Epicentre Holdings Limited

(Company Registration No. 200202930G)

Unaudited Full Year Financial Statement and Dividend Announcement For The Year Ended 30 June 2018

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		
	2018 (Unaudited) *S$'000*	**2017 (Audited)** *S$'000*	*Increase/ (Decrease)* *%*
Continuing operations:			
Revenue	*18,354*	*26,408*	*(30.5)*
Cost of sales	*(13,515)*	*(23,382)*	*(42.2)*
Gross Profit	*4,839*	*3,026*	*59.9*
Other operating income	*417*	*4,161*	*(90.0)*
Administrative expenses	*(6,138)*	*(5,822)*	*5.4*
Selling and distribution costs	*(1,801)*	*(683)*	*163.7*
Finance costs	*(295)*	*(214)*	*37.9*
(Loss)/profit before income tax	*(2,978)*	*468*	*(736.3)*
Income tax expense	*(41)*	*(233)*	*(82.4)*
(Loss)/profit from continuing operation	*(3,019)*	*235*	*(1,384.7)*
(Loss)/profit from discontinued operation (Note 1)	*(4,006)*	*325*	*(1,332.6)*
(Loss)/profit for the financial year	*(7,025)*	*560*	*(1,354.5)*
Other comprehensive income/(loss):			
Items that may be reclassified subsequently to profit or loss			
Foreign currency differences on translation of foreign operations	*289*	*(263)*	*(209.9)*
Other comprehensive income/(loss) for the financial year, net of tax	*289*	*(263)*	*(209.9)*
Total comprehensive (loss)/income for the financial year	*(6,736)*	*297*	*(2,368.0)*
(Loss)/profit from continuing operations, net of tax attributable to:			
Equity holders of Company	*(3,064)*	*182*	*(1,783.5)*
Non-controlling interest	*45*	*53*	*(15.1)*
	(3,019)	*235*	*(1,384.7)*

	Group		
	2018 (Unaudited) *S$'000*	**2017 (Audited)** *S$'000*	*Increase/ (Decrease) %*
(Loss)/profit from discontinued operation, net of tax attributable to:			
Equity holders of Company	*(4,006)*	*325*	*(1,332.6)*
Non-controlling interest	*-*	*-*	*N.M*
	(4,006)	*325*	*(1,332.6)*
Total comprehensive (loss)/income attributable to:			
Owners of the parent	*(6,781)*	*249*	*(2,823.3)*
Non-controlling interest	*45*	*48*	*(6.3)*
	(6,736)	*297*	*(2,368.0)*

1(a)(ii) (Loss)/Profit after income tax is arrived at after charging / (crediting) the following:

	Group		
	2018 (Unaudited) S$'001	**2017 (Audited) S$'000**	**Increase/ (Decrease) %**
Depreciation of plant and equipment	*696*	*442*	*57.5*
Plant and equipment written off	*5*	*52*	*(90.4)*
Loss on disposal plant and equipment	*12*	*-*	*N.M*
Staff cost	*5,110*	*5,324*	*(4.0)*
Net foreign exchange loss	*18*	*15*	*20.0*
Inventory written off	*12*	*28*	*(57.1)*
Under/(over) provision of tax in prior years	*8*	*(67)*	*(111.9)*
Loss from disposal of business	*950*	*-*	*100.0*
Write back of allowance for inventory obsolescence	*(47)*	*(151)*	*(68.9)*

Note 1

	2018 (Unaudited) *S$'000*	**2017 (Audited)** *S$'000*	*Increase/ (Decrease) %*
Revenue	*28,666*	*73,626*	*(61.1)*
Cost of sales	*(25,685)*	*(65,656)*	*(60.9)*
Gross Profit	*2,981*	*7,970*	*(62.6)*
Other operating income	*463*	*913*	*(49.3)*
Administrative expenses	*(4,334)*	*(5,907)*	*(26.6)*
Selling and distribution costs	*(557)*	*(1,552)*	*(64.1)*
Finance costs	*(2,613)*	*(1,166)*	*124.1*
(Loss)/profit before income tax	*(4,060)*	*258*	*(1,673.6)*
Income tax credit	*54*	*67*	*(19.4)*
(Loss)/profit from discontinued operation	*(4,006)*	*325*	

1(b)(i) **A consolidated 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	
	2018 (Unaudited) S$'000	2017 (Restated) S$'000	2018 (Unaudited) S$'000	2017 (Audited) S$'000
Non-current assets				
Plant and equipment	1,470	635	41	31
Intangible assets	3,443	3,443[(1)]	-	-
Investment in subsidiaries	-	-	13,721	13,721
	4,913	4,078	13,762	13,752
Current assets				
Inventories	4,086	7,796	-	-
Trade and other receivables	5,881	9,667	3,203	3,187
Prepayments	256	311	205	10
Current income tax recoverable	319	259	-	-
Cash and cash equivalents	2,582	2,987	17	40
	13,124	21,020	3,425	3,237
Less: Current liabilities				
Trade and other payables	3,847	5,350	13,656	14,262
Provisions	210	224	-	-
Deferred revenue	1,161	773	-	-
Current income tax payable	-	191	-	191
Borrowings	8,375	8,257	3,720	-
	13,593	14,795	17,376	14,453
Net current (liabilities)/assets	(469)	6,225	(13,951)	(11,216)
Less: Non-current liabilities				
Deferred tax liabilities	262	316[(1)]	15	15
Borrowings	1,334	400	140	400
Deferred revenue	-	12	-	-
	1,596	728	155	415
Net assets/(liabilities)	**2,848**	**9,575**	**(344)**	**2,121**
Equity				
Share capital	14,822	14,822	14,822	14,822
Treasury shares	(69)	(69)	(69)	(69)
Foreign currency translation account	(433)	(722)	-	-
Accumulated losses	(11,969)	(4,899)	(15,097)	(12,632)
Equity attributable to owners of the parent	2,351	9,132	(344)	2,121
Non-controlling interest	497	443[(1)]	-	-
Total equity	**2,848**	**9,575**	**(344)**	**2,121**

(1) Amount is restated based on the Purchase Price Allocation Report issued on the subsidiaries acquired on 1 April 2017.

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

	Group			
	2018		**2017**	
	Secured *S$'000*	**Unsecured** *S$'000*	**Secured** *S$'000*	**Unsecured** *S$'000*
Borrowings				
Repayable within 1 year	*5,000*	*3,375*	*2,000*	*6,257*
Repayable after 1 year	*-*	*1,334*	*-*	*400*
	5,000	*4,709*	*2,000*	*6,657*

Details of collaterals:

- *The borrowings from a third party amounting to S$3 million are secured by ordinary shares of the Company's Malaysian subsidiary. The loan is due on November 2018.*

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

	Group	
	2018 (Unaudited) *S$'000*	**2017 (Audited)** *S$'000*
(Loss)/profit before tax:		
- Continuing operations	*(2,978)*	*468*
- Discontinued operation	*(4,060)*	*258*
Adjustments for:		
Write-back of allowance for inventory obsolescence	*(47)*	*(151)*
Depreciation of plant and equipment	*696*	*442*
Interest expense	*2,908*	*1,380*
Inventories written off	*12*	*28*
Plant and equipment written off	*5*	*52*
Loss on disposal of plant and equipment	*12*	*-*
Loss on disposal of business	*950*	*-*
Provision of reinstatement cost	*-*	*33*
Operating cash flows before working capital changes	*(2,502)*	*2,510*
Working capital changes:		
Inventories	*3,378*	*280*
Trade and other receivables	*3,713*	*(6,189)*
Prepayments	*58*	*(148)*
Trade and other payables	*(2,341)*	*(3,689)*
Deferred revenue	*376*	*(327)*
Cash generated from/(used in) operations	*2,682*	*(7,563)*
Interest paid	*(2,180)*	*(1,380)*
Income tax paid	*(224)*	*(76)*
Net cash flow from/(used in) operating activities	*278*	*(9,019)*
Cash flow from investing activities		
Acquisition of subsidiary, net of cash acquired	*-*	*391*
Proceeds from disposal of plant and equipment	*230*	*-*
Purchase of plant and equipment	*(2,041)*	*(123)*
Net cash (used in)/from investing activities	*(1,811)*	*268*
Cash flow from financing activities		
Contribution from non-controlling interest	*9*	*-*
Proceeds from issuance of placement shares, net	*-*	*5,257*
Decrease in fixed deposit pledged with a bank	*-*	*100*
Decrease in placement of cash guarantee	*-*	*500*
Proceeds from borrowings	*11,297*	*25,919*
Repayment of borrowings	*(10,245)*	*(21,945)*
Net cash from financing activities	*1,061*	*9,831*
Net change in cash and cash equivalents	*(472)*	*1,080*
Cash and cash equivalents at beginning of financial year	*2,987*	*1,946*
Effects of exchange rates changes on cash and cash equivalents	*67*	*(39)*
Cash and cash equivalents at end of financial year	*2,582*	*2,987*

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.**

	Share Capital	*Treasury Shares*	*Foreign Currency Reserve*	*Accumulated Losses*	*Equity attributable to owners of the parent*	*Non-controlling interests*	*Total Equity*
Group	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*
Unaudited							
Balance at 1.7.2017	*14,822*	*(69)*	*(722)*	*(4,899)*	*9,132*	*443*	*9,575*
(Loss)/profit for the financial year	-	-	-	*(7,070)*	*(7,070)*	*45*	*(7,025)*
Other comprehensive income for the financial year that may be reclassified subsequently to profit and loss							
Foreign currency differences on translation of foreign operations, net of tax	-	-	*289*	-	*289*	-	*289*
Total comprehensive (loss)/ income for the year	-	-	*289*	*(7,070)*	*(6,781)*	*45*	*(6,736)*
Incorporation of a subsidiary	-	-	-	-	-	*9*	*9*
Balance at 30.6.2018	*14,822*	*(69)*	*(433)*	*(11,969)*	*2,351*	*497*	*2,848*
Restated (1)							
Balance at 1.7.2016	*6,709*	*(69)*	*(464)*	*(5,406)*	*770*	*(434)*	*336*
Profit for the financial year	-	-	-	*507*	*507*	*53*	*560*
Other comprehensive income for the financial year that may be reclassified subsequently to profit and loss							
Foreign currency differences on translation of foreign operations, net of tax	-	-	*(258)*	-	*(258)*	*(5)*	*(263)*
Total comprehensive income for the year	-	-	*(258)*	*507*	*249*	*48*	*297*
Share issuance	*5,404*	-	-	-	*5,404*	-	*5,404*
Share issued for acquisition of a subsidiary	*2,856*	-	-	-	*2,856*	-	*2,856*
Share issuance expenses	*(147)*	-	-	-	*(147)*	-	*(147)*
	8,113	-	-	-	*8,113*	-	*8,113*
Acquisition of a subsidiary	-	-	-	-	-	*240*	*240*
Balance at 30.6.2017 (As previously reported)	*14,822*	*(69)*	*(722)*	*(4,899)*	*9,132*	*(146)*	*8,986*
Prior year adjustment [(1)]	-	-	-	-	-	*589*	*589*
Balance at 30.6.2017 (Restated)	*14,822*	*(69)*	*(722)*	*(4,899)*	*9,132*	*443*	*9,575*

(1) Amount is restated based on the Purchase Price Allocation Report issued on the subsidiaries acquired on 1 April 2017.

Company	Share Capital S$'000	Treasury Shares S$'000	Accumulated Losses S$'000	Total Equity S$'000
<u>Unaudited</u>				
Balance at 1.7.2017	14,822	(69)	(12,632)	2,121
Loss for the financial year, representing total comprehensive loss for the year	-	-	(2,465)	(2,465)
Balance at 30.6.2018	14,822	(69)	(15,097)	(344)
<u>Audited</u>				
Balance at 1.7.2016	6,709	(69)	(10,571)	(3,931)
Loss for the financial year, representing total comprehensive loss for the year	-	-	(2,061)	(2,061)
Share issuance	8,260	-	-	8,260
Share issuance expenses	(147)	-	-	(147)
Balance at 30.6.2017	14,822	(69)	(12,632)	2,121

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 was no change in the Company's share capital arising from rights issue, bonus issue, exercise of share options or warrants, conversion of other issues of equity securities since 30 June 2017.

The Company has no outstanding convertibles to be converted into shares as at 30 June 2018 and 30 June 2017.

Share capital	**30-Jun-18 (Unaudited)**	**30-Jun-17 (Audited)**
Number of shares at beginning of year	*159,474,600*	*93,274,600*
Addition during the perid	-	*66,200,000*
Number of shares at end of year	*159,474,600*	*159,474,600*

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

	30-Jun-18 (Unaudited)	**30-Jun-17 (Audited)**
Total number of issued shares	*159,701,600*	*159,701,600*
Total number of treasury shares	*(227,000)*	*(227,000)*
Total number of issued shares (excluding treasury shares)	*159,474,600*	*159,474,600*

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.

	30-Jun-18 (Unaudited)	**30-Jun-17 (Audited)**
Number of treasury shares at beginning of period	*227,000*	*227,000*
Additions during the period	-	-
Number of treasury shares at end of period	*227,000*	*227,000*

No sales, transfers, disposal, cancellation and/or use of treasury shares as at 30 June 2018.

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

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)**

The figures have not been audited or reviewed by the Company's auditors.

4 **Whether the same accounting policies and methods of computation as in the issuer's most recent audited financial statements have been applied**

Save as disclosed in paragraph 5 below, the accounting policies and methods of computation applied by the Group are consistent with those used in its most recently audited financial statements for the financial year ended 30 June 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**

On 1 July 2017, the Group adopted the new and revised Financial Reporting Standards ("FRS") and interpretation of FRS ("INT FRS") that are relevant to its operations and are effective in the financial year ended 30 June 2018. The adoption of these new and revised FRS and INT FRS where relevant has no material impact on the Group's accounting policies or the financial statements for the current financial year.

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.**

	Group	
	2018 (Unaudited)	**2017 (Audited)**
Basic and diluted (loss)/earnings per share		
- continuing operations	*(1.92)*	*0.11*
- discontinued operation	*(2.51)*	*0.20*

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	
	2018	**2017**	**2018**	**2017**
	(Unaudited)	**(Restated)**	**(Unaudited)**	**(Audited)**
Net tangible asset backing per ordinary share based on existing issued share capital as at the end of the period reported on (cents)	*(0.37)*	*3.85*	*(0.22)*	*1.33*
Net asset value per ordinary share based on existing issued share capital as at the end of the period reported on (cents)	*1.79*	*6.00*	*(0.22)*	*1.33*

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

Revenue

Group revenue from continuing operation for the financial year ended 30 June 2018 ("FY2018") was $18 million, a decrease of 30.5% or $8 million compared to the corresponding year ("FY2017"). The reduction of revenue by $11 million from our Malaysia subsidiary had largely affected the revenue of the Group. The Malaysia operations have lost its Apple Premium Reseller ("APR") status and was required by Apple to renovate all the stores to either Apple Authorised Reseller ("AAR") or multibrand stores. As such, the Malaysia operations went through massive renovation works in FY2018 which affected the revenue. The decrease in revenue is offset by $2.9 million contributed by JIPL in FY2018.

Acquisition of JIPL was completed on 1 April 2017 thus the contribution from JIPL to the Group was insignificant in FY2017. In FY2018, the contribution of JIPL to the Group's revenue, gross profit and expenses increase significantly. Contribution of JIPL to the Group's revenue, gross profit, administrative expenses and selling and distribution costs increased from $721,000, $696,000, $347,000 and $305,000 respectively to $3.6 million, $3.4 million, $1.8 million and $1.6 million respectively.

Gross Profit

Despite the decline in revenue, gross profit and gross profit margin from continuing operations improved from $3 million to $4.8 million and 11.5% in FY2017 to 26.4% in FY2018 respectively. Contribution from JIPL had improved the Group's gross profit and gross profit margin.

In FY2018, sales mix for Apple products, third party products ("3PP") and services were approximately 73%, 7% and 20% respectively, compared with the sales mix for Apple products, 3PP and services of 88%, 9% and 3% reported in FY2017. The Group will continuously improve gross profit margin by undertaking minor bundling and promotions.

Other operating income

The decrease in other operating income from continuing operations of $3.7 million was mainly due to the absence of the consultancy services provided to 3rd parties on retailing industry.

Administrative expenses

Administrative expenses from continuing operations increased by $316,000 in FY2018 as compared to FY2017. The decreased in the administrative expenses, mainly staff costs, incurred for Apple related business reduced by $1.1 million. The reduction was offset by the increased in the administrative cost incurred by JIPL.

Selling and Distribution cost

Selling and Distribution cost increased by $1.1 million from $683,000 in FY2017 to $1.8 million in FY2018. The increased due mainly to the operation of JIPL. Included in the selling and distribution costs of JIPL are payroll of sales and marketing staff, and marketing related expenses.

Finance cost

Finance cost for FY2018 comprised of interest expenses incurred for borrowings for working capital purposes.

Loss from discontinued operation

Loss from discontinued operation relates to the disposal of Singapore's Apple related business. The discontinued operation reported a loss of $4 million in FY2018 as compared to the profit of $325,000 in FY2017. The revenue from the discontinued operation was adversely affected due to direct competition from Apple Store at Knightsbridge mall and from other Apple Premium Resellers. The finance costs had also increased significantly from $1.2 million in FY2017 to $2.6 million in FY2018.

Income Tax

FY2018's provision for income tax primarily relates subsidiary acquired in FY2017. Over provision of prior year income tax was reversed in FY2018.

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Consolidated statement of financial position review

Non-current assets increased by $835,000 from $4.1 million as at 30 June 2017 to $4.9 million as at 30 June 2018. The increase was due to the renovation costs incurred in Malaysia and new stores for JIPL offset by the depreciation costs during the year.

Current assets decreased by $7.9 million from $21 million as at 30 June 2017 to $13.1 million as at 30 June 2018. The decreased was primarily due to the $3.7 million decrease in inventory and $3.8 million decrease in trade and other receivables which consists of utilization of $1.3 million cash margin paid to suppliers, collected $800,000 from the consultancy fees outstanding, reduction in trade receivables and stores' rental deposit by $1.5 million.

Included in the trade and other receivables are overdue advances paid to supplier, other receivables relate to consultancy service provided in FY2017 as well as the loan to 3rd party. Out of which, advances paid to supplier was supported by guarantee from a director of the Group. The Group is following up closely with these debtors to recover the outstanding sums. These debtors have confirmed the repayment of the outstanding sums by September 2018. The Group may factor the other receivables relate to the consultancy service to a 3rd party at a discount rate of about 2% to 2.5%.

Current liabilities decreased by $1.2 million from $14.8 million as at 30 June 2017 to $13.6 million as at 30 June 2018. The decreased was mainly due to the decrease in trade and other payables of $1.5 million due to repayment and utilization of cash margin placed with suppliers.

The Group reported a marginal net current liability of $469,000 as at 30 June 2018. The Group announced a Placement Exercise on 27 June 2018 to raise up to $9.5 million; of which 30% to 40% of the net proceeds will be used as working capital purposes; while the balance will be used for repayment of existing liabilities.

Non-current liabilities increased by $868,000 mainly due to the increase in long term borrowing.

Cash flow review

In FY2018, the Group reported net cash generated from operations of $278,000. Despite the net loss incurred during current financial period, the cash inflow is largely attributable to the decreased in inventories and trade and other receivables of $3.4 million and $3.7 million respectively and the decreased in trade and other payables of $2.3 million.

In FY2018, $2 million of net cash used in investing activities largely attributable to the renovations of JIPL and Malaysia stores.

In FY2018, $1 million of net cash from financing activities is attributed to net $1 million from borrowings.

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

Not applicable.

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.**

The Board expects the operating environment to remain challenging. However, the Group remains focused to widen its distribution network in existing markets. The Group would continue to enhance its operational efficiency and monitor its operating expenses in the face of economic uncertainties and rising premises expense.

JIPL group provides the opportunity for the Company to expand its current core business to include the new business engaged in the provision of lifestyle, health and wellness services. During the year, new outlets were opened in Singapore, Malaysia, China and planning to expand further to rest of Asia.

On 27 June 2018, the Company announced on the proposed very substantial acquisition of Macrocap Asia Capital Ltd and Gloria International Hotels Limited ("the Proposed Acquisition"). The Company believes that the Proposed Acquisition represents an excellent opportunity for the Company to venture into new business areas that have the potential for growth. The Company will make further announcements when there are material developments in respect of the Proposed Acquisition.

11 **If a decision regarding dividend has been made:**

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

No dividend has been declared for the financial year ended 30 June 2018.

(b) **(i) Amount per share**

No dividend has been declared for the financial year ended 30 June 2018.

(ii) Previous corresponding period

No dividend has been declared for the financial year ended 30 June 2017.

(c) **Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated).**

Not applicable.

(d) **The date the dividend is payable.**

Not applicable.

(e) **The dates on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

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

No dividend has been declared for the financial year ended 30 June 2018.

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

By business segments

	Continuing operation				
	Apple brand	**3rd party brand**	**Services**	**Discontinued Operation**	**Group**
2018	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*
(Unaudited)					
Revenue					
External parties	*13,390*	*1,352*	*3,612*	*28,666*	*47,020*
Results					
Segment results	*(483)*	*(76)*	*131*	*(1,447)*	*(1,875)*
Unallocated expenses, net					*(2,255)*
Finance costs					*(2,908)*
Profit before income tax					*(7,038)*
Other material non-cash expenses					
Depreciation	*(197)*	*(31)*	*(395)*	*(73)*	*(696)*
Inventories written off	*(11)*	*(1)*	*-*	*-*	*(12)*
Plant and equipment written off	*-*	*-*	*-*	*(5)*	*(5)*

	Continuing					
	Apple brand	**3rd party brand**	**Services**	**Discontinued Operation**	**Elimination**	**Total**
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Segment assets	*27,267*	*4,270*	*2,305*	*11,527*	*(27,651)*	*17,718*
Current income tax recoverable						*319*
						18,037
Segment liabilities	*37,997*	*5,950*	*1,594*	*(7,176)*	*(23,438)*	*14,927*
Deferred tax liabilities						*262*
						15,189
Capital expenditure						
Plant and equipment	*746*	*118*	*825*	*352*	*-*	*2,041*

By geographical segments	**Singapore**	**Malaysia**	**Group**
	S$'000	*S$'000*	*S$'000*
Total Revenue from external parties			
- From continuing operations	*3,616*	*14,738*	*18,354*
- From discontinued operation	*28,666*	*-*	*28,666*
Non-current assets			
- From continuing operations	*4,167*	*743*	*4,910*
- From discontinued operation	*3*	*-*	*3*

By business segments

2017	Continuing Apple brand	Continuing 3rd party brand	Continuing Services	Discontinued operations	Group
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*
(Audited)					
Revenue					
External parties	*23,365*	*2,322*	*721*	*73,626*	*100,034*
Results [(1)]					
Segment results	*(188)*	*(19)*	*108*	*1,424*	*1,325*
Unallocated income					*3,950*
Unallocated expenses, net					*(3,169)*
Finance costs					*(1,380)*
Loss before income tax					*726*
Other material non-cash expenses					
Depreciation	*(232)*	*(23)*	*(81)*	*(106)*	*(442)*
Inventories written off	*(18)*	*(2)*	*-*	*(8)*	*(28)*
Plant and equipment written off	*(2)*	*-*	*-*	*(50)*	*(52)*
Provision of reinstatement cost	*(30)*	*(3)*	*-*	*-*	*(33)*

	Continuing Apple brand	Continuing Third Party brand	Continuing Services	Discontinued operation	Elimination	Total
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Segment assets	*24,941*	*2,479*	*2,258*	*20,833*	*(25,672)*	*24,839*
Current income tax recoverable						*259*
						25,098
Segment liabilities	*21,275*	*2,114*	*822*	*12,265*	*(21,460)*	*15,016*
Current income tax payable						*191*
Deferred tax liabilities						*316*
						15,523
Capital expenditure						
Plant and equipment	*60*	*6*	*554*	*1*	*-*	*621*
Intangible assets	*-*	*-*	*3,443*	*-*	*-*	*3,443*

By geographical segments

	Singapore	Malaysia	Group
	S$'000	**S$'000**	**S$'000**
Total Revenue from external parties			
- From continuing operations	*778*	*25,630*	*26,408*
- From discontinued operation	*73,626*	*-*	*73,626*
Non-current assets			
- From continuing operations	*3,985*	*82*	*4,067*
- From discontinued operation	*11*	*-*	*11*

Footnote:

(1) Other than revenue and costs of goods sold which can be directly attributable to each operating segment, all other income and expenses of Apple brand and Third party brand are allocated based on each operating segment's proportion of sales for the year.

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

Please refer to paragraph 8.

15 **Breakdown of sales**

	FY2018 *S$'000*	**FY2017** *S$'000*	*% increase/ (decrease)*
(a) Sales reported for first half year	*31,458*	*59,821*	*(47%)*
(b) Operating profit/(loss) after tax before deducting minority interests reported for first half year	*(2,313)*	*36*	*(6,525%)*
(c) Sales reported for second half year	*15,562*	*40,213*	*(61%)*
(d) Operating profit/(loss) after tax before deducting minority interests reported for second half year	*(4,712)*	*524*	*(963%)*

Please refer to Paragraph 8 for the discussion on the decreased in revenue and operating profit.

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

Not applicable.

17 **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.**

Not applicable.

18 **If the Group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), 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.**

There is no Interested Person Transactions during the financial year which exceeds $100,000; and the Company does not have a shareholders' mandate under Rule 920 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited.

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

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

20. Update on the use of proceeds from the placement of 45,800,000 new ordinary shares in the capital of Epicentre Holdings Limited

With reference to the announcements made by the Company on 20 July 2016, 11 October 2016, 24 October 2016, 9 November 2016, 21 November 2016 and 1 December 2016, an update on the use of the net proceeds of approximately S$5.320 million (after deducting expenses of about $84,000) raised from the placements is provided as follow:

Intended purposes	**Amount Allocated (S$'000)**	**Amount utilised as at the date of this announcement (S$'000)**	**Balance as at the date of this announcement (S$'000)**
To support business development and provide liquidity for business expansion through acquisitions, joint ventures and collaborations (50%)	*2,660*	*(2,382)*	*278*
Working capital purposes (50%) as follow: Purchase of goods	*2,660*	*(2,660)*	*-*
	5,320	**(5,042)**	**278**

On behalf of the Board of Directors
Lim Tiong Hian
Executive Chairman & Acting CEO

By Order of the Board

Lim Tiong Hian
Executive Chairman and Acting CEO
29 August 2018

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

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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