INTRACO Limited
(Incorporated in the Republic of Singapore)
Company Registration Number 196800526Z

Unaudited Full Year Financial Statement for the Year Ended 31/12/2018

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

1(a)(i) An income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated income statement	**Group Year Ended**		
	31/12/18	**31/12/17**	**%**
	S$'000	S$'000	Change
Revenue	153,863	121,327	26.8
Cost of sales	(143,966)	(110,237)	30.6
Gross profit	**9,897**	**11,090**	(10.8)
Other income	668	369	81.0
Distribution expenses	(51)	(71)	(28.2)
Administration expenses	(8,858)	(10,369)	(14.6)
Other expenses	(198)	(737)	(73.1)
Results from operating activities	**1,458**	**282**	417.0
Finance income	643	704	(8.7)
Finance costs	(455)	(347)	31.1
Net finance income	**188**	**357**	(47.3)
Share of net profit of equity-accounted investees, net of tax	994	1,735	(42.7)
Profit before tax	**2,640**	**2,374**	11.2
Tax expense	(119)	(296)	(59.8)
Profit for the year	**2,521**	**2,078**	21.3

The profit for the year is stated after (charging) / crediting the following:

		Group Year Ended		
		31/12/18	**31/12/17**	**%**
		S$'000	S$'000	Change
Gain on disposal of property, plant and equipment	(1)	108	-	n.m.
Depreciation	(2)	(523)	(697)	(25.0)
Property, plant and equipment written off		(1)	(23)	(95.7)
Amortisation of intangible assets		(13)	(77)	(83.1)
Foreign exchange losses	(3)	(57)	(211)	(73.0)
Write-back of trade payables		28	-	n.m.
Reversal of allowance/(Allowance made) for doubtful receivables		4	(70)	n.m.
Reversal of write-down of inventory to net realisable value, net		(1)	4	n.m.
Impairment loss on available-for-sale financial assets	(4)	(139)	(455)	(69.5)
Change in fair value of contingent consideration	(5)	427	(712)	n.m.
Reversal of impairment loss on property, plant and equipment		-	119	n.m.
Impairment loss on intangible assets		-	(127)	n.m.

Notes to Consolidated Statement of Comprehensive Income

(1) The gain on disposal of property, plant and equipment was mainly due to sale of our properties located in Dalian, China.

(2) The decrease in depreciation of property, plant and equipment was mainly due to certain plant and equipment pertaining to infrastructure projects being fully depreciated in the prior year.

(3) Foreign exchange losses arose mainly from the revaluation of certain receivables and cash and bank balances which are denominated in USD.

(4) Impairment loss on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss in view of a prolonged decline in its fair value below its cost.

(5) The fair value of contingent consideration payable has decreased due to the decrease in exercise price of the Put Option for the remaining 30% equity interest in KA Group during the year.

n.m. - denotes not meaningful

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

Statements of financial position

		Group			Company	
		31/12/18	**31/12/17**		**31/12/18**	**31/12/17**
	Notes	S$'000	S$'000	**Notes**	S$'000	S$'000
Assets						
Property, plant and equipment	(a)	**15,131**	11,364		**158**	476
Intangible assets		**6,913**	6,926		**-**	-
Subsidiaries		**-**	-		**22,037**	18,836
Associate and joint venture		**20,741**	20,820		**16,748**	16,504
Other investments, including derivatives	(b)	**-**	9,639		**-**	9,639
Non-current assets		**42,785**	48,749		**38,943**	45,455
Other investments, including derivatives		**-**	-		**2,494**	**5,504**
Inventories		**1,542**	1,427		**-**	-
Trade and other receivables	(c)	**17,584**	14,390		**12,492**	15,185
Cash and cash equivalents	(d)	**40,586**	30,674		**18,354**	9,116
Current assets		**59,712**	46,491		**33,340**	29,805
Total assets		**102,497**	95,240		**72,283**	75,260
Equity						
Share capital		**84,069**	84,069		**84,069**	84,069
Reserves		**(338)**	(501)		**8,403**	5,203
Accumulated losses		**(15,249)**	(16,849)		**(23,635)**	(21,403)
Equity attributable to owners of the Company		**68,482**	66,719		**68,837**	67,869
Liabilities						
Loans and borrowings	(e)	**777**	1,742		**-**	**-**
Trade and other payables	(f)	**2,208**	4,594		**-**	**-**
Deferred tax liabilities		**554**	570		**-**	**-**
Total non-current liabilities		**3,539**	6,906		**-**	-
Loans and borrowings	(e)	**8,820**	8,623		**-**	-
Trade and other payables	(f)	**21,336**	12,453		**3,446**	7,391
Current tax liabilities		**320**	539		**-**	-
Current liabilities		**30,476**	21,615		**3,446**	7,391
Total liabilities		**34,015**	28,521		**3,446**	7,391
Total equity and liabilities		**102,497**	95,240		**72,283**	75,260

Notes:

(a) The increase in property, plant and equipment was mainly due to additional plant and equipment purchased for infrastructure projects during the year.

(b) Other investments relate to available-for-sale debt securities which were redeemed during the year.

(c) The increase in trade and other receivables was mainly attributable to the increase in receivables for the plastic resin trading business as a result of higher sales in FY2018.

(d) The increase in cash and cash equivalents was mainly due to redemption of available-for-sale debt securities during the year.

(e) The decrease in loans and borrowings was mainly due to early repayment of a property loan during the year.

(f) The increase in trade and other payables was mainly attributable to the advance payments received from infrastructure customers as well as the increase in payables for the plastic resin trading business.

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

Amount repayable in one year or less, or on demand

As at 31/12/18	
Secured	Unsecured
S$'000	S$'000
102	8,718

As at 31/12/17	
Secured	Unsecured
S$'000	S$'000
162	8,461

Amount repayable after one year

As at 31/12/18	
Secured	Unsecured
S$'000	S$'000
777	-

As at 31/12/17	
Secured	Unsecured
S$'000	S$'000
1,742	-

Details of any collateral

The secured bank loans and finance lease liabilities of the Group are secured over the leasehold properties and motor vehicles of the Group with carrying amounts of S$1,636,000 (31 Dec 2017: S$6,454,000).

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

Consolidated statement of cash flows	**Group**	
	31/12/18	**31/12/17**
Cash flows from operating activities	S$'000	S$'000
Profit for the year	**2,521**	2,078
Adjustments for:		
Depreciation	**523**	697
Amortisation of intangible assets	**13**	77
Reversal of impairment loss on property, plant and equipment	**-**	(119)
Impairment loss on intangible assets	**-**	127
Gain on disposal of property, plant and equipment	**(108)**	-
Property, plant and equipment written off	**1**	23
Write-back of trade payables	**(28)**	-
(Reversal of allowance)/Allowance made for doubtful receivables	**(4)**	70
Reversal of write-down of inventory to net realisable value, net	**1**	(4)
Share of net profit of equity-accounted investees, net of tax	**(994)**	(1,735)
Impairment loss on available-for-sale financial assets	**139**	455
Change in fair value of the contingent consideration	**(427)**	712
Net finance income	**(188)**	(357)
Tax expense	**119**	296
	1,568	2,320
Changes in inventories	**(116)**	109
Changes in trade and other receivables	**(3,316)**	1,374
Changes in trade and other payables	**7,393**	4,617
Cash generated from operating activities	**5,529**	8,420
Taxes paid	**(354)**	(248)
Net cash flow from operating activities	**5,175**	8,172
Cash flows from investing activities		
Interest received	**741**	702
Purchase of property, plant and equipment	**(4,474)**	(4,564)
Dividends from an associate	**1,300**	1,300
Proceeds from redemption of available-for-sale debt securitites	**9,500**	-
Proceeds from disposals of property, plant and equipment	**291**	1
Net cash flow from/(used in) investing activities	**7,358**	**(2,561)**
Cash flows from financing activities		
Interest paid	**(453)**	(391)
Proceeds from loans and borrowings	**8,743**	8,508
Repayment of loans and borrowings	**(9,428)**	(25,894)
Payment of finance lease liabilities	**(58)**	(59)
Dividends paid to selling shareholder of a subsidiary	**(1,427)**	(697)
Deposits pledged	**9**	(184)
Net cash flow used in financing activities	**(2,614)**	(18,717)
Net increase/(decrease) in cash and cash equivalents	**9,919**	(13,106)
Cash and cash equivalents at 1 January	**30,304**	43,917
Effects of exchange rate fluctuations on cash held	**2**	(507)
Cash and cash equivalents at 31 December	**40,225**	30,304
Comprising:		
Cash at bank and in hand	**13,213**	17,197
Fixed deposits with banks	**27,373**	13,477
Cash and cash equivalents in the statement of financial position	**40,586**	30,674
Deposits pledged	**(361)**	(370)
	40,225	30,304

Please refer to paragraph 8 for detailed explanation.

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

Consolidated statement of comprehensive income	**Group Year Ended**	
	31/12/18	**31/12/17**
	S$'000	S$'000
Profit for the year	2,521	2,078
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss:		
Net change in fair value of available-for-sale financial assets	-	(105)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-	455
Foreign currency translation differences of foreign operations	250	(1,606)
Share of other comprehensive income of associate	(87)	129
Other comprehensive income for the year, net of tax	163	(1,127)
Total comprehensive income for the year	2,684	951

1(d)(i)(b) 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.

Consolidated statements of changes in equity

Group (S$'000)	Share capital	Capital reserve	Translation reserve	Fair value reserve	Accumulated losses	Total equity
Balance as at 1 January 2018 as previously reported	84,069	976	(1,830)	-	(16,496)	66,719
Adoption of SFRS(I) 1	-	-	353	-	(353)	-
Balance as at 1 January 2018	84,069	976	(1,477)	-	(16,849)	66,719
Total comprehensive income for the year						
Profit for the year	-	-	-	-	2,521	2,521
Other comprehensive income						
Foreign currency translation differences of foreign operations	-	-	250	-	-	250
Share of other comprehensive income of associate	-	-	(87)	-	-	(87)
Total other comprehensive income	-	-	163	-	-	163
Total comprehensive income for the year	**-**	**-**	**163**	**-**	**2,521**	**2,684**
Transactions with owners, recognised						
Contributions by and distributions to owners						
Dividends paid to selling shareholder of a subsidiary*	-	-	-	-	(590)	(590)
Dividends payable to selling shareholder of a subsidiary*	-	-	-	-	(331)	(331)
Total contributions by and distributions to owners	**-**	**-**	**-**	**-**	**(921)**	**(921)**
Total transactions with owners	**-**	**-**	**-**	**-**	**(921)**	**(921)**
Balance as at 31 December 2018	**84,069**	**976**	**(1,314)**	**-**	**(15,249)**	**68,482**
Balance as at 1 January 2017 as previously reported	84,069	1,052	(353)	(350)	(17,813)	66,605
Adoption of SFRS(I) 1	-	-	353	-	(353)	-
Balance as at 1 January 2017	84,069	1,052	-	(350)	(18,166)	66,605
Total comprehensive income for the year						
Profit for the year	-	-	-	-	2,078	2,078
Other comprehensive income						
Net change in fair value of available-for-sale financial assets	-	-	-	(105)	-	(105)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-	-	-	455	-	455
Foreign currency translation differences of foreign operations	-	-	(1,606)	-	-	(1,606)
Share of other comprehensive income of associate	-	-	129	-	-	129
Total other comprehensive income	-	-	(1,477)	350	-	(1,127)
Total comprehensive income for the year	**-**	**-**	**(1,477)**	**350**	**2,078**	**951**
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Liquidation of a subsidiary	-	(76)	-	-	76	-
Dividends payable to selling shareholder of a subsidiary*	-	-	-	-	(837)	(837)
Total contributions by and distributions to owners	**-**	**(76)**	**-**	**-**	**(761)**	**(837)**
Balance as at 31 December 2017	**84,069**	**976**	**(1,477)**	**-**	**(16,849)**	**66,719**

* Pursuant to a Put Option entered into between the Group and the selling shareholder of KA Group on 5 September 2014 to acquire the remaining 30% in KA Group.

Company (S$'000)	Share capital	Fair value reserve	Accumulated losses	Total equity
Balance as at 1 January 2018	**84,069**	**5,203**	**(21,403)**	**67,869**
Total comprehensive income for the year				
Profit for the year	-	-	(2,232)	(2,232)
Other comprehensive income				
Net change in fair value of available-for-sale financial assets	-	3,200	-	3,200
Total other comprehensive income	-	3,200	-	3,200
Total comprehensive income for the year	**-**	**3,200**	**(2,232)**	**968**
Balance as at 31 December 2018	**84,069**	**8,403**	**(23,635)**	**68,837**
Balance as at 1 January 2017	**84,069**	**2,937**	**(24,853)**	**62,153**
Total comprehensive income for the year				
Profit for the year	-	-	3,450	3,450
Other comprehensive income				
Net change in fair value of available-for-sale financial assets	-	1,811	-	1,811
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-	455	-	455
Total other comprehensive income	-	2,266	-	2,266
Total comprehensive income for the year	**-**	**2,266**	**3,450**	**5,716**
Balance as at 31 December 2017	**84,069**	**5,203**	**(21,403)**	**67,869**

1(d)(ii) Details of any changes in the Company's Share Capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the immediately preceding year.

There were no changes in the Company's share capital since 31 December 2017.

No share options had been granted under the INTRACO Employee Share Option Scheme which was approved at an Extraordinary General Meeting held on 29 April 2013. In this respect, the Company does not have outstanding share options as at 31 December 2018.

The Company does not have any treasury shares or subsidiary holdings as at 31 December 2018 and as at 31 December 2017.

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 end of the immediately preceding year.

	As at 31/12/18	As at 31/12/17
Total number of issued shares excluding treasury shares	103,725,879	103,725,879

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at end of the current financial period reported on.
The Company does not have any treasury shares as at 31 December 2018.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings at the end of the current financial period reported on.
There were no subsidiary holdings as at 31 December 2018.

2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.
The figures have not been audited or reviewed by the Company's 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.

Other than the adoption of the new and revised Singapore Financial Reporting Standards (SFRS) 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 most recent audited annual financial statements as at 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) framework with effect from 1 January 2018, the Group is required to apply the specific transition requirements in SFRS(I) 1 First-time Adoption of International Financial Reporting Standards.

In addition, during the current financial year, the Group and the Company have adopted the following new SFRS(I)s, amendments and interpretations of SFRS(I)s which took effect from financial year beginning 1 January 2018:

- SFRS(I) 15 Revenue from Contracts with Customers which includes the clarifications to IFRS 15 Revenue from Contracts with Customers;
- SFRS(I) 9 Financial Instruments which includes the amendments to IFRS 4 Insurance Contracts – Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts;
- Requirements in SFRS(I) 2 Share-based payment arising from the amendments to IFRS 2 – Classification and Measurement of Share-based Payment Transactions;
- Requirements in SFRS(I) 1-40 Investment Property arising from the amendments to IAS 40 – Transfers of Investment Property;
- Requirements in SFRS(I) 1 arising from the amendments to IFRS 1 – Deletion of Short-term Exemptions for First-time Adopters;
- Requirements in SFRS(I) 1-28 Investments in Associates and Joint Ventures arising from the amendments to IAS 28 – Measuring an Associate or Joint Venture at Fair Value; and
- SFRS(I) INT 22 Foreign Currency Transactions and Advance Consideration.

SFRS(I) 1
The Group has adopted SFRS(I) for the financial year ended 31 December 2018 ("FY 2018") and has applied SFRS(I) 1 with 1 January 2017 as the date of transition for the Group and the Company. The Group has elected the optional exemption in SFRS(I) 1 to reset its cumulative Foreign Currency Translation Reserve ("FCTR") for all foreign operations to NIL at the date of transition, and reclassify the cumulative FCTR of approximately S$353,000 as at 1 January 2017 as determined in accordance with the previous Financial Reporting Standards (FRS) at that date to retained earnings. After the date of transition, any gain or loss on disposal of any foreign operations will exclude translation differences that arose before the date of transition.

SFRS(I) 9
SFRS(I) 9 replaces the current 'incurred loss' model with a forward-looking expected credit loss ("ECL") model. The new impairment model applies to financial assets measured at amortised cost or fair value through other comprehensive income ("FVOCI"), except for investments in equity instruments, and certain loan commitments and financial guarantee contracts.

In compliance with SFRS(I) 9, the Group has applied the simplified approach and has recorded the amount of loss allowance on all trade and other receivables and cash and cash equivalents by ascertaining the amount of ECLs that would result from all possible default events over the expected life of a financial instrument (lifetime ECLs). Based on the assessment made, there was no significant changes in impairment for trade and other receivables the Group and for the Company respectively as at 1 January 2018 with the adoption of SFRS(I) 9.

SFRS(I) 15
SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met. There's no significant adjustments on adoption of SFRS(I) 15.

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.

	Group	
	Year ended 31/12/18 cents	Year ended 31/12/17 cents
Earnings per ordinary share for the year based on net profit attributable to shareholders:		
- based on the weighted average number of ordinary shares in issue and on a fully diluted basis	2.43	2.00

The weighted average number of ordinary shares in issue for the year ended 31 December 2018 was 103,725,879 (31 December 2017: 103,725,879).

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 period reported on and (b) immediately preceding financial year.

	Group		Company	
	As at 31/12/18	As at 31/12/17	As at 31/12/18	As at 31/12/17
Net asset value per ordinary share based on issued share capital at the end of the year	$0.66	$0.64	$0.66	$0.65

The calculation of the net asset value per ordinary share was based on total number of 103,725,879 (31 December 2017: 103,725,879) ordinary shares.

8 Review of Performance

Revenue and cost of sales

The Group's revenue grew 26.8% from S$121.3 million in FY2017 to S$153.9 million during the financial year under review. The Group's topline growth was led mainly by its Trading and Other Segment which surged 33.8% to S$145.5 million in FY2018. The segment's trading business saw strong volume growth of plastic resin as well as contributions from the development of the Indonesia market during the financial year under review. In addition, the segment's mobile radio infrastructure management services delivered a strong performance as a result of the substantial completion of the 4G upgrade project in Singapore's North East MRT Line during the financial year under review.

Meanwhile, the Fire Protection Segment saw its revenue contribution decline 33.7% to S$8.4 million in FY2018, mainly due to fewer contracts secured during the financial year under review.

Revenue contribution from the Trading and Other segment made up 94.6% of the Group's revenue in FY2018, while the Fire Protection Segment made up the remaining 5.4%.

Cost of sales increased by S$33.7 million or 30.6% to S$144.0 million, largely in tandem with the increase in revenue.

Gross profit

Gross profit decreased by 10.8% to S$9.9 million in FY2018, mainly due to lower sales from the Fire Protection Segment which commands a higher gross profit margin compared to Trading and other segment.

Other income

Other income in FY2018 mainly comprised decrease in fair value of contingent consideration payable of S$0.4 million, gain on disposal of property, plant and equipment of S$0.1 million and government grants of S$0.1 million.

Administrative expenses

Administrative expenses decreased by 14.6% from S$10.4 million in FY2017 to S$8.9 million mainly due to cost savings arising from lower staff-related costs and rental expense.

Finance income

Finance income relates to interest income derived from the available-for-sale debt securities and fixed deposits.

Finance costs

Finance costs increased by S$108,000 or 31.1% to S$455,000 mainly due to the higher utilisation of trade financing facilities and interest rates hike by the banks.

Share of net profit of

The Group's share of results from associate and joint venture decreased 42.7% to S$1.0 million in FY2018, due mainly to lower contribution from its associate which was impacted by weak market conditions and intense competition, which were in turn largely attributed to the ongoing US-China trade war.

Group profit before tax

The Group registered a profit before tax of S$2.6 million in FY2018 compared to S$2.4 million in FY2017. The increase was mainly due to contribution from the Trading and Other segment and the decrease in overheads.

Tax expense

The decrease in tax expenses was due to lower taxable income for the Group.

Review of consolidated statement of cash flow

The cash flow from operating activities of S$5.2 million was mainly due to decrease in trade and other payables of S$7.4 million, which were partially offset by increase in trade and other receivables of S$3.3 million.

The cash flow from investing activities amounted to S$7.4 million was mainly due to the redemption of available-for-sale debt securities during the year of S$9.5 million, dividends received from an associate of S$1.3 million and interest received of S$0.7 million, which were partially offset by additional plant and equipment purchased for infrastructure projects during the year of S$4.5 million.

The cash flow used in financing activities of S$2.6 million was mainly due to the repayment of loans and borrowings of S$9.4 million, dividends paid to shareholder of a subsidiary of S$1.4 million and interest paid of S$0.5 million, which was partially offset by proceeds from loans and borrowings drawn down during the year of S$8.7 million.

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.

Despite the continued challenges in the global economic environment, the Group remains focused on its strategy to support its business units' efforts to expand regionally, particularly for its fire protection business and trading business.

As an investment holding company with diversified businesses, we are constantly reviewing and managing our investment portfolio to deliver shareholder value. We continue to actively explore new opportunities for growth and expansion.

11 Dividend

(a) Current Financial Period Reported On

No dividend is declared/recommended for the current financial year.

(b) Corresponding Period of the Immediately Preceding Financial Year

No dividend was declared for the corresponding period of the 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 and the reason(s) for the decision.

No dividend is declared/recommended for the current financial year as the Company currently does not have sufficient distributable profits available for the declaration of dividend.

13 Business Segmental Information

(a) By operating segments for the year ended 31 December 2018

S$'000	Fire Protection	Trading and Other	Total
External revenue	8,376	145,487	153,863
Interest income	15	71	86
Interest expense	(61)	(394)	(455)
Depreciation and amortisation	(365)	(18)	(383)
Reportable segment profit before tax	1,111	1,137	2,248
Reportable segment assets	17,083	36,836	53,919
Other material non-cash items:			
- Reversal of allowance for doubtful receivables	4	-	4
- Loss on disposal of property, plant and equipment	10	-	10
- Property, plant and equipment written off	(1)	-	(1)
- Reversal of write-down/(Write-down) of inventory to net realisable value, net	-	(1)	(1)
- Foreign exchange loss	-	(51)	(51)
- Adjustments for overprovision of tax in prior years	40	-	40
Capital expenditure	(62)	(4,408)	(4,470)
Reportable segment liabilities	2,177	23,877	26,054

By operating segments for the year ended 31 December 2017

S$'000	Fire Protection	Trading and Other	Total
External revenue	12,627	108,700	121,327
Interest income	50	29	79
Interest expense	(78)	(269)	(347)
Depreciation and amortisation	(438)	(174)	(612)
Reportable segment profit before tax	2,259	35	2,294
Reportable segment assets	22,618	25,252	47,870
Other material non-cash items:			
- Impairment loss on property, plant and equipment	119	-	119
- Impairment loss on intangible assets	(127)	-	(127)
- Allowance made for doubtful receivables	(70)	-	(70)
- Reversal of write-down/(Write-down) of inventory to net realisable value, net	4	-	4
- Change in fair value of contingent consideration	(712)	-	(712)
- Foreign exchange loss	(1)	(172)	(173)
- Adjustments for overprovision of tax in prior years	79	-	79
Capital expenditure	(63)	(4,167)	(4,230)
Reportable segment liabilities	4,641	15,533	20,174

Business Segmental Information (cont'd)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

	31/12/18 S$'000	31/12/17 S$'000
Revenue		
Total revenue for reporting segments	153,863	121,327
Profit or loss		
Total profit for reporting segments	2,248	2,294
Unallocated amounts:		
- Other corporate expenses, net of income	(602)	(1,655)
Share of net profit of equity-accounted investees, net of tax	994	1,735
Consolidated profit before tax	2,640	2,374
Assets		
Total assets for reportable segments	53,919	47,870
Other unallocated amounts	27,837	26,550
	81,756	74,420
Investments in equity-accounted investees	20,741	20,820
Consolidated total assets	102,497	95,240
Liabilities		
Total liabilities for reporting segments	26,054	20,174
Other unallocated amounts	7,961	8,347
Consolidated total liabilities	34,015	28,521

Other material items

	Reportable segment totals S$'000	Adjustments S$'000	Consolidated totals S$'000
31 December 2018			
Interest income	86	557	643
Interest expense	(455)	-	(455)
Depreciation and amortisation	(383)	(153)	(536)
Reversal of allowance for doubtful receivables	4	-	4
Gain on disposal of property, plant and equipment	10	98	108
Property, plant and equipment written off	(1)	-	(1)
Reversal of write-down of inventory to net realisable value, net	(1)	-	(1)
Write-back of trade payables	-	28	28
Change in fair value of contingent consideration	-	427	427
Impairment loss on available-for-sale financial assets	-	(139)	(139)
Foreign exchange loss	(51)	(6)	(57)
Adjustments for overprovision of tax in prior years	40	-	40
Capital expenditure	(4,470)	(4)	(4,474)
31 December 2017			
Interest income	79	625	704
Interest expense	(347)	-	(347)
Depreciation and amortisation	(612)	(162)	(774)
Impairment loss on property, plant and equipment	119	-	119
Impairment loss on intangible assets	(127)	-	(127)
Allowance made for doubtful receivables	(70)	-	(70)
Property, plant and equipment written off	-	(23)	(23)
Reversal of write-down of inventory to net realisable value, net	4	-	4
Change in fair value of contingent consideration	(712)	-	(712)
Impairment loss on available-for-sale financial assets	-	(455)	(455)
Foreign exchange loss	(173)	(38)	(211)
Adjustments for overprovision of tax in prior years	79	-	79
Capital expenditure	(4,230)	(334)	(4,564)

(b) By geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

	Revenue		Non-current assets *	
	31/12/18 S$'000	31/12/17 S$'000	31/12/18 S$'000	31/12/17 S$'000
Singapore	30,034	35,180	15,131	11,178
Vietnam	97,050	70,266	-	-
China	-	-	-	186
Others	26,779	15,881	-	-
	153,863	121,327	15,131	11,364

* Non-current assets presented consist of property, plant and equipment.

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

15 A breakdown of sales

		Group		
		31/12/18 S$'000	31/12/17 S$'000	% Change
(a)	Sales reported for first half year	76,206	56,756	34.3
(b)	Operating profit after tax reported for first half year	1,441	510	n.m.
(c)	Sales reported for second half year	77,657	64,571	20.3
(d)	Operating profit after tax reported for second half year	1,080	1,568	(31.1)

16 A breakdown of the total annual dividend (in dollar value) for the Issuer's latest full year and its previous full year, as follows:

Total Annual dividend	Latest Full Year S$'000	Previous Full Year S$'000
Ordinary	-	-

17 Interested person transactions

The Company does not have a general mandate from shareholders pursuant to Rule 920 of the Listing Manual.

18 Confirmation that the issuer has procured undertakings from all of its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company hereby confirms that it has procured undertakings from all of its directors and executive officers under Rule 720(1) of the Listing Manual.

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.

There are no persons occupying managerial positions in the Company or any of its principal subsidiaries who are relatives of a director or chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Josephine Toh
Company Secretary
27/02/2019