



ES GROUP (HOLDINGS) LIMITED

(Company Registration No. 200410497Z)

(Incorporated in the Republic of Singapore)

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER (“FY”) 2016

This announcement has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, SAC Advisors Private Limited (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.

The contact person for the Sponsor is Ms. Lee Khai Yinn (Tel: (65) 6532 3829) at 1 Robinson Road #21-02 AIA Tower, Singapore 048542. SAC Capital Private Limited is the parent company of SAC Advisors Private Limited.



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PART 1 – INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

1(a)(i) An income statement and 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) %
	Unaudited FY2016 S\$'000	Audited FY2015 S\$'000	
Revenue	22,717	38,511	(41.0)
Cost of services	<u>(19,309)</u>	<u>(29,540)</u>	(34.6)
Gross profit	3,408	8,971	(62.0)
Other operating income	1,469	1,381	6.4
Administrative expenses	(7,186)	(7,191)	(0.1)
Other operating expenses	(3,080)	(4,612)	(33.2)
Finance costs	(64)	(99)	(35.4)
Share of loss on associate	-	<u>(77)</u>	n/m
Loss before income tax	(5,453)	(1,627)	235.2
Income tax credit	-	<u>77</u>	n/m
Loss for the year	(5,453)	(1,550)	251.8
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations	<u>161</u>	<u>(268)</u>	n/m
Total comprehensive income for the year	(5,292)	(1,818)	191.1
(Loss) / profit attributable to:			
Owners of the Company	(4,825)	(1,906)	153.1
Non-controlling interests	<u>(628)</u>	<u>356</u>	n/m
	(5,453)	(1,550)	251.8
Total comprehensive income attributable to:			
Owners of the Company	(4,742)	(2,040)	132.5
Non-controlling interests	<u>(550)</u>	<u>222</u>	n/m
	(5,292)	(1,818)	191.1

n/m: not meaningful

1(a)(ii) Notes to consolidated statement of comprehensive income.

Loss for the year is arrived at after charging / (crediting) the following items:

	Group		Increase/ (Decrease) %
	Unaudited FY2016 S\$'000	Audited FY2015 S\$'000	
Allowance for impairment of amount due from an associate	-	303	n/m
Allowance for impairment of receivables	801	-	n/m
Depreciation of property, plant and equipment (Gain) / loss on disposal of property, plant and equipment	1,813	1,900	(4.6)
	(43)	7	n/m
Interest expenses	64	99	(35.4)
Interest income	(53)	(29)	82.8
Impairment of investment in an associate	-	68	n/m
Impairment of property, plant and equipment	444	-	n/m
Net foreign exchange loss	-	644	n/m
Property, plant and equipment written off	7	-	n/m
Over provision of tax	<u>-</u>	<u>(77)</u>	n/m

n/m: not meaningful



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

	Group		Company	
	Unaudited 31/12/2016 S\$'000	Audited 31/12/2015 S\$'000	Unaudited 31/12/2016 S\$'000	Audited 31/12/2015 S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	4,979	8,945	126	112
Trade receivables	10,356	16,548	-	353
Finance lease receivable	2,346	2,141	-	-
Work-in-progress	8,691	6,223	-	-
Other receivables	1,141	1,115	19,353	19,481
Inventories	585	915	-	-
Total current assets	<u>28,098</u>	<u>35,887</u>	<u>19,479</u>	<u>19,946</u>
Non-current assets				
Deposits	4	22	-	-
Finance lease receivable	3,212	5,558	-	-
Associate	-	-	-	-
Subsidiaries	-	-	17,342	21,182
Club membership	50	50	-	-
Property, plant and equipment	<u>15,988</u>	<u>12,789</u>	-	-
Total non-current assets	<u>19,254</u>	<u>18,419</u>	<u>17,342</u>	<u>21,182</u>
Total assets	<u>47,352</u>	<u>54,306</u>	<u>36,821</u>	<u>41,128</u>
LIABILITIES AND EQUITY				
Current liabilities				
Bank loans	5,491	1,344	-	-
Trade payables	1,432	2,895	-	85
Other payables	7,950	8,526	12,636	13,374
Finance leases payables	91	362	-	-
Income tax payables	-	6	-	-
Total current liabilities	<u>14,964</u>	<u>13,133</u>	<u>12,636</u>	<u>13,459</u>
Non-current liabilities				
Bank loans	1,133	4,589	-	-
Finance leases payables	57	84	-	-
Total non-current liabilities	<u>1,190</u>	<u>4,673</u>	-	-
Capital, reserves and non-controlling interests				
Share capital	23,698	23,698	23,698	23,698
Retained earnings	23,693	28,664	487	3,971
Statutory surplus reserve	404	392	-	-
Currency translation reserve	(293)	(375)	-	-
Merger reserve	(18,570)	(18,570)	-	-
Equity attributable to owners of the Company	28,932	33,809	24,185	27,669
Non-controlling interests	<u>2,266</u>	<u>2,691</u>	-	-
Total equity	<u>31,198</u>	<u>36,500</u>	<u>24,185</u>	<u>27,669</u>
Total liabilities and equity	<u>47,352</u>	<u>54,306</u>	<u>36,821</u>	<u>41,128</u>



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

Amount repayable in one year or less, or on demand

Group as at 31/12/2016		Group as at 31/12/2015	
Unaudited		Audited	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
5,582	-	1,706	-

Amount repayable after one year

Group as at 31/12/2016		Group as at 31/12/2015	
Unaudited		Audited	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
1,190	-	4,673	-

Details of any collateral

The Group's borrowings are secured by legal mortgage of the Group's leasehold land and property, a leased vessel, corporate guarantees, and a personal guarantee provided by a director for the finance lease.

Obligations under finance leases are secured over the leased assets.



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1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	Unaudited FY2016 S\$'000	Audited FY2015 S\$'000
Operating activities		
Loss before income tax	(5,453)	(1,627)
Adjustments for:		
Interest income	(53)	(29)
Interest expenses	64	99
Property, plant and equipment written off	7	-
Depreciation of property, plant and equipment	1,813	1,900
Share of loss of associate	-	77
Allowance for impairment of receivables	801	-
Allowance for impairment of amount due from an associate	-	303
Impairment of investment in an associate	-	68
Impairment of property, plant and equipment	444	-
(Gain) / loss on disposal of property, plant and equipment	<u>(43)</u>	<u>7</u>
Operating cash flows before movements in working capital	(2,420)	798
Trade receivables	5,586	(202)
Work-in-progress	(2,400)	1,800
Other receivables	(5)	644
Inventories	338	409
Trade payables	(1,499)	(2,894)
Other payables	(947)	(952)
Finance lease receivable	<u>2,141</u>	<u>1,953</u>
Cash generated from operations	794	1,556
Interest received	53	29
Income tax paid	<u>(6)</u>	<u>(17)</u>
Net cash from operating activities	<u>841</u>	<u>1,568</u>
Investing activities		
Proceeds on disposal of property, plant and equipment	51	13
Purchases of property, plant and equipment (Note A)	<u>(5,162)</u>	<u>(525)</u>
Net cash used in investing activities	<u>(5,111)</u>	<u>(512)</u>
Financing activities		
Dividends paid	-	(4,069)
Interest paid	(64)	(99)
Proceeds from term loans	1,600	-
Loan from a director of subsidiary	-	3,519
Repayments of term loans	(1,343)	(2,523)
Repayment of obligations under finance leases	<u>(372)</u>	<u>(394)</u>
Net cash used in financing activities	<u>(179)</u>	<u>(3,566)</u>
Net decrease in cash and cash equivalents	(4,449)	(2,510)
Cash and cash equivalents at the beginning of the year	8,945	11,476
Effects of exchange rate changes on the balance of cash held in foreign currencies	<u>49</u>	<u>(21)</u>
Cash and cash equivalents at end of the year (Note B)	<u>4,545</u>	<u>8,945</u>



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Notes to consolidated statement of cash flows

A) Cash payments on purchases of property, plant and equipment:

	FY2016	FY2015
	S\$'000	S\$'000
Purchases of property, plant and equipment	5,226	525
Less: Property, plant and equipment acquired under finance lease arrangements	<u>(64)</u>	<u>-</u>
	<u>5,162</u>	<u>525</u>

B) Cash and cash equivalents comprise:

	As at	As at
	31/12/2016	31/12/2015
	S\$'000	S\$'000
Cash at bank and on hand	1,535	6,169
Fixed deposits	<u>3,444</u>	<u>2,776</u>
Cash and cash equivalents in Statement of Financial Position	4,979	8,945
Bank overdraft	<u>(434)</u>	<u>-</u>
Cash and cash equivalents in Statement of Cash Flows	<u>4,545</u>	<u>8,945</u>



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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.

	<u>Share capital</u> S\$'000	<u>Currency Translation reserve</u> S\$'000	<u>Merger reserve</u> S\$'000	<u>Statutory surplus reserve</u> S\$'000	<u>Retained earnings</u> S\$'000	<u>Attributable to owners of the Company</u> S\$'000	<u>Non-controlling interests</u> S\$'000	<u>Total</u> S\$'000
Group								
Balance at 1 January 2015	23,698	(241)	(18,570)	224	31,091	36,202	6,185	42,387
Total comprehensive income for the year								
- (Loss) / profit for the year	-	-	-	-	(1,906)	(1,906)	356	(1,550)
- Other comprehensive income	-	(134)	-	-	-	(134)	(134)	(268)
Appropriations	-	-	-	168	(168)	-	-	-
Dividends	-	-	-	-	(353)	(353)	(3,716)	(4,069)
Balance at 31 December 2015	23,698	(375)	(18,570)	392	28,664	33,809	2,691	36,500
Total comprehensive income for the year								
- Loss for the year	-	-	-	-	(4,825)	(4,825)	(628)	(5,453)
- Other comprehensive income	-	82	-	-	-	82	79	161
Appropriations	-	-	-	12	(12)	-	-	-
Acquisition of non-controlling interest without a change in control	-	-	-	-	(134)	(134)	124	(10)
Balance at 31 December 2016	<u>23,698</u>	<u>(293)</u>	<u>(18,570)</u>	<u>404</u>	<u>23,693</u>	<u>28,932</u>	<u>2,266</u>	<u>31,198</u>
Company								
Balance at 1 January 2015	23,698	540	24,238					
Profit for the year, representing total comprehensive income for the year	-	3,784	3,784					
Dividends	-	(353)	(353)					
Balance at 31 December 2015	23,698	3,971	27,669					
Loss for the year, representing total comprehensive income for the year	-	(3,484)	(3,484)					
Balance at 31 December 2016	<u>23,698</u>	<u>487</u>	<u>24,185</u>					



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- 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 current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

	<u>Company</u>	
	No. of shares	Issued and paid-up share capital S\$
Balance as at 30 June 2016 and 31 December 2016	<u>141,200,000</u>	<u>23,698,348</u>

There were no changes in the Company's share capital during FY2016. As at 31 December 2016 and 31 December 2015, the Company has no outstanding options, convertibles or treasury shares.

- 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.**

	<u>Company</u>	
	31/12/2016	31/12/2015
Total number of issued shares (excluding treasury shares)	141,200,000	141,200,000

- 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.**

Not applicable as the Company has no treasury shares.

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

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

- 3 Where the figures have been audited or reviewed, the auditor's 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 disclosed in Note 5 below, the accounting policies and methods of computation applied by the Group in the financial statements FY2016 are consistent with those used in its most recently audited financial statements for FY2015.

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

The Group has adopted all the new and revised Singapore Financial Reporting Standards ("FRSs") and Interpretations of FRS ("INT FRS") that are relevant for its operations and are effective for the financial year beginning on or after 1 January 2016. The adoption of these new/revised FRSs and INT FRS is not expected to have any significant impact on the Group's financial statements.

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	
	Unaudited FY2016	Audited FY2015
Loss per share		
(i) Based on the weighted average number of shares	(3.42) cents ^(a)	(1.35) cents ^(a)
(ii) On a fully diluted basis	(3.42) cents	(1.35) cents
Weighted average number of shares in issue	141,200,000	141,200,000

a) Loss per share for the financial years ended 31 December 2016 and 2015 have been computed based on net loss attributable to the owners of the Company divided by the weighted average number of shares in issue.

As at 31 December 2016 and 31 December 2015, the Company did not have any dilutive instruments. Hence, the basic and fully diluted loss per ordinary share in both periods under review are the same.

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	
	Unaudited 31/12/2016	Audited 31/12/2015	Unaudited 31/12/2016	Audited 31/12/2015
Net asset value per share based on the number of issued shares	20.49 cents ^(a)	23.94 cents ^(b)	17.13 cents ^(a)	19.60 cents ^(b)
Number of shares	141,200,000	141,200,000	141,200,000	141,200,000

a) Net asset value per share as at 31 December 2016 has been computed based on equity attributable to owners of the Company for the financial year ended 31 December 2016 divided by the number of shares as at 31 December 2016.

b) Net asset value per share as at 31 December 2015 has been computed based on equity attributable to owners of the Company for the financial year ended 31 December 2015 divided by the number of shares issued as at 31 December 2015.

- 8 A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.**

(a) Review of Financial Performance of the Group

Revenue decreased by S\$15.8 million or 41.0% to S\$22.7 million in FY2016 from S\$38.5 million in FY2015, impacted by the prolonged slowdown in the global offshore, marine and shipping industry substantially caused by the low crude oil price.

Revenue from the new building and conversion segment decreased by S\$10.3 million or 35.2% to S\$19.1 million in FY2016 from S\$29.4 million in FY2015, mainly due to lower revenue contribution from the Group's Thailand subsidiary. Revenue from the repair segment decreased by S\$5.5 million or 59.9% to S\$3.6 million in FY2016 from S\$9.1 million in FY2015, mainly due to fewer projects in FY2016.

Revenue from Singapore decreased by S\$4.0 million or 17.1% to S\$19.5 million in FY2016 from S\$23.5 million in FY2015 and revenue from Thailand decreased by S\$11.8 million or 79.6% to S\$3.0 million in FY2016 from S\$14.8 million in FY2015.

As a result, gross profit decreased by S\$5.6 million or 62.0% to S\$3.4 million in FY2016 from S\$9.0 million in FY2015. Gross profit margin decreased by 8.3 percentage points to 15.0% in FY2016 from 23.3% in FY2015 due to lower economy of scale.

Administrative expenses remained at S\$7.2 million in FY2016 and FY2015. The variance of 0.1% comprised allowance for impairment of receivables of S\$0.8 million and impairment of property, plant and equipment of S\$0.4 million, offset with reduction in insurance expense of S\$0.2 million, payroll related expenses of S\$0.2 million, other expenses of S\$0.5 million and absence of one-off allowance for impairment of amount due from an associate of S\$0.3 million in FY2015.

Other operating expenses decreased by S\$1.5 million or 33.2% to S\$3.1 million in FY2016 from S\$4.6 million in FY2015 due to an absence of foreign exchange loss of S\$0.6 million, a decrease in repair and maintenance expense of S\$0.6 million, a decrease in rental expense incurred by workshop and dormitory of S\$0.2 million and a decrease in water and electricity charges of S\$0.1 million.

The Group's loss for the year also increased to S\$5.5 million in FY2016 from S\$1.6 million in FY2015. Net loss attributable to owners of the Company increased to S\$4.8 million in FY2016 from S\$1.9 million in FY2015.

(b) Review of Financial Position of the Group

The Group recorded positive working capital of S\$13.1 million as at 31 December 2016 compared to S\$22.8 million as at 31 December 2015.



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Assets

Current assets

The Group's current assets decreased by S\$7.8 million to S\$28.1 million as at 31 December 2016 from S\$35.9 million as at 31 December 2015 contributed by the following:

- a) decrease in trade receivables of S\$6.2 million mainly due to reduction in revenue;
- b) decrease in inventories of S\$0.3 million due to lower purchase of materials; and
- c) decrease in cash and cash equivalents of S\$4.0 million (as explained in paragraph 8(c) under "Review of Statement of Cash Flows of the Group").

The declines above were partially offset by an increase in finance lease receivable of S\$0.2 million and an increase in work-in-progress of S\$2.5 million due to more on-going projects in FY2016.

Non-current assets

Non-current assets increased by S\$0.8 million to S\$19.2 million as at 31 December 2016 from S\$18.4 million as at 31 December 2015 mainly as result of purchases of property, plant and equipment of S\$5.3 million, partially offset by depreciation of S\$1.8 million, impairment of property, plant and equipment of S\$0.4 million and a reduction in finance lease receivable of S\$2.3 million.

Liabilities

Current liabilities

Current liabilities increased by S\$1.8 million to S\$14.9 million as at 31 December 2016 from S\$13.1 million as at 31 December 2015. The increase was contributed by the increase in bank loans of S\$4.2 million for purchase of a trading tanker, which was partially offset by the followings:

- a) decrease in trade payables of S\$1.5 million mainly due to reduction in purchases of materials and fewer projects in Thailand resulting in lower payables to the subcontractors;
- b) decrease in other payables of S\$0.6 million mainly due to lower accrual of bonus and related expenses; and
- c) decrease in finance leases payables of S\$0.3 million due to more leased vehicles having been fully paid;

Non-current liabilities

Non-current liabilities decreased by S\$3.5 million to S\$1.2 million as at 31 December 2016 from S\$4.7 million as at 31 December 2015 due to the repayment of bank loans and finance leases payables.

Total equity

Total equity of the Group decreased by S\$5.3 million, from S\$36.5 million as at 31 December 2015 to S\$31.2 million as at 31 December 2016 due to the net loss reported in FY2016. The Group's equity attributable to owners of the Company decreased by S\$4.9 million to S\$28.9 million as at 31 December 2016 from S\$33.8 million as at 31 December 2015.



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(c) Review of Statement of Cash Flows of the Group

In FY2016, net cash generated from operating activities amounted to S\$0.8 million, due to negative operating cash flow before changes in working capital of S\$2.4 million offset by net cash generated from working capital of S\$3.2 million.

The net cash generated from working capital of S\$3.2 million in FY2016 was mainly due to (i) a reduction in trade receivables of S\$5.6 million; (ii) a decrease in inventory of S\$0.3 million; and (iii) a reduction in finance lease receivable of S\$2.1 million, which were partially offset by (a) an increase in work-in-progress of S\$2.4 million; (b) a decrease in trade payables of S\$1.5 million; and (c) a decrease in other payables of S\$0.9 million.

Net cash used in investing activities of S\$5.1 million in FY2016 was due to additional property, plant and equipment purchased amounting to S\$5.2 million comprising a trading tanker of S\$5.0 million; a motor vehicle of S\$0.2 million, and other assets of S\$0.1 million, partially offset by proceeds from disposal of property, plant and equipment of S\$0.1 million.

Net cash used in financing activities of S\$0.2 million in FY2016 was due to (i) S\$1.7 million repayments of term loans and finance leases payables; and (ii) interest payment of S\$0.1 million, partially offset by proceeds from term loans of S\$1.6 million.

As a result of the above cash and cash equivalents decreased by S\$4.4 million to S\$4.5 million as at 31 December 2016 from S\$8.9 million as at 31 December 2015.

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

The unaudited financial results for FY2016 set out in this announcement are in line with the prospect statement disclosed in section 10 of the Company's financial results announcement dated 11 August 2016 where it mentioned that the Group was expecting a full year loss.

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 year and the next 12 months.

The slow down and uncertainty in the global offshore, marine and shipping industry has continued to impact the Group's core business and margin.

In late 2016, the Group further extended its business segment of the ship owning and operation with the acquisition of a trading tanker.

Amid the challenges, the Group will continue to focus on cost efficiencies, in order to maintain a healthy financial position. At the same time, it will continue to explore new business opportunities or strategic alliances to enhance value for shareholders in the long run.



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11 Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

No dividend has been declared or recommended for FY2016.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None.

(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 shareholders, this must be stated).

Not applicable.

(d) Date payable

Not applicable.

(e) Books closure date

Not applicable.

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

No dividend has been declared/recommended for FY2016.

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 Company has not obtained a general mandate from shareholders in respect of interested person transactions.

Name of interested person	Aggregate value of all interested person transaction 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 person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	S\$'000	S\$'000
Low Chye Hin ⁽¹⁾ Provision of consultancy services and allowance	206	-
Total	206	-

Note:-

(1) Low Chye Hin, the Group's consultant, is the father of Low Chee Wee ("CEO") cum Chief Operating Officer ("COO").



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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 has procured undertakings from all its directors and executive officers in the format as set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

15 Segmented revenue and results for operating 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.

(a) Business segments

31/12/2016 (Unaudited)	New building and conversion S\$'000	Repair S\$'000	Total S\$'000
Revenue			
Segment revenue	<u>19,073</u>	<u>3,644</u>	<u>22,717</u>
Results			
Segment results	2,850	558	3,408
Other operating income			1,469
Administrative expenses			(7,186)
Other operating expenses			(3,080)
Finance costs			<u>(64)</u>
Loss before income tax			(5,453)
Income tax expense			<u>-</u>
Loss for the year			<u>(5,453)</u>
Other information			
Capital expenditure			5,226
Allowance for impairment of receivables			801
Depreciation of property, plant and equipment			1,813
Impairment of property, plant and equipment			444
Property, plant and equipment written off			7
Gain on disposal of property, plant and equipment			<u>43</u>
Assets and Liabilities			
Segment assets	29,197	2,510	31,707
Unallocated corporate assets			<u>15,646</u>
Total assets			<u>47,353</u>
Segment liabilities	3,792	-	3,792
Unallocated corporate liabilities			<u>12,362</u>
Total liabilities			<u>16,154</u>



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31/12/2015 (Audited)	New building and conversion S\$'000	Repair S\$'000	Total S\$'000
Revenue			
Segment revenue	<u>29,429</u>	<u>9,082</u>	<u>38,511</u>
Results			
Segment results	7,371	1,600	8,971
Other operating income			1,381
Administrative expenses			(7,191)
Other operating expenses			(4,612)
Finance costs			(99)
Share of loss on associate			<u>(77)</u>
Loss before income tax			(1,627)
Income tax credit			<u>77</u>
Loss for the year			<u>(1,550)</u>
Other information			
Capital expenditure			525
Depreciation of property, plant and equipment			1,900
Allowance for impairment of amounts due from an associate			303
Impairment of investment in associate			68
Loss on disposal of property, plant and equipment			<u>7</u>
Assets and Liabilities			
Segment assets	33,605	4,786	38,391
Unallocated corporate assets			<u>15,915</u>
Total assets			<u>54,306</u>
Segment liabilities	6,144	-	6,144
Unallocated corporate liabilities			<u>11,662</u>
Total liabilities			<u>17,806</u>

(b) Geographical segments

The Group operates in three main geographical areas – Singapore (country of domicile), Thailand and the People's Republic of China (“PRC”).

The Group's revenue from external customers and information about its segment assets (non-current assets) by geographical location are detailed below:

Geographical segments	Revenue		Non-current assets*	
	Unaudited FY2016 S\$'000	Audited FY2015 S\$'000	Unaudited 31/12/2016 S\$'000	Audited 31/12/2015 S\$'000
Singapore	19,533	23,552	9,174	4,507
Thailand	3,004	14,756	6,858	8,325
PRC	<u>180</u>	<u>203</u>	<u>6</u>	<u>6</u>
Total	<u>22,717</u>	<u>38,511</u>	<u>16,038</u>	<u>12,838</u>

* Non-current assets other than financial instruments.



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16 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Please refer to paragraph 8 above for further details.

17 A breakdown of sales as follows:

<u>Group</u>	FY2016 S\$'000	FY2015 S\$'000	Increase/ (Decrease) %
(a) Sales reported for first half year	10,378	19,721	(47.4)
(b) Operating loss after tax before deducting non-controlling interests reported for first half year	(3,355)	(799)	(319.9)
(c) Sales reported for second half year	12,339	18,790	(34.3)
(d) Operating loss after tax before deducting non-controlling interests reported for second half year	<u>(2,098)</u>	<u>(751)</u>	(179.4)

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:-

	FY2016 S\$'000	FY2015 S\$'000
Ordinary and preference	_____	_____

No dividend has been declared or paid by the Company for FY2016 and FY2015.

- 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, chief executive officer and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of any change in duties and position held, if any, during the year
Christopher Low Chee Leng	44	Brother of Mr Low Chee Wee (CEO cum COO), son of Mdm Neo Peck Keow (Substantial Shareholder) and cousin of Mr Eddy Neo Chiang Swee (Executive Director)	Business Development Manager of the Company since 27 April 2016 (Responsible for overseeing the Group's overseas business developments.)	Mr Christopher Low Chee Leng was re-designated from COO to Business Development Manager on 26 April 2016.
Eric Neo Chiang Yee	38	Brother of Mr Eddy Neo Chiang Swee (Executive Director), cousin of Mr Low Chee Wee (CEO cum COO) and Mr Christopher Low Chee Leng (Substantial Shareholder)	General Manager – Operations of the Company from 1 August 2005 till 29 February 2016. (Responsible for the day-to-day operations of the Company and its subsidiaries and reports to the CEO directly.)	Nil
Low Chye Huek	60	Uncle of Mr Low Chee Wee (CEO cum COO) and Mr Christopher Low Chee Leng (Substantial Shareholder) and Mr Eddy Neo Chiang Swee (Executive Director)	Manager – Human Resources of the Company since 1 April 2002. (Responsible for human resource which includes recruitment, performance management and staff welfare and training.)	Nil
Leow Yuen Chuan	41	Brother-in-law of Mr Christopher Low Chee Leng (Substantial Shareholder)	Manager – Operations of the Company since 6 June 2012. (Responsible for project co-ordination between clients and project team.)	Nil

ON BEHALF OF THE BOARD OF DIRECTORS

Low Chee Wee
Chief Executive Officer
27 February 2017