
**UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND
ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

Part I Information required for announcement 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) %
	Year ended 31 December		
	2017 S\$'000	2016 S\$'000	
Revenue	62,126	63,906	(2.8)
Cost of sales	(44,793)	(46,359)	(3.4)
Gross profit	17,333	17,547	(1.2)
Other operating income	308	745	(58.7)
Administrative and selling expenses	(11,005)	(11,070)	(0.6)
Other operating expenses	(885)	(831)	6.5
Finance costs	(20)	(61)	(67.2)
Profit before tax	5,731	6,330	(9.5)
Income tax expense	(807)	(931)	(13.3)
Profit for the year, representing total comprehensive income for the year	4,924	5,399	(8.8)
Total comprehensive income attributable to:			
Owners of the Company	4,929	5,357	(8.0)
Non-controlling interests	(5)	42	(111.9)
	4,924	5,399	(8.8)

1 (a)(i) Notes to the statements of comprehensive income:

	Group		Increase (Decrease) %
	Year ended 31 December		
	2017	2016	
	S\$'000	S\$'000	
Profit before tax is arrived after charging/(crediting):-			
Cost of inventories included in expenses	44,327	45,730	(3.1)
Gain on disposal of a subsidiary	-	(313)	N.M.
Gain on disposal of property, plant and equipment	- *	-	N.M.
Allowance for doubtful trade receivables	45	77	(41.6)
Bad debts recovered	(28)	(118)	(76.3)
Reversal for stock obsolescence	-	(264)	N.M.
Depreciation of property, plant and equipment	567	541	4.8
Depreciation of investment properties	358	377	(5.0)
Amortisation of club membership	19	3	533.3
Net foreign exchange loss	1	11	(90.9)
Interest income	(6)	- *	N.M.
Interest expenses	20	61	(67.2)

N.M. : Not meaningful
* : Less than S\$1,000



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

	Group		Company	
	As at 31 December 2017	2016	As at 31 December 2017	2016
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	12,012	8,120	37	1,415
Trade receivables	4,794	5,283	185	-
Other receivables and prepayments	741	611	17,893	18,557
Inventories	15,986	15,491	-	-
Total current assets	33,533	29,505	18,115	19,972
Non-current assets				
Property, plant and equipment	6,827	6,678	-	-
Investment properties	14,682	15,040	-	-
Club membership	243	262	-	-
Other receivables and prepayments	119	-	-	-
Investment in subsidiaries	-	-	2,340	2,340
Total non-current assets	21,871	21,980	2,340	2,340
Total assets	55,404	51,485	20,455	22,312
LIABILITIES AND EQUITY				
Current liabilities				
Trade payables	8,448	6,939	-	-
Other payables and accruals	1,610	1,585	53	128
Bank loans	321	349	-	-
Finance leases	47	99	-	-
Income tax payable	787	958	22	44
Total current liabilities	11,213	9,930	75	172
Non-current liabilities				
Bank loans	1,789	2,104	-	-
Finance leases	141	80	-	-
Deferred tax liability	120	74	-	-
Total non-current liabilities	2,050	2,258	-	-
Total liabilities	13,263	12,188	75	172
Capital, reserves and non-controlling interests				
Share capital	8,020	8,020	8,020	8,020
Retained earnings	34,061	31,212	12,360	14,120
Equity attributable to owners of the Company	42,081	39,232	20,380	22,140
Non-controlling interests	60	65	-	-
Total equity	42,141	39,297	20,380	22,140
Total liabilities and equity	55,404	51,485	20,455	22,312



- 1 (b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial year reported on with comparative figures as at the end of the immediately preceding financial year

(A) Amount repayable in one year or less, or on demand

	As at 31 December 2017		As at 31 December 2016	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Bank loans	321	-	349	-
Finance leases	47	-	99	-

(B) Amount repayable after one year

	As at 31 December 2017		As at 31 December 2016	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Bank loans	1,789	-	2,104	-
Finance leases	141	-	80	-

(C) Details of any collaterals

As at 31 December 2017

The bank loans were secured by legal mortgages over subsidiaries' leasehold and freehold properties and corporate guarantees provided by the Company.

As at 31 December 2016

The bank loans were secured by legal mortgages over a subsidiary's leasehold property and corporate guarantees provided by the Company. The finance leases were secured by personal guarantees provided by a director of the Company.

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

	Group	
	Year ended 31 December 2017	2016
	S\$'000	S\$'000
Operating activities:		
Profit before tax	5,731	6,330
Adjustments for:		
Interest expenses	20	61
Interest income	(6)	- *
Depreciation of property, plant and equipment	567	541
Depreciation of investment properties	358	377
Amortisation of club membership	19	3
Gain on disposal of property, plant and equipment	- *	-
Gain on disposal of a subsidiary	-	(313)
Allowance for doubtful trade receivables	45	77
Bad debts recovered	(28)	(118)
Reversal for stock obsolescence	-	(264)
Investment properties written off	-	4
Operating cash flows before changes in working capital	6,706	6,698
Trade receivables	472	(454)
Other receivables and prepayments	(130)	(260)
Inventories	(495)	769
Trade payables	1,509	(359)
Other payables and accruals	25	322
Cash flows generated from operations	8,087	6,716
Income tax paid	(932)	(665)
Interest received	6	- *
Net cash generated from operating activities	7,161	6,051
Investing activities:		
Proceeds from disposal of property, plant and equipment	- *	-
Proceeds from disposal of a subsidiary	-	119
Purchase of property, plant and equipment (Note A)	(590)	(1,797)
Additions of investment properties (Note B)	-	(586)
Prepayment of property, plant and equipment	(119)	-
Purchase of club membership	-	(265)
Net cash used in investing activities	(709)	(2,529)
Financing activities:		
Proceeds from bank loans	-	540
Repayment of bank loans	(343)	(2,387)
Repayment of finance leases	(117)	(210)
Dividends paid	(2,080)	(1,248)
Interest paid	(20)	(61)
Net cash used in financing activities	(2,560)	(3,366)
Net increase in cash and cash equivalents	3,892	156
Cash and cash equivalents at beginning of the year	8,120	7,964
Cash and cash equivalents at end of the year	12,012	8,120

* : Less than S\$1,000

1 (c) **A statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)**

	Group	
	Year ended 31 December	
	2017	2016
	S\$'000	S\$'000
Note A		
Additions to property, plant and equipment	716	1,797
Less:		
Acquired under finance lease	(126)	-
Net cash outflow for purchase of property, plant and equipment	<u>590</u>	<u>1,797</u>
Note B		
Additions to investment properties	-	1,566
Add:		
Payment made for prior year unpaid balances	-	540
Less:		
Acquired under off-set arrangement **	-	(1,520)
Unpaid balances at end of the year	-	-
Net cash outflow for addition of investment properties	<u>-</u>	<u>586</u>

** On 15 September 2016, the Group disposed its entire 50.00% shareholding interests in the issued and paid-up capital of Neiken Switchgear (S) Pte. Ltd. ("**NSS**") to United MS Electrical Mfg (M) Sdn. Bhd. ("**UMS**") for a consideration of approximately S\$1,406,000 ("**Shares Consideration**"). Concurrently, the Group also acquired a property located at 9 Tagore Lane, #02-06, 9@Tagore, Singapore 787472 from NSS, for a consideration of S\$1,520,000 (excluding goods and services tax) ("**Property Consideration**").

The Shares Consideration of S\$1,406,000 and a loan then owing to the Company by NSS of S\$1,047,000 were set-off against the Property Consideration of S\$1,520,000. Accordingly, a net amount of approximately S\$933,000 was paid by UMS in cash to the Company on completion of the aforesaid transactions as full and final settlement.

Please refer to the Company's announcement on SGXNET dated 15 September 2016 for further details.

- 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	Retained earnings	Attributable to the owners of the Company	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2017	8,020	31,212	39,232	65	39,297
Profit (loss) for the year, representing total comprehensive income for the year	-	4,929	4,929	(5)	4,924
Dividends paid, representing transactions with owners, recognised directly in equity	-	(2,080)	(2,080)	-	(2,080)
Balance as at 31 December 2017	8,020	34,061	42,081	60	42,141
Balance as at 1 January 2016	8,020	27,103	35,123	1,116	36,239
Profit for the year, representing total comprehensive income for the year	-	5,357	5,357	42	5,399
<i>Transactions with owners, recognised directly in equity</i>					
Dividend paid	-	(1,248)	(1,248)	-	(1,248)
Effects of non-controlling interests upon disposal of a subsidiary	-	-	-	(1,093)	(1,093)
Balance as at 31 December 2016	8,020	31,212	39,232	65	39,297

- 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 period (*cont'd*)

Company	Share capital S\$'000	Accumulated profits S\$'000	Total S\$'000
Balance as at 1 January 2017	8,020	14,120	22,140
Profit for the period, representing total comprehensive income for the period	-	320	320
Dividends paid, representing transactions with owners, recognised directly in equity	-	(2,080)	(2,080)
Balance as at 31 December 2017	8,020	12,360	20,380
Balance as at 1 January 2016	8,020	1,452	9,472
Profit for the period, representing total comprehensive income for the period	-	13,916	13,916
Dividends paid, representing transactions with owners, recognised directly in equity	-	(1,248)	(1,248)
Balance as at 31 December 2016	8,020	14,120	22,140

- 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, 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 corresponding period of the immediately preceding financial year.**

Between 30 June 2017 (being the end of the previous period reported on) and 31 December 2017, there were no changes in the Company's share capital.

The Company had adopted the Choo Chiang Performance Share Plan prior to its listing on the Catalist in July 2015 and as at 31 December 2016 and 31 December 2017, there was no award granted under this performance share plan. As at 31 December 2016 and 31 December 2017, the Company did not have any outstanding options, warrants or other instrument convertible into securities of the Company.

As at 31 December 2016 and 31 December 2017, the Company had an issued and paid-up share capital of S\$8,020,000 comprising 208,000,000 ordinary shares in issue. As at 31 December 2016 and 31 December 2017, the Company did not have any general mandate to undertake share buybacks and did not hold any treasury shares and subsidiary holdings.

- 1 (d)(iii) 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.**

	Number of ordinary shares As at 31 December	
	2017	2016
Total number of issued shares (excluding treasury shares)	<u>208,000,000</u>	<u>208,000,000</u>

- 1 (d)(iv) A statement showing all sales, transfers, 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 hold any treasury shares.

- 1 (d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable as the Company did not hold any subsidiary holdings.

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 the 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.

Save as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the financial year ended 31 December 2017 (“**FY2017**”) as its most recently audited financial statements for the financial year ended 31 December 2016 (“**FY2016**”).

5. If there are any changes in 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.

The Group has adopted all the new and revised Financial Reporting Standards (“**FRS**”) and Interpretations of FRS (“**INT FRS**”) that are relevant to the Group and effective for the financial period beginning on or after 1 January 2017. The adoption of these new and revised FRS and INT FRS does not result in any material changes to the Group’s accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited financial statements as at 31 December 2016.

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.

	Group	
	Year ended 31 December	
Earnings per ordinary share (“EPS”)	2017	2016
Profit attributable to owners of the Company (S\$'000)	4,929	5,357
Number of ordinary shares ('000)	208,000	208,000
Basic and diluted EPS (Singapore cents)	<u>2.37</u>	<u>2.58</u>

EPS is calculated based on (i) the profit attributable to owners of the Company for each of FY2017 and FY2016, and (ii) the 208,000,000 issued shares as at 31 December 2017 and as at 31 December 2016. Fully diluted EPS are the same as the basic EPS for the financial periods presented in the table above as the Company did not have any outstanding instruments convertible into rights to subscribe for, and options in respect of its shares during these financial periods.

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		Company	
	As at 31 December		As at 31 December	
	2017	2016	2017	2016
Net Asset Value ("NAV")				
Net assets (S\$'000)	42,081	39,232	20,380	22,140
Number of ordinary shares used in calculating NAV per ordinary share ('000)	208,000	208,000	208,000	208,000
NAV per ordinary share (Singapore cents)	<u>20.23</u>	<u>18.86</u>	<u>9.80</u>	<u>10.64</u>

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 financial performance

Revenue

The Group's revenue is derived from sales and retail of electrical products and accessories in Singapore ("**Distribution Business**") and rental income from its investment properties in Singapore ("**Property Investment**").

Total revenue decreased by S\$1.78 million or 2.8%, from S\$63.91 million in FY2016 to S\$62.13 million in FY2017, mainly due to a decrease in the revenue from the Distribution Business segment.

Distribution Business

Revenue from Distribution Business segment decreased by S\$1.68 million or 2.7%, from S\$63.30 million in FY2016 to S\$61.62 million in FY2017. The decrease was mainly due to the decrease in sales volume as a result of the general slowdown in the industry and the disposal of the Company's entire shareholding interest in a subsidiary, Neiken Switchgear (S) Pte. Ltd. ("**NSS**"), in September 2016.

Property Investment

Rental income from the Property Investment segment decreased by S\$0.10 million or 16.4%, from S\$0.61 million in FY2016 to S\$0.51 million in FY2017 mainly due to (i) loss of rental income as there were a few months of vacancy at four (4) investment properties following expiry of the relevant leases; and (ii) the effects arising from the disposal of NSS (which amongst others held one of the investment properties) in September 2016.

Cost of sales

Cost of sales decreased by S\$1.57 million or 3.4%, from S\$46.36 million in FY2016 to S\$44.79 million in FY2017.

Distribution Business

Cost of sales of the Distribution Business segment decreased by S\$1.40 million or 3.1%, from S\$45.73 million in FY2016 to S\$44.33 million in FY2017, generally in line with the decrease in revenue for this segment. Cost of sales in FY2017 was also lower due to a decrease in the purchase price of certain electrical products and accessories.

Property Investment

Cost of sales of the Property Investment segment decreased by S\$0.17 million or 27.0%, from S\$0.63 million in FY2016 to S\$0.46 million in FY2017. The decrease was mainly due to the decreases in depreciation expense, property tax, property management fees and finance cost of approximately S\$78,000, S\$13,000, S\$8,000 and S\$74,000 respectively as a result of a few months of vacancy at the abovementioned four (4) investment properties and the disposal of NSS which owned one of the investment properties in Singapore.

Gross profit and gross profit margin

Gross profit decreased by S\$0.22 million or 1.3% from S\$17.55 million in FY2016 to S\$17.33 million in FY2017. However, gross profit margin improved from 27.5% in FY2016 to 27.9% in FY2017.

The gross profit margin of the Distribution Business segment increased marginally by 0.3% from approximately 27.8% in FY2016 to 28.1% in FY2017.

The gross profit margin of the Property Investment segment increased from a gross loss margin of 3.3% in FY2016 to gross profit margin of 9.8% in FY2017. This was mainly due to lower depreciation expense and finance cost in FY2017 as compared to FY2016.

Other operating income

Other operating income decreased by S\$0.44 million or 58.7% from S\$0.75 million in FY2016 to S\$0.31 million in FY2017. The decrease in other operating income was mainly due to a decrease in gain on disposal of a subsidiary, a decrease in government grant received and a decrease in bad debts recovered from customers.

Administrative and selling expenses

Administrative expenses decreased marginally by S\$0.06 million or 0.5% from S\$11.07 million in FY2016 to S\$11.01 million in FY2017.

Other operating expenses

Other operating expenses increased by S\$0.06 million or 7.2% from S\$0.83 million in FY2016 to S\$0.89 million in FY2017, mainly due to an increase in depreciation of property, plant and equipment and amortisation of club membership. These increases were partially offset by the decrease in allowance for doubtful trade receivables in FY2017.

Finance costs

Finance costs decreased marginally from S\$61,000 in FY2016 to S\$20,000 in FY2017.

Profit before tax

As a result of the reasons mentioned above, the Group's profit before tax decreased by S\$0.60 million or 9.5% from S\$6.33 million in FY2016 to S\$5.73 million in FY2017.

Review of financial position

Current assets

Current assets increased by S\$4.02 million from S\$29.51 million as at 31 December 2016 to S\$33.53 million as at 31 December 2017. The increase in current assets was mainly due to an increase in cash and bank balances of S\$3.89 million, an increase in other receivables and prepayments of S\$0.13 million and an increase in inventories of S\$0.50 million which were partially offset by a decrease in trade receivables of S\$0.50 million.

Non-current assets

Non-current assets decreased by S\$0.11 million from S\$21.98 million as at 31 December 2016 to S\$21.87 million as at 31 December 2017. The decrease in non-current assets was mainly due to net decreases in investment properties and club membership of S\$0.36 million and S\$0.02 million respectively, which were partially offset by the increase in property, plant and equipment of S\$0.15 million and other receivables and prepayments of S\$0.12 million in FY2017.

Current liabilities

Current liabilities increased by S\$1.28 million from S\$9.93 million as at 31 December 2016 to S\$11.21 million as at 31 December 2017. The increase in current liabilities were mainly due to an increase in trade payables of S\$1.51 million and other payables and accruals of S\$0.02 million. These increases were offset by a decrease in current portion of bank loans, finance leases and provision of taxation of S\$0.03 million, S\$0.05 million and S\$0.17 million respectively.

Non-current liabilities

Non-current liabilities decreased by S\$0.21 million from S\$2.26 million as at 31 December 2016 to S\$2.05 million as at 31 December 2017. The decrease in non-current liabilities is mainly due to a decrease in the non-current portion of bank loans of S\$0.31 million and offset by an increase in non-current portion of finance lease and deferred tax liability of S\$0.06 million and S\$0.05 million respectively.

Review of cash flow management

Net cash generated from operating activities

In FY2017, the Group generated net cash inflow from operating activities of approximately S\$7.16 million, which was a result of operating cash flows before changes in working capital of approximately S\$6.71 million, net working capital inflows of approximately S\$1.38 million, and income tax paid amounting to approximately S\$0.93 million.

Net cash used in investing activities

In FY2017, the Group's net cash outflow for investing activities amounted to approximately S\$0.71 million, which was mainly due to purchases and prepayment of property, plant and equipment of approximately S\$0.59 million and S\$0.12 million respectively.

Net cash used in financing activities

In FY2017, the Group's net cash outflow for financing activities amounted to approximately S\$2.56 million, mainly due to (i) dividends payment of S\$2.08 million; (ii) repayment of bank loans and finance leases of S\$0.46 million; and (iii) interest payments of S\$0.02 million.

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

There has not been any forecast or prospect statement in relation to the Group's results for FY2017 previously disclosed to shareholders.

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.

Subject to, *inter alia*, market conditions, availability of good location and other relevant business considerations, it is the Group's current intention to continue to expand its retail network in Singapore. The Group also intends to reinforce and strengthen its market position in Singapore by widening the range of products sold under its "CCM" and "CRM" brands. In addition, the Group plans to renovate its headquarters and central warehouse located at 10 Woodlands Loop, Singapore 738388 in FY2018.

Barring unforeseen circumstances, the Group is cautiously optimistic of its business prospects taking into consideration the trends and developments in the construction industry and the general economic outlook in Singapore.

11. If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended)

Current financial period reported on

Name of dividend	First and Final dividend	Special dividend
Dividend type	Cash	Cash
Dividend per ordinary share	0.8 Singapore cents	0.1 Singapore cents
Total annual dividend	S\$1,664,000	S\$208,000
Tax rate	Tax exempt (one-tier)	Tax exempt (one-tier)

The above proposed first and final dividend and special dividend in respect of FY2017 (collectively, the "**Dividend**") is subject to the approval of the Company's shareholders at the forthcoming annual general meeting ("**AGM**") of the Company to be held in April 2018.



Previous corresponding period of the Immediately Preceding Financial Year

Name of dividend	First and Final dividend	Special dividend
Dividend type	Cash	Cash
Dividend per ordinary share	0.8 Singapore cents	0.2 Singapore cents
Total annual dividend	S\$1,664,000	S\$416,000
Tax rate	Tax exempt (one-tier)	Tax exempt (one-tier)

(b) The date the dividend is payable

Subject to shareholders' approval of the Dividend at the AGM, the payment date for the Dividend will be announced at a later date.

(c) The date on which Registrable Transfers received by the company (up to 5.00 p.m.) will be registered before entitlements to the dividend are determined

Subject to shareholders' approval of the Dividend at the AGM, the record date and the books closure date for determining shareholders' entitlement to the Dividend will be announced at a later date.

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

Not applicable.

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.

The Group did not obtain any general mandate from the Company's shareholders in respect of interested person transactions.

Name of interested person	Aggregate value of all interested person transactions (including transactions of less than S\$100,000 each) during FY2017 (excluding transactions conducted under general mandate) (S\$'000)	Aggregate value of all interested person transactions (including transactions of less than S\$100,000 each) conducted during FY2017 under the general mandate (S\$'000)
Lim Teck Chuan - Sale of electrical accessories by the Group to CCM Australia Pty Ltd (" CCM Australia ") ⁽¹⁾	56	Nil

Note:

- (1) CCM Ventures Pte. Ltd. ("**CCM Ventures**") owns 100% of the issued and paid-up share capital of CCM Australia. The Company's Executive Chairman and Chief Executive Officer, Lim Teck Chuan owns an interest of 65.3% in CCM Ventures and is also the sole director of CCM Ventures and a director of CCM Australia. Accordingly, CCM Australia is an associate of Lim Teck Chuan and transactions between the Group and CCM Australia are interested person transactions within the ambit of Chapter 9 of the Catalist Rules.

As at 31 December 2017, the following remained subsisting:

- (i) Lim Teck Chuan had provided personal guarantees to the Housing & Development Board in order that the Group may secure lease agreements;
- (ii) the Company, CCM Ventures and Lim Teck Chuan had entered into a call option agreement on 26 June 2015 ("**TL Call Option Agreement**") pursuant to which Lim Teck Chuan granted the Company a call option to acquire all the shares that he may from time to time hold in CCM Ventures;
- (iii) the Company and CCM Australia had entered into a call option agreement on 26 June 2015 ("**Australian TM Call Option Agreement**") pursuant to which CCM Australia granted the Company a call option to purchase from CCM Australia the trademark that is used by CCM Australia in Australia;
- (iv) each of CCM Ventures and CCM Australia had provided a non-competition deed in favour of the Company;

- (v) Lim Teck Chuan had provided an undertaking pursuant to which he would *inter alia* (aa) within two (2) years from 29 July 2015 (being the date of listing of the Company on the Catalist), divest his shareholding in CCM Ventures to persons other than his Associates such that he will no longer be a shareholder of CCM Ventures; and (bb) grant the Company a right of first refusal of any sale of any shares in CCM Ventures by himself; and
- (vi) CCM Ventures had provided an undertaking pursuant to which, amongst others, (aa) in the event of any proposed issue by CCM Ventures of any shares to any Associate of Lim Teck Chuan, it shall be a condition precedent to such share issue that the proposed subscriber enters into a call option agreement with the Company on the same terms and conditions as the TL Call Option Agreement; and (bb) CCM Ventures granted the Company a right of first refusal of any sale of any shares in CCM Australia by CCM Ventures.

On 21 July 2017, the Company announced that Lim Teck Chuan had informed the Company of his intention for the business of CCM Australia to be discontinued and consequently for both CCM Ventures and CCM Australia to be struck off and that the Company had entered into various side letters with each of Lim Teck Chuan, CCM Ventures and CCM Australia pursuant to which the relevant documents referred to under (ii) to (vi) in this paragraph above would be terminated upon the effective date of striking off of CCM Ventures and CCM Australia. As at 31 December 2017 and as at the date of this announcement, CCM Ventures and CCM Australia are still in the process of striking off.

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

The Company hereby confirms that it has already procured undertakings from all of its Directors and relevant executive officers in the format as set out in Appendix 7H of the Catalist Rules in accordance with Rule 720(1) of the Catalist Rules.

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.**

Business segment information

	Distribution business	Property investment business	Total
	\$'000	\$'000	\$'000
2017			
Revenue			
External sales of goods	61,614	-	61,614
Rental income	-	512	512
Segment revenue	<u>61,614</u>	<u>512</u>	<u>62,126</u>
Cost of sales			
External purchases	(44,327)	-	(44,327)
Cost of property maintenance	-	(466)	(466)
Segment cost of sales	<u>(44,327)</u>	<u>(466)</u>	<u>(44,793)</u>
Results			
Segment result	17,287	46	17,333
Other operating income	308	-	308
Administrative and selling expenses	(10,955)	(50)	(11,005)
Other operating expenses	(852)	(33)	(885)
Finance costs	(18)	(2)	(20)
Profit (loss) before tax	<u>5,770</u>	<u>(39)</u>	<u>5,731</u>
Income tax expense			(807)
Profit after tax			<u><u>4,924</u></u>

	Distribution business	Property investment business	Total
	\$'000	\$'000	\$'000
2016			
Revenue			
External sales of goods	63,295	-	63,295
Rental income	-	611	611
Segment revenue	63,295	611	63,906
Cost of sales			
External purchases	(45,730)	-	(45,730)
Cost of property maintenance	-	(629)	(629)
Segment cost of sales	(45,730)	(629)	(46,359)
Results			
Segment result	17,565	(18)	17,547
Other operating income	745	-	745
Administrative and selling expenses	(11,003)	(67)	(11,070)
Other operating expenses	(831)	-	(831)
Finance costs	(61)	-	(61)
Profit (loss) before tax	6,415	(85)	6,330
Income tax expense			(931)
Profit after tax			5,399

The revenue and profit of the Group are mainly derived from the Distribution Business segment.

The principal assets employed by the Group are located in Singapore. Accordingly, no other segmental information by geographical segment is presented.

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

By business segment

In FY2017 and in FY2016, the revenue contribution from Distribution Business and from Property Investment had remained relatively stable at approximately 99% and 1% respectively. Please refer to Paragraph 8 of this announcement for a detailed commentary of the Group's financial performance in FY2017 compared to FY2016.

By geographical segment

All the Group's operations in FY2017 and FY2016 are located in Singapore.

17. A breakdown of sales as follows:-

	Year ended 31 December		Increase / (Decrease) %
	2017 S\$'000	2016 S\$'000	
(a) Sales reported for first half year	29,883	30,972	(3.5)
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	2,574	2,485	3.6
(c) Sales reported for second half year	32,243	32,934	(2.1)
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	<u>2,350</u>	<u>2,914</u>	(19.4)

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

	Year ended 31 December	
	2017 S\$'000	2016 S\$'000
Ordinary	1,872	2,080
Preference	-	-
Total	<u>1,872</u>	<u>2,080</u>

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(10) 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 positions held, if any, during the year
Wilson Foo	46	Nephew of Lim Teck Chuan (Executive Chairman and Chief Executive Officer) and Lim Teck Seng (Executive Director).	General Manager since 2007. Responsible for the overall management of the business.	Nil
Josephine Tay	48	Spouse of Lim Teck Seng (Executive Director).	Administrative Manager since 1991. Responsible for all aspects of human resource and administrative function of the Group.	Nil
Andy Tay	45	Brother-in-law of Lim Teck Seng (Executive Director).	Purchasing Manager since 2009. Responsible for the procurement of electrical products and accessories for the Group.	Nil

BY ORDER OF THE BOARD

Lim Teck Chuan
Executive Chairman and Chief Executive Officer

Singapore

27 February 2018

*This announcement has been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch ("**Sponsor**") for compliance with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"). The Sponsor has not independently 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 correctness of any of the statements or opinions made or reports contained in this announcement. The contact person for the Sponsor is Ms Tan Cher Ting, Director, Investment Banking, CIMB Bank Berhad, Singapore Branch, at 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, Telephone: +65 6337 5115.*
