

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

1(a)(i) Consolidated statement of comprehensive income

	GROUP			GROUP		
	3 months ended			6 months ended		
	30.06.2018	30.06.2017 (restated)*	Increase / (Decrease)	30.06.2018	30.06.2017 (restated)	Increase / (Decrease)
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Revenue	14,080	8,279	70.1	26,301	18,631	41.2
Cost of sales	(9,097)	(4,987)	82.4	(17,079)	(12,857)	32.8
Gross profit	4,983	3,292	51.4	9,222	5,774	59.7
Other operating income	234	222	5.4	456	412	10.7
Distribution and marketing costs	(1,994)	(1,539)	29.6	(3,653)	(3,233)	13.0
Administrative expenses	(2,030)	(2,091)	(2.9)	(4,112)	(4,345)	(5.4)
Other operating expenses	(592)	(509)	16.3	(1,165)	(955)	22.0
Other gains and losses (Note 1)	180	(11)	N.M	(92)	(1,053)	(91.3)
Finance cost	(71)	(77)	(7.8)	(115)	(142)	(19.0)
Share of results of associate and joint ventures (Note 2)	(366)	(129)	183.7	(539)	(229)	135.4
Profit (Loss) before income tax	344	(842)	N.M	2	(3,771)	N.M
Income tax expense	(95)	(313)	(69.6)	(276)	(349)	(20.9)
Profit (Loss) for the period (Note 3)	249	(1,155)	N.M	(274)	(4,120)	(93.3)
Other comprehensive (loss) income						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Exchange differences on translation of foreign operations representing total other comprehensive (loss) income for the period, net of tax	(90)	(124)	(27.4)	124	(525)	N.M
Total comprehensive profit (loss) for the period	159	(1,279)	N.M	(150)	(4,645)	(96.8)
Profit (Loss) attributable to:						
Owners of the Company	206	(1,108)	N.M	(244)	(3,906)	(93.8)
Non-controlling interests	43	(47)	N.M	(30)	(214)	(86.0)
	249	(1,155)	N.M	(274)	(4,120)	(93.3)
Total comprehensive profit (loss) attributable to:						
Owners of the Company	116	(1,221)	N.M	(121)	(4,437)	(97.3)
Non-controlling interests	43	(58)	N.M	(29)	(208)	(86.1)
	159	(1,279)	N.M	(150)	(4,645)	(96.8)

* Refer to Note 5

1(a)(ii) Notes to consolidated income statements

1. Other gains and losses:

	GROUP		GROUP	
	3 months ended		6 months ended	
	30.06.2018 S\$'000	30.06.2017 S\$'000	30.06.2018 S\$'000	30.06.2017 S\$'000
Other losses and (gains):				
Reversal of allowance for doubtful trade debts	-	(8)	-	(8)
Trade receivables written off	-	8	-	8
(Gain) Loss on disposal of property, plant and equipment	-	(14)	-	6
Net foreign exchange (gain) loss (Note A)	(180)	25	92	1,047
Total	(180)	11	92	1,053

Note A: -

Net foreign exchange loss included in "Other gains and losses" comprised realised and unrealised exchange differences.

Unrealised exchange differences are the result of movements of foreign currencies against the functional currencies of the Company and its subsidiaries recorded by the Group in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-21 "The Effects of Changes in Foreign Exchange Rates". These foreign exchange differences arose mainly from the revaluation of monetary items denominated in United States Dollars ("USD"), Euro ("EUR"), Chinese Renminbi ("RMB") and Great British Pound ("GBP").

2. Share of results of associate and joint ventures:

	GROUP		GROUP	
	3 months ended		6 months ended	
	30.06.2018 S\$'000	30.06.2017 S\$'000	30.06.2018 S\$'000	30.06.2017 S\$'000
Share of (profit) loss in results of associate	(8)	(6)	20	(1)
Share of loss in results of joint ventures	374	135	519	230
Total	366	129	539	229

3. Loss for the period is determined after charging / (crediting):

	GROUP		GROUP	
	3 months ended		6 months ended	
	30.06.2018 S\$'000	30.06.2017 S\$'000	30.06.2018 S\$'000	30.06.2017 S\$'000
Depreciation of property, plant and equipment	349	345	693	690
Amortisation of intangible assets	13	16	26	31
(Reversal of) provision for warranty	(93)	1	(98)	2
Interest expense	71	77	115	142
Interest income	(53)	(55)	(83)	(104)
Unrealised foreign exchange (gain) loss, net (Note A)	(203)	130	47	1,267
Realised foreign exchange loss (gain), net (Note A)	23	(105)	45	(220)
Adjustments for under/(over)provision of income tax expense in respect of prior years				
- Current income tax	2	(10)	2	(10)

4. Other comprehensive loss

The exchange differences on translation of foreign operations arose mainly from the translation of assets and liabilities of the subsidiaries in China, Europe and USA with reporting currencies in RMB, EUR and USD respectively.

1b(i) Statements of financial position

	GROUP			COMPANY	
	30.06.2018	31.12.2017 (restated)*	1.1.2017 (restated)*	30.06.2018	31.12.2017
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Current assets					
Cash and cash equivalents	39,152	41,175	46,176	7,533	6,049
Trade receivables	10,004	8,807	17,794	761	565
Other receivables and prepayments	3,357	7,530	2,846	3,922	4,651
Amount due from customers for contract work-in-progress	7,782	4,516	3,497	-	-
Inventories	7,756	5,966	7,986	-	-
Assets classified as held for sale	-	-	15,988	-	-
Total current assets	68,051	67,994	94,287	12,216	11,265
Non-current assets					
Property, plant and equipment	23,584	24,187	24,617	343	366
Goodwill	176	176	176	-	-
Intangible assets	1,299	1,318	1,397	-	-
Investments in subsidiaries	-	-	-	44,373	44,373
Investment in an associate	232	237	153	-	-
Investment in a joint ventures	1,669	908	519	-	-
Deferred tax assets	254	166	293	-	-
Total non-current assets	27,214	26,992	27,155	44,716	44,739
Total assets	95,265	94,986	121,442	56,932	56,004
LIABILITIES AND EQUITY					
Current liabilities					
Amount due to customers for contract work-in-progress	4,641	4,924	12,207	-	-
Bank borrowings	1,183	1,518	1,566	-	-
Trade and other payables	22,780	21,059	20,202	10,040	9,079
Provision for warranty	416	524	578	-	-
Income tax payable	827	737	1,429	-	-
Liabilities directly associated with assets classified as held for sale	-	-	6,894	-	-
Total current liabilities	29,847	28,762	42,876	10,040	9,079
Non-current liabilities					
Bank borrowings	8,249	8,847	9,913	-	-
Deferred tax liabilities	50	108	102	-	-
Total non-current liabilities	8,299	8,955	10,015	-	-
Capital and reserves and non-controlling interests					
Share capital	47,433	47,433	47,433	47,433	47,433
Treasury shares	(1,837)	(1,837)	(1,837)	(1,837)	(1,837)
Foreign currency translation reserve	498	375	784	-	-
General reserve	1,270	1,270	1,220	-	-
Retained earnings	10,504	10,748	21,285	1,296	1,329
Equity attributable to owners of the Company	57,868	57,989	68,885	46,892	46,925
Non-controlling interests	(749)	(720)	(334)	-	-
Total equity	57,119	57,269	68,551	46,892	46,925
Total liabilities and equity	95,265	94,986	121,442	56,932	56,004

* Refer to Note 5

1(b)(iii) Aggregate amount of Group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 30.06.2018		As at 31.12.2017	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
1,183	-	1,518	-

Amount repayable after one year

As at 30.06.2018		As at 31.12.2017	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
8,249	-	8,847	-

Details of any collaterals

Bank borrowings as at 30 June 2018 comprised the following:

1. a long term loan by one of the subsidiaries to finance the purchase of factory building located at 30 Woodlands Loop, Singapore and is secured by a mortgage on the said property and a corporate guarantee issued by the Company; and
2. three long term loans by one of the subsidiaries to finance the purchase and renovation of factory building located in the district of Düren, Germany and is secured by a mortgage on the said property.

1(c)(i) Consolidated statement of cash flows
Operating activities

Profit (Loss) before income tax	344	(842)	2	(3,771)
Adjustments for:				
Depreciation of property, plant and equipment	349	345	693	690
Amortisation of intangible assets	13	16	26	31
Reversal of doubtful trade debts	-	(8)	-	(8)
Trade receivables written off	-	8	-	8
(Gain) Loss on disposal of property, plant and equipment	-	(14)	-	6
Share of results of associate and joint ventures	366	129	539	229
(Reversal of) provision for warranty	(93)	1	(98)	2
Interest expense	71	77	115	142
Interest income	(53)	(55)	(83)	(104)
Unrealised exchange (gain) loss	(362)	645	(198)	1,124
Operating cash flows before movements in working capital	635	302	996	(1,651)
Inventories	(741)	(1,578)	(1,763)	(2,180)
Contract work-in-progress	(2,607)	(4,832)	(3,541)	(5,692)
Trade receivables	(773)	4,454	(1,190)	8,328
Other receivables and prepayments	(697)	(33)	(899)	584
Trade and other payables	6,642	2,034	6,657	2,633
Write-back (Utilisation) of provision of warranty	(1)	(1)	(6)	11
Cash generated from operations	2,458	346	254	2,033
Income tax paid	(204)	(373)	(359)	(584)
Interest paid	(71)	(77)	(115)	(142)
Interest received	58	55	75	97
Net cash from (used in) operating activities	2,241	(49)	(145)	1,404

Investing activities

Proceeds from disposal of property, plant and equipment	-	49	-	50
Deferred consideration received on disposal of subsidiaries [#]	-	-	5,094	-
Net cash arising on disposal of subsidiary [#]	-	-	-	363
Purchase of property, plant and equipment	(51)	(474)	(86)	(724)
Investment in a joint venture	(787)	-	(787)	-
Loan receivable from a joint venture	(472)	-	(472)	-
Net cash (used in) from investing activities	(1,310)	(425)	3,749	(311)

Financing activities

Dividend paid to owners of the Company	-	(2,532)	(4,962)	(2,532)
Unclaimed dividends returned to the Company	-	-	-	1
Repayment of bank borrowings	(296)	(281)	(907)	(544)
(Increase) decrease in pledged cash and bank balances and fixed deposits	(299)	69	(295)	71
Net cash used in financing activities	(595)	(2,744)	(6,164)	(3,004)

Net increase (decrease) in cash and cash equivalents

Cash and cash equivalents at beginning of the period	37,764	48,234	40,967	47,594
Effects of exchange rate changes on the balance of cash held in foreign currencies	548	(674)	241	(1,341)
Cash and cash equivalents at end of the period	38,648	44,342	38,648	44,342

Cash and cash equivalents for statement of cash flows comprise:

Cash and bank balances	25,374	30,962	25,374	30,962
Fixed deposits	13,778	13,525	13,778	13,525
Cash and cash equivalents	39,152	44,487	39,152	44,487
Less: Pledged fixed deposits	(504)	(145)	(504)	(145)
	38,648	44,342	38,648	44,342

* Refer to Note 5

On 22 September 2016, the Group entered into a conditional share purchase agreement to dispose off its entire shareholdings in its wholly-owned subsidiary, Applied Engineering Pte Ltd ("AEPL"). The sale was completed on 19 January 2017. The transaction resulted in S\$363,000 net cash inflow arising on disposal in FY2017 and the deferred consideration receivable of S\$5,094,000 was fully settled in cash by the purchaser in FY2018.

Please refer to note 1(c)(ii) of the SGXnet announcement dated 9 May 2018 for more details relating to the disposal.

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.

Consolidated statement of changes in equity for the period ended 30 June 2018 and 30 June 2017

Group

	Attributable to owners of the Company					Attributable to equity holders of the Company	Non-controlling interests	Total equity
	Share capital	Treasury shares	Foreign currency translation reserve	General reserve	Retained earnings			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2018	47,433	(1,837)	375	1,270	10,577	57,818	(726)	57,092
Adoption of SFRS(I) 15*	-	-	-	-	171	171	6	177
Balance as at 1 January 2018 (restated)	47,433	(1,837)	375	1,270	10,748	57,989	(720)	57,269
Total comprehensive (loss) income for the period								
Loss for the period	-	-	-	-	(450)	(450)	(73)	(523)
Other comprehensive income for the period	-	-	213	-	-	213	1	214
Balance as at 31 March 2018	47,433	(1,837)	588	1,270	10,298	57,752	(792)	56,960
Total comprehensive income (loss) for the period								
Profit for the period	-	-	-	-	206	206	43	249
Other comprehensive loss for the period	-	-	(90)	-	-	(90)	-	(90)
Total	-	-	(90)	-	206	116	43	159
Balance as at 30 June 2018	47,433	(1,837)	498	1,270	10,504	57,868	(749)	57,119
Balance as at 1 January 2017	47,433	(1,837)	784	1,220	21,153	68,753	(334)	68,419
Adoption of SFRS(I) 15*	-	-	-	-	132	132	-	132
Balance as at 1 January 2017 (restated)	47,433	(1,837)	784	1,220	21,285	68,885	(334)	68,551
Total comprehensive (loss) income for the period								
Loss for the period	-	-	-	-	(2,798)	(2,798)	(167)	(2,965)
Other comprehensive (loss) income for the period	-	-	(418)	-	-	(418)	17	(401)
	47,433	(1,837)	366	1,220	18,487	65,669	(484)	65,185
Transaction with owners, recognised directly in equity								
Unclaimed dividend returned	-	-	-	-	1	1	-	1
Balance as at 31 March 2017 (restated)	47,433	(1,837)	366	1,220	18,488	65,670	(484)	65,186
Total comprehensive loss for the period								
Loss for the period	-	-	-	-	(1,108)	(1,108)	(47)	(1,155)
Other comprehensive loss for the period	-	-	(113)	-	-	(113)	(11)	(124)
Total	-	-	(113)	-	(1,108)	(1,221)	(58)	(1,279)
Transaction with owners, recognised directly in equity								
Dividends	-	-	-	-	(2,532)	(2,532)	-	(2,532)
Balance as at 30 June 2017 (restated)	47,433	(1,837)	253	1,220	14,848	61,917	(542)	61,375

* Refer to Note 5

Company

	Share capital	Treasury shares	Retained earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2018	47,433	(1,837)	1,329	46,925
Loss for the period, representing total comprehensive loss for the period	-	-	(189)	(189)
Balance as at 31 March 2018	47,433	(1,837)	1,140	46,736
Profit for the period, representing total comprehensive income for the period	-	-	156	156
Balance as at 30 June 2018	47,433	(1,837)	1,296	46,892
Balance as at 1 January 2017	47,433	(1,837)	10,182	55,778
Loss for the period, representing total comprehensive loss for the period	-	-	(170)	(170)
Transaction with owners, recognised directly in equity				
Unclaimed dividend returned	-	-	1	1
Balance as at 31 March 2017	47,433	(1,837)	10,013	55,609
Profit for the period, representing total comprehensive income for the period	-	-	37	37
Dividends	-	-	(2,532)	(2,532)
Balance as at 30 June 2017	47,433	(1,837)	7,518	53,114

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.

There were no changes in the Company's share capital during the current financial period reported on.

The Company held no outstanding convertible shares as at 30 June 2018 and 30 June 2017.

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

	No. of Shares	
	As at 30.06.2018	As at 31.12.2017
<u>Issued Ordinary Shares</u>		
Total number of issued shares	103,521,700	103,521,700
Total number of treasury shares	2,253,333	2,253,333
Total number of issued shares excluding treasury shares	101,268,367	101,268,367

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

There were no sales, transfers, disposal, cancellation, and/or use of treasury shares for the current financial period reported on.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have neither been audited nor reviewed by the Company's 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.

Except as mentioned in paragraph 5 below, the Group has applied the accounting policies and methods of computation in the financial statements of the current reporting period consistent with those of the audited financial statements for the 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.

In December 2017, the Accounting Standards Council (“ASC”) has issued a new financial reporting framework - Singapore Financial Reporting Standards (International) (“SFRS(I)”), which is to be adopted by Singapore-incorporated companies listed on the Singapore Exchange (“SGX”), for annual periods beginning on or after 1 January 2018. SFRS(I) is identical to the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The Group and the Company have adopted the new framework for the first time on 1 January 2018.

The impact arising from the adoption of SFRS(I) on the Group’s financial statements are set out as follows:

(a) Adoption of SFRS(I) 1

On transition to SFRS(I), the Group restated comparative period financial statements to retrospectively apply SFRS(I) where applicable, except where SFRS(I) 1 specifically prohibited such retrospective applications and where optional exemptions from retrospective applications were elected.

(b) Adoption of SFRS(I) 15

In December 2017, SFRS(I) 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. SFRS(I) 15 will supersede the current revenue recognition guidance including Financial Reporting Standards (“FRS”) 18 Revenue, FRS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of SFRS(I) 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under SFRS(I) 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

The application of the new SFRS(I) 15 resulted in changes to the accounting policies which have been applied retrospectively and comparatives have been restated accordingly as follows.

Consolidated statement of comprehensive income

	GROUP		GROUP	
	3 months ended		6 months ended	
	30.06.2017 (restated) S\$'000	30.06.2017 (As previously reported) S\$'000	30.06.2017 (restated) S\$'000	30.06.2017 (As previously reported) S\$'000
Revenue	8,279	7,964	18,631	17,774
Cost of sales	(4,987)	(4,760)	(12,857)	(12,437)
Gross profit	3,292	3,204	5,774	5,337
Other operating income	222	222	412	412
Distribution and marketing costs	(1,539)	(1,539)	(3,233)	(3,233)
Administrative expenses	(2,091)	(2,091)	(4,345)	(4,345)
Other operating expenses	(509)	(509)	(955)	(955)
Other gains and losses	(11)	(11)	(1,053)	(1,053)
Finance cost	(77)	(77)	(142)	(142)
Share of results of associate and joint venture	(129)	(129)	(229)	(229)
Loss before income tax	(842)	(930)	(3,771)	(4,208)
Income tax expense	(313)	(290)	(349)	(285)
Loss for the period	(1,155)	(1,220)	(4,120)	(4,493)
Other comprehensive loss				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translation of foreign operations representing total other comprehensive loss for the period, net of tax	(124)	(124)	(525)	(525)
Total comprehensive loss for the period	(1,279)	(1,344)	(4,645)	(5,018)
Loss attributable to:				
Owners of the Company	(1,108)	(1,160)	(3,906)	(4,266)
Non-controlling interests	(47)	(60)	(214)	(227)
	(1,155)	(1,220)	(4,120)	(4,493)
Total comprehensive loss attributable to:				
Owners of the Company	(1,221)	(1,273)	(4,437)	(4,797)
Non-controlling interests	(58)	(71)	(208)	(221)
	(1,279)	(1,344)	(4,645)	(5,018)

Statements of financial position

	GROUP		GROUP	
	31.12.2017	31.12.2017	1.1.2017	1.1.2017
	(restated)	(As previously reported)	(restated)	(As previously reported)
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	41,175	41,175	46,176	46,176
Trade receivables	8,807	8,807	17,794	17,794
Other receivables and prepayments	7,530	7,530	2,846	2,846
Amount due from customers for contract work-in-progress	4,516	2,647	3,497	2,606
Inventories	5,966	7,589	7,986	8,696
Assets classified as held for sale	-	-	15,988	15,988
Total current assets	67,994	67,748	94,287	94,106
Non-current assets				
Total non-current assets	26,992	26,992	27,155	27,155
Total assets	94,986	94,740	121,442	121,261
LIABILITIES AND EQUITY				
Current liabilities				
Amount due to customers for contract work-in-progress	4,924	4,924	12,207	12,207
Bank borrowings	1,518	1,518	1,566	1,566
Trade and other payables	21,059	21,059	20,202	20,202
Provision for warranty	524	524	578	578
Income tax payable	737	748	1,429	1,438
Liabilities directly associated with assets classified as held for sale	-	-	6,894	6,894
Total current liabilities	28,762	28,773	42,876	42,885
Non-current liabilities				
Bank borrowings	8,847	8,847	9,913	9,913
Deferred tax liabilities	108	28	102	44
Total non-current liabilities	8,955	8,875	10,015	9,957
Capital and reserves and non-controlling interests				
Share capital	47,433	47,433	47,433	47,433
Treasury shares	(1,837)	(1,837)	(1,837)	(1,837)
Foreign currency translation reserve	375	375	784	784
General reserve	1,270	1,270	1,220	1,220
Retained earnings	10,748	10,577	21,285	21,153
Equity attributable to owners of the Company	57,989	57,818	68,885	68,753
Non-controlling interests	(720)	(726)	(334)	(334)
Total equity	57,269	57,092	68,551	68,419
Total liabilities and equity	94,986	94,740	121,442	121,261

Consolidated statement of cash flows

	GROUP		GROUP	
	3 months ended		6 months ended	
	30.06.2017 (restated) S\$'000	30.06.2017 (As previously reported) S\$'000	30.06.2017 (restated) S\$'000	30.06.2017 (As previously reported) S\$'000
Operating activities				
Loss before income tax	(842)	(930)	(3,771)	(4,208)
Adjustments for:				
Depreciation of property, plant and equipment	345	345	690	690
Amortisation of intangible assets	16	16	31	31
Reversal of doubtful trade debts	(8)	(8)	(8)	(8)
Trade receivables written off	8	8	8	8
(Gain) Loss on disposal of property, plant and equipment	(14)	(14)	6	6
Share of results of associate and joint venture	129	129	229	229
Provision for warranty	1	1	2	2
Interest expense	77	77	142	142
Interest income	(55)	(55)	(104)	(104)
Unrealised exchange loss	645	645	1,124	1,124
Operating cash flows before movements in working capital	302	214	(1,651)	(2,088)
Inventories	(1,578)	(1,816)	(2,180)	(2,610)
Contract work-in-progress	(4,832)	(4,519)	(5,692)	(4,822)
Trade receivables	4,454	4,438	8,328	8,324
Other receivables and prepayments	(33)	(34)	584	584
Trade and other payables	2,034	2,064	2,633	2,634
(Utilisation) Write-back of provision of warranty	(1)	(1)	11	11
Cash generated from operations	346	346	2,033	2,033
Income tax paid	(373)	(373)	(584)	(584)
Interest paid	(77)	(77)	(142)	(142)
Interest received	55	55	97	97
Net cash (used in) from operating activities	(49)	(49)	1,404	1,404
Investing activities				
Net cash used in investing activities	(425)	(425)	(311)	(311)
Financing activities				
Net cash used in financing activities	(2,744)	(2,744)	(3,004)	(3,004)
Net decrease in cash and cash equivalents	(3,218)	(3,218)	(1,911)	(1,911)
Cash and cash equivalents at beginning of the period	48,234	48,234	47,594	47,594
Effects of exchange rate changes on the balance of cash held in foreign currencies	(674)	(674)	(1,341)	(1,341)
Cash and cash equivalents at end of the period	44,342	44,342	44,342	44,342

6. **Earnings (Losses) 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		GROUP	
	3 months ended		6 months ended	
	30.06.2018	30.06.2017 (restated)	30.06.2018	30.06.2017 (restated)
	(Cents)	(Cents)	(Cents)	(Cents)
Earnings (Losses) per share for period based on net profit (loss) attributable to owners of the Company:				
(i) Based on weighted average number of ordinary shares in issue	0.20	(1.09)	(0.24)	(3.86)
(ii) On a fully diluted basis	0.20	(1.09)	(0.24)	(3.86)

The calculation of basic earnings (losses) per share is based on profit (loss) attributable to owners of the Company in the respective periods divided by the weighted average number of ordinary shares of 101,268,367 (30 June 2017: 101,268,367).

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	
	30.06.2018	31.12.2017 (restated)	30.06.2018	31.12.2017
	(Cents)	(Cents)	(Cents)	(Cents)
Net asset value per ordinary share based on issued share capital (excluding treasury shares) at end of the period	57.14	57.26	46.30	46.34

Net asset value per ordinary share is calculated based on the issued share capital (excluding treasury shares) of 101,268,367 ordinary shares as at 30 June 2018 (31 December 2017: 101,268,367)

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.**

Income statement

Second Quarter 2018 ("2Q2018")

All comparatives are made against 2Q2017 (restated) figures.

Group revenue recorded for 2Q2018 was S\$14.1 million as compared to S\$8.3 million in 2Q2017 and represented an increase of 70.1% over the two quarters in comparison. Gross profit margin was slightly lower at 35.4% as compared to 39.8% achieved in the same quarter a year ago. The increase in revenue was mainly attributable to higher revenue from our core industry, Petrochemicals and Chemicals.

Distribution and Marketing Costs increased by 29.6% year on year but at a lower pace than revenue as the Group continues to be vigilant in its spending.

Administrative expenses remained consistent when compared to 2Q2017.

The appreciation of USD against SGD has resulted in the Group recording a net foreign exchange gain of S\$180,000 under Other Gains and Losses, as compared to a loss of S\$25,000 in 2Q2017.

The second quarter ended with a profit attributable to owners of the company of S\$206,000 as compared to a loss of S\$1.1 million in 2Q2017.

First Half 2018 ("1H2018")

The Group experienced growth year-on-year with revenue increasing from S\$18.6 million in 1H2017 to S\$26.3 million in 1H2018. Gross profit margin has also increased from 31% in 1H2017 to 35.1% in 1H2018.

Distribution and marketing costs increased by 13% year-on-year which is in line with higher business activities experienced by the Group during 1H2018. Other operating expenses is higher in 1H2018 as compared to 1H2017 as a result of increased spendings on research and development by the Group on its new products.

Administrative expenses decreased 5.4% which is mainly due to lower spending in 1H2018 on professional fees relating to the proposed acquisition of Agricore Global Pte Ltd.

In 1H2018, the Group registered a net foreign exchange loss of S\$92,000 which was included in other gains and losses. This was lower as compared to net foreign exchange loss of S\$1 million in 1H2017.

Revenue – Industry

	1H 2018	1H 2017
	S\$'000	(restated) S\$'000
Petrochemicals and Chemicals	20,650	10,982
Oil & Gas	4,370	5,758
Iron and Steel	160	88
Others	1,121	1,803
Total	26,301	18,631

Revenue – Geography

	1H 2018	1H 2017
	S\$'000	(restated) S\$'000
China	9,355	4,463
Europe	1,028	2,752
Kazakhstan	4,360	980
USA	5,620	2,202
Singapore	1,555	3,067
Indonesia	190	1,496
Malaysia	548	221
Vietnam	1,234	1,746
Other Asian Countries	923	604
Middle East	1,237	609
Others	251	491
Total	26,301	18,631

The Group continues to see improvement in general market conditions in 2Q2018 as compared to same period last year. Petrochemicals and Chemicals segment recorded higher revenue as a result but the Oil & Gas segment continues to be affected by the downturn in the industry.

Geographically, China and USA continued to grow as a result of the improved market conditions. Contributions from the Middle East, where the Group has expanded its operations in the recent years, and revenue from a large project in Kazakhstan have compensated for the decreases experienced from Europe, Singapore and Indonesia markets.

Statement of Financial Position and Cash Flows

All comparatives are made against 31 December 2017 (restated) figures.

The Group's financial position as at 30 June 2018 remained strong.

Trade receivables have increased from S\$8.8 million as at 31 December 2017 to S\$10 million as at 30 June 2018. The increase is in line with the higher revenue experienced in 1H2018.

The decrease in other receivables and prepayments mainly resulted from the collection of deferred consideration of approximately S\$5.1 million as a result of the disposal of AEPL (Note 1(c)(i)).

Amount due from customers for contract work-in-progress and inventories have increased by S\$3.3 million and S\$1.8 million respectively. The buildups are in line with the increase in the Group's order book from S\$42.7 million as at 31 December 2017 to S\$47.5 million as at 30 June 2018.

The Group increased its investments in the Middle East joint ventures from S\$0.9 million as at 31 December 2017 to S\$1.7 million as at 30 June 2018.

For the half year ended 30 June 2018, the Group's overall net cash used in operating activities was S\$145,000. Net cash used in financing activities was S\$6.2 million after the payment of FY2017 interim dividend.

The Group collected the final S\$5.1 million deferred consideration from the disposal of AEPL which resulted in net cash generated from investing activities.

Accordingly, the Group's cash holdings as at 30 June 2018 remained strong at S\$39.2 million.

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

The results reported herein are in line with the announcement made previously.

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.

OPEC is seen increasing oil production by about 200,000 barrels per day ("bpd") through the fourth quarter of this year compared to the second quarter. Analysts however, cautioned that the year-end oil prices will depend on several on-going developments, including issues over two key chokepoints in the Middle East; the escalation of rhetoric between USA and Iran; and industrial actions over some of the North Sea oil and gas platforms.

Fresh global concerns over increased protectionism has heightened trade and geopolitical tensions, further increasing the uncertainty of the environment which the Group operates in. Meanwhile the recently announced China's economic growth stimulants, including investments targeting its oil and gas industry, acted as a welcome news amidst the global uncertainty.

The Group remains vigilant in understanding the impact of these global forces on its operations, and proactively develop strategies to address these forces adequately.

The Company has on 15 August 2017 entered into a conditional share purchase agreement (the "SPA") to acquire the entire equity interest in Agricore Global Pte Ltd together with its subsidiaries (the "Target Group"), (referred to as the "Proposed Acquisition"). Subject to completion of a group restructuring exercise, the Target Group will, prior to completion of the Proposed Acquisition, collectively own rights to develop approximately 196,121 hectares of plantation land in Sulawesi Island, Indonesia.

The Proposed Acquisition, if undertaken and completed, is expected to result in a reverse takeover of the Company under Rule 1015 of the Listing Manual (the "Listing Rules") of the Singapore Exchange Securities Trading Limited. The Proposed Acquisition, if undertaken and completed, will also constitute an interested person transaction under Chapter 9 of the Listing Rules.

The Proposed Acquisition, if undertaken and completed, will provide the Company with the necessary platform for its next phase of growth.

The Long-Stop Date for the Proposed Acquisition has been extended to 13 August 2018, following the signing of an extension agreement.

Please refer to SGXnet announcement dated 7 February 2018 for more details relating to the Proposed Acquisition.

As at 30 June 2018, the outstanding order book of the Group was approximately S\$47.5 million. The Group's order book may not be indicative of its revenue for any successive periods.

<https://oilprice.com/Energy/Energy-General/Oil-Prices-Set-For-First-Weekly-Gain-In-Four-Weeks.html>

<https://www.worldoil.com/news/2018/7/23/oil-rises-as-us-iran-tensions-counter-concern-over-trade-spat>

<https://oilprice.com/Energy/Energy-General/Chinas-Economic-Growth-Stimulus-Could-Boost-Oil-Demand.html>

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the current financial period reported on? No

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared or recommended for the quarter ended 30 June 2018.

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 a general mandate from shareholders for IPTs.

14. Confirmation that the issuer had procured undertakings from all its directors and executives officers.

The Company confirms that it had procured undertakings from all its directors and executive officers under Rule 720(1).

BY ORDER OF THE BOARD

Dr Wong Kar King
Managing Director
7 August 2018

Confirmation by the Board

We refer to the requirement under Rule 705(5) of the Listing Manual.

We, Dr Wong Kar King and Mr Lim Boon Cheng, being two directors of Advanced Holdings Ltd. (the “Company”), do hereby confirm on behalf of the directors of the Company, that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render the unaudited financial results for the period ended 30 June 2018 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Dr Wong Kar King
Managing Director

Mr Lim Boon Cheng
Independent Director