



**HLN TECHNOLOGIES LIMITED**

**FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR YEAR ENDED 31 DECEMBER 2012 (UNAUDITED)**

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

1(a) An income statement and statement of comprehensive income or a statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group		Change
	2012 \$'000	2011 \$'000	
<b>Revenue</b>	23,644	24,847	(4.8%)
Cost of Sales	(16,054)	(16,335)	(1.7%)
<b>Gross Profit</b>	<u>7,590</u>	<u>8,512</u>	(10.8%)
<b>Other Items of Income</b>			
Interest Income	11	9	22.2%
Dividend Income	-	5	NM
Other Credits	2,154	2,008	7.3%
<b>Other Items of Expenses</b>			
Marketing and Distribution Costs	(1,880)	(2,056)	(8.6%)
Administrative Expenses	(6,015)	(5,629)	6.9%
Other Charges	(519)	(352)	47.4%
Finance Costs	(21)	(24)	(12.5%)
<b>Profit Before Income Tax from Continuing Operations</b>	<u>1,320</u>	<u>2,473</u>	(46.6%)
Income Tax Expense	(538)	(625)	(13.9%)
<b>Profit from Continuing Operations, Net of Tax</b>	<u>782</u>	<u>1,848</u>	(57.7%)
<b>Loss from Discontinued Operations, Net of Tax</b>	-	(833)	NM
<b>Profit, Net of Tax</b>	<u>782</u>	<u>1,015</u>	
<b>Other Comprehensive (Loss)/Income:</b>			
Exchange Differences on Translating Foreign Operations, Net of Tax	(466)	301	NM
<b>Other Comprehensive (Loss)/Income for the Year, Net of Tax</b>	<u>(466)</u>	<u>301</u>	NM
<b>Total Comprehensive Income for the Year</b>	<u>316</u>	<u>1,316</u>	(76.0%)
Profit Attributable to Owners of the Parent, Net of Tax	782	1,015	(23.0%)
<b>Profit Net of Tax</b>	<u>782</u>	<u>1,015</u>	(23.0%)
Total Comprehensive Income Attributable to Owners of Parent, Net of Tax	316	1,315	(76.0%)
Total Comprehensive Income Attributable to Non-Controlling Interests, Net of Tax	-	1	NM
<b>Total Comprehensive Income for the Year</b>	<u>316</u>	<u>1,316</u>	(76.0%)
<b>Earnings Per Share</b>			
Earnings Per Share Currency Unit	Cents	Cents	
<b>Basic and Diluted</b>			
Continuing Operations	0.52	1.24	(57.9%)
Discontinued Operations	-	(0.56)	NM
	<u>0.52</u>	<u>0.68</u>	(23.4%)

**Note:**

1. The comparative statement for the corresponding period of the immediate preceding financial period has been reclassified to present the results of the disposal group as "Discontinued Operations"
2. 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:**

	<u>2012</u>	<u>Group</u>	<u>2011</u>	<u>Change</u>	<u>Note</u>
	\$'000		\$'000		
Depreciation of plant & equipment	(1,054)		(1,180)	(10.7%)	
Foreign exchange loss, net	(326)		(125)	160.8%	(a)
Impairment charges on inventory allowance	(124)		(32)	287.5%	(b)
Reversal on/(allowance) for bad debts	(21)		36	NM	(b)
Fixed assets expensed off	-		(9)	NM	
Gain on disposal of plant & equipment	3		17	(82.4%)	
Net gain on disposal of quoted securities	-		5	NM	(c)
Staff compensation	(10)		-	NM	
Loss on disposal of HLN Metal Centre Group	-		(730)	NM	(d)
Profit guarantee	2,082		1,897	9.8%	(e)

NM – not meaningful

- (a) *Higher foreign exchange loss due to depreciation of US Dollar against the Singapore Dollar in FY2012.*
- (b) *Allowance for slow moving & obsolete inventories and bad debts in accordance with Group accounting policy.*
- (c) *The Group invested in quoted securities and some were held for trading purposes.*
- (d) *The entire 99% interest in HLN Metal Centre Group was disposed of in November 2011 for cash consideration of \$2,150,000 (refer to SGXNET announcement dated 17 November 2011).*
- (e) *Compensation from profit guarantee of \$2.08 million (FY2011: \$1.90 million) in accordance with the Sale and Purchase Agreement dated 19 January 2011.*

**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**

	<u>Group</u>		<u>Company</u>	
	<u>2012</u> \$'000	<u>2011</u> \$'000	<u>2012</u> \$'000	<u>2011</u> \$'000
<b><u>ASSETS</u></b>				
<b><u>Non-Current Assets</u></b>				
Plant and Equipment	4,050	4,881	33	85
Investments in Subsidiaries	-	-	11,395	23,516
Investment in Associate	-	12,121	-	-
<b>Total Non-Current Assets</b>	<b>4,050</b>	<b>17,002</b>	<b>11,428</b>	<b>23,601</b>
<b><u>Current Assets</u></b>				
Inventories	2,208	2,445	-	-
Trade and Other Receivables	6,533	9,014	4,916	1,620
Other Assets, Current	646	819	43	53
Cash and Cash Equivalents	12,300	8,350	4,084	2,760
	21,687	20,628	9,043	4,433
Disposal Group Classified as Held-for-Sale	12,121	-	12,121	-
<b>Total Current Assets</b>	<b>33,808</b>	<b>20,628</b>	<b>21,164</b>	<b>4,433</b>
<b>Total Assets</b>	<b>37,858</b>	<b>37,630</b>	<b>32,592</b>	<b>28,034</b>
<b><u>EQUITY AND LIABILITIES</u></b>				
<b><u>Equity Attributable to Owners of the Parent</u></b>				
Share Capital	22,403	22,403	22,403	22,403
Retained Earnings	10,843	10,061	8,871	4,935
Other Reserves	(468)	(2)	-	-
<b>Total Equity</b>	<b>32,778</b>	<b>32,462</b>	<b>31,274</b>	<b>27,338</b>
<b><u>Non-Current Liabilities</u></b>				
Deferred Tax Liabilities	306	399	-	-
Provisions	56	43	-	-
Finance Leases Liabilities, Non-Current	17	24	-	-
<b>Total Non-Current Liabilities</b>	<b>379</b>	<b>466</b>	<b>-</b>	<b>-</b>
<b><u>Current Liabilities</u></b>				
Income Tax Payable	279	152	-	-
Trade and Other Payables	4,015	4,134	1,318	696
Finance Lease Liabilities, Current	7	7	-	-
Other Financial Liabilities	400	409	-	-
<b>Total Current Liabilities</b>	<b>4,701</b>	<b>4,702</b>	<b>1,318</b>	<b>696</b>
<b>Total Liabilities</b>	<b>5,080</b>	<b>5,168</b>	<b>1,318</b>	<b>696</b>
<b>Total Equity and Liabilities</b>	<b>37,858</b>	<b>37,630</b>	<b>32,592</b>	<b>28,034</b>

*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**

	As at 31.12.2012		As at 31.12.2011	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Finance lease liabilities	7	-	7	-
Borrowings	400	-	409	-
Total	<u>407</u>	<u>-</u>	<u>416</u>	<u>-</u>

**Amount repayable after one year**

	As at 31.12.2012		As at 31.12.2011	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Finance lease liabilities	17	-	24	-
Total	<u>17</u>	<u>-</u>	<u>24</u>	<u>-</u>

**Details of any collateral**

Finance lease liabilities refer to a hire purchase for motor vehicle which was guaranteed by a director of our subsidiary in Singapore.

The amount payable in one year or less consisted of bank borrowing of \$400,000 (31 December 2011: \$409,000) a revolving loan by one of the subsidiary in Malaysia, secured by Corporate Guarantee from one of our subsidiaries in Singapore.

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

	<u>Group</u>	
	<u>2012</u>	<u>2011</u>
	\$'000	\$'000
<b><u>Cash Flows From Operating Activities</u></b>		
Profit Before Income Tax		
From continuing operations	1,320	2,473
From discontinued operation	-	(781)
	<u>1,320</u>	<u>1,692</u>
Adjustments for :		
Dividend Income	-	(5)
Interest Income	(11)	(11)
Interest Expense	21	65
Depreciation of Plant and Equipment	1,054	1,180
Gain on Disposal of Plant and Equipment	(3)	(9)
Loss on Disposal of Subsidiaries	-	787
Gain on Financial Assets Reclassified from Equity to Profit or Loss - Realised on Disposal	-	(5)
Net Effect of Exchange Rate Changes in Consolidating Foreign Operations	(254)	242
<b>Operating Cash Flows Before Changes in Working Capital</b>	<u>2,127</u>	<u>3,936</u>
Inventories	237	(273)
Trade and Other Receivables	2,481	(2,267)
Other Assets	173	31
Trade and Other Payables and Provisions	(106)	1,121
<b>Net Cash Flows From Operations</b>	<u>4,912</u>	<u>2,548</u>
Income Taxes Paid	(502)	(826)
<b>Net Cash Flows From Operating Activities</b>	<u>4,410</u>	<u>1,722</u>
<b><u>Cash Flows From Investing Activities</u></b>		
Purchase of Plant and Equipment	(516)	(925)
Disposal of Plant and Equipment	73	108
Disposal of Other Financial Assets	-	105
Disposal of Subsidiary (Net of Cash Inflow)	-	1,748
Investment in Associate	-	(5,572)
Interest Received	11	11
Dividend Received	-	5
<b>Net Cash Flows Used in Investing Activities</b>	<u>(432)</u>	<u>(4,520)</u>
<b><u>Cash Flows From Financing Activities</u></b>		
Cash Restricted in Use	(510)	-
Release of Cash Restricted in Use	647	-
Interest Paid	(21)	(65)
Finance Lease Repayments	(7)	(7)
Increase from New Borrowings	-	1,888
Borrowings Repayment	-	(2,788)
<b>Net Cash Flows From/(Used in) Financing Activities</b>	<u>109</u>	<u>(972)</u>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<u>4,087</u>	<u>(3,770)</u>
Cash and Cash Equivalents, Consolidated Statement of Cash Flows, Beginning Balance	7,703	11,473
<b>Cash and Cash Equivalents, Consolidated Statement of Cash Flows, Ending Balance</b>	<u>11,790</u>	<u>7,703</u>
<b>Balance as in Statement of Financial Position</b>	<u>12,300</u>	<u>8,350</u>
Cash Restricted in Use	(510)	(647)
<b>Cash and Cash Equivalents as in Consolidated Statement of Cash Flows</b>	<u>11,790</u>	<u>7,703</u>

Note: The comparative statement for the corresponding period of the immediate preceding financial period has been reclassified to present the results of the disposal group as "Discontinued Operations"

**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**

	Total Equity \$'000	Sub-Total \$'000	Attributable to Parent			Non-Controlling Interest \$'000
			Shares Capital \$'000	Retained Earnings \$'000	Other Reserves \$'000	
<b>Group</b>						
<b>Current Year:</b>						
Opening Balance at 1 January 2012	32,462	32,462	22,403	10,061	(2)	-
Total Comprehensive Income/(loss) for the Year	316	316	-	782	(466)	-
Closing Balance at 31 December 2012	32,778	32,778	22,403	10,843	(468)	-
<b>Previous Year:</b>						
Opening Balance at 1 January 2011	30,503	30,474	21,782	9,298	(606)	29
Total Comprehensive Income for the Year	1,316	1,315	-	1,015	300	1
<b>Other Movements in Equity:</b>						
Statutory Reserve	-	-	-	(252)	252	-
Reclassification Adjustment for Gain Included in Profit or Loss - Realised on Disposal	(5)	(5)	-	-	(5)	-
Issue of Treasury Shares for the Acquisition of a Subsidiary	621	621	621	-	-	-
Disposal of Subsidiaries	27	57	-	-	57	(30)
	643	673	621	(252)	304	(30)
Closing Balance at 31 December 2011	32,462	32,462	22,403	10,061	(2)	-

	Total Equity \$'000	Shares Capital \$'000	Retained Earnings \$'000	Other Reserves \$'000
	<b>Company</b>			
<b>Current Year:</b>				
Opening Balance at 1 January 2012	27,338	22,403	4,935	-
Total Comprehensive Income for the Year	3,936	-	3,936	-
Closing Balance at 31 December 2012	31,274	22,403	8,871	-
<b>Previous Year:</b>				
Opening Balance at 1 January 2011	24,132	21,782	2,345	5
Total Comprehensive Income for the Year	2,590	-	2,590	-
<b>Other Movements in Equity:</b>				
Reclassification Adjustment for Gain Included in Profit or Loss - Realised on Disposal	(5)	-	-	(5)
Issue of Treasury Shares for the Acquisition of a Subsidiary	621	621	-	-
	616	621	-	(5)
Closing Balance at 31 December 2011	27,338	22,403	4,935	-

- 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**

There was no change in the Company's share capital during the year ended 31 December 2012.

As at 31 December 2012, there were 5,365,000 shares held as Treasury Shares (31 December 2011: 5,365,000 shares).

- 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**

<u>As at 31.12.2012</u>	<u>As at 31.12.2011</u>
150,272,920	150,272,920

- 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**

There was no change in the Company's share capital for the period ended 31 December 2012.

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

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

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

Not applicable.

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

Saved as disclosed in Note 5 below, the Group had applied the same accounting policies and methods of computation in the financial statements for the current period as those for the audited financial statements for the year ended 31 December 2011.

- 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 the current period, the Group adopted the new/revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2012.

Amendments to FRS 107 Disclosures – Transfers of Financial Assets  
Amendments to FRS 12 – Deferred Tax : Recovery of Underlying Assets

The adoption of the above did not result in any material change to the Group's accounting policies nor have any significant impact on the financial statements.

**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**

Basic and diluted earnings per share based on profit attributable to shareholders (in cent):	12 months ended 31.12.2012	12 months ended 31.12.2011
Continuing Operations	0.52	1.24
Discontinued Operations	-	(0.56)
Total	0.52	0.68

The basic earnings per share and fully diluted earnings per share for continuing operations have been calculated based on net loss attributable to shareholders of \$782,000 (FY2011: \$1,848,000) and the weighted average number of ordinary shares during the period was 150,272,920 (FY2011: 149,472,964).

The basic earnings per share and fully diluted earnings per share for discontinued operations in FY2011 have been calculated based on net loss attributable to shareholders of \$833,000 and the weighted average number of ordinary shares during the period was 149,472,964.

**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	Group	Company	Company
As at	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Net Asset Value per ordinary share (cents)	21.81	21.60	20.81	18.19

The net asset value per share of the Group has been calculated based on shareholders' equity of \$32,778,000 (31 December 2011: \$32,462,000) and 150,272,920 shares (31 December 2011: 150,272,920 shares).

The net asset value per share of the Company has been calculated based on shareholders' equity of \$31,274,000 (31 December 2011: \$27,338,000) and issued share capital of 150,272,920 shares (31 December 2011: 150,272,920 shares).

**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**

The principal historical 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. Our production facilities and sales offices are located in Singapore, Johor, Malaysia, Batam, Indonesia, and Suzhou, PRC. Our customers include multinational corporations with presence in South East Asia, North and East Asia, the USA and Europe.

In November 2011, the entire interest of the Group's metallic business was divested and hence the Group is no longer involved in the metal business.

## **Income Statement**

In accordance with the FRS, the results of the disposed group are presented separately as “Discontinued Operations”.

### (i) Continuing Operations

For the year ended 31 December 2012, the Group’s revenue decreased 4.8% to \$23.64 million as compared to revenue of \$24.85 million in FY2011. The revenue for the elastomeric business unit remained relative stable in FY2012 while the polymeric business unit recorded a drop in revenue due to the decline in demand of its key customer.

Gross profit declined by \$0.92 million or 10.8% to \$7.59 million in FY2012 from \$8.51 million in the previous corresponding period. The overall gross profit margin for FY2012 was 32.1% compared to 34.3% for the previous corresponding period. The lower margin in FY2012 was mainly due to rising costs for materials and labour of the two business units.

Distribution costs and administrative expenses increased by 2.7% in FY2012 to \$7.89 million from \$7.68 million in FY2011 due to increase in legal fee, security fee, office expenses, mainly rental and donation. The increase was partly offset by the lower audit fee incurred and staff cost mainly bonus and incentive in FY2012. Finance costs decreased by \$3,000 to \$21,000 in FY2012 for the interest incurred for the revolving credit facilities of a subsidiary in Malaysia.

Other charges comprised mainly of foreign exchange difference and accounting provisions. The Group recorded other charges of \$519,000 in FY2012 (FY2011: \$352,000) mainly due to foreign exchange loss of \$326,000 (FY2011: \$152,000). This was due to the depreciation of US Dollar (“USD”) against the Singapore Dollar (“SGD”) in FY2012 and the stronger SGD versus Ringgit Malaysia (“MYR”), China Renminbi (“RMB”) and Indonesia Rupiah (“IDR”) during FY2012. In addition, allowance for slow moving & obsolete inventories of \$126,000 was recorded in FY2012 (FY2011: \$19,000) in accordance with Group accounting policy.

Other credits in FY2012 amounted to \$2.15 million compared to \$2.01 million in FY2011 mainly due to higher contribution from the profit guarantee recorded in FY2012 of a 50.54% shareholding interest in a BVI incorporated company that holds a 30% shareholding interest in a PRC developer.

The Group’s continuing operations registered 46.6% lower profit before income tax of \$1.32 million for FY2012, compared to \$2.47 million in FY2011. The Group recorded a profit after tax from continuing operations of \$0.78 million in FY2012 compared to a net profit of \$1.85 million in FY2011.

### (ii) Discontinued Operations

In FY2011, the Group disposed of its interest in the metal business which reported a loss attributable to owners of \$833,000.

## **Financial Position**

### **Non-current Assets**

The Group’s non-current assets reduced by \$0.83 million to \$16.17 million as at 31 December 2012 as compared to non-current assets of \$17.00 million as at 31 December 2011. The decline was mainly due to the depreciation of plant and equipment of \$1.05 million, disposal of plant and equipment together with the loss on disposal of \$3,000 and the foreign currency translation loss in overseas operations of \$0.22 million; offset by the corresponding increase in the addition of new plant and equipment of \$0.52 million.

### **Current Assets**

The Group’s current assets amounted to \$21.69 million as at 31 December 2012, an increase of \$1.06 million compared to 31 December 2011.

Inventories increased by \$0.24 million and trade receivables decreased by \$2.66 million mainly due to the better cash flow management. Cash and cash equivalents improved by \$3.95 million mainly due to the proceeds of \$0.54 million from the disposal of its metal business, profit compensation of \$1.81 million and deposit of \$0.45 million for the disposal of the elastomeric business.

#### **Total Liabilities**

Total liabilities as at 31 December 2012 was \$5.08 million, a decline of \$0.09 million from \$5.17 million as at 31 December 2011.

Trade and related payables declined by \$0.12 million due to the decrease of purchase orders for operational usage. Higher income tax recorded as at 31 December 2012 as the higher income tax expenses accrued in FY2012 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.

Approximately \$1.01 million under non-current liabilities was for deferred tax and the financial lease liability which comprised of the outstanding amount from a hire purchase of motor vehicle as at 31 December 2012.

#### **Total Equity**

The equity increased by \$0.32 million to \$32.78 million as at 31 December 2012 from \$32.46 million as at 31 December 2011. The Group recorded foreign currency translation reserve loss due to the appreciation of the SGD against MYR, RMB and IDR.

### **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 announcement for HY2011 results released on 10 August 2012, the Director raised concerns about the uncertainties over the direction of the property market in the PRC. Subsequently in the SGXNET announcement released on 22 August 2012, the Company decided that it would be in the best interests of its shareholders to dispose of the Company's interests in Greatly Holdings Investment Limited. Greatly Holdings holds a 30% interest in real estate development company in Tianjin, PRC.

In accordance with the Sales and Purchase Agreement dated 22 August 2012, the Company has received the first payment amounted to \$2.08 million (RMB10.61 million).

### **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**

In the interim results' announcement released on 10 August 2012, the Directors maintained that the on going unrest and political turmoil in the Middle-east and the Euro zone debt crisis will continue to have a negative impact on the overall business environment

As global economic outlook continues to be sluggish, the key customers of the Group will be impacted by weak business sentiments which may result in decline in overall business activities.

In the SGXNET announcement released on 14 December 2012, the Company announced the suspension of Mr Wa Kok Liang, Leslie ("**Mr Wa**") as group COO of the HLN Group pending an internal audit as well as the outcome of the legal dispute with Mr Wa who has failed to complete the Proposed Disposal of the elastomeric business before the long stop date of 7 December 2012 (as announced on 13 December 2012 and 18 December 2012). In connection with this, the Company has appointed PricewaterhouseCoopers LLP and Allen & Gledhill LLP as its professional advisers to advise the Company on the aforesaid matters.

The Company will continue to monitor and provide Shareholders with further updates of this legal dispute and any other material developments.

On 29 January 2013, the Company has announced that it has entered into a shareholders' agreement with Kingsland Development Sdn Bhd, Eastbay Development Sdn Bhd, Poh Seng Choon, Ace Empire Development Sdn Bhd and Ace Empire Capital Sdn Bhd for a mixed development project located in Batu Pahat, Malaysia.

Currently, the Company's primary focus is on the property development business and it is in discussions with various parties to collaborate on projects in Malaysia and Australia.

Meanwhile, the Group will continue to explore other properties related opportunities which can enhance long term shareholder value. These include geographical expansion, mergers and acquisitions, divestment and partnering 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?

Yes.

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount per Share	0.02 cent per share
Tax Rate	Not applicable

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

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

No dividend was declared for previous period.

### (c) *Date payable*

To be announced at a later date.

### (d) *Books closure date*

To be announced at a later date.

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

The dividend recommended of 0.02 cent per share or total amount of \$300,000 will be subject to shareholders' approval at the upcoming Annual General Meeting.

## 13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.,

No IPT general mandate has been obtained from the shareholders. There were no interested person transactions exceeding \$100,000 as at 31 December 2012.

## 14. NEGATIVE CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5)

Not applicable for full year results announcement.

## PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

### 15. **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 *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 from Continuing Operations

	OA \$'000	LP \$'000	IH \$'000	Total \$'000
<b>FY2012</b>				
<b>Revenue:</b>				
External customers	7,543	16,135	-	23,678
Inter-segment	(34)	-	-	(34)
<b>Total Revenue</b>	<b>7,509</b>	<b>16,135</b>	<b>-</b>	<b>23,644</b>
<b>Recurring EBITDA</b>				
Depreciation	(324)	(706)	(1,559)	(1,054)
ORBIT	512	777	(1,583)	(294)
Finance costs	-	(21)	-	(21)
Other items	(175)	(135)	1,945	1,635
Profit before tax from continuing operations				1,320
Income tax expense				(538)
<b>Profit from continuing operations</b>				<b>782</b>
<b>FY2011</b>				
<b>Revenue:</b>				
External customers	8,753	16,125	-	24,878
Inter-segment	(30)	(1)	-	(31)
<b>Total Revenue</b>	<b>8,723</b>	<b>16,124</b>	<b>-</b>	<b>24,847</b>
<b>Recurring EBITDA</b>				
Depreciation	(298)	(808)	(1,663)	(1,128)
ORBIT	1,238	1,288	(1,685)	841
Finance costs	(3)	(22)	1	(24)
Other items	(53)	(142)	1,851	1,656
Profit before tax from continuing operations				2,473
Income tax expense				(625)
<b>Profit from continuing operations</b>				<b>1,848</b>

## Assets and Reconciliations

	OA \$'000	LP \$'000	IH \$'000	Unallocated \$'000	Group \$'000
<b>FY2012</b>					
Total assets for reportable segments	3,199	8,094	14,265	-	25,558
Unallocated:					
Add: Cash and cash equivalents	-	-	-	12,300	12,300
<b>Total group assets</b>	<b>3,199</b>	<b>8,094</b>	<b>14,265</b>	<b>12,300</b>	<b>37,858</b>
<b>FY2011</b>					
Total assets for reportable segments	5,114	9,475	14,691	-	29,280
Unallocated:					
Add: Cash and cash equivalents	-	-	-	8,350	8,350
<b>Total group assets</b>	<b>5,114</b>	<b>9,475</b>	<b>14,691</b>	<b>8,350</b>	<b>37,630</b>

## Liabilities and Reconciliations

	OA \$'000	LP \$'000	IH \$'000	Unallocated \$'000	Group \$'000
<b>FY2012</b>					
Total liabilities for reportable segments	696	2,056	1,319	-	4,071
Unallocated:					
Deferred and current tax liabilities	-	-	-	585	585
Other financial liabilities	-	-	-	400	400
Finance lease liabilities	-	-	-	24	24
<b>Total group liabilities</b>	<b>696</b>	<b>2,056</b>	<b>1,319</b>	<b>1,009</b>	<b>5,080</b>
<b>FY2011</b>					
Total liabilities for reportable segments	835	2,642	700	-	4,177
Unallocated:					
Deferred and current tax liabilities	-	-	-	551	551
Other financial liabilities	-	-	-	409	409
Finance lease liabilities	-	-	-	31	31
<b>Total group liabilities</b>	<b>835</b>	<b>2,642</b>	<b>700</b>	<b>991</b>	<b>5,168</b>

## **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	
	FY2012	FY2011	FY2012	FY2011
	\$'000	\$'000	\$'000	\$'000
Singapore	9,560	10,033	525	12,861
Malaysia	8,493	7,904	1,771	1,924
Indonesia	2,872	2,692	323	443
China	2,719	4,218	1,431	1,774
<b>Total</b>	<b>23,644</b>	<b>24,847</b>	<b>4,050</b>	<b>17,002</b>

Revenues from top two customers of the Group represent approximately \$2,750,000 (FY2011: \$2,171,000) and \$2,671,000 (FY2011: \$2,032,000) of the Group's total revenue respectively.

### **16. 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.

### **17. A breakdown of sales**

(In \$'000)	Group	Group	%
	FY2012	FY2011	Increase/(Decrease)
Sales reported for first half year	12,643	11,478	10.1%
Operating profit/(loss) after tax before deducting non-controlling interest reported for first half year	16	(12)	(233.3%)
Sales reported for second half year	11,001	13,369	(17.7%)
Operating profit after tax before deducting non-controlling interest reported for second half year	766	1,860	(58.8%)

### **18. 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 2012	31 December 2011
Total annual dividend – ordinary	NIL	221

19. 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(13) 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
Ng Lian Hong, Elsie	53	Sister of : Ng Khoon Seng Executive Director & Deputy Chief Operating Officer	<p><b>Position:</b></p> <ol style="list-style-type: none"> <li>1. Director of Process Innovation Technology Pte Ltd (Since March 2001); &amp;</li> <li>2. Senior Operation Manager of Process Innovation Technology Pte Ltd (Since August 2006).</li> </ol> <p><b>Duties:</b> Responsible for finance, human resource, purchasing &amp; general administration.</p>	No change
Ng Koon Chuan, Francis	51	Brother of : Ng Khoon Seng Executive Director & Deputy Chief Operating Officer	<p><b>Position:</b></p> <ol style="list-style-type: none"> <li>1. Operation Director of Process Innovation Technology Pte Ltd (Since September 2001);</li> <li>2. General Manager of Polymeric Business Unit (Since September 2006);</li> <li>3. Deputy Vice-President of Process Innovation Technology Pte Ltd (Since 1 January 2010); &amp;</li> <li>4. Vice-President of Polymeric Business Unit, Commercial (Since 1 July 2010).</li> </ol> <p><b>Duties:</b></p> <ul style="list-style-type: none"> <li>• Responsible for daily operations of Polymeric Business Unit including material sourcing &amp; planning, sales, customer relationship management, public relations &amp; inventory control;</li> <li>• Ensure that subsidiaries of Polymeric Business Unit adhere to planned sales targets &amp; profit objectives.</li> </ul>	No change

**BY ORDER OF THE BOARD**

Cheong Weixiong  
Executive Director  
27 February 2013