

Full Year Financial Statement And Dividend Announcement For The Year Ended 31-12-2012

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.

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	Group		
		FY 2012	FY 2011	Change
		S\$'000	S\$'000	%
Revenue		82,590	76,785	7.56%
Cost of sales		(71,037)	(66,446)	6.91%
Gross Profit		11,553	10,339	11.74%
Other operating income		3,324	1,742	90.82%
Distribution expenses		(2,194)	(2,237)	(1.92%)
Administrative expenses		(9,254)	(7,532)	22.86%
Other operating expenses		(1,754)	(111)	1,480.18%
Share of profit of associates		689	160	330.63%
Finance costs		(579)	(762)	(24.02%)
Profit before income tax		1,785	1,599	11.63%
Income tax expenses	(i)	(419)	(554)	(24.37%)
Profit for the year	(ii)	1,366	1,045	30.72%
Profit attributable to:				
Equity holders of the Company		1,657	1,632	1.53%
Non-controlling interests		(291)	(587)	(50.43%)
		1,366	1,045	30.72%

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2012

	Group		
	FY 2012	FY 2011	Change
	S\$'000	S\$'000	%
Profit for the year	1,366	1,045	30.72%
Other comprehensive income, after tax:			
Revaluation of property	-	1,911	(100.00%)
Exchange differences on translation of foreign operations	1,024	(971)	(205.46%)
Other comprehensive income for the year, net of tax	1,024	940	8.94%
Total comprehensive income for the year	2,390	1,985	20.40%
Total comprehensive income attributable to:			
Equity holders of the Company	2,101	3,125	(32.77%)
Non-controlling interests	289	(1,140)	(125.35%)
	2,390	1,985	20.40%

NM: Not meaningful

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2012 (cont'd)

Notes

(i) The Group income tax figure includes an underprovision in prior years of \$84,978 (2011: \$22,076) and group relief of \$164,247 (2011: \$95,122)

(ii) Profit for the year is arrived at after charging/(crediting) the following:

	Group		
	FY 2012	FY 2011	Change
	S\$'000	S\$'000	%
(Reversal of allowance)/Allowance of slow moving inventories and write down of inventories to net realisable value	(118)	63	NM
Allowance/(Reversal of allowance) for bad and doubtful debts	44	(17)	NM
Amortisation of intangible assets	343	305	12.46%
Amortisation of prepaid land rental	25	31	(19.35%)
Bad debts written off	-	69	NM
Depreciation of property, plant and equipment	1,718	2,216	(22.47%)
Ex-gratia received	(959)	-	NM
Finance costs	579	762	(24.02%)
Foreign currency exchange adjustment loss/(gain) - net	610	(444)	NM
Gain on disposal of property, plant and equipment	(1,938)	(55)	3,423.64%
Loss/(Gain) on disposal of a subsidiary	1,129	(1,003)	NM
Amortisation of government grant	(60)	-	NM
Government subsidy	(140)	(178)	(21.35%)
Interest income	(30)	(38)	(21.05%)
Property, plant and equipment written off	8	6	33.33%

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.
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

	Group		Company	
	FY 2012	FY 2011	FY 2012	FY 2011
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets:				
Cash and bank balances	15,917	12,468	5,052	2,606
Trade receivables	12,693	12,322	-	11,236
Other receivables	4,771	3,833	2,126	398
Amount due from contract customers	2,309	2,309	-	-
Amount due from subsidiaries and associates	3,703	3,955	6,773	3,955
Inventories	34,989	40,712	-	24,478
	74,382	75,599	13,951	42,673
Assets classified as held for sale	-	13,700	-	13,700
Total current assets	74,382	89,299	13,951	56,373
Non-current assets:				
Property, plant and equipment	18,765	14,078	-	533
Prepaid land rental	1,116	1,141	-	-
Goodwill	497	497	-	-
Intangible assets	9,395	7,282	-	-
Investment in subsidiaries	-	-	32,574	16,848
Investment in associates	5,939	5,250	984	984
Available-for-sale investment	5,667	5,667	5,667	5,667
Club membership	190	190	190	190
Refundable deposits	668	668	-	-
Amount due from subsidiaries and associates	-	-	12,996	14,586
Total non-current assets	42,237	34,773	52,411	38,808
Total assets	116,619	124,072	66,362	95,181
LIABILITIES AND EQUITY				
Current Liabilities:				
Bank overdrafts	182	71	-	-
Current portion of bank loans	10,014	14,068	-	12,689
Current portion of finance leases	82	119	-	89
Bills payables	4,036	10,755	-	10,621
Trade payables	3,818	4,320	-	1,769
Other payables	14,805	18,390	2,540	6,033
Income tax payable / (receivable)	7	397	(228)	205
Total current liabilities	32,944	48,120	2,312	31,406
Non-current liabilities				
Bank loans	6,428	1,021	-	1,021
Finance leases	175	322	-	205
Government grants	1,936	1,870	-	-
Deferred tax liabilities	355	312	-	28
Total non-current liabilities	8,894	3,525	-	1,254
Capital, reserves and non-controlling interests				
Share capital	36,131	36,131	36,131	36,131
Reserves	27,309	25,120	27,919	26,390
Equity attributable to equity holders of the Company	63,440	61,251	64,050	62,521
Non-controlling interests	11,341	11,176	-	-
Total equity	74,781	72,427	64,050	62,521
Total liabilities and equity	116,619	124,072	66,362	95,181

ANNAIK LIMITED

Full Year Financial Statement And Dividend Announcement For The Year Ended 31-12-2012

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

	Group	
	FY 2012	FY 2011
	S\$'000	S\$'000
<u>Amount repayable in one year or less, or on demand:-</u>		
Secured	14,314	1,703
Unsecured	-	23,310
Sub-Total	14,314	25,013
<u>Amount repayable after one year</u>		
Secured	6,603	322
Unsecured	-	1,021
Sub-Total	6,603	1,343
Total borrowings and debt securities	20,917	26,356

Details of any collateral

At 31 December 2012 and 31 December 2011, the Group's secured borrowings consist of bank overdrafts, bank loans, finance leases and bills payable.

At 31 December 2012 and 31 December 2011, bank overdrafts, bank loans and bills payable were secured by corporate guarantees of the Company. The finance leases were secured by the leased assets.

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.
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	Group	
		FY 2012	FY 2011
		S\$'000	S\$'000
Operating activities:			
Profit before income tax:		1,785	1,599
Adjustments for:			
(Reversal of allowance)/Allowance of slow moving inventories and write-down of inventories to net realisable value		(118)	63
Allowance/(Reversal of allowance) for doubtful debts		44	(17)
Amortisation of intangible assets		343	305
Amortisation of prepaid land rental		25	31
Bad debts written off		-	69
Depreciation of property, plant and equipment		1,718	2,216
Finance costs		579	762
Gain on disposal of property, plant and equipment		(1,938)	(55)
Loss/(Gain) on disposal of a subsidiary		1,129	(1,003)
Interest income		(30)	(38)
Net foreign exchange loss/(gain)		817	(1,052)
Property, plant and equipment written off		8	6
Amortisation of government grants		(60)	-
Share of profit of associates		(689)	(160)
Operating cash flows before movement in working capital		3,613	2,726
Trade receivables		(999)	(2,624)
Other receivables		91	1,821
Inventories		4,874	4,207
Trade payables		(458)	987
Other payables		1,273	620
Cash generated from operations		8,394	7,737
Interest paid		(542)	(665)
Interest received		30	38
Income tax paid		(765)	(313)
Net cash generated from operating activities		7,117	6,797
Investing activities:			
Proceeds on disposal of property, plant and equipment		3,447	74
Proceeds on disposal of a subsidiary	(1)	91	2,973
Proceeds from government in relation to compulsory land acquisition		10,711	2,740
Repayment by associate		19	97
Purchases of property, plant and equipment		(8,728)	(321)
Additions to intangible assets		(2,456)	(1,137)
Contribution return to non-controlling interests		-	(420)
Net cash generated from investing activities		3,084	4,006
Financing activities:			
(Repayment to)/Contribution by non-controlling interests		(1,291)	2,580
(Repayment of)/Proceeds from bills payables, net		(6,719)	2,471
Proceeds from government grants		126	-
Proceeds from bank loans		18,598	3,200
Repayment of bank loans		(16,355)	(13,097)
Proceeds from obligations under finance leases		-	158
Repayment of obligations under finance leases		(184)	(104)
Dividends paid		(747)	-
Net cash used in financing activities		(6,572)	(4,792)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2012 (cont'd)

	Note	Group	
		FY 2012	FY 2011
		S\$'000	S\$'000
Net increase in cash and cash equivalents		3,629	6,011
Cash and cash equivalents at the beginning of the year		12,397	6,399
Effect of exchange rate changes on the balance of cash held in foreign currencies		(291)	(13)
Cash and cash equivalents at the end of the year	(2)	15,735	12,397

Notes

(1) The effect of disposal of a subsidiary on the cash flows are as follows:

	FY 2012	FY 2011
	S\$'000	S\$'000
Cash and bank balances	249	94
Trade receivables	583	20
Other receivables	249	767
Inventories	967	-
Property, plant and equipment	242	325
Goodwill	-	348
Prepaid land rental	-	410
Bank overdrafts	(42)	-
Bank loans	(889)	-
Trade payables	(44)	-
Other payables	(95)	(56)
Group's share of net assets disposed	1,220	1,908
Non-controlling interests	(124)	-
Other reserve	835	-
Reclassification of currency translation reserves	1	156
	1,932	2,064
(Loss)/Gain on disposal of a subsidiary	(1,129)	1,003
	803	3,067
Less: Cash and cash equivalents in a subsidiary disposed	(207)	(94)
	596	2,973
Less: Outstanding consideration recorded under other receivables	(505)	-
Proceeds on disposal of a subsidiary	91	2,973

(2) Cash and cash equivalent at the end of year includes the following:

	FY 2012	FY 2011
	S\$'000	S\$'000
Cash and bank balances	15,917	12,468
Bank overdrafts	(182)	(71)
	15,735	12,397

ANNAIK LIMITED

Full Year Financial Statement And Dividend Announcement For The Year Ended 31-12-2012

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.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2012

	Share Capital	Currency Translation Reserve	Reserve Fund	Share Options Reserve	Property Revaluation Reserve	Other Reserve	Retained Earnings	Attributable To Equity Holders Of The Company	Non-Controlling Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group										
Balance as at 1 January 2011	36,131	(727)	522	1,594	11,051	(835)	10,390	58,126	12,736	70,862
Total comprehensive income for the year	-	(418)	-	-	1,911	-	1,632	3,125	(1,140)	1,985
Reclassification of share-based payments	-	-	-	(344)	-	-	344	-	-	-
Reclassification of reserve fund	-	-	(488)	-	-	-	488	-	-	-
Appropriation to reserve fund	-	-	13	-	-	-	(13)	-	-	-
Contribution return to non-controlling interests	-	-	-	-	-	-	-	-	(420)	(420)
Balance as at 31 December 2011	36,131	(1,145)	47	1,250	12,962	(835)	12,841	61,251	11,176	72,427
Balance as at 1 January 2012	36,131	(1,145)	47	1,250	12,962	(835)	12,841	61,251	11,176	72,427
Total comprehensive income for the year	-	444	-	-	-	-	1,657	2,101	289	2,390
Dividend paid	-	-	-	-	-	-	(747)	(747)	-	(747)
Disposal of a subsidiary	-	-	(21)	-	-	835	21	835	(124)	711
Reclassification of share-based payments	-	-	-	(335)	-	-	335	-	-	-
Appropriation to reserve fund	-	-	6	-	-	-	(6)	-	-	-
Transfer of property revaluation reserve to retained earnings	-	-	-	-	(12,962)	-	12,962	-	-	-
Balance as at 31 December 2012	36,131	(701)	32	915	-	-	27,063	63,440	11,341	74,781

ANNAIK LIMITED

Full Year Financial Statement And Dividend Announcement For The Year Ended 31-12-2012

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2012 (cont'd)

	Share Capital	Share Options Reserve	Property Revaluation Reserve	Retained Earnings	Attributable To Equity Holders Of The Company	Non-Controlling Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Company							
Balance as at 1 January 2011	36,131	1,594	11,051	9,227	58,003	-	58,003
Total comprehensive income for the year	-	-	1,911	2,607	4,518	-	4,518
Reclassification of share-based payments	-	(344)	-	344	-	-	-
Balance as at 31 December 2011	36,131	1,250	12,962	12,178	62,521	-	62,521
Balance as at 1 January 2012	36,131	1,250	12,962	12,178	62,521	-	62,521
Total comprehensive income for the year	-	-	(12,962)	15,238	2,276	-	2,276
Reclassification of share-based payments	-	(335)	-	335	-	-	-
Dividend paid	-	-	-	(747)	(747)	-	(747)
Balance as at 31 December 2012	36,131	915	-	27,004	64,050	-	64,050

ANNAIK LIMITED

Full Year Financial Statement And Dividend Announcement For The Year Ended 31-12-2012

- 1 (d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of share 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 year reported on and as at the end of the corresponding year of the immediately preceding financial year.

SHARE CAPITAL

	Number of Shares	Share Capital
	'000	S\$'000
Balance as at 1 January 2012	248,973	36,131
Balance as at 31 December 2012	248,973	36,131

The number of shares that may be issued on conversion of all share options outstanding as at 31 December 2012 was 8,069,000 (as at 31 December 2011: 9,564,600).

There were no treasury shares held at 31 December 2012 or 31 December 2011.

- 1 (d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial year and as at the end of the immediately preceding year.

Please refer to item 1(d)(ii) above.

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

Not applicable.

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

The figures have not been audited nor reviewed by our auditors.

- 3 Whether 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.

The Group and Company have adopted the same accounting policies and methods of computation for the current financial year since those applied in the financial year ended 31 December 2011 except for the adoption of new and revised accounting standards (including its consequential amendments) and interpretations applicable for the financial year beginning 1 January 2012.

The adoption of these new/revised accounting standards (including its consequential amendments) and interpretations does not result in changes to the Company's accounting policies and has no material effect on the full year announcement for the current financial year.

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 financial year reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

EARNING PER ORDINARY SHARE

	Group		
	FY 2012	FY 2011	Change %
Earnings per ordinary share (EPS) for the financial year based on net profit attributable to the equity holders of the Company			
(i) Based on weighted average number of ordinary shares (in cents) - Weighted average number of shares	0.67 248,973,000	0.66 248,973,000	1.52% -
(ii) On a fully diluted basis (in cents) - Adjusted weighted average number of shares	0.67 248,973,000	0.66 248,973,000	1.52% -

**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 year reported on; and
(b) immediately preceding financial year**

	Group			Company		
	FY 2012	FY 2011	Change	FY 2012	FY 2011	Change
	Cents	Cents	%	Cents	Cents	%
Net asset backing per ordinary share based on the existing issued share capital as at the end of the financial year	25.48	24.60	3.58%	25.73	25.11	2.47%

The net asset value per ordinary share is based on 248,973,000 (2011: 248,973,000) shares at the end of each year.

- 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 year 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 year reported on.**

The Group results for financial year ended 31 December 2012 has shown an improvement in profit for the year from S\$1.05 million to S\$1.37 million, which was also two consecutive years of net profit recorded since net loss made in 2009 and 2010. The improvement was mainly due to higher revenue generated, an increased gross profit and gross profit margin in both distribution of steel products and manufacturing of steel flanges divisions, the better capacity utilisation rate and change in product mix in the manufacturing of steel flanges division, higher contribution of results from associates, a gain on disposal of property, plant and equipment and ex-gratia payment from Singapore Land Authority ("SLA") after offsetting with loss on disposal of a subsidiary.

Group revenue increased 7.56% from S\$76.79 million to S\$82.59 million mainly driven by 10.32% or S\$3.76 million increase in sales in manufacturing of steel flanges division after intensive branding and marketing efforts and 6.65% or S\$2.26 million increase in distribution of steel products division follow by more project sales being secured during the year. In addition, environmental business division also recorded a higher sales from S\$3.41 million to S\$4.72 million mainly attributed to recognition of construction revenue for 2nd phase of development in wastewater treatment plant according to FRS 112 and steady growth in incoming wastewater.

Gross profit increased by S\$1.21 million which was in tandem with higher revenue generated in current year. Gross profit margin rose by 0.53% mainly due to improved margin in distribution of steel products division resulted by higher selling prices achieved for our steel finished products and strategic decision made in upward price adjustment and change in product mix to higher margin products in manufacturing of steel flanges division. However, the increase was partially offset by lesser supply of equipment and recognition of construction revenue with zero gross profit margin according to FRS 112 in its environmental business division.

Group's distribution expenses decreased slightly due to lower commission expenses incurred in manufacturing of steel flanges division. Group's administrative expenses rose by S\$1.72 million mainly attributed to higher payroll and payroll related cost after yearly review and rewards and one-off non-compete compensation of S\$0.33 million paid to an ex-staff in distribution of steel products division, higher professional fees incurred for arbitration in engineering construction division and withholding tax expenses paid and recognition of provision of social benefit expenses in manufacturing of steel flanges division. Finance cost dropped from S\$0.76 million to S\$0.58 million due to lower funding cost and lesser outstanding balances of interest bearing borrowings.

Other operating income for year ended 31 December 2012 mainly consisted of gain on disposal of property, plant and equipment amounting to S\$1.88 million, ex-gratia payment received from SLA of S\$0.96 million, government subsidy and grant for wastewater business of S\$0.21 million as compared to a gain on disposal of a subsidiary of S\$1 million and foreign currency exchange gain of S\$0.44 million in prior year. The increase in other operating expenses was principally due to loss on disposal of a subsidiary of S\$1.13 million and foreign currency exchange loss of S\$0.61 million accounted for during the year.

The total liabilities of the Group decreased by S\$9.81 million from S\$51.65 million in 31 December 2011 to S\$41.84 million in 31 December 2012. The decrease in total liabilities was principally due to reduction in other payables as the 20% deposit amounting to S\$2.74 million for the compulsory acquisition of 135 Pioneer Road was reversed follow by the completion of the sales and repayment of loan to related party, payment of director fees and staff bonus accrued in 2011. In addition, decrease in trade payable, bills payable and finance leases are in accordance to the payment terms. However, the decrease in total liabilities was partially offset by increase in bank loans of S\$1.35 million and bank overdraft of S\$0.11 million as new loans granted in relation to the purchase of new premises located at 52 Tuas Avenue 9 and refinancing of bills payable follow by internal group restructuring exercise in October 2012. The Group's gross gearing has further improved from 0.43 times in 31 December 2011 to 0.33 times in 31 December 2012.

There is a substantial decrease in current assets of S\$14.92 million from S\$89.30 million in 31 December 2011 to S\$74.38 million in 31 December 2012. The decrease in current assets was mainly due to completion of the disposal of 135 Pioneer Road lead to reversal of assets classified as held for sales amounting to S\$13.70 million to cash and bank balances, which ultimately channel for repayment of other liabilities and acquisition of new office cum warehouse. In addition, reduction in inventory of S\$5.72 million was principally attributed to prudent inventory management according to group strategy and decrease in amount due from associates was due to repayment made and currency revaluations. However, the decrease in current assets was partially offset by increase in other receivables of S\$0.94 million mainly due to deposit placed for one year lease back of its current warehouse at 135 Pioneer Road amounting to S\$0.25 million and outstanding sales proceeds on disposal of a subsidiary amounting to S\$0.71 million. Increase in cash and bank balances arisen from collection from its trade receivables and Singapore Land Authority. Debtors turnover improved from 59 days in 31 December 2011 to 43 days in 31 December 2012.

The increase in property, plant and equipment mainly attributed to acquisition of new office cum warehouse at 52 Tuas Avenue 9 amounting to S\$5.80 million after offset with annual depreciation charged. The increase in intangible asset of S\$2.11 million was resulted by additional capital expenditure for 2nd phase development in wastewater business in PRC. Investment in associates increased mainly due to recognition of Group's share of profit from associates amounting to S\$0.69 million in 2012.

Group's net asset per share at 31 December 2012 was 25.48 cents and weighted average EPS for year ended 31 December 2012 was 0.67 cents.

Cash and cash equivalents as at 31 December 2012 increased from S\$12.40 million to S\$15.74 million. The increase was mainly attributed to positive cash flows generated from operating and investing activities after offset with cash used in financing activities for repayments in bank borrowings and dividend.

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

There is no significant variance from the previous statement.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

With unprecedented government interventions in the American and European economies, the world survived through 2012's business uncertainties with massive money liquidities propping up ailing member countries. China and Japan, on the other hand, had managed to conclude their change of leaderships and may also take constructive actions to stimulate their lackluster economies. Only a few bright spots remained in the year namely South East Asia, Australia-NZ, India and the Latin American markets though posting slowing growth.

But 2013's risk lies on the political discords amongst the many nations such as North Korea with the world over its disturbing nuclear testing, the dispute over islands contested by Japan, China and some neighboring nations, growth in trade protectionism amongst the many major business blocks, Middle-east tensions in Iran and Syria, and the many African wars fought for resources by extremists. All these may derail the economic stimulus packages that are in place.

Hence possessing and harnessing strategic raw material resources such as oil, gas, water etc will continue to be the main attention on major governments to prevent over reliance on import, availability in times of need and cashing in on hard currencies, since commodity prices are good, for raining periods.

The group's main market being in the oil, gas, chemical, water and related processing and transportation industries will remain buoyant and attractive but the level of competitiveness will definitely increase. This will translate to impact profit margin and higher credit risk since existing and new suppliers will try to position for market shares.

Moving ahead, the group will strive to increase efficiencies and market coverage for its products and services. For the distribution business, it will expand its regional markets and projects footprints, for the manufacturing segment, it will fine tune its supply chain and productivity and for its environmental division, it will enhance its capacities and capabilities to meet increasing demands. The group will be vigilant for any signs of political, market and credit risks which will affect the overall performances and will take appropriate measures to avoid, prevent and manage these factors when presented.

11 Dividend

(a) Current Financial Period Reported on

The Directors are pleased to propose a first and final one-tier tax exempt dividend of 0.30 Singapore cent per share for the year ended 31 December 2012, subject to shareholders' approval at the forthcoming Annual General Meeting.

Name of dividend	First and Final
Dividend type	Cash
Dividend amount per share	0.30 Singapore cent
Tax rate	One-tier tax exempt

(b) Corresponding Period of the Immediately Preceding Financial Year

Name of dividend	First and Final
Dividend type	Cash
Dividend amount per share	0.30 Singapore cent
Tax rate	One-tier tax exempt

(c) Date Payable

To be announced later.

(d) Books Closure Date

To be announced later.

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

Not applicable.

ANNAIK LIMITED

Full Year Financial Statement And Dividend Announcement For The Year Ended 31-12-2012

- 13 **Segmented revenue and results for the 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.**

SEGMENT ANALYSIS

Primary reporting segment - business segments (The Group)

The segmental information for each business segment is based on the nature of the principal activities of the Company and its subsidiaries. They are segregated primarily into five reporting segments; distribution of stainless steel piping products; manufacturing of steel flanges; manufacturing of cleanroom face masks; engineering construction of piping process system and environmental business.

BUSINESS SEGMENT - 2012	Distribution Steel Products	Manufacturing Steel Flanges	Manufacturing Facemasks	Engineering Construction	Environmental Business	Elimination	Group
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
REVENUE							
External revenue	36,236	40,193	1,068	375	4,718	-	82,590
Inter-segment revenue	1,191	3,853	992	9	-	(6,045)	-
Total revenue	37,427	44,046	2,060	384	4,718	(6,045)	82,590
RESULTS							
Segment result	4,824	(936)	(342)	(991)	624	(405)	2,774
Loss on disposal of a subsidiary	(1,129)	-	-	-	-	-	(1,129)
Share of profit of associates	-	509	-	-	180	-	689
Interest income							30
Finance costs							(579)
Profit before income tax							1,785
Income tax expenses							(419)
Profit for the year							1,366

BUSINESS SEGMENT - 2011	Distribution Steel Products	Manufacturing Steel Flanges	Manufacturing Facemasks	Engineering Construction	Environmental Business	Elimination	Group
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
REVENUE							
External revenue	33,979	36,429	2,421	543	3,413	-	76,785
Inter-segment revenue	858	4,229	2,338	2	-	(7,427)	-
Total revenue	34,837	40,658	4,759	545	3,413	(7,427)	76,785
RESULTS							
Segment result	3,938	(1,439)	(156)	(473)	513	(1,223)	1,160
Gain on disposal of a subsidiary	-	1,003	-	-	-	-	1,003
Share of profit of associates	-	46	-	-	114	-	160
Interest income							38
Finance costs							(762)
Profit before income tax							1,599
Income tax expenses							(554)
Profit for the year							1,045

GEOGRAPHICAL SEGMENT

The geographical locations of the Group's customers comprise of Singapore, USA, PRC, Malaysia, Canada, Taiwan, United Kingdom, Australia, Netherlands, Indonesia and others.

Revenue by location of customers

	Revenue	
	FY 2012	FY 2011
	S\$'000	S\$'000
Singapore	27,987	23,587
USA	13,207	6,388
PRC	12,293	6,977
Malaysia	5,551	4,168
Canada	4,519	2,956
Taiwan	3,299	5,995
Others	15,734	26,714
	82,590	76,785

Non-current assets by geographical areas in which the assets are located as follows:

	Non-current Assets	
	FY 2012	FY 2011
	S\$'000	S\$'000
Singapore	19,320	11,065
PRC	22,917	23,708
	42,237	34,773

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

Please refer to item 8.

15 A breakdown of sales

	Group		
	FY 2012	FY 2011	Change
	S\$'000	S\$'000	%
(a) Sales reported for first half of year	41,201	33,752	22.07%
(b) Profit after income tax after deducting non-controlling interests reported for first half year	740	1,162	-36.32%
(c) Sales reported for second half of year	41,389	43,033	-3.82%
(d) Profit after income tax after deducting non-controlling interests reported for second half year	917	470	95.11%

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

Total Annual Dividend

	FY 2012	FY 2011
	S\$'000	S\$'000
Ordinary	747	747
Preference	-	-
Total	747	747

17 Interested person transactions (IPT)

No IPT mandate has been obtained from shareholders.

18 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13).

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Peh Choon Chieh	38	Nephew of Mr Ow Chin Seng (Executive Chairman cum CEO) and Madam Low Kheng (Executive Director) and cousin of Mr Koh Beng Leong (Executive Director).	Senior Operations Manager since 2006. Responsible for managing the daily business operations of the Company's distribution business.	N.A.
Ow Eei Phurn Benedict	33	Son of Mr Ow Chin Seng (Executive Chairman cum CEO) and Madam Low Kheng (Executive Director) and cousin of Mr Koh Beng Leong (Executive Director).	Operations Manager since August 2012. Responsible for managing the operations and development of the project sales department.	N.A.
Ow Eei Meng Benjamin	34	Son of Mr Ow Chin Seng (Executive Chairman cum CEO) and Madam Low Kheng (Executive Director) and cousin of Mr Koh Beng Leong (Executive Director).	Assistant to Executive Chairman and Supply Chain Manager since February 2013. Responsible for assisting Executive Chairman cum CEO in business strategy and overall direction of the Company and procurement function of its distribution of steel products division.	N.A.

BY ORDER OF THE BOARD

Wong Yoen Har
Company Secretary

25th February 2013