



## **CHAIRMAN'S SPEECH AT ANNUAL GENERAL MEETING, 3 NOVEMBER 2014**

Dear Shareholders,

As mentioned in the Annual Report in your hands, the Group has been restructuring so as to achieve long term sustainable growth. As with most restructuring exercises certain short term impact has been felt.

Although most major economies, apart from the US economy continue to encounter head winds, the Group's business prospects in the current financial year remain robust. The precision engineering sector which suffered a first set-back in the year just ended due to the slump in the electronic industries, is recovering. This sector is expected to return to profitability to regain its growth path. Gestation costs on technology investments are tapering off and we expect to generate sustainable revenue and contribution as commercialisation efforts gain traction and momentum in the current year. The Group's confirmed orders in hand on 24 October 2014 amounted to S\$75m.

I am pleased to announce that your Board will henceforth focus on enhancing shareholders' value. At the end of the financial year just ended, the net asset value per share of the Group was S\$0.417 cents and the net tangible asset value per share was S\$0.348 cents. At current conversion rate they are approximately A\$0.369 cents and A\$0.308 cents respectively. The Group has been continuously profitable since 2006 and has proven its resilience in having successfully navigated through unprecedented global financial crises. The last transacted share price on Friday 31 October at A\$0.21 therefore does not reflect the true intrinsic value of the Group.

In pursuit of this objective your Board has commenced to seek opportunities to unlock value in some of its investments concurrently undertaking relevant corporate initiatives primarily to re-align the Group's new directions so as to maximise value for shareholders.

On behalf of the Board I would like to thank shareholders for their support and forbearance. We would also like to thank the management and employees for their dedication and contribution. Together we aim to achieve a fruitful year ahead.

G L Sim  
Chairman.  
3 Nov 2014.