The *Office Automation* ("OA") segment manufactures and distributes polymeric components, polymeric die-cutting services and precision turned parts for the office automation end products including printers, copiers, electronic devices, computers, note books and peripheral accessories.
- 2) The *Lifestyle Products* ("LP") segment manufactures and distributes compound rubber and precision molded rubber parts and components for the consumer and life style products including household electrical appliances, consumer electronic devices, vibration control components and peripheral accessories.

- 3) The *Industrial Application* ("IA") segment manufactures and distributes metallic products and aluminum plates, rods and sheets for various customers in the semiconductor, military, medical instruments, precision engineering, aviation and transport, and food and beverage industries.
- 4) The *Corporate* ("IH") segment is involved in Group level corporate services, treasury functions and investments. It derives its income substantially from inter-company transactions.

Management monitors the operating results of its CBU separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects is measured differently from operating profit or loss in the consolidated financial statements. Financing cost (interest expense) and income taxes are managed on a group basis and are not allocated to operating segments. Transfer pricing between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Financial Information by Operating Segments

	OA \$'000	LP \$'000	IA \$'000	IH \$'000	Total \$'000
FY 2010					
Revenue:					
External customers	9,028	14,569	6,537	-	30,134
Inter-segment	(18)	(1)	-	-	(19)
Total Revenue	<u>9,010</u>	<u>14,568</u>	<u>6,537</u>	<u>-</u>	<u>30,115</u>
Recurring EBITDA	2,055	2,639	506	(1,796)	3,404
Finance costs	(3)	(19)	(33)	-	(55)
Depreciation and amortisation	(294)	(891)	(63)	(84)	(1,332)
ORBIT	<u>1,758</u>	<u>1,729</u>	<u>410</u>	<u>(1,880)</u>	<u>2,017</u>
Other items	(147)	(138)	64	36	(185)
Profit before income tax					<u>1,832</u>
Income tax expense					(806)
Profit, net of tax					<u><u>1,026</u></u>
FY 2009					
Revenue:					
External customers	8,512	15,145	5,582	-	29,239
Inter-segment	(182)	(2)	-	-	(184)
Total Revenue	<u>8,330</u>	<u>15,143</u>	<u>5,582</u>	<u>-</u>	<u>29,055</u>
Recurring EBITDA	1,635	2,852	137	(860)	3,764
Finance costs	(2)	(66)	(59)	-	(127)
Depreciation and amortisation	(350)	(994)	(70)	(160)	(1,574)
ORBIT	<u>1,283</u>	<u>1,792</u>	<u>8</u>	<u>(1,020)</u>	<u>2,063</u>
Other items	(355)	(197)	(419)	(1)	(972)
Profit before income tax					<u>1,091</u>
Income tax expense					(578)
Profit, net of tax					<u><u>513</u></u>

Assets and Reconciliations

	OA \$'000	LP \$'000	IA \$'000	IH \$'000	Unallocated \$'000	Group \$'000
FY 2010						
Total assets for reportable segments	5,230	9,117	3,927	6,742	-	25,016
Unallocated:						
Add: Cash and cash equivalents	-	-	-	-	12,115	12,115
Total group assets	<u>5,230</u>	<u>9,117</u>	<u>3,927</u>	<u>6,742</u>	<u>12,115</u>	<u>37,131</u>
FY 2009						
Total assets for reportable segments	5,524	8,828	3,202	1,215	-	18,769
Unallocated:						
Add: Cash and cash equivalents	-	-	-	-	10,958	10,958
Total group assets	<u>5,524</u>	<u>8,828</u>	<u>3,202</u>	<u>1,215</u>	<u>10,958</u>	<u>29,727</u>

Liabilities and Reconciliations

	OA \$'000	LP \$'000	IA \$'000	IH \$'000	Unallocated \$'000	Group \$'000
FY 2010						
Total Liabilities for reportable segments	618	1,755	161	1,055	-	3,589
Unallocated:						-
Deferred and current tax liabilities	-	-	-	-	705	705
Other financial liabilities	-	-	-	-	2,332	2,332
Finance lease liabilities	-	-	-	-	2	2
Total group liabilities	<u>618</u>	<u>1,755</u>	<u>161</u>	<u>1,055</u>	<u>3,039</u>	<u>6,628</u>
FY 2009						
Total Liabilities for reportable segments	689	1,719	1,008	569	-	3,985
Unallocated:						-
Deferred and current tax liabilities	-	-	-	-	768	768
Other financial liabilities	-	-	-	-	617	617
Finance lease liabilities	-	-	-	-	10	10
Total group liabilities	<u>689</u>	<u>1,719</u>	<u>1,008</u>	<u>569</u>	<u>1,395</u>	<u>5,380</u>

Geographical Information

The Group's main operations are located in Singapore, Malaysia, Indonesia and China. Revenue from external customers are attributed to the Group's countries of domicile and all foreign countries in total from which the Group derived revenues. Non-current assets are attributed to countries based on the Group's country of domicile and all foreign countries in total in which the entity holds assets.

The Group's reportable segment are based on differences in products and services, no additional disclosure of revenue information about products and services are required.

	Revenue		Non-Current Assets	
	FY 2010 \$'000	FY 2009 \$'000	FY 2010 \$'000	FY 2009 \$'000
China	11,761	10,631	1,992	2,233
Singapore	10,607	12,824	823	1,047
Malaysia	5,987	5,063	2,330	2,487
Indonesia	1,760	537	385	539
Total	30,115	29,055	5,530	6,306

Revenues from top two customers of the Group represent approximately \$3,744,000 (FY 2009: \$2,704,000) and \$2,861,000 (FY 2009: \$2,628,000) of the Group's total revenue respectively.

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

Refer to paragraph 8 - Review of the performance of the Group, found on pages 8 to 10 of this announcement.

15. A breakdown of sales

(In \$'000)	Group FY 2010	Group FY 2009	% increase/(Decrease)
Sales reported for first half year	14,522	11,159	30.1%
Operating profit/(loss) after tax before deducting non-controlling interest reported for first half year	476	(2,649)	(118.0%)
Sales reported for second half year	15,593	17,896	(12.9%)
Operating profit after tax before deducting non-controlling interest reported for second half year	550	3,162	(82.6%)

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

	Latest full year	Previous full year
(In \$ '000)	31 December 2010	31 December 2009
Total annual dividend – ordinary	221	124

17. Summary of interest person transactions for the financial period ended 31 December 2010.

Name of Interested Person	Aggregate value of all interest person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
<u>Purchase of goods and services</u>		
Jin Wa Rubber Products	128,270	NIL
Wa Sock Yin	55,000	NIL
Wa Swee Bee	30,375	NIL
Wa Kok Liang	14,664	NIL
TWL Technology	300	NIL
<u>Sales of goods and services</u>		
W & W Plastic And Polymer	23,545	NIL
TWL Technology	4,825	NIL

BY ORDER OF THE BOARD

Cheong Weixiong, Jeff
 Executive Director
 25 February 2011