
UNAUDITED FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

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		
	2016	2015	
	S\$'000	S\$'000	
Revenue	63,906	65,024	(1.7)
Cost of sales	<u>(46,359)</u>	<u>(49,439)</u>	(6.2)
Gross profit	17,547	15,585	12.6
Other operating income	745	858	(13.2)
Administrative and selling expenses	(11,070)	(10,766)	2.8
Other operating expenses	(831)	(1,123)	(26.0)
Finance costs	<u>(61)</u>	<u>(144)</u>	(57.6)
Profit before tax	6,330	4,410	43.5
Income tax expense	<u>(931)</u>	<u>(816)</u>	14.1
Profit for the year, representing total comprehensive income for the year	<u>5,399</u>	<u>3,594</u>	50.2
Total comprehensive income attributable to:			
Owners of the Company	5,357	3,579	49.7
Non-controlling interests	<u>42</u>	<u>15</u>	180.0
	<u><u>5,399</u></u>	<u><u>3,594</u></u>	50.2

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

	Group		Increase (Decrease) %
	Year ended 31 December		
	2016	2015	
	S\$'000	S\$'000	
Profit before tax is arrived after charging/(crediting):-			
Cost of inventories included in expenses	45,730	49,063	(6.8)
Gain on disposal of a subsidiary	(313)	-	N.M.
Gain on disposal of property, plant and equipment	-	(14)	N.M.
Bad debts written off	-	1	N.M.
Allowance for doubtful trade receivables	77	281	(72.6)
Bad debts recovered	(118)	(327)	(63.9)
(Reversal)/Allowance for stock obsolescence	(264)	46	N.M.
Depreciation of property, plant and equipment	541	471	14.9
Depreciation of investment properties	377	342	10.2
Amortisation of club membership	3	-	N.M.
Net foreign exchange loss	11	39	(71.8)
Interest income	- *	(3)	N.M.
IPO related expenses	-	381	N.M.
Interest expenses	61	144	(57.6)

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		As at 31 December	
	2016	2015	2016	2015
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	8,120	7,964	1,415	1,026
Trade receivables	5,283	5,635	-	1,800
Other receivables and prepayments	611	378	18,557	4,053
Inventories	15,491	16,464	-	-
Total current assets	29,505	30,441	19,972	6,879
Non-current assets				
Property, plant and equipment	6,678	6,730	-	-
Investment properties	15,040	17,658	-	-
Club membership	262	-	-	-
Investment in subsidiaries	-	-	2,340	2,740
Total non-current assets	21,980	24,388	2,340	2,740
Total assets	51,485	54,829	22,312	9,619
LIABILITIES AND EQUITY				
Current liabilities				
Trade payables	6,939	7,775	-	-
Other payables and accruals	1,585	2,934	128	147
Bank loans	349	847	-	-
Finance leases	99	146	-	-
Income tax payable	958	728	44	-
Total current liabilities	9,930	12,430	172	147
Non-current liabilities				
Bank loans	2,104	5,872	-	-
Finance leases	80	243	-	-
Deferred tax liability	74	45	-	-
Total non-current liabilities	2,258	6,160	-	-
Total liabilities	12,188	18,590	172	147
Capital, reserves and non-controlling interests				
Share capital	8,020	8,020	8,020	8,020
Retained earnings	31,212	27,103	14,120	1,452
Equity attributable to owners of the Company				
	39,232	35,123	22,140	9,472
Non-controlling interests	65	1,116	-	-
Total equity	39,297	36,239	22,140	9,472
Total liabilities and equity	51,485	54,829	22,312	9,619

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 2016		As at 31 December 2015	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Bank loans	349	-	847	-
Finance leases	99	-	146	-
Amount owing to a related party	-	-	-	1,015

(B) 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
Bank loans	2,104	-	5,872	-
Finance leases	80	-	243	-

(C) Details of any collaterals

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 the Company's director (please also refer to paragraph 13(i) of this announcement for details).

As at 31 December 2015

The bank loans were secured by legal mortgages over subsidiaries' leasehold and freehold properties and corporate guarantees provided by the Company. The finance leases were secured by personal guarantees provided by the Company's executive directors (please also refer to paragraph 13(i) of this announcement for details).

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	2015
	2016	2015
	S\$'000	S\$'000
Operating activities:		
Profit before tax	6,330	4,410
Adjustments for:		
Interest expenses	61	144
Interest income	- *	(3)
Depreciation of property, plant and equipment	541	471
Depreciation of investment properties	377	342
Amortisation of club membership	3	-
Gain on disposal of property, plant and equipment	-	(14)
Gain on disposal of a subsidiary	(313)	-
Allowance for doubtful trade receivables	77	281
Bad debts recovered	(118)	(327)
Bad debts written off	-	1
(Reversal)/Allowance for stock obsolescence	(264)	46
Investment properties written off	4	-
Operating cash flows before changes in working capital	6,698	5,351
Trade receivables	(454)	1,373
Other receivables and prepayments	(260)	(55)
Inventories	769	(241)
Trade payables	(359)	444
Other payables and accruals	322	16
Cash flows generated from operations	6,716	6,888
Income tax paid	(665)	(1,086)
Interest received	- *	3
Net cash from operating activities	6,051	5,805
Investing activities:		
Proceeds from disposal of property, plant and equipment	-	14
Proceeds from disposal of a subsidiary	119	-
Purchase of property, plant and equipment (Note A)	(1,797)	(388)
Additions of investment properties (Note B)	(586)	(2,206)
Purchase of club membership	(265)	-
Net cash flows used in investing activities	(2,529)	(2,580)
Financing activities:		
Proceeds from bank loans	540	2,200
Repayment of bank loans	(2,387)	(610)
Repayment of finance leases	(210)	(110)
Dividends paid	(1,248)	-
Interest paid	(61)	(104)
Capital contribution from non-controlling interests in a subsidiary	-	60
Net cash flows (used in) from financing activities	(3,366)	1,436
Net increase in cash and cash equivalents	156	4,661
Cash and cash equivalents at beginning of the year	7,964	3,303
Cash and cash equivalents at end of the year	8,120	7,964

* : Less than S\$1,000

	Group	
	Year ended 31 December	
	2016	2015
	S\$'000	S\$'000
Note A		
Additions to property, plant and equipment	1,797	582
Less:		
Acquired under finance lease	-	(194)
Net cash outflow for purchase of property, plant and equipment	<u>1,797</u>	<u>388</u>
Note B		
Additions to investment properties	1,566	2,746
Add:		
Payment made for prior year unpaid balances	540	-
Less:		
Acquired under off-set arrangement **	(1,520)	-
Unpaid balances at end of the year	-	(540)
Net cash outflow for addition of investment properties	<u>586</u>	<u>2,206</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 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
Balance as at 1 January 2015	8,020	23,524	31,544	1,041	32,585
Profit for the year, representing total comprehensive income for the year	-	3,579	3,579	15	3,594
<i>Transactions with owners, recognised directly in equity</i>					
Capital contribution from non-controlling interests in a subsidiary	-	-	-	60	60
Balance as at 31 December 2015	8,020	27,103	35,123	1,116	36,239

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 (*cont'd*)

Company	Share capital S\$'000	Retained earnings/ (Accumulated losses) S\$'000	Total S\$'000
Balance as at 1 January 2016	8,020	1,452	9,472
Profit for the year, representing total comprehensive income for the year	-	13,916	13,916
<i>Transactions with owners, recognised directly in equity</i>			
Dividend paid	-	(1,248)	(1,248)
Balance as at 31 December 2016	8,020	14,120	22,140
Balance as at 1 January 2015	8,020	(58)	7,962
Profit for the year, representing total comprehensive income for the year	-	1,510	1,510
Balance as at 31 December 2015	8,020	1,452	9,472

- 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.**

Between 30 June 2016 (being the end of the previous period reported on) and 31 December 2016, 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 2015 and 31 December 2016, there was no award granted under this performance share plan. As at 31 December 2015 and 31 December 2016, the Company did not have any outstanding options, warrants or other instrument convertible into securities of the Company.

As at 31 December 2015 and 31 December 2016, 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 2015 and 31 December 2016, the Company did not have any general mandate to undertake share buybacks and did not hold any treasury shares.

- 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	
	<u>2016</u>	<u>2015</u>
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, 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 hold any treasury shares as at 31 December 2015 and 31 December 2016.

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 2016 (“**FY2016**”) as its most recently audited financial statements for the financial year ended 31 December 2015 (“**FY2015**”).

5. If there are any changes in accounting policies and methods of computation, including any required by an accounting, 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 2016. 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 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 preference dividends.

	Group	
	Year ended 31 December	
Earnings per ordinary share (“EPS”)	2016	2015
Profit attributable to owners of the Company (S\$'000)	5,357	3,579
Number of ordinary shares ('000)	208,000	208,000
Basic and diluted EPS (Singapore cents)	2.58	1.72

EPS is calculated based on the profit attributable to owners of the Company for each of FY2016 and FY2015, and the 208,000,000 issued shares as at 31 December 2016 and as at 31 December 2015, respectively. 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 2016	2015	As at 31 December 2016	2015
Net Asset Value ("NAV")				
Net assets (S\$'000)	39,232	35,123	22,140	9,472
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)	18.86	16.89	10.64	4.55

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\$1.11 million or 1.7%, from S\$65.02 million in FY2015 to S\$63.91 million in FY2016, mainly due to a decrease in the revenue from the Distribution Business segment.

Distribution Business

Revenue from Distribution Business segment decreased by S\$1.30 million or 2.0%, from S\$64.60 million in FY2015 to S\$63.30 million in FY2016. The decrease was mainly due to the decrease in sales volume as a result of the general slowdown in the industry.

Property Investment

Rental income from Property Investment segment increased by S\$0.19 million or 45.2%, from S\$0.42 million in FY2015 to S\$0.61 million in FY2016 as temporary occupation permits were granted in June 2015 in respect of three (3) of the Group's investment properties located at Tagore 8 (a light industrial development located at 421 Tagore Industrial Avenue in Singapore) and the Group commenced deriving rental income from these three (3) newly acquired investment properties in the second half of FY2015. In addition, the Group also derived additional rental income from new leases commenced after the first quarter of FY2015 in respect of another three (3) investment properties located at : (i) 5 Soon Lee Street, #01-67 Pioneer Point, Singapore 627607; (ii) 8B Admiralty Street #01-06, 8B @ Admiralty, Singapore 757440; and (iii) 8B Admiralty Street #01-07, 8B @ Admiralty, Singapore 757440. The rental income from the abovementioned investment properties contributed to the revenue in FY2016 (but not in the first half of FY2015). These were partially offset by the effects arising from the disposal of NSS (which amongst others holds one of the investment properties at Tagore 8) in September 2016.

Cost of sales

Cost of sales decreased by S\$3.08 million or 6.2%, from S\$49.44 million in FY2015 to S\$46.36 million in FY2016.

Distribution Business

Cost of sales of the Distribution Business segment decreased by S\$3.33 million or 6.8%, from S\$49.06 million in FY2015 to S\$45.73 million in FY2016, mainly due to decreases in purchase prices of certain electrical products and accessories. Cost of sales was also lower partly due to a decrease in sales and an increase in the reversal of allowance for stock obsolescence of S\$0.31 million.

Property Investment

Cost of sales of the Property Investment segment increased by S\$0.25 million or 65.8%, from S\$0.38 million in FY2015 to S\$0.63 million in FY2016. The increase was mainly due to the increase in depreciation expense, property tax and property management fees of S\$0.15 million, S\$0.02 million and S\$0.03 million respectively as a result of the abovementioned six (6) new leases. These were partially offset by the disposal of NSS which owns one of the investment properties located at Tagore 8.

Gross profit and gross profit margin

Gross profit increased by S\$1.96 million or 12.6% from S\$15.59 million in FY2015 to S\$17.55 million in FY2016. Gross profit margin also improved from 24.0% in FY2015 to 27.5% in FY2016.

The gross profit margin of the Distribution Business segment increased from approximately 24.1% in FY2015 to 27.8% in FY2016. This was mainly due to upward adjustment in selling prices and decreases in purchase prices of certain electrical products and accessories. The increase in gross profit margin was also contributed by the reversal of allowance of stock obsolescence.

The gross profit margin of the Property Investment segment decreased from approximately 10.5% in FY2015 to a gross loss margin of 3.3% in FY2016. This was mainly due to higher depreciation expense, property tax and property management fees arising from the abovementioned six (6) new leases.

Other operating income

Other operating income decreased by S\$0.11 million or 12.8% from S\$0.86 million in FY2015 to S\$0.75 million in FY2016. The decrease in other operating income was mainly due to the decrease in the bad debts recovered from customers and a decrease in sponsorship income received from suppliers during FY2016. These were partially offset by an increase in gain on disposal of a subsidiary.

Administrative expenses

Administrative expenses increased by S\$0.3 million or 2.8% from S\$10.77 million in FY2015 to S\$11.07 million in FY2016, mainly due to higher staff-related costs, the full-year effect of directors' fees as the Company was listed in July 2015, listing-related compliance costs and rental expenses for the new retail branches located at Oxley BizHub and Tampines Street 93 which were opened in October 2015 and July 2016 respectively. These were partially offset by the absence of IPO-related expenses incurred in FY2015.

Other operating expenses

Other operating expenses decreased by S\$0.29 million or 25.9% from S\$1.12 million in FY2015 to S\$0.83 million in FY2016, mainly as a result of the decrease in allowance of impairment of trade receivables and foreign exchange loss incurred during FY2016. These were partially offset by the increase in depreciation of property, plant and equipment.

Finance costs

Finance costs decreased from S\$144,000 in FY2015 to S\$61,000 in FY2016 as the Group's total borrowings decreased from S\$7.11 million as at 31 December 2015 to S\$2.63 million as at 31 December 2016.

Profit before tax

As a result of the reasons mentioned above, the Group's profit before tax increased by S\$1.92 million or 43.5% from S\$4.41 million in FY2015 to S\$6.33 million in FY2016.

Review of financial position

Current assets

Current assets decreased by S\$0.93 million from S\$30.44 million as at 31 December 2015 to S\$29.51 million as at 31 December 2016. The decrease in current assets was mainly due to a decrease in inventories of S\$0.97 million and a decrease in trade receivables of S\$0.36 million which were partially offset by an increase in cash and bank balances of S\$0.16 million and an increase in other receivables of S\$0.23 million.

Non-current assets

Non-current assets decreased by S\$2.41 million from S\$24.39 million as at 31 December 2015 to S\$21.98 million as at 31 December 2016. The decrease in non-current assets was mainly due to net decreases in property, plant and equipment and investment properties of S\$0.05 million and S\$2.62 million respectively, which were partially offset by the Group's acquisition of a club membership of S\$0.26 million in FY2016.

Current liabilities

Current liabilities decreased by S\$2.50 million from S\$12.43 million as at 31 December 2015 to S\$9.93 million as at 31 December 2016. The decrease in current liabilities were mainly due to a decrease in trade payables of S\$0.84 million, a decrease in other payables and accruals of S\$1.34 million, and a decrease in current portion of bank loans and finance leases of S\$0.50 million and S\$0.05 million respectively. These were offset by an increase in the provision of taxation of approximately S\$0.23 million.

Non-current liabilities

Non-current liabilities decreased by S\$3.90 million from S\$6.16 million as at 31 December 2015 to S\$2.26 million as at 31 December 2016. The decrease is mainly due to a decrease in the non-current portion of bank loans and finance leases of S\$3.77 million and S\$0.16 million respectively. These were offset by an increase in the provision for deferred tax liability of S\$0.02 million.

Review of cash flow

Net cash from operating activities

In FY2016, the Group generated net cash inflow from operating activities of approximately S\$6.05 million, which was a result of operating cash flows before changes in working capital of approximately S\$6.70 million, net working capital inflows of approximately S\$0.02 million and income tax paid amounting to approximately S\$0.67 million.

Net cash used in investing activities

In FY2016, the Group's net cash outflow for investing activities amounted to approximately S\$2.53 million, which was mainly due to purchases of property, plant and equipment of approximately S\$1.80 million, investment properties of approximately S\$0.59 million and purchase of club membership of approximately S\$0.26 million. These were partially offset by receipt of proceeds from the disposal of a subsidiary of approximately S\$0.12 million.

Net cash used in financing activities

In FY2016, the Group's net cash outflow for financing activities amounted to approximately S\$3.37 million, mainly due to repayment of bank loans and finance leases of approximately S\$2.60 million, dividends and interest payments of S\$1.25 million and S\$0.06 million respectively. These were partially offset by receipt of proceeds from bank loans to finance the acquisition of the Group's investment properties of approximately S\$0.54 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 FY2016 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.

With reference to the Company's announcement dated 8 April 2016, the Company's board of directors (the "**Directors**") would like to further update shareholders that the Group has completed its internal transfer exercise and Choo Chiang Properties Pte. Ltd., a wholly owned subsidiary of the Company, currently holds and manages all properties of the Group save for the Group's headquarters located at 10 Woodlands Loop, Singapore 738388 which is being held directly by Choo Chiang Marketing Pte Ltd.

In line with the Group's plan to expand its retail network in Singapore, the Group opened a new retail branch at Block 9005 Tampines Street 93, #01-248, Singapore 528839 in July 2016. 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.

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	0.2 Singapore cents
Total annual dividend	S\$1,664,000	S\$416,000
Tax rate	Tax exempt (one-tier)	Tax exempt (one-tier)

The above proposed first and final dividend and special dividend in respect of FY2016 (collectively, the "**Dividends**") 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 2017.

Previous corresponding period of the Immediately Preceding Financial Year

Name of dividend	First and Final dividend	Special dividend
Dividend type	Cash	Nil
Dividend per ordinary share	0.6 Singapore cents	Nil
Total annual dividend	S\$1,248,000	Nil
Tax rate	Tax exempt (one-tier)	Not applicable

(b) The date the dividend is payable

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

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

Not applicable.

As disclosed on page 41 of the Company's offer document dated 15 July 2015 ("**Offer Document**") in connection with the Company's initial public offering, subject to the considerations set out therein, the Directors intend to recommend and distribute dividends of not less than 30% of the Group's consolidated net profits attributable to shareholders in respect of FY2016. Please refer to the Offer Document for details.

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 FY2016 (excluding transactions conducted under general mandate) (S\$'000)	Aggregate value of all interested person transactions (including transactions of less than \$100,000 each) conducted during FY2016 under the general mandate (S\$'000)
Lim Teck Chuan - Sale of electrical accessories by the Group to CCM Australia Pty Ltd (" CCM Australia ") ⁽¹⁾	53	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 2016, the following remained subsisting:

- (i) Lim Teck Chuan and Lim Teck Seng had provided personal guarantees to Hong Leong Finance Limited and the Housing & Development Board in order that the Group may secure finance leases and 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 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.

Please refer to the Offer Document and pages 37 to 39 of the Company's annual report in respect of FY2015 for details of the above.

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 signed undertakings from all its Directors and the 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, such format as revised by the SGX-ST on 21 January 2016.

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
2016			
Revenue			
External sales of goods	63,295	-	63,295
Rental income	-	611	611
Segment revenue	<u>63,295</u>	<u>611</u>	<u>63,906</u>
Cost of sales			
External purchases	(45,730)	-	(45,730)
Cost of property maintenance	-	(629)	(629)
Segment cost of sales	<u>(45,730)</u>	<u>(629)</u>	<u>(46,359)</u>
Results			
Segment result	17,565	(18)	17,547
Other operating income	745	-	745
Administrative expenses	(11,003)	(67)	(11,070)
Other operating expenses	(831)	-	(831)
Finance costs	(61)	-	(61)
Profit before tax	<u>6,415</u>	<u>(85)</u>	<u>6,330</u>

	Distribution business	Property investment business	Total
	\$'000	\$'000	\$'000
2015			
Revenue			
External sales of goods	64,604	-	64,604
Rental income	-	420	420
Segment revenue	64,604	420	65,024
Cost of sales			
External purchases	(49,063)	-	(49,063)
Cost of property maintenance	-	(376)	(376)
Segment cost of sales	(49,063)	(376)	(49,439)
Results			
Segment result	15,541	44	15,585
Other operating income	858	-	858
Administrative expenses	(10,734)	(32)	(10,766)
Other operating expenses	(1,013)	(110)	(1,123)
Finance costs	(74)	(70)	(144)
Profit before tax	4,578	(168)	4,410

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

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 FY2016 and in FY2015, 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 FY2016 compared to FY2015.

By geographical segment

All the Group's operations in FY2016 and FY2015 are located in Singapore.

17. A breakdown of sales as follows:-

	Year ended 31 December		Increase / (Decrease) %
	2016 S\$'000	2015 S\$'000	
(a) Sales reported for first half year	30,972	31,581	(1.9)
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	2,485	2,221	11.9
(c) Sales reported for second half year	32,934	33,443	(1.5)
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	<u>2,914</u>	<u>1,373</u>	112.2

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	
	2016 S\$'000	2015 S\$'000
Ordinary	2,080	1,248
Preference	-	-
Total	<u>2,080</u>	<u>1,248</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	45	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	47	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	44	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

24 February 2017

*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.*
