

FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR AND FULL YEAR RESULTS

The Board of Directors of AA Group Holdings Ltd. (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (the “**Group**”) for the financial year ended 31 December 2017 (“**FY2017**”). The financial information in respect of FY2017 presented in this announcement has not been audited.

1(a)(i) An income statement and the statement of comprehensive income together with a comparative statement for the corresponding year of the immediately preceding financial year

	Group		
	FY2017 S\$'000	FY2016 S\$'000 (Restated)	% change
Continued operations			
Revenue	11,185	-	n.m
Cost of sales	(7,778)	-	n.m
Gross profit	3,407	-	n.m
Other operating income	36,373	-	n.m
Administrative costs	(2,638)	(1,206)	119%
Distribution costs	(471)	-	n.m
Other operating costs	(1,742)	-	n.m
Finance income	112	-	n.m
Finance costs	(129)	(1)	12,800%
Profit/(Loss) before income tax	34,912	(1,207)	-2,992%
Income tax expense	(176)	-	n.m
Profit/(Loss) for the year from continuing operations	34,736	(1,207)	-2,978%
Discontinued operations			
Loss for the year from discontinued operations	(5,393)	(11)	539,200%
Total profit/(loss) for the year	29,343	(1,218)	-2,529%
Other comprehensive income/(loss), net of income tax			
- <i>exchange differences on translation of foreign operations</i>	241	(284)	-185%
Total comprehensive profit/(loss) for the year	29,584	(1,502)	-2,070%
Attributable to:			
Equity holders of the Company			
- Continuing operations	34,740	(1,207)	-2978%
- Discontinued operations	(5,152)	(295)	1646%
	29,588	(1,502)	-2070%
Non-controlling interests			
- Continuing operations	(4)	-	n.m
- Discontinued operations	-	-	n.m
	(4)	-	n.m
	29,584	(1,502)	

“n.m.” denotes not meaningful

1(a)(ii) Breakdown and explanatory notes to the income statement

Profit/(loss) before income tax is arrived at after charging/(crediting) the following:

Continuing operations:

	Group		
	FY2017 S\$'000	FY2016 S\$'000	% change
Depreciation of property, plant and equipment	2,928	-	n.m
Amortisation of intangible assets	413	-	n.m
Bargain purchase arising from acquisition of a subsidiary	(35,505)	-	n.m
Gain on disposal of quoted securities	(600)	-	n.m
Allowance for impairment of trade receivables	144	-	n.m
Interest expense	129	-	n.m
Interest income	(112)	-	n.m

“n.m.” denotes not meaningful

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	31 Dec 17 S\$'000	31 Dec 16 S\$'000	31 Dec 17 S\$'000	31 Dec 16 S\$'000
Non-Current Assets				
Property, plant and equipment	61,562	14,550	-	-
Intangible assets	2,061	-	-	-
Prepaid land lease	-	423	-	-
Goodwill	2,233	685	-	-
Investments in subsidiaries	-	-	27,700	11,064
	65,856	15,658	27,700	11,064
Current Assets				
Assets classified as held for sale	23,678	-	7,000	-
Inventories	90	3,518	-	-
Trade and other receivables	11,660	6,201	2,318	-
Other current assets	51	961	7	21
Cash and bank balances	2,908	11,262	562	9,411
	38,387	21,942	9,887	9,432
Total Assets	104,243	37,600	37,587	20,496
Current Liabilities				
Liabilities directly associated with assets classified as held for sale	16,142	-	540	-
Trade and other payables	6,738	8,563	11,357	1,245
Hire purchase creditors	175	1,196	-	-
Bank borrowings	5,298	4,372	-	-
Bond payable	7,000	-	7,000	-
Current tax liabilities	1,604	-	-	-
	36,957	14,131	18,897	1,245
Non-Current Liabilities				
Hire purchase creditors	41	1,429	-	-
Bank borrowings	1,533	660	-	-
Deferred tax liabilities	10,632	1,929	-	-
	12,206	4,018	-	-
Total liabilities	49,163	18,149	18,897	1,245

Cont'd	Group		Company	
	31 Dec 17 S\$'000	31 Dec 16 S\$'000	31 Dec 17 S\$'000	31 Dec 16 S\$'000
Capital and reserves:				
Share capital	28,131	22,143	28,131	22,143
Reserves	26,896	(2,692)	(9,441)	(2,892)
Equity attributable to owners of the Company	55,027	19,451	18,690	19,251
Non-controlling interests	53	-	-	-
Total Equity	55,080	19,451	18,690	19,251
Total Liabilities and Equity	104,243	37,600	37,587	20,496

(b)(ii) Aggregate amount of group borrowings and debt securities

Continuing operations

Amount payable in one year or less, or on demand

	As at 31 December 2017		As at 31 December 2016	
	Group Secured S\$'000	Company Secured S\$'000	Group Secured S\$'000	Company Secured S\$'000
Bond payable	7,000*	7,000*	-	-
Bank borrowings	5,298	-	4,372	-
Hire purchase creditors	175	-	1,197	-

As at 31 December 2017, the carrying amounts of the unsecured bond payable in the balance sheets of the Group and the Company amounted to S\$7,000,000 (2016: Nil) and S\$7,000,000 (2016: Nil) respectively.

Amount payable after one year

	As at 31 December 2017		As at 31 December 2016	
	Group Secured S\$'000	Company Secured S\$'000	Group Secured S\$'000	Company Secured S\$'000
Bank borrowings	1,533	-	660	-
Hire purchase creditors	41	-	1,429	-

As at 31 December 2017 and 31 December 2016, there is no unsecured borrowings held by the Group and the Company that are repayable after one year.

Details of any collateral

All of the Group's secured borrowings were either obtained through a pledge of assets of property, plant and equipment by the Group or personal guarantee provided jointly and severally by third party individuals.

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

	Group	
	FY2017	FY2016
	S\$'000	S\$'000
Cash Flows from Operating Activities:		
Profit/(Loss) before income tax – Continuing operations	34,912	(1,207)
(Loss)/Profit before income tax – Discontinued operations	(5,761)	28
Bargain purchase arising from acquisition of a subsidiary	(35,505)	-
Allowance for impairment of trade receivables	441	-
Loss on disposal of property, plant and equipment	70	-
Gain on disposal of quoted securities	(600)	-
Amortisation of intangible assets	413	10
Depreciation of property, plant and equipment	4,541	1,686
Property, plant and equipment written off	-	15
Impairment of plant and equipment on transfer of assets classified as held for sale	3,983	-
Impairment of plant and equipment	1,851	177
Net foreign exchange gain-unrealised	(30)	(281)
Inventories written down	36	15
Interest income	(112)	(19)
Interest expense	616	468
Operating cash flows before changes in working capital	4,855	892
Changes in working capital:		
Inventories	162	(48)
Trade and other receivables, and other current assets	66	(1,086)
Trade and other payables	(2,067)	2,091
Cash generated from operating activities	3,016	1,849
Cash generated from operations		
Interest received	112	19
Interest paid	(616)	(469)
Income tax paid	(58)	(44)
Tax refund	22	3
Net cash generated from operating activities	2,476	1,358
Cash Flow from Investing Activities		
Net cash outflows from the acquisition of subsidiaries	(5,706)	(322)
Proceeds from disposal of quoted securities	600	-
Loans to third parties	(8,500)	-
Purchase of property, plant and equipment	(1,916)	(539)
Refundable deposit from third party	-	500
Proceeds from disposal of property, plant and equipment	67	12
Placement of fixed deposit with licensed banks	-	(3)
Net cash used in investing activities	(15,455)	(352)
Cash Flows from Financing Activities:		
Issuance of ordinary shares	3,288	-
Loan from shareholders	-	500
Increase/(Decrease) in bills payable	267	(530)
Repayment of hire purchase creditors	(1,901)	(1,510)
Proceeds from bank borrowings	4,500	-
Repayments of bank borrowings	(492)	(89)
Proceeds of rights issue	-	9,628
(Repayment)/Proceeds from directors	(97)	145
Net cash generated from financing activities	5,565	8,144
Net (decrease)/increase in cash and cash equivalents	(7,414)	9,150
Cash and cash equivalents at the beginning of the year	10,384	1,258
Effect of exchange rate changes on the balance of cash held in foreign currencies	(62)	(24)
Cash and cash equivalents at end of the year	2,908	10,384

Cash and bank reconciliation:

	Group	
	<u>2017</u>	<u>2016</u>
	S\$	S\$
Cash and bank balances	2,908	11,262
Less: Fixed deposits pledged	-	(512)
Less: Bank overdrafts	-	(366)
Cash and cash equivalents at end of the year	<u>2,908</u>	<u>10,384</u>

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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Group

	Share Capital	Merger Reserve	Translation Reserve	Accumulated Earnings	Attributable to the equity holders of the Company	Non- controlling interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2017	22,143	(6,478)	(4,717)	8,503	19,451	-	19,451
Issuance of ordinary shares	5,988	-	-	-	5,988	-	5,988
Acquisition of subsidiary	-	-	-	-	-	57	57
Net profit/(loss) for the year	-	-	-	29,347	29,347	(4)	29,343
Other comprehensive income for the year	-	-	241	-	241	-	241
Total comprehensive income/(loss) for the year	-	-	241	29,347	29,588	(4)	29,584
Balance as at 31 December 2017	28,131	(6,478)	(4,476)	37,850	55,027	53	55,080

Group

	Share Capital	Merger Reserve	Translation Reserve	Accumulated Earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2016	12,515	(6,478)	(4,434)	9,721	11,324
Issuance of ordinary shares	9,628	-	-	-	9,628
Net loss for the year	-	-	-	(1,218)	(1,218)
Other comprehensive loss for the year	-	-	(283)	-	(283)
Total comprehensive loss for the year	-	-	(283)	(1,218)	(1,501)
Balance as at 31 December 2016	22,143	(6,478)	(4,717)	8,503	19,451

Company

	Share Capital	Accumulated (Losses)	Total
	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2017	22,143	(2,892)	19,251
Issue of ordinary shares	5,988	-	5,988
Net loss for the year	-	(6,549)	(6,549)
Other comprehensive income for the year	-	-	-
Total comprehensive loss for the year	-	(6,549)	(6,549)
Balance as at 31 December 2017	28,131	(9,441)	18,690

Company

	Share Capital	Accumulated (Losses)	Total
	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2016	12,515	(2,170)	10,345
Issue of ordinary shares	9,628	-	9,628
Net loss for the year	-	(722)	(722)
Other comprehensive income for the year	-	-	-
Total comprehensive loss for the year	-	(722)	(722)
Balance as at 31 December 2016	22,143	(2,892)	19,251

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 in 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.

FY2016

The Company allotted and issued 962,762,010 rights shares on 23 December 2016 pursuant to the Rights cum Warrants Issue undertaken by the Company. Following the allotment and issuance of 962,762,010 rights shares, the total number of issued shares (excluding treasury shares) increased from 96,276,201 shares to 1,059,038,211 shares.

As part of the Rights cum Warrants Issue, there were 962,762,010 free detachable unlisted warrants issued which can be converted into 962,762,010 new shares in the Company. As at 31 December 2016, there were no warrants being converted into new shares of the Company and the number of outstanding warrants is 962,762,010.

FY2017

In FY2017, 273,980,250 warrants were exercised and converted into 273,980,250 new ordinary shares in the Company. Further, the Company issued 90,000,000 ordinary shares as consideration for acquisitions of W&P Precast Pte Ltd and W&P Corporation Pte Ltd. The total number of issued shares (excluding treasury shares) increased from 1,059,038,211 to 1,423,018,461 and the number of outstanding warrants as at 31 December 2017 amounted to 688,781,760.

The Company does not have any treasury shares as at 31 December 2017 and 31 December 2016. Further, the subsidiaries do not hold any shareholdings in the Company as at 31 December 2017 and 31 December 2016.

1(d)(iii) 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.

	As at 31 December 2017	As at 31 December 2016
Total number of issued shares	1,423,018,461	1,059,038,211

1(d)(iv) A statement showing all sales, transfers, disposals, 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 treasury shares during and as at the end of FY2017.

2. Whether the figures have been audited or reviewed and in accordance with which standard (e.g. the Singapore Standard Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard).

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.

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those of the audited financial statements for the financial year ended 31 December 2017.

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 adopted all the new and revised Singapore Financial Reporting Standards (FRS) and Interpretations of FRS (“INT FRS”) that are relevant to its operations and effective for annual periods beginning 1 January 2017.

The adoption of the new/revised Financial Reporting Standards and Interpretations of FRS does not result in any significant changes to the accounting policies of the Group and has no material effect on the amounts reported for the current and prior periods.

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.

	<u>FY2017</u>	<u>FY2016</u> <u>(Restated)</u>
Continuing operations:		
Earnings/(Loss) per share (Singapore cents)		
- Basic basis ⁽¹⁾	2.63	(0.59)
- Diluted basis ⁽²⁾	2.01	(0.52)

Notes:

- (1) Earnings/(Loss) per share were calculated based on the weighted average number of issued shares in each of FY2017 and FY2016, being 1,319,239,496 and 205,441,839 ordinary shares respectively.
- (2) Earnings/(Loss) per share were calculated based on the weighted average number of issued shares and outstanding warrants (if any) in each of FY2017 and FY2016, being 1,732,508,552 and 231,431,152 ordinary shares respectively.

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

	Group		Company	
	As at 31 December 2017	As at 31 December 2016	As at 31 December 2017	As at 31 December 2016
Net asset value per ordinary share (Singapore cents) ⁽¹⁾	3.87	1.84	1.68	1.82

Note:

- (1) NAV per share were computed based on the issued share capital of 1,423,108,461 ordinary shares as at 31 December 2017 and 1,059,038,211 ordinary shares as at 31 December 2016.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group business. The review must discuss 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. It must also discuss 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

During the financial year ended 31 December 2017 (“FY2017”), the Group has entered into contractual arrangement to dispose Toko Construction Pte Ltd and, Allied Advantage Sdn. Bhd. and its subsidiary (collectively the “Discontinued Operations”). The profit or loss arising from the Discontinued Operations has been reclassified to “Loss for the year from discontinued operations” in FY2017 and the comparative figures in FY2016 has been restated for comparative purpose.

Continuing operations

(a) During the financial year ended 31 December 2017 (“FY2017”), the revenue amounting to approximately S\$11.19 million arose from the Group’s continued operations, that are mainly in relation to the contracted leasing/service income, the manufacturing of articles of concrete, cement and plaster, and supply/manufacture of ready-mix concrete, precast component and related products, which amounted to S\$7.62 million, S\$0.89 million and S\$2.66 million respectively. The said revenue arose from the subsidiaries acquired by the Group in FY2017.

(b) In FY2017, the cost of sales amounting to approximately S\$7.78 million is mainly in relation to cost of inventories arising from the supply and manufacturing activities, and depreciation of the investment property and, property, plant and equipment.

(c) Gross profit arising from continued operation in FY2017 amounted to approximately S\$3.41 million or 30.46%, which is attributable to the leasing activities commencing from February 2017 and the manufacturing/supply activities commencing from September 2017. As the said business activities were acquired in FY2017, there is no comparative figure in FY2016.

(d) In FY2017, the Group’s other operating income is mainly in relation to the bargain purchase amounting to approximately S\$35.51 million, which arose from the acquisition of Engineering Manufacturing Services (S) Pte Ltd (“EMS”) in February 2017.

(e) Compared to FY2016, the Group’s administrative expenses increased by approximately S\$1.43 million, which is mainly due to the consolidation of three new subsidiaries and recording the additional administrative expenses as part of the Group’s results in FY2017.

(f) The Group’s distribution costs arose from the supply and manufacturing activities of the newly acquired subsidiaries in FY2017.

(g) The Group’s other expenses is mainly in relation to the amortisation of intangible asset and the depreciation expenses recognised in the Group’s continued operations is mainly in relation to the leasehold property held by EMS in FY2017.

(h) The Group’s income tax expenses for FY2017 amounted to approximately S\$0.18 million and is in relation to deferred tax liabilities arising from timing difference between depreciation and tax capital allowances, and current income tax expenses arising from the chargeable income as a result of the Group’s business activities in FY2017.

Statement of Comprehensive Income

Discontinued operations

(a) The loss for the year from discontinued operations arose from the operational activities of Toko Construction Pte. Ltd. (“Toko”) and, Allied Advantage Sdn. Bhd and its subsidiary (“AASB”). The loss is mainly due to slow-down in the revenue contribution from speaker parts, iron ore trading and construction activities. Further, the Group has recognised an impairment loss amounting to S\$5.83 million and S\$0.30 million for plant and equipment and, trade receivables respectively.

Balance Sheet

(a) As at 31 December 2017, the Group’s property, plant and equipment (“PPE”) amounted to approximately S\$61.56 million which constituted 93.48% of the Group’s non-current assets. The increase is mainly due to the addition of a leasehold building arising from the acquisition of EMS amounting to S\$63.00 million and partially offset against the transfer of PPE to “Assets classified as held for sale” amounting to approximately S\$11.73 million.

(b) As at 31 December 2017, the intangible assets are in relation to the fair value of the contractual rental agreements entered with EMS on the date of acquisition in FY2017 (the “Agreements”). Compared to 31 December 2016, the increase is mainly due to recognition of the fair value of the Agreements amounting to approximately S\$2.47 million and amortisation expenses of S\$0.41 million recognised in FY2017.

(c) Compared to 31 December 2016, the increase in the carrying amount of the Group’s goodwill is mainly due to the goodwill arising from the consolidations of W&P Corporation (“WPC”) and WP Precast (“WPP”) (i.e. the newly acquired subsidiaries in FY2017) amounting to approximately S\$2.23 million and transfer of goodwill of approximately S\$0.69 million to “Assets classified as held for sale”.

(d) Compared to 31 December 2016, the decrease in inventories is mainly due to the transfer of inventories arising from the Group’s discontinued operations in AASB, which amounted to approximately S\$3.39 million.

(e) Compared to 31 December 2016, the increase in trade and other receivables, and other current assets is mainly due to the consolidation of the newly acquired subsidiaries in FY2017 and two loans amounting to a total of S\$8.50 million made to two third parties in FY2017, and partially offset by the transfer of the said assets to “Assets classified as held for Sale” amounting to approximately S\$5.78 million.

(f) As at 31 December 2017, “Assets classified as held for sale” and “Liabilities directly associated with assets classified as held for sale” are in relation to assets and liabilities held by Toko and AASB respectively.

(g) The decrease in the Group’s cash and bank balances is mainly due to the cash outflow arising from the acquisition of EMS in FY2017 and loan to third parties in FY2017.

(h) The Group’s bank borrowings are used mainly for working capital purpose and the Group’s bond payable is in relation to the bond issued by the Group to the previous shareholder of EMS for the acquisition of EMS in FY2017.

(i) As at 31 December 2017, the current tax liabilities mainly arose from the net chargeable income generated by EMS for the financial year ended 31 December 2017.

(j) Compared to 31 December 2016, the increase in the Group’s share capital is mainly due to issuance of ordinary shares as part of the settlement of the purchase considerations of WPP and WPC, and issuance of shares arising from the exercise of warrants in FY2017.

Statement of Cash flows

In FY2017, the net decrease in the Group’s cash and cash equivalents amounted to approximately S\$8.45 million, which is attributable to the followings:

- (i) Net cash generated from operating activities: S\$2.48 million;
- (ii) Net cash used in investing activities: S\$15.46 million; and
- (iii) Net cash generated from financing activities: S\$5.57 million.

- (i) The operating cash flows before changes in working capital amounted to S\$4.89 million and the net cash generated from operating activities is mainly due to decrease in trade and other payables amounting to S\$2.07 million as compared to FY2016.*
- (ii) The net cash used in investing activities is mainly attributable to net cash outflow arising from the acquisition of three subsidiaries of S\$5.71 million, purchase of plant and equipment of S\$4.71 million and loans of S\$8.5 million made to third parties in FY2017.*
- (iii) The net cash generated from financing activities is mainly due to proceeds received from the issuance of shares amounting to S\$3.29 million and net proceeds from bank borrowing amounting to S\$4.00 million.*

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

No forecast or prospect statement was made in the previous announcement.

10. A commentary at the date of the announcement of the 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.

As at the date of the announcement, the Group is principally engaged in the following business:

- (a) Supply and manufacturing of ready-mix concrete, precast component and related products;
- (b) Manufacturing of articles of concrete, cement and plaster; and
- (c) Providing one-stop high value-added general warehousing and logistics services, industrial and office space for engineering, and manufacturing and industrial training and workers’ dormitory facilities.

The Group expects its supply and manufacturing business to be challenging as most know that the industry is probably at the trough of the market cycle and the Group faces increased competition in this sector. However, the Group expects a consistent flow of revenue contribution from Engineering Manufacturing Services (S) Pte Ltd for the next 12 months, mainly arising from contracted leasing/service income.

Considering the uncertain global and regional economic environments, as well as stiff competition from other players in the respective industries, the management of the Group maintains a cautious outlook and expects the business environment to remain highly challenging for the next 12 months.

The Group will continue to look for the right opportunities to diversify its businesses and revenue streams. This could happen through further acquisitions, investments or the starting of new businesses. It is important that the Group stays diversified so that it will be able to ride any potential storm that comes its way.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No dividend is declared for the current financial period reported on.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

No dividend is declared for the corresponding period of the immediately preceding financial year.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared or recommended for the financial year ended 31 December 2017.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

13. 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.

(i) Business segments

Group Consolidated Profit and Loss Statement

	Continuing segment				Discontinued Segment		
	Leasing and service income	Manufacturing of articles of concrete, cement and plaster	Supply and manufacturing of ready-mix concrete products	Others	Total	Manufacturing of speaker products	Grand Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
FY2017							
Revenue	7,623	886	2,662	14	11,185	17,654	28,839
Segment results	5,263	405	33	(2,294)	3,407	1,638	5,045
Other operating income							
/(expenses) – net	-	-	-	31,522	31,522	(6,896)	24,626
Finance income	-	-	-	112	112	-	112
Finance cost	-	-	-	(129)	(129)	(503)	(632)
Profit/(loss) before income tax	5,263	405	33	29,211	34,912	(5,761)	29,151
Income tax (expense)/income	-	-	-	(176)	(176)	368	192
Net profit/(loss) for the year	5,263	405	33	29,035	34,736	(5,393)	29,343
Segment assets	71,897	3,495	2,559	2,614	80,565	23,678	104,243
Segment liabilities	21,190	3,234	562	8,035	33,021	16,142	49,163

	Continuing segment				Discontinued Segment		Grand Total S\$'000
	Leasing and service income S\$'000	Manufacturing of articles of concrete, cement and plaster S\$'000	Supply and manufacturing of ready-mix concrete products S\$'000	Others S\$'000	Total S\$'000	Manufacturing of speaker products S\$'000	
FY2016							
Revenue	-	-	-	-	-	17,170	17,170
Segment results	-	-	-	-	-	1,365	1,365
Other operating expenses -net	-	-	-	(1,206)	(1,206)	(870)	(2,076)
Finance income	-	-	-	-	-	19	19
Finance cost	-	-	-	(1)	(1)	(487)	(488)
Loss before income tax	-	-	-	(1,207)	(1,207)	27	(1,180)
Income tax expense	-	-	-	-	-	(38)	(38)
Net loss for the year	-	-	-	(1,207)	(1,207)	(11)	(1,218)
Segment assets	-	-	-	9,483	9,483	28,117	37,600
Segment liabilities	-	-	-	2,698	2,698	15,451	18,149

Group Consolidated Balance Sheet

	As at 31 December 2017 S\$'000	As at 31 December 2016 S\$'000
Assets		
Total assets	104,243	37,600
Liabilities		
Total liabilities	49,163	18,149

(ii) Geographical segment

The Group's continuing operation is primarily carried out in Singapore, no segmented revenue and results for geographical segment is presented.

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.

Please refer to Note 8 of this announcement.

15. A breakdown of sales as follows:

	Group FY2017 S\$'000	Group FY2016 S\$'000	Increase / (Decrease) %
Sales reported for first half year	12,828*	7,889	63%
Operating profit/(loss) after tax reported for first half year	35,879*	(324)	-11,174%
Sales reported for second half year	16,011	9,281	72%
Operating (loss)/ profit after tax reported for the second half year	(6,295)	(884)	612%

* Prior to reclassification of operating subsidiaries as discontinued operations in 2nd half of FY2017.

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

	2017 S\$ '000	2016 S\$ '000
Ordinary shares	-	-
Preference shares	-	-
Total	-	-

17. 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.

During the financial year ended 31 December 2017, there is no IPTs between any interested person and the Group.

18. Update on the use of proceeds from the Rights Issue

With reference to the announcement dated 03 April 2017, the net proceeds of approximately \$9.54 million (after deducting expenses of about \$88,000) raised from the Rights Issue as follows:

Intended use	Percentage allocated	Amount utilised (S\$'000)	Balance (S\$'000)
For business expansion and financing business ventures through acquisitions and/or strategic investments	80-95	S\$8,214 (86%)	NIL
Working capital purposes	5-20	S\$1,326 (14%)	NIL
Total	100	S\$9,540 (100%)	NIL

The use of proceeds from the Rights Issue is in accordance with the stated use as disclosed to shareholders of the Company.

As at 31 December 2017, 273,980,250 Warrants have been exercised and the Company has raised net proceeds of approximately S\$3,287,763. The Company has applied the proceeds of approximately S\$2,732,000 as follows:

Intended use	Amount utilised (S\$'000)
For business expansion through the setting up of a subsidiary and the intended businesses of such subsidiary	S\$2,000 (73%)
Working capital purposes	S\$732 (27%)
Total	S\$2,732 (100%)

The remaining net proceeds is S\$556,116. This is consistent with the intended use as disclosed in the Previous Announcements and the Offer Information Statement.

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.

Pursuant to Rule 704(10) of the SGX-ST Listing Manual Section B: Rules of Catalist (“**Listing Manual**”), there is no such person occupying a managerial position in the Company and any of its principal subsidiaries who is the relative of a Director, Chief Executive Officer or substantial shareholder of the Company.

20. 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) of the Listing Manual.

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

BY ORDER OF THE BOARD

Yau Woon Foong
Executive Director
1 March 2018

*This announcement has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, Stamford Corporate Services Pte. Ltd. (the “**Sponsor**”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (“**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. 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.

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