ACESIAN PARTNERS LIMITED
(Registration No: 199505699D)

Full Year Financial Statement Announcement for the year ended 31 December 2016

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENT OF FULL YEAR RESULTS

1(a) (i) Statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	FY2016	FY2015	Increase/ (Decrease)
	S$'000	S$'000	%
Revenue	46,781	34,414	35.94
Cost of sales	(39,268)	(26,674)	47.21
Gross profit	7,513	7,740	(2.93)
Other operating income	1,301	1,552	(16.17)
Administration expenses	(5,177)	(4,239)	22.13
Other operating expenses	(5,395)	(1,952)	176.38
Finance costs	(121)	(35)	245.71
(Loss) / profit before taxation	(1,879)	3,066	N.M.
Taxation	(326)	(493)	(33.87)
(Loss) / profit for the year	(2,205)	2,573	N.M.
Other comprehensive profit / loss			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations	(20)	(1,012)	
Total comprehensive (loss) / profit for the year	(2,225)	1,561	
Profit / (loss) attributable to:			
Shareholders of the Company	(2,181)	2,563	
Non-controlling interests	(24)	10	
	(2,205)	2,573	
Total comprehensive income / (loss) attributable to:			
Shareholders of the Company	(2,218)	1,592	
Non-controlling interests	(7)	(31)	
	(2,225)	1,561	

The Group's profit before taxation is arrived at after (crediting)/charging :

	FY2016	FY2015
	S$'000	S$'000
Depreciation of plant and equipment	384	385
Gain on disposal of plant and equipment	(8)	-
Amortisation of intangible assets	477	439
Impairment of goodwill	1,006	-
Impairment of intangible asset	223	-
Plant and equipment written off	2	-
Impairment loss on other receivable	76	-
Allowance for impairment of trade receivables	622	12
Allowance for impairment of trade receivables written back	(76)	(122)
Bad debt written off	23	-
Bad debt recovered	(21)	-
Exchange gain	(129)	(925)
Interest income	(8)	(21)
Interest expense	121	35
Performance shares vested	-	612
Provision for warranty	-	116
Provision for warranty written back	(283)	(5)
Provision / (write back) for slow-moving inventories	54	(58)
Fair value adjustment on financial asset, fair value through profit or loss	(3)	(4)

1 (b) (i) 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	
	31/12/2016	31/12/2015	**31/12/2016**	31/12/2015
	S$'000	S$'000	**S$'000**	S$'000
ASSETS				
Non-Current Assets				
Plant and equipment	1,130	1,239	46	40
Deferred Tax Asset	135	135	-	-
Investment in subsidiaries	-	-	7,703	7,733
Intangible assets	-	700	-	-
Goodwill	-	1,006	-	-
	1,265	3,080	7,749	7,773
Current Assets				
Inventories	1,395	2,555	-	590
Gross amount due from customers for contract work-in-progress	9,229	3,388	-	27
Trade and other receivables	7,784	12,787	18,496	16,887
Financial asset at fair value through profit or loss	-	48	-	-
Fixed deposits pledged	159	640	-	110
Cash and cash equivalents	7,344	9,391	3,971	5,772
	25,911	28,809	22,467	23,386
Total Assets	27,176	31,889	30,216	31,159
EQUITY AND LIABILITIES				
Capital and Reserve				
Share capital	18,192	17,580	18,192	17,580
Accumulated losses	(3,973)	(1,792)	(9,308)	(9,765)
Reserve	-	612	-	612
Translation difference reserve	(1,730)	(1,693)	-	-
Attributable to equity holders of parent	12,489	14,707	8,884	8,427
Non-controlling interests	55	108	-	-
Total equity	12,544	14,815	8,884	8,427
Non-Current Liabilities				
Deferred tax liabilities	109	163	-	-
Finance Lease Payables	55	150	-	-
Bank borrowings	-	55	-	-
	164	368	-	-
Current Liabilities				
Trade and other payables	14,169	14,775	21,332	22,732
Gross amount due to customers for contract work-in-progress	-	410	-	-
Current tax payable	203	333	-	-
Finance Lease Payables	96	117	-	-
Bank borrowings	-	1,071	-	-
	14,468	16,706	21,332	22,732
Total Equity and Liabilities	27,176	31,889	30,216	31,159

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

Amount repayable in one year or less

As at 31 December 2016		As at 31 December 2015	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
96	-	1,188	-

Amount repayable after one year

As at 31 December 2016		As at 31 December 2015	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
55	-	205	-

Details of collaterals

During the year, the Group repaid all bank borrowings. Secured loans are vehicles bought on finance leases.

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

	FY2016	FY2015
	S$'000	S$'000
CASH FLOW FROM OPERATING ACTIVITIES		
Net (loss) / profit before taxation	**(1,879)**	3,066
Adjustments for:		
Depreciation of plant and equipment	**384**	385
Impairment of goodwill	**1,006**	-
Impairment of intangible asset	**223**	-
Gain on disposal of plant & equipment	**(8)**	-
Impairment loss on other receivable	**76**	-
Plant and equipment written off	**2**	-
Allowance for impairment of trade receivables	**622**	12
Allowance for impairment of trade receivables written back	**(76)**	(122)
Bad debt recovered	**(21)**	-
Bad debt written off	**23**	-
Performance shares vested	**-**	612
Provision for warranty	**-**	116
Provision for warranty written back	**(283)**	(5)
Interest expense	**121**	35
Interest income	**(8)**	(21)
Amortisation of intangible assets	**477**	439
Provision / (write back) for slow-moving inventories	**54**	(58)
Fair value adjustment on financial asset, fair value through profit or loss	**(3)**	(4)
Operating profit before working capital changes	**710**	**4,455**
Translation difference	**(17)**	(866)
Decrease / (increase) in inventories	**1,105**	(932)
Increase in amount due from customers for contract work-in-progress	**(6,250)**	(2,440)
Decrease / (increase) in trade and other receivables	**4,165**	(4,613)
(Decrease) / increase in trade and other payables	**(323)**	6,725
Cash (used in) / generated from operations	**(610)**	**2,329**
Interest received	**8**	21
Tax paid	**(279)**	(391)
Net cash (used in) / generated from operating activities	**(881)**	**1,959**

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

	FY2016	FY2015
	S$'000	S$'000
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	**(296)**	(540)
Proceed from disposal of financial asset at fair value through profit or loss	**52**	-
Net cash outflow on acquistion of a subsidiary	**-**	(1,647)
Net cash outflow from disposal of a subsidiary	**(46)**	-
Proceeds from disposal of plant and equipment	**12**	1
Net cash used in investing activities	**(278)**	**(2,186)**
CASH FLOW FROM FINANCING ACTIVITIES		
Bank loan repaid	**(1,126)**	(202)
Hire Purchase Payables	**(116)**	(61)
Interest paid	**(121)**	(35)
Decrease in fixed deposits pledged	**481**	531
Net cash (used in) / generated from financing activities	**(882)**	**233**
NET INCREASE IN CASH AND CASH EQUIVALENTS	**(2,041)**	**6**
EFFECTS OF FOREIGN EXCHANGE TRANSLATION	**(6)**	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING	**9,391**	9,385
CASH AND CASH EQUIVALENTS AT THE END	**7,344**	**9,391**

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following statement of financial position:-

	31/12/2016	31/12//2015
Fixed deposits	**443**	1,630
Cash at bank and in hand	**6,901**	7,761
Cash and cash equivalents	**7,344**	**9,391**

1(d)(i) A statement (for the company 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.

	Share Capital	Translation difference reserve	Accumulated Losses	Reserve	Non-controlling Interests	Total
The Group	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
At 1 January 2015	17,580	(722)	(4,355)	-	139	12,642
Profit for the year	-	-	2,563		10	2,573
Other comprehensive loss						
Exchange differences on translating foreign operations	-	(971)	-	-	(41)	(1,012)
Total comprehensive profit/(loss) for the year	-	(971)	2,563	-	(31)	1,561
Performance shares vested	-	-	-	612	-	612
At 31 December 2015	17,580	(1,693)	(1,792)	612	108	14,815
At 1 January 2016	**17,580**	**(1,693)**	**(1,792)**	**612**	**108**	**14,815**
Loss for the year	**-**	**-**	**(2,181)**	**-**	**(24)**	**(2,205)**
Other comprehensive profit / (loss)						
Exchange differences on translating foreign operations	**-**	**(37)**	**-**	**-**	**17**	**(20)**
Total comprehensive loss for the year	**-**	**(37)**	**(2,181)**	**-**	**(7)**	**(2,225)**
Performance shares vested	**612**	**-**	**-**	**(612)**	**-**	**-**
Disposal of a subsidiary		**-**	**-**		**(46)**	**(46)**
At 31 December 2016	**18,192**	**(1,730)**	**(3,973)**	**-**	**55**	**12,544**
The Company						
Shareholders of the Company						
At 1 January 2015	17,580	-	(10,311)	-	-	7,269
Total comprehensive profit for the year	-	-	546	-	-	546
Performance shares vested	-	-	-	612	-	612
At 31 December 2015	17,580	-	(9,765)	612	-	8,427
At 1 January 2016	**17,580**	**-**	**(9,765)**	**612**	**-**	**8,427**
Total comprehensive profit for the year	**-**	**-**	**457**	**-**	**-**	**457**
Performance shares vested	**612**	**-**	**-**	**(612)**	**-**	**-**
At 31 December 2016	**18,192**	**-**	**(9,308)**	**-**	**-**	**8,884**

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 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 period reported on and as at the end of the corresponding period of the immediately preceding financial year.

During the financial year, 24,502,402 Remuneration Shares have been issued. There are no outstanding convertibles that will result in the issuance of shares as at 31 December 2016 and 31 December 2015.

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

There were no treasury shares as at 31 December 2016 and 31 December 2015. The total number of issued shares as at 31 December 2016 was 373,285,542 and 31 December 2015 was 348,783,140.

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 or 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 company's most recently audited annual financial statements have been applied.

The accounting policies and methods of computation are consistent with the latest audited financial statements for the year ended 31 December 2015.

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.

The Group has applied the same accounting policies and methods of computation in the preparation of financial statements for the current reporting period compared with the latest audited financial statements for the financial year ended 31 December 2015.

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 dividends.

	FY2016 S$'000	FY2015 S$'000
Net (loss) / profit attributable to shareholders	**(2,181)**	2,563
Earnings per share for the year based on the weighted average number of shares in issue of 373,285,542 for FY2016 (FY2015:348,783,140)		
	Cents	Cents
Basic (loss) / earnings per share	**(0.58)**	0.73
Diluted (loss) / earnings per share	**(0.58)**	0.73

There is no dilutive effect for the year ended 31 December 2016.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.

	Group		Company	
	31/12/2016 Cents	31/12/2015 Cents	**31/12/2016 Cents**	31/12/2015 Cents
Net asset value per share	**3.36**	4.25	**2.38**	2.42

Net asset value per ordinary share as at 31 December 2016 and 31 December 2015 has been computed based on 373,285,542 and 348,783,140 ordinary shares respectively.

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 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.

Statement of comprehensive income (FY2016 vs FY2015)

Revenue

The Group registered an increase in revenue in the current financial year. Revenue increased from S$34.41 million in FY2015 to S$46.78 million in FY2016, an increase of approximately 35.94 % or S$12.37 million.

This was mainly due to the increase in revenue of approximately S$7.57 million and S$4.92 million in the manufacturing and engineering segments respectively in FY2016 as compared to FY2015 due to higher sales to new customers and certified project works.

Gross profit

Gross profit dropped slightly in FY2016 as compared to FY2015. The decrease was mainly due to the engineering segment Terminal 4 project dispute.

Other operating income

Other operating income decreased by S$0.25 million from S$1.55 million in FY2015 to S$1.30 million in FY2016. This decrease was due mainly to lower exchange gain in FY2016.

Administrative expenses

Administrative expenses increased by S$0.94 million from S$4.24 million in FY2015 to S$5.18 million in FY2016 due to higher administrative staff costs and legal expenses incurred in the on-going disputes for the project at Changi Airport Terminal 4.

Other operating expenses

The other operating expenses increased by S$3.45 million from S$1.95 million in FY2015 to S$5.40 million in FY2016 due mainly to impairment of goodwill and intangible assets, as well as the call of the performance bond in relation to the on-going disputes for our project at Changi Airport Terminal 4.

Finance costs

Finance costs increased from S$0.04 million in FY2015 to S$0.12 million in FY2016. The higher interest expense in FY2016 was due to more interest expenses from project financing.

Taxation

Tax expense estimated decreased from S$0.49 million in FY2015 to S$0.33 million in FY2016.

Profit after taxation

Overall, the Group made a loss of S$2.21 million in FY2016 as compared to a profit of S$2.57 million in FY2015.

Statement of Financial Position (FY2016 vs. FY2015)

In FY2015, the value of the plant and equipment decreased from S$1.24 million in FY2015 to S$1.13 million mainly due to depreciation and fewer purchases of plant and machinery.

The intangible assets and goodwill were fully impaired.

Inventories decreased by S$1.16 million from S$2.56 million as at 31 December 2015 to S$1.40 million as at 31 December 2016 due to improvements in inventory management.

Gross amount due from customers for contract work-in-progress increased by S$5.84 million due to work carried out for Terminal 4 project and gross amount due to customers for contract work-in-progress decreased to nil due mainly to projects completion in FY2016.

Trade and other receivables decreased by S$5.01 million for the year ended 31 Dec 2016 mainly due to collections from customers as projects were completed in FY2016.

There was a decrease in trade and other payables from S$14.78 million as at 31 December 2015 to S$14.17 million as at 31 December 2016 mainly due to payments to suppliers as projects were completed in FY2016.

Bank borrowings and obligation under finance lease decreased by S$1.24 million due to loan repayments made during FY2016.

Long-term bank borrowings were fully repaid in FY2016.

Liquidity

The Group liquidity position is shown by a current ratio of 1.79 as at 31 December 2016. The Group's cash and cash equivalents, including pledged bank deposits of S$0.16 million, stood at S$7.50 million as at 31 December 2016.

Net cash used in operating activities for FY2016 was S$0.88 million as compared to net cash generated of S$1.96 million for FY2015 as a result of payments to suppliers of Terminal 4 project.

Net cash used in investing activities for FY2016 was S$0.28 million as compared to S$2.19 million used for FY2015. This was due mainly to the acquitision of a company in FY2015.

Net cash used in financing activities was S$0.88 million in FY2016 as compared to net cash generated of S$0.23 million in FY2015. This was due mainly to repayments for bank borrowings.

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

The results are in line with the profit warning announcement the Company issued on 7 October 2016.

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.

While the Group's other business performed well in difficult economic conditions, the financial performance for FY2016 was adversely affected by increasing economic headwinds and the on-going disputes and uncertainty arising from our subsidiary's contract for Terminal 4 at Changi Airport.

11. Dividend

(a) Current Financial Period Report on

Any dividend declared for the current financial period reported on?

N/A

(b) Corresponding Period of the immediately Preceding Financial Year

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

N/A

(c) Date payable

N/A

(d) Books closure date

N/A

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

No.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half year results)

13. Segmented revenue and results for business or geographical segments (of the group) in the company's most recently audited annual financial statements, which comparative information for the immediately preceding year.

	Manufacturing		Engineering Services		Distribution & Services		Total	
	FY2016 S$'000	FY2015 S$'000	FY2016 S$'000	FY2015 S$'000	FY2016 S$'000	FY2015 S$'000	FY2016 S$'000	FY2015 S$'000
REVENUE								
External sales	18,780	11,213	26,846	21,925	1,155	1,276	46,781	34,414
RESULTS								
Segment results	2,198	1,903	(3,310)	656	462	507	(650)	3,066
Unallocated finance costs							-	-
Taxation							(326)	(493)
Impairment of goodwill							(1,006)	-
Impairment of intangible assets							(223)	-
Non-controlling interest							24	(10)
Net loss attributable to shareholders							(2,181)	2,563
ASSETS								
Segment assets	10,783	14,283	15,135	16,485	1,258	1,121	27,176	31,889
Unallocated corporate assets							-	-
Total assets							27,176	31,889
LIABILITIES								
Segment liabilities	2,600	6,938	11,690	9,760	342	376	14,632	17,074
Unallocated corporate liabilities							-	-
Total liabilities							14,632	17,074

	Manufacturing		Engineering Services		Distribution & Services		Total	
OTHER INFORMATION	FY2016 S$'000	FY2015 S$'000	FY2016 S$'000	FY2015 S$'000	FY2016 S$'000	FY2015 S$'000	FY2016 S$'000	FY2015 S$'000
Capital expenditure	275	427	21	46	-	67	296	540
Depreciation	317	315	67	54	-	16	384	385
Allowance for impairment of trade receivables	622	8	-	4	-	-	622	12
Allowance for impairment of other receivables	76	-	-	-	-	-	76	-
Bad debt written off	23	-	-	-	-		23	-
Bad debt written off/ (recovered)	-	(64)	(21)	(58)	-	-	(21)	(122)
Allowance for impairment of trade receivables (recovered)	-	-	(76)	-	-	-	(76)	-
Gain on disposal of plant and equipment	(4)	-	(4)	-	-	-	(8)	-
Impairment of goodwill	-	-	1,006	-	-	-	1,006	-
Impairment of intangible assets	-	-	223	-	-	-	223	-

Geographical reporting

Revenue	S'pore & M'sia	China	Total
FY2016 ('000)	**46,781**	**-**	**46,781**
FY2015 ('000)	**34,414**	**-**	**34,414**

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

Both the manufacturing and engineering segments recognised higher revenue as compared to last year due to substantial work performed in relation to the completion of projects.

15. Breakdown of sales

	FY2016	FY2015	Increase/ (decrease)
Revenue reported for 1st half year	28,624	14,364	99.28%
Operating profit / (loss) after tax before deducting minority interests reported for the 1st half year	543	784	N.M
Revenue reported for 2nd half year	18,157	20,050	-9.44%
Operating profit after tax before deducting minority interests reported for the 2nd half year	(2,748)	1,789	N.M

16. Interested Party Transactions

Name of interested person	Aggregate value of all interested transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)	
	FY 2016	FY 2015	**FY 2016**	FY 2015
	$'000	$'000	**$'000**	$'000
Chern Dar Enterprise Co. Ltd				
Purchases	**-**	250	2,817	1,575

The Company has a general mandate obtained from shareholders for Interested Person Transactions on 28 October 2015.

17. Disclosure under Rule 704(10) of section B: Rules of Catalist of the SGX-ST Listing Manual

The Company wishes to confirm that there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or the Chief Executive Officer or substantial shareholders of the Company.

18. Confirmation by the Board pursuant to Rule 720(1) of the Listing Manual.

On behalf of the Board of Directors of the Company, we hereby confirm that we have procured all the required undertakings to comply with the Exchange's listing rules from all the Directors and Executive Officers of the Company.

By Order of the Board

Wong Kok Chye

Group Chief Executive Officer

1 March, 2017

By Order of the Board

This announcement has been prepared by the Company and its contents has been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes 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.

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