



Company Registration No. 200505118M

**ALBEDO LIMITED**

**FIRST QUARTER UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015**

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**") for compliance with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Lance Tan, Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.

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

- 1(a)(i) 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		Increase/ (Decrease) %
	31.03.15 (Unaudited) S\$'000	31.03.14 (Unaudited) S\$'000	
<b>Revenue</b>	<b>1,800</b>	<b>3,400</b>	<b>(47.06)</b>
Cost of Sales	(1,495)	(3,032)	(50.69)
<b>Gross Profit</b>	<b>305</b>	<b>368</b>	<b>(17.12)</b>
Other operating income	20	2	NM
Selling & distribution costs	(119)	(120)	(0.83)
Administrative expenses	(478)	(317)	50.79
Other operating expenses	23	(28)	NM
Finance costs	(5)	(11)	(54.55)
<b>Loss for the financial period before taxation</b>	<b>(254)</b>	<b>(106)</b>	<b>NM</b>
Income tax	2	-	100
<b>Total loss for the financial period (net of tax)</b>	<b>(252)</b>	<b>(106)</b>	<b>NM</b>
Total comprehensive income attributable to:			
Equity holders of the company	(252)	(106)	NM

**Notes to Consolidated Statement of Comprehensive Income**

	Group		Increase/ (Decrease) %
	31.03.15 (Unaudited) S\$'000	31.03.14 (Unaudited) S\$'000	
Interest expense on borrowings	(5)	(11)	(54.55)
Depreciation of property, plant and equipment	(2)	(6)	(66.67)
Foreign exchange gain	24	28	(14.29)

NM – 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**

	<b>Group</b>		<b>Company</b>	
	As at 31.03.15 <b>Unaudited</b> <b>S\$'000</b>	As at 31.12.14 <b>Audited</b> <b>S\$'000</b>	As at 31.03.15 <b>Unaudited</b> <b>S\$'000</b>	As at 31.12.14 <b>Audited</b> <b>S\$'000</b>
<b><u>ASSETS</u></b>				
<b>Current assets</b>				
Cash & bank balances	9,521	9,837	8,837	9,086
Trade receivables	1,080	951	-	-
Other receivables & prepayments	204	73	26	26
Inventories	244	250	-	-
Total current assets	11,049	11,111	8,863	9,112
<b>Non-current assets</b>				
Subsidiaries	-	-	751	751
Property, plant and equipment	19	21	-	-
Total non-current assets	19	21	751	751
<b>Total assets</b>	<b>11,068</b>	<b>11,132</b>	<b>9,614</b>	<b>9,863</b>
<b><u>LIABILITIES AND EQUITY</u></b>				
<b>Current liabilities</b>				
Trade payables	390	384	-	-
Other payables	170	305	81	159
Borrowings	812	474	-	-
Income tax payable	4	210	-	-
Total current liabilities	1,376	1,373	81	159
<b>Total liabilities</b>	<b>1,376</b>	<b>1,373</b>	<b>81</b>	<b>159</b>
<b>Capital and reserves</b>				
Share capital	38,114	38,114	38,114	38,114
Reserves	(28,422)	(28,355)	(28,581)	(28,410)
Total equity	9,692	9,759	9,533	9,704
<b>Total liabilities and equity</b>	<b>11,068</b>	<b>11,132</b>	<b>9,614</b>	<b>9,863</b>

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

	<b>31.03.15</b>	<b>31.12.14</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Amount repayable within one year</b>	<b>Unaudited</b>	<b>Audited</b>
Bills payable to banks (Secured)	812	474
	<b>812</b>	<b>474</b>

The Group did not have any unsecured borrowings and debt securities.

**Details of any collateral**

The banking facilities including bank loans, bank overdrafts and bills payable of the Group were secured or guaranteed by corporate guarantee from the holding company. An amount of S\$2,030,000 included in the fixed deposits has been pledged to a bank as security for credit facilities granted to a subsidiary.

**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**

	<b>31.03.15</b>	<b>31.03.14</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Loss before tax	(254)	(106)
Depreciation of property, plant and equipment	2	6
Employee share option expenses	177	-
Unrealised translation differences	8	-
Interest expense	6	11
Operating cash flows before movements in working capital	<b>(61)</b>	<b>(89)</b>
(Increase) in trade receivables	(130)	(1,237)
(Increase) in other receivables and prepayments	(130)	(59)
Decrease / (Increase) in inventories	6	(175)
Increase in trade payables	6	186
(Decrease) in other payables and accruals	(135)	(329)
Cash used in operations	<b>(444)</b>	<b>(1,703)</b>
Income tax paid	(204)	(271)
Interest expense	(6)	(11)
<b>Net cash used in operating activities</b>	<b>(654)</b>	<b>(1,985)</b>
<b>Financing activities</b>		
Proceeds from the exercise of warrants	-	6,763
Proceeds from trade financing	338	227
<b>Net cash generated from financing activities</b>	<b>338</b>	<b>6,990</b>
Net (decrease) / increase in cash and cash equivalents	(316)	5,005
Cash and cash equivalents at the beginning of the financial period	9,837	4,604
<b>Cash and cash equivalents at end of the financial period</b>	<b>9,521</b>	<b>9,609</b>

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

Group	Share capital S\$'000	Translation Reserve S\$'000	Accumulated profits S\$'000	Share-based Compensation Reserve S\$'000	Warrant Reserve S\$'000	Total S\$'000
<b>(Unaudited)</b>						
<b>Balance as at 01.01.2014</b>	31,019	4	(16,064)	329	595	15,883
Exercise of warrants	6,763	-	-	-	-	6,763
Total comprehensive loss for the year	-	-	(37)	-	-	(37)
<b>Balance as at 31.03.2014</b>	<b>37,782</b>	<b>4</b>	<b>(16,101)</b>	<b>329</b>	<b>595</b>	<b>22,609</b>
<b>(Unaudited)</b>						
<b>Balance as at 01.01.2015</b>	38,114	9	(29,169)	506	299	9,759
Employee Share Option Scheme						
- Value of employee services	-	-	-	177	-	177
Total comprehensive loss for the year	-	8	(252)	-	-	(244)
<b>Balance as at 31.03.2015</b>	<b>38,114</b>	<b>17</b>	<b>(29,421)</b>	<b>683</b>	<b>299</b>	<b>9,692</b>

Company	Share capital S\$'000	Accumulated Profits S\$'000	Share-based Compensation Reserve S\$'000	Warrant Reserve S\$'000	Total S\$'000
<b>(Unaudited)</b>					
<b>Balance as at 01.01.2014</b>	31,019	(17,903)	329	595	14,040
Exercise of warrants	6,763	-	-	-	6,763
Total comprehensive loss for the year	-	(248)	-	-	(248)
<b>Balance as at 31.03.2014</b>	<b>37,782</b>	<b>(18,151)</b>	<b>329</b>	<b>595</b>	<b>20,555</b>
<b>(Unaudited)</b>					
<b>Balance as at 01.01.2014</b>	38,114	(29,215)	506	299	9,704
Employee Share Option Scheme					
- Value of employee services	-	-	177	-	177
Total comprehensive loss for the period	-	(348)	-	-	(348)
<b>Balance as at 31.03.2015</b>	<b>38,114</b>	<b>(29,563)</b>	<b>683</b>	<b>299</b>	<b>9,533</b>

- 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 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 of the issuer, 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.**

<b><u>The Company's share capital is shown as below:-</u></b>	<b>Number of Shares</b>	<b>Share capital S\$'000</b>
<b>Balance as at 1 January 2015</b>	1,889,650,715	<b>38,114</b>
Exercise of warrants	-	-
<b>Balance as at 31 March 2015</b>	<b>1,889,650,715</b>	<b>38,114</b>

There were no changes in the Company's share capital since the end of the previous period reported on.

There are no warrants pursuant to the Rights cum Warrants Issue that were exercised during the current financial period ended 31 March 2015 ("Q1-2015"). As at 31 March 2015, there were 75,662,192 outstanding warrants which would be exercisable into 75,662,192 ordinary shares of the Company. (As at 31 March 2014, there were 82,951,192 outstanding warrants which would be exercisable into 82,951,192 ordinary shares of the Company).

Pursuant to the December Warrants Issue, there were no warrants exercised in Q1-2015. The maximum number of new shares that would be allotted and issued upon full exercise of the outstanding warrants was 110 million shares. (As at 31 March 2014: 110 million warrants)

In Q1-2015, no employee share options were exercised. As at 31 March 2015, the Company had 107,950,000 outstanding employee share options (As at 31 March 2014: 2,750,000 employee share options).

There were no treasury shares as at 31 March 2015 and 31 March 2014.

- 1(d)(iii) To show the 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**

	<b>Company 31.03.2015</b>	<b>Company 31.12.2014</b>
Total number of issued shares excluding treasury shares	1,889,650,715	1,889,650,715

There were no treasury shares as at 31 March 2015 and 31 December 2014.

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**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 as the Company did not have any treasury shares during and as at the end of the current financial period reported on.

**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 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 same accounting policies and methods of computation have been adopted for the current reporting year as compared with the most recent audited financial statements of the Company for the financial year ended 31 December 2013.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

Not applicable.

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

	<b>Group</b>	
	<b>31.03.15 (Unaudited)</b>	<b>31.03.14 (Audited)</b>
<b>Loss per share</b>		
Basic (Singapore cents) <sup>1</sup>	(0.013)	(0.006)
Diluted (Singapore cents) <sup>2</sup>	(0.013)	(0.006)

**Notes:**

<sup>1</sup> The calculation of loss per ordinary share is based on the Group's loss attributable to equity holders of the Company of S\$252,000 for Q1-2015. (31 March 2014: S\$106,000) divided by the weighted average number of shares of 1,889,650,715 shares (31 March 2014: 1,835,605,015 shares).

<sup>2</sup> The diluted loss per share is equal to the basic loss per share as the Group reported losses for the current and previous financial period and the outstanding unissued shares under the warrants, convertible bonds and options had no dilutive effect on the losses reported on.



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**

	<u>Group</u>		<u>Company</u>	
	31.03.15 Unaudited	31.12.14 Audited	31.03.15 Unaudited	31.12.14 Audited
Net asset value per ordinary share (Singapore cents)	0.51	0.52	0.50	0.51

The net asset value per ordinary share of the Group and the Company was calculated based on the Group's and the Company's net assets value as at 31 March 2015 divided by 1,889,650,715 ordinary shares (31 December 2014: 1,889,650,715 ordinary 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.

#### **Review of the Income Statement of the Group**

i) Revenue

	<u>Group</u>		% Change
	31.03.15 S\$'000 Unaudited	31.03.14 S\$'000 Unaudited	
<b>Trading &amp; Distribution</b>	<b>1,800</b>	3,400	(47.06)
<b>Total</b>	<b>1,800</b>	3,400	

The Group's revenue from its continuing operations for Q1-2015 was S\$1.80 million, a decrease of S\$1.60 million as compared to the revenue of S\$3.40 million in the previous corresponding financial period ended 31 March 2014 ("Q1-2014"). The decline in 47.06% of revenue was due to further weakening of market demand and increasing import competition from competing steel producing countries with huge surplus productions. We also stopped trading in the low margin contributing aluminum scrap business

ii) Gross profit and gross profit margin

The Group's gross profit from operations however decreased only by 6.12% from S\$0.37 million in Q1-2014 to S\$0.31 million in Q1-2015. This was mainly due to the elimination of lower margin aluminum scrap business. Gross profit margin improved from 10.82% in Q1-2014 to 16.94% in Q1-2015 mainly due to higher percentage sale mix of higher margin products

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iii) Other operating income

Other operating income increased by S\$18,000 to S\$20,000 in Q1-2015 from S\$2,000 in Q1-2014 mainly due to fixed deposits interest earned in Q1-2015.

iv) Selling and distribution expenses

Selling and distribution costs remained constant at S\$0.12 million for both Q1-2015 and Q1-2014.

v) Administrative expenses

Administrative expenses increased by S\$0.16 million from S\$0.32 million in Q1-2014 to S\$0.48 million in Q1-2015 mainly due to the employee share option costs to be expensed off over the one year vesting period (From 2 October 2014 to 1 October 2015) for the Share Options granted on 2 October 2014. Other administrative expenses remained constant.

vi) Other operating expenses

Other operating expenses decreased from S\$28,000 in Q1-2014 to a positive S\$23,000 mainly due to unrealized foreign exchange gain in Q1-2015.

vii) Finance costs

Finance costs comprised mainly interest incurred on trade financing. Finance costs decreased by 55% from S\$11,000 in Q1-2014 to S\$5,000 in Q1-2015 due to the decrease in the utilization of trade financing facilities between the two corresponding periods.

viii) Income tax

Income tax expense of positive S\$2,000 is primarily due to the over-provision of tax expense for financial year ended 31 December 2014, adjusted in Q1-2015.

**Review of the Financial Position of the Group**

ix) Balance sheet

Total assets of the Group decrease by S\$62,000 from S\$11.11 million as at 31 December 2014 to S\$11.07 million as at 31 March 2015. This is attributable to a decrease in cash and bank balances of S\$0.32 million offsetted by the increase in trade receivables of S\$0.13 due to slower payment from debtors and increase in other debtors of S\$0.13 due to advance payment to a supplier as at 31 March 2015.

Total liabilities of the Group increase slightly by S\$3,000 from 31 December 2014. This was mainly due to the increase in trade financing facilities by S\$0.34 million. This is offsetted against the decrease in income tax payable due to tax payment of approximately S\$0.21 million for prior years. The decrease of S\$0.14 million in other payables was due to payments made to sundry suppliers and professional firms.

The Group had a positive working capital of S\$9.68 million (excluding prepayments) as at 31 March 2015 as compared to S\$9.75 million (excluding prepayments) as at 31 December 2014.

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## **Review of the Cash Flow Statement of the Group**

### **x) Cash flow**

Net cash used in operating activities in Q1-2015 amounted to S\$0.65 million. The operating cash outflows before movement in working capital were S\$61,000 mainly due employee share options expense as explained earlier under administrative expenses in paragraph 8(v). The net cash outflow from changes in working capital of S\$0.38 million was mainly due to increase in trade receivables, other receivables and prepayments and a decrease in other payables and accruals.

The net cash generated from financing activities amounted to S\$0.34 million being proceeds from trade financing.

Cash and cash equivalents were S\$9.52 million as at 31 March 2014 as compared to S\$9.61 million as at 31 December 2014.

**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**

The demand for steel in our market remains weak and is expected to be lower due to weaker economic conditions and is further challenged by the fact that there will be continued import competition from surpluses of the steel producing countries. Hence our sales and performance will be affected accordingly.

The Company is actively in search of new businesses or assets to be injected into the Group and are exploring all opportunities.

**11. Dividend**

**(a) *Current Financial Period Reported On***

**Any dividend declared for the current financial period reported on?**

No

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

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

No

**(c) *Date payable:*** Not applicable

**(d) *Books closure date:*** Not applicable

**If no dividend has been declared (recommended), a statement to that effect**

No dividend has been declared or recommended.

**12. If the group has obtained a general mandate from shareholders for Interested Person Transactions (“IPT”), 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.**

The Group did not enter into any IPT of S\$100,000 or more in value per transaction for Q1-2015. The Group does not have a general mandate from shareholders for IPTs.

**13. Use of Proceeds**

As at 27 April 2015, the net proceeds had been utilised as follows:

Use of Proceeds	Allocation of net proceeds raised	Amount Utilised to 16 Feb 2015	Amount Utilised from 16 Feb to [24 Apr 2015]	Amount Unutilised
	(S\$)	(S\$)	(S\$)	(S\$)
<b>(A) Proceeds from Rights cum Warrants Issue<sup>1</sup></b>				
Funding Growth Expansion	3,967,843	802,253 <sup>2</sup>	-	3,165,590
Working Capital	2,645,229	2,645,229	-	-
<b>(B) Proceeds from the exercise of ESOS<sup>3</sup></b>				
Working Capital	169,800	169,800	-	-
<b>(C) Proceeds from the exercise of warrants<sup>4</sup></b>				
Working Capital	9,216,000	5,658,105	119,387	3,438,508
<b>Total Amount</b>	<b>15,998,872</b>	<b>9,275,387</b>	<b>119,387</b>	<b>6,604,098</b>

The above use of proceeds is in accordance with the intended use as stated in the circular dated 24 December 2012, 6 March 2013 and 13 April 2009.

**Notes:**

1. The proceeds comprised S\$3,379,576 from the issuance of the Rights cum Warrants and S\$3,233,496 from the exercise of warrants as at 31 December 2014. The funds used for working capital mainly related to payment of staff salaries, administrative expenses, finance expenses, operating expenses and Directors’ remuneration.
2. In accordance with the announcement dated 25 July 2014, the Company had received the settlement sum of S\$500,000 from the Vendor which had been utilised to offset the professional fees incurred in relation to the termination of the proposed reverse takeover.
3. The proceeds from the exercise of ESOS were fully utilised for working capital as in the purpose disclosed in note 1.
4. The warrants issue related to non-listed, non-transferrable warrants to various individuals as announced on 6 June 2011, 14 June 2013 and 13 December 2013. S\$4.8 million of the total funds earmarked for the working capital had been reallocated for the repayment of inter-company loan to its subsidiary and repayment of loan to a director and substantial shareholder. The other S\$0.12 million incurred during current Q1-2015 were utilised for working capital as in the purpose disclosed in note 1.

**14. Confirmation by the Board pursuant to Rule 705(5) of the Catalist Listing Manual**

The Board of Directors of the Company confirms that to the best of its knowledge, nothing has come to its attention which may render the unaudited financial statements for Q1-2015 to be false or misleading in any material aspect.

**By Order of the Board**

Tai Kok Chuan  
Chief Executive Officer and Managing Director  
27 April 2015