ACESIAN PARTNERS LIMITED
(Registration No: 199505699D)

Half Year Financial Statement Announcement for the period ended 30 June 2017

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENT OF HALF YEAR RESULTS

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

	HY2017	HY2016	Increase/ (Decrease)
	S$'000	S$'000	%
Revenue	**5,259**	28,624	(81.63)
Cost of sales	**(2,626)**	(24,142)	(89.12)
Gross profit	**2,633**	4,482	(41.25)
Other operating income	**285**	339	(15.93)
Administrative expenses	**(2,310)**	(2,418)	(4.47)
Other operating expenses	**(853)**	(1,498)	(43.06)
Finance costs	**(7)**	(90)	(92.22)
(Loss)/Profit before tax	**(252)**	815	(130.92)
Income tax expense	**(24)**	(272)	(91.18)
(Loss)/Profit for the period	**(276)**	543	(150.83)
Other comprehensive (loss)/income			
Item that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations	**72**	341	
Total comprehensive (loss)/income for the period	**(204)**	884	
(Loss)/Profit attributable to:			
Shareholders of the Company	**(265)**	579	
Non-controlling interests	**(11)**	(36)	
	(276)	543	
Total comprehensive (loss)/income attributable to:			
Shareholders of the Company	**(193)**	891	
Non-controlling interests	**(11)**	(7)	
	(204)	884	

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

	HY2017	HY2016
	S$'000	S$'000
Depreciation of property, plant and equipment	**159**	182
Foreign exchange loss/(gain)	**17**	148
Interest income	**(2)**	(4)
Interest expense	**7**	90
Gain on disposal of property, plant and equipment	**-**	(4)
Provision for warranty	**-**	129
Amortisation of intangible assets	**-**	238
Fair value adjustment on financial asset at fair value through profit or loss	**-**	6

1 (b) (i) Statement of Financial Position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	30/06/2017	31/12/2016	**30/06/2017**	31/12/2016
	S$'000	S$'000	**S$'000**	S$'000
ASSETS				
Non-Current Assets				
Property, plant and equipment	**1,008**	1,130	**42**	46
Investment in subsidiaries	**-**	-	**8,232**	7,703
	1,008	1,130	**8,274**	7,749
Current Assets				
Inventories	**1,915**	1,395	**-**	-
Gross amount due from customers for contract work-in-progress	**9,153**	9,229	**-**	-
Trade and other receivables	**9,722**	7,667	**19,542**	18,443
Prepaid operating expenses	**134**	117	**53**	53
Fixed deposits pledged	**151**	159	**-**	-
Cash and bank balances	**3,840**	7,344	**565**	3,971
	24,915	25,911	**20,160**	22,467
Total Assets	**25,923**	27,041	**28,434**	30,216
EQUITY AND LIABILITIES				
Capital and Reserve				
Share capital	**18,192**	18,192	**18,192**	18,192
Accumulated losses	**(4,373)**	(4,108)	**(10,156)**	(9,308)
Reserve	**-**	-	**-**	-
Foreign currency translation reserve	**(1,658)**	(1,730)	**-**	-
Attributable to shareholders of the Company	**12,161**	12,354	**8,036**	8,884
Non-controlling interests	**44**	55	**-**	-
Total equity	**12,205**	12,409	**8,036**	8,884
Non-Current Liabilities				
Deferred tax liabilities	**108**	109	**-**	-
Obligation under finance lease	**20**	55	**-**	-
	128	164	**-**	-
Current Liabilities				
Trade and other payables	**13,295**	14,169	**20,398**	21,332
Current tax payable	**223**	203	**-**	-
Finance Lease Payables	**72**	96	**-**	-
	13,590	14,468	**20,398**	21,332
Total Equity and Liabilities	**25,923**	27,041	**28,434**	30,216

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

Amount repayable within one year

As at 30 June 2017		As at 31 December 2016	
Secured	**Unsecured**	Secured	Unsecured
S$'000	**S$'000**	S$'000	S$'000
72	**-**	96	-

Amount repayable after one year

As at 30 June 2017		As at 31 December 2016	
Secured	**Unsecured**	Secured	Unsecured
S$'000	**S$'000**	S$'000	S$'000
20	**-**	55	-

Details of collaterals

Secured loans are vehicles bought on finance leases.

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

	HY2017	HY2016
	S$'000	S$'000
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax	**(252)**	815
Adjustments for:		
Depreciation of property, plant and equipment	**158**	182
Gain on disposal of property, plant and equipment	**-**	(4)
Interest expense	**7**	90
Interest income	**(2)**	(4)
Amortisation of intangible assets	**-**	238
Fair value adjustment on financial asset at fair value through profit or loss	**-**	6
Provision for warranty - Write Back	**-**	129
Operating profit before working capital changes	**(89)**	1,452
(Increase)/Decrease in inventories	**(520)**	817
(Increase)/Decrease in amount due from customers for contract work-in-progress	**76**	(5,883)
(Increase)/Decrease in trade and other receivables	**(1,999)**	755
Increase/(Decrease) in trade and other payables	**(874)**	160
Currency translation adjustments	**75**	381
Cash used in operations	**(3,331)**	(2,318)
Interest received	**2**	4
Tax paid	**(78)**	(173)
Net cash used in operating activities	**(3,407)**	(2,487)

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

	HY2017	HY2016
	S$'000	S$'000
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(40)**	(237)
Proceeds from disposal of property, plant and equipment	**-**	4
Net cash used in investing activities	**(40)**	(233)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of bank borrowings	**-**	(105)
Bank borrowings	**-**	1,586
Interest paid	**(7)**	(90)
Repayment of finance lease obligation	**(58)**	(56)
Fixed deposit pledged	**8**	(11)
Net cash used in financing activities	**(57)**	1,324
NET DECREASE IN CASH AND BANK BALANCES	**(3,504)**	(1,396)
CASH AND BANK BALANCES AT THE BEGINNING OF PERIOD	**7,344**	9,391
CASH AND BANK BALANCES AT THE END OF PERIOD	**3,840**	7,995

1(d)(i) A statement (for the company and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attributable to shareholders of the Company						
	Share Capital	Foreign currency translation reserve	Accumulated Losses	Reserve	Total	Non-controlling Interests	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
The Group							
At 1 January 2016	17,580	(1,693)	(1,792)	612	14,707	108	14,815
Profit for the period	-	-	579	-	579	(36)	543
Other comprehensive income							
Exchange differences on translating foreign operations, net of tax	-	312	-	-	312	29	341
Total comprehensive income/(loss) for the period	-	312	579	-	891	(7)	884
Remuneration shares	612	-	-	(612)	-	-	-
At 30 June 2016	18,192	(1,381)	(1,213)	-	15,598	101	15,699
At 1 January 2017	**18,192**	**(1,730)**	**(4,108)**	**-**	**12,354**	**55**	**12,409**
Proft for the period	**-**	**-**	**(265)**	**-**	**(265)**	**(11)**	**(276)**
Other comprehensive income							
Exchange differences on translating foreign operations, net of tax	**-**	**72**	**-**	**-**	**72**	**-**	**72**
Total comprehensive income/(loss) for the period	**-**	**72**	**(265)**	**-**	**(193)**	**(11)**	**(204)**
Remuneration shares	**-**	**-**	**-**	**-**	**-**	**-**	**-**
At 30 June 2017	**18,192**	**(1,658)**	**(4,373)**	**-**	**12,161**	**44**	**12,205**
The Company							
At 1 January 2016	17,580	-	(9,765)	612	8,427	-	8,427
Profit for the period	-	-	392	-	392	-	392
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	-	-	392	-	392	-	392
Remuneration shares	612	-	-	(612)	-	-	-
At 30 June 2016	18,192	-	(9,373)	-	8,819	-	8,819
At 1 January 2017	**18,192**	**-**	**(9,308)**	**-**	**8,884**	**-**	**8,884**
Profit for the period	**-**	**-**	**(848)**	**-**	**(848)**	**-**	**(848)**
Other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive income/(loss) for the period	**-**	**-**	**(848)**	**-**	**(848)**	**-**	**(848)**
Remuneration shares	**-**	**-**	**-**	**-**	**-**	**-**	**-**
At 30 June 2017	**18,192**	**-**	**(10,156)**	**-**	**8,036**	**-**	**8,036**

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.**

The company did not have any convertible instruments, treasury shares or subsidiary holding as at 30 June 2017 and 30 June 2016.

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

There were no treasury shares as at 30 June 2017 and 31 December 2016. The total number of issued shares as at 30 June 2017 was 373,285,542 and 31 December 2016 was 373,285,542.

1(d)(iv) **A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable as the company did not have any treasury shares during, and at the end of, the financial period reported on.

1(d)(v) **A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable as the company did not have any subsidiary holdings during, and at the end of, the 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 not been audited or reviewed by the auditors.

3 **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)**

Not applicable.

4 **Whether the same accounting policies and methods of computation as in the company's most recently audited annual financial statements have been applied.**

The accounting policies and methods of computation are consistent with the latest audited financial statements for the year ended 31 December 2016.

5 **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change.**

The Group has applied the same accounting policies and methods of computation in the preparation of financial statements for the current reporting period compared with the latest audited financial statements for the financial year ended 31 December 2016.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for dividends.

	HY2017 S$'000	HY2016 S$'000
Net profit attributable to shareholders of the Company	**(265)**	579
Earnings per share for the period based on the weighted average number of shares in issue of 373,285,542 for HY2017 (HY2016:373,285,542)		
	Cents	Cents
Basic earnings per share	**(0.07)**	0.16
Diluted earnings per share	**(0.07)**	0.16

There is no dilutive effect for the period ended 30 June 2017.

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

	Group		Company	
	30/06/2017 Cents	31/12/2016 Cents	**30/06/2017 Cents**	31/12/2016 Cents
Net asset value per share	**3.26**	3.32	**2.15**	2.38

Net asset value per ordinary share as at 30 June 2017 and 31 December 2016 has been computed based on 373,285,542 and 373,285,542 ordinary shares respectively.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period on, including (where applicable) seasonal or cyclical factors: and

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

Statement of comprehensive income (HY2017 vs HY2016)

Revenue

The Group registered an decrease in revenue in the current financial period. Revenue decreased from S$28.62 million in HY2016 to S$5.26 million in HY2017.

This was mainly due to a decrease in revenue of approximately S$10.11 million from the manufacturing segment and S$13.25 from engineering segment due to absence of revenue from new projects.

Gross profit margin

Although the revenue decreased in the current financial period, gross profit margin increased to 50.0% in HY2017 as compared to 15.7% in HY2016.

Other operating income

Other operating income decreased by S$0.05 million from S$0.34 million in HY2016 to S$0.29 million in HY2017. This decrease was mainly due to less government grants received in HY2017.

Administrative expenses

Administrative expenses decreased from S$2.42 million in HY2016 to S$2.31 million in HY2017. This was mainly due to a decrease in administrative costs in line with lower sales and production activity accordingly.

Other operating expenses

The other operating expenses decreased from S$1.50 million in HY2016 to S$0.85 million in HY2017. This decrease was mainly due to intangible assets being fully amortised in FY2016 and the absence of provision of warranty in HY2017. Upkeep of equipment and rental expenses dropped from S$0.45 million in HY2016 to S$0.29 million in HY2017.

Finance costs

Finance costs decreased from S$90,000 in HY2016 to S$7,000 in HY2017.

Tax expense

Tax expense decreased from S$0.27 million in HY2016 to S$0.03 million in HY2017.

Profit after taxation

Overall, the Group incurred a losses of S$0.28 million in HY2017 as compared to a profit S$0.54 million in HY2016.

Statement of Financial Position (HY2017 vs FY2016)

In HY2017, the value of the property, plant and equipment decreased from S$1.13 million in FY2016 to S$1.0 million mainly due to depreciation of plant and machinery.

Inventories increased from S$1.40 million as at 31 December 2016 to S$1.92 million as at 30 Jun 2017 due to increased stock holding of raw materials.

Trade and other receivables increased by S$2.05 million for the half year ended 30 June 2017 largely due to funds placed in escrow with the subsidiary's Judicial Manager (Deloitte) for a proposed scheme of arrangement pursuant to section 227X of the Companies Act (Cap. 50) in relation to the subsidiary's on going disputes in Changi Airport T4 & T1E projects.

Trade and other payables decreased slightly from S$14.17 million as at 31 December 2016 to S$13.30 million as at 30 June 2017.

Liquidity

The Group's cash and cash equivalents reduced from S$7.34 million in FY2016 to S$3.84 million as at 30 June 2017 largely due to funds placed in escrow witht the subsidiary's Judicial Manager (Deloitte) for a proposed scheme of arrangement pursuant to section 227X of the Companies Act (Cap. 50) in relation to the subsidiary's on going disputes in Changi Airport T4 & T1E projects.

Net cash used in operating activities for HY2017 was S$3.41 million as compared to net cash used of S$0.88 million for FY2016.

Net cash used in financing activities was S$0.06 million in HY2017 as compared to net cash used of S$0.88 million in FY2016. This was due mainly to repayments for bank borrowings in FY2016.

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

The results are in line with the prospect statement disclosed in the previous results announcement where we stated that our restructuring efforts are on-going, as well as the subsidiary's on going disputes in relation to their projects at Changi Airport T4 & T1E.

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.

Economic conditions continue to be difficult. The uncertainty arising from the subsidiary's on going disputes in relation to their projects at Changi Airport T4 & T1E persist.

11. Dividend

(a) Current Financial Period Report on

Any dividend declared for the current financial period reported on?

N/A

(b) Corresponding Period of the immediately Preceding Financial Year

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

(c) Date payable

N/A

(d) Books closure date

N/A

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

No.

13. Interested Party Transactions

Name of interested person	Aggregate value of all interested transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)	
	HY 2017	HY 2016	**HY 2017**	HY 2016
	$'000	$'000	**$'000**	$'000
Chern Dar Enterprise Co. Ltd				
Purchases	-	-	**106**	2,474

The Company wishes to advise that there is a general mandate obtained from shareholders for Interested Person Transactions on 28 April 2017.

14. Negative Assurance Confirmation on Half Year Financial Results Pursuant to Rule 705(5) of the Listing Manual.

The Board confirms that to the best of its knowledge, nothing has come to its attention which may render the financial results of the 6 months ended 30 June 2017 to be false or misleading in any material aspect. A confirmation signed by two directors on behalf of the Board of Directors is on record.

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

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

On Behalf of the Board of Directors

Name of Director:

Loh Yih

Designation:

Executive Chairman

Name of Director

Wong Kok Chye

Designation:

Executive Director and Group CEO

Wong Kok Chye
Group Chief Executive Officer

11 August 2017

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

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

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