



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”) 2018**

This announcement has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, ZICO Capital Pte. Ltd. (the “Sponsor”), for compliance with the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual Section B: Rules of Catalyst. 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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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 FY2018 S\$'000	Restated FY2017 S\$'000	
Revenue	27,973	23,455	19.3
Cost of services	<u>(19,647)</u>	<u>(19,279)</u>	1.9
Gross profit	8,326	4,176	99.4
Other operating income	975	982	(0.7)
Administrative expenses	(6,154)	(6,143)	0.2
Other operating expenses	(2,561)	(2,437)	5.1
Finance costs	<u>(421)</u>	<u>(301)</u>	39.9
Profit / (loss) before income tax	165	(3,723)	n/m
Income tax expense	<u>-</u>	<u>(14)</u>	(100.0)
Profit / (loss) for the year	165	(3,737)	n/m
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations	<u>41</u>	<u>79</u>	(48.1)
Total comprehensive income for the year	<u>206</u>	<u>(3,658)</u>	n/m
Profit / (loss) attributable to:			
Owners of the Company	969	(2,586)	n/m
Non-controlling interests	<u>(804)</u>	<u>(1,151)</u>	(30.1)
	<u>165</u>	<u>(3,737)</u>	n/m
Total comprehensive income attributable to:			
Owners of the Company	989	(2,546)	n/m
Non-controlling interests	<u>(783)</u>	<u>(1,112)</u>	(29.6)
	<u>206</u>	<u>(3,658)</u>	n/m

n/m: not meaningful

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

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

	Group		Increase/ (Decrease) %
	Unaudited FY2018 S\$'000	Restated FY2017 S\$'000	
Allowance for impairment of third parties			
trade receivables	595	72	n/m
Depreciation of property, plant and equipment	2,182	2,434	(10.4)
(Gain) / loss on disposal of property, plant and equipment	(29)	1	n/m
Impairment of property, plant and equipment	-	406	(100.0)
Interest expenses	421	301	39.9
Interest income	(44)	(36)	22.2
Net foreign exchange (gain) / loss	(109)	5	n/m
Property, plant and equipment written off	<u>740</u>	<u>16</u>	n/m

n/m: not meaningful

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	Restated	Restated	Unaudited	Audited	Audited
	31/12/2018	31/12/2017	1/1/2017	31/12/2018	31/12/2017	1/1/2017
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS						
Current assets						
Cash and cash equivalents	7,128	8,506	4,979	96	42	126
Trade receivables	15,005	11,724	5,242	1	1	-
Finance lease receivable	-	-	2,346	-	-	-
Contract assets	3,722	7,366	13,805	-	-	-
Other receivables	1,089	832	1,141	16,522	17,759	19,353
Inventories	416	619	586	-	-	-
Total current assets	<u>27,360</u>	<u>29,047</u>	<u>28,099</u>	<u>16,619</u>	<u>17,802</u>	<u>19,479</u>
Non-current assets						
Deposits	4	7	4	-	-	-
Finance lease receivable	-	-	3,212	-	-	-
Investment in an associate	-	-	-	-	-	-
Investments in subsidiaries	-	-	-	19,169	20,158	17,342
Club membership	50	50	50	-	-	-
Property, plant and equipment	<u>19,108</u>	<u>19,931</u>	<u>16,766</u>	-	-	-
Total non-current assets	<u>19,162</u>	<u>19,988</u>	<u>20,032</u>	<u>19,169</u>	<u>20,158</u>	<u>17,342</u>
Total assets	<u>46,522</u>	<u>49,035</u>	<u>48,131</u>	<u>35,788</u>	<u>37,960</u>	<u>36,821</u>
LIABILITIES AND EQUITY						
Current liabilities						
Bank loans	3,553	4,272	5,491	-	-	-
Trade payables	1,950	1,754	1,432	-	-	-
Other payables	6,780	6,167	7,950	10,259	10,641	12,636
Finance leases payables	<u>125</u>	<u>103</u>	<u>155</u>	-	-	-
Total current liabilities	<u>12,408</u>	<u>12,296</u>	<u>15,028</u>	<u>10,259</u>	<u>10,641</u>	<u>12,636</u>
Non-current liabilities						
Bank loans	5,819	8,362	1,133	-	-	-
Finance leases payables	<u>947</u>	<u>965</u>	<u>900</u>	-	-	-
Total non-current liabilities	<u>6,766</u>	<u>9,327</u>	<u>2,033</u>	-	-	-
Capital, reserves and non-controlling interests						
Share capital	23,698	23,698	23,698	23,698	23,698	23,698
Retained earnings	21,655	20,974	23,565	1,831	3,621	487
Statutory surplus reserve	419	409	404	-	-	-
Currency translation reserve	(233)	(253)	(293)	-	-	-
Merger reserve	(18,570)	(18,570)	(18,570)	-	-	-
Equity attributable to owners of the Company	26,969	26,258	28,804	25,529	27,319	24,185
Non-controlling interests	<u>379</u>	<u>1,154</u>	<u>2,266</u>	-	-	-
Total equity	<u>27,348</u>	<u>27,412</u>	<u>31,070</u>	<u>25,529</u>	<u>27,319</u>	<u>24,185</u>
Total liabilities and equity	<u>46,522</u>	<u>49,035</u>	<u>48,131</u>	<u>35,788</u>	<u>37,960</u>	<u>36,821</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 31/12/2018		Group as at 31/12/2017	
Unaudited		Restated	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
3,678	-	4,375	-

Amount repayable after one year

Group as at 31/12/2018		Group as at 31/12/2017	
Unaudited		Restated	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
6,766	-	9,327	-

Details of any collateral

The Group's bank loans are secured by (i) legal mortgage over the Group's leasehold land and property; (ii) a pledge over vessels; and (iii) corporate guarantees by the Company for all the monies owing.

The Group's obligations under finance leases are secured by 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 FY2018 S\$'000	Restated FY2017 S\$'000
Operating activities		
Profit / (loss) before income tax	165	(3,723)
Adjustments for:		
Interest income	(44)	(36)
Interest expenses	421	301
Property, plant and equipment written off	740	16
Depreciation of property, plant and equipment	2,182	2,434
Allowance for impairment of third parties trade receivables	595	72
Impairment of property, plant and equipment	-	406
(Gain) / loss on disposal of property, plant and equipment	(29)	1
Operating cash flows before movements in working capital	4,030	(529)
Trade receivables	(4,112)	(6,571)
Contract assets	3,651	6,427
Other receivables	(242)	310
Inventories	207	(35)
Trade payables	191	713
Other payables	510	634
Finance lease receivable	-	1,540
Cash generated from operations	4,235	2,489
Interest received	44	36
Income tax paid	(3)	(14)
Net cash from operating activities	<u>4,276</u>	<u>2,511</u>
Investing activities		
Proceeds on disposal of property, plant and equipment	40	6
Purchases of property, plant and equipment (Note A)	(1,931)	(1,723)
Net cash used in investing activities	<u>(1,891)</u>	<u>(1,717)</u>
Financing activities		
Interest paid	(421)	(301)
Proceeds from term loans	2,000	12,000
Repayments of loan from a director of subsidiary	-	(2,785)
Repayments of term loans	(5,262)	(5,556)
Repayment of obligations under finance leases	(108)	(172)
Net cash (used in) / from financing activities	<u>(3,791)</u>	<u>3,186</u>
Net (decrease) / increase in cash and cash equivalents	(1,406)	3,980
Cash and cash equivalents at beginning of the year	8,406	4,445
Effects of exchange rate changes on the balance of cash held in foreign currencies	27	(19)
Cash and cash equivalents at end of the year (Note B)	<u>7,027</u>	<u>8,406</u>



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Notes to consolidated statement of cash flows

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

	FY2018	FY2017
	S\$'000	S\$'000
Purchases of property, plant and equipment	2,043	1,932
Less: Property, plant and equipment acquired under finance lease arrangements	<u>(112)</u>	<u>(209)</u>
	<u>1,931</u>	<u>1,723</u>

B) Cash and cash equivalents comprise:

	As at	As at
	31/12/2018	31/12/2017
	S\$'000	S\$'000
Cash at bank and on hand	5,362	6,900
Fixed deposits	<u>1,766</u>	<u>1,606</u>
Cash and cash equivalents in Statement of Financial Position	7,128	8,506
Fixed deposit pledged	(101)	(100)
Bank overdraft	<u>-</u>	<u>-</u>
Cash and cash equivalents in Statement of Cash Flows	<u>7,027</u>	<u>8,406</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 2017 (As previously reported)	23,698	(293)	(18,570)	404	23,693	28,932	2,266	31,198
Effect on the adoption of SFRS (I) 16	-	-	-	-	(128)	(128)	-	(128)
Balance at 1 January 2017 (Restated)	23,698	(293)	(18,570)	404	23,565	28,804	2,266	31,070
Total comprehensive income for the year								
- Loss for the year	-	-	-	-	(2,586)	(2,586)	(1,151)	(3,737)
- Other comprehensive income	-	40	-	-	-	40	39	79
Appropriations	-	-	-	5	(5)	-	-	-
Balance at 31 December 2017 (Restated)	23,698	(253)	(18,570)	409	20,974	26,258	1,154	27,412
Effect on the adoption of SFRS (I) 9	-	-	-	-	(278)	(278)	-	(278)
Balance at 1 January 2018	23,698	(253)	(18,570)	409	20,696	25,980	1,154	27,134
Total comprehensive income for the year								
- Profit / (loss) for the year	-	-	-	-	969	969	(804)	165
- Other comprehensive income	-	20	-	-	-	20	21	41
Appropriations	-	-	-	10	(10)	-	-	-
Acquisition of non-controlling interest without a change in control	-	-	-	-	-	-	8	8
Balance at 31 December 2018	<u>23,698</u>	<u>(233)</u>	<u>(18,570)</u>	<u>419</u>	<u>21,655</u>	<u>26,969</u>	<u>379</u>	<u>27,348</u>
Company								
Balance at 1 January 2017	23,698	487	24,185					
Profit for the year, representing total comprehensive income for the year	-	3,134	3,134					
Balance at 31 December 2017	23,698	3,621	27,319					
Loss for the year, representing total comprehensive income for the year	-	(1,790)	(1,790)					
Balance at 31 December 2018	<u>23,698</u>	<u>1,831</u>	<u>25,529</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 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 the number of subsidiary holdings 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. 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.**

	<u>Company</u>	<u>Issued and paid-up share capital</u>
	No. of shares	S\$
Balance as at 30 June 2018 and 31 December 2018	<u>141,200,000</u>	<u>23,698,348</u>

There were no changes in the Company's share capital during FY2018.

As at 31 December 2018 and 31 December 2017, the Company has no outstanding options, convertibles, treasury shares and subsidiary holdings.

- 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>	
	<u>31/12/2018</u>	<u>31/12/2017</u>
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.

- 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 has no subsidiary holdings.

- 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.



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

The Group has adopted a new financial reporting framework, Singapore Financial Reporting Standards (International) (SFRS(I)s), with effect from 1 January 2018 and has prepared its first set of financial statements under SFRS(I)s for FY2018.

Under the transition requirements of SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International), the date of transition is on 1 January 2017 and accordingly, the statement of financial position has been restated from 1 January 2017.

While adopting the new framework, the Group has also concurrently applied the following new SFRS(I), interpretations of the SFRS(I) and the requirements of SFRS(I) which are mandatory effective from the same date:

- SFRS(I) 15 Revenue from Contracts with Customers;
- SFRS(I) 9 Financial Instruments; and
- SFRS(I) 16 Leases.

Adoption of SFRS(I) 9

The Group has assessed the business models for managing the financial assets and the contractual cash flow characteristics to determine the appropriate classification for each financial asset under SFRS(I) 9.

Adoption of SFRS(I) 16

The Group has opted to early adopt SFRS(I) 16 Leases on 1 January 2018 using the modified retrospective method in accordance with the transitional provisions. On adoption of SFRS(I) 16, the Group will be required to capitalise its lease property and recognise corresponding lease liabilities on the statements of financial position.

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.

Please refer to item 4 above.

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 FY2018	Restated FY2017
Earnings / (loss) per share		
(i) Based on the weighted average number of shares	0.69 cents ^(a)	(1.83) cents ^(a)
(ii) On a fully diluted basis	0.69 cents	(1.83) cents
Weighted average number of shares in issue	141,200,000	141,200,000

a) Earnings / (loss) per share for FY2018 and FY2017 have been computed based on net profit / (loss) attributable to the owners of the Company divided by the weighted average number of shares in issue.

In FY2018 and FY2017, the Company did not have any dilutive instruments. Hence, the basic and fully diluted earnings / (loss) per share in both periods under review are the same.



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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 31/12/2018	Restated 31/12/2017	Unaudited 31/12/2018	Audited 31/12/2017
Net asset value per share based on the number of issued shares	19.10 cents ^(a)	18.60 cents ^(b)	18.08 cents ^(a)	19.35 cents ^(b)
Number of issued shares	141,200,000	141,200,000	141,200,000	141,200,000

- a) Net asset value per share as at 31 December 2018 has been computed based on equity attributable to owners of the Company as at 31 December 2018 divided by the number of issued shares as at 31 December 2018.
- b) Net asset value per share as at 31 December 2017 has been computed based on equity attributable to owners of the Company as at 31 December 2017 divided by the number of issued shares as at 31 December 2017.

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 increased by S\$4.5 million or 19.3% to S\$28.0 million in FY2018 from S\$23.5 million in FY2017, mainly due to the following:

- i) Revenue from the new building and repair segment increased by S\$1.8 million or 9.3% to S\$21.3 million in FY2018 from S\$19.5 million in FY2017, mainly due to more repair and fabrication projects in comparison with FY2017; and
- ii) Revenue from the shipping segment increased by S\$2.7 million or 68.7% to S\$6.6 million in FY2018 from S\$3.9 million in FY2017 mainly due to more chartering and chandler activities in FY2018.

Revenue from Singapore increased by S\$4.9 million or 21.6% to S\$27.7 million in FY2018 from S\$22.8 million in FY2017 mainly due to the increase in revenue from the shipping segment. Revenue contribution from other countries amounting to 1.0% of the Group's total revenue in FY2018 was not significant.

As a result, gross profit increased by S\$4.1 million or 99.4% to S\$8.3 million in FY2018 from S\$4.2 million in FY2017. Gross profit margin increased by 12.0 percentage points to 29.8% in FY2018 from 17.8% in FY2017 due to more efficient management of contracts.

Administrative expenses increased slightly by S\$0.1 million or 0.2% to S\$6.2 million in FY2018 from S\$6.1 million in FY2017 mainly due to the increase in allowance for impairment of third parties trade receivables of S\$0.6 million; partly offset (i) by the absence, in FY2018, of impairment of property, plant and equipment of S\$0.4 million; and (ii) decrease in worker-related insurance expenses of S\$0.1 million.



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Other operating expenses increased by S\$0.1 million or 5.1% to S\$2.5 million in FY2018 from S\$2.4 million in FY2017 mainly due to a one-off property, plant and equipment written off of S\$0.7 million in FY2018, partly offset by (i) a decrease in dormitory and workshop rental expenses of S\$0.4 million; (ii) a decrease in utilities expenses of S\$0.1 million; and (iii) a decrease in staff welfare related expenses and repair and maintenance expenses of S\$0.1 million.

Finance costs increased by S\$0.1 million or 39.9% to S\$0.4 million in FY2018 from S\$0.3 million in FY2017 due to higher average interest cost.

The Group's profit for the year was S\$0.2 million in FY2018 as compared to a loss for the year of S\$3.7 million in FY2017. Net profit attributable to owners of the Company was S\$1.0 million in FY2018 and net loss attributable to owners of the Company was S\$2.6 million in FY2017.

(b) Review of Financial Position of the Group

The Group recorded positive working capital of S\$15.0 million as at 31 December 2018 as compared to S\$16.8 million as at 31 December 2017.

Assets

Current assets

The Group's current assets decreased by S\$1.6 million to S\$27.4 million as at 31 December 2018 from S\$29.0 million as at 31 December 2017 contributed by the following:

- a) decrease in contract assets of S\$3.6 million mainly due to translation of more completed work orders in the new building and repair segment to trade receivables during the year;
- b) decrease in inventories of S\$0.2 million mainly due to lesser purchase of consumable materials stock; and
- c) decrease in cash and cash equivalents of S\$1.4 million (as explained in paragraph 8(c) under "Review of Statement of Cash Flows of the Group").

The above were partially offset by (i) increase in other receivables of S\$0.3 million; and (ii) increase in trade receivables of S\$3.3 million as explained in (a) above.

Non-current assets

Non-current assets decreased by S\$0.8 million to S\$19.2 million as at 31 December 2018 from S\$20.0 million as at 31 December 2017 mainly due to the depreciation and written off of property, plant and equipment in aggregate of S\$2.9 million offset by purchase of property, plant and equipment of S\$1.9 million during the year.

Liabilities

Current liabilities

Current liabilities increased by S\$0.1 million to S\$12.4 million as at 31 December 2018 from S\$12.3 million as at 31 December 2017. The increase was contributed by the following:

- a) increase in trade payables of S\$0.2 million mainly due to more business activities under the shipping segment; and
- b) increase in other payables of S\$0.6 million mainly due to more deposit received and accrual expenses.

The above were partially offset by repayment of bank borrowings of S\$0.7 million.



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Non-current liabilities

Non-current liabilities decreased by S\$2.5 million to S\$6.8 million as at 31 December 2018 from S\$9.3 million as at 31 December 2017 mainly due to repayment of bank borrowings.

Total equity

Total equity of the Group decreased by S\$0.1 million, from S\$27.4 million as at 31 December 2017 to S\$27.3 million as at 31 December 2018 due to the net profit reported in FY2018. The Group's equity attributable to owners of the Company increased by S\$0.7 million to S\$27.0 million as at 31 December 2018 from S\$26.3 million as at 31 December 2017.

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

In FY2018, net cash from operating activities amounted to S\$4.2 million, due to operating cash inflow before movement in working capital of S\$4.0 million and a net cash generated from working capital of S\$0.2 million.

The net cash generated from operations of S\$0.2 million in FY2018 was mainly due to (i) a decrease in contract assets of S\$3.6 million; (ii) a decrease in inventories of S\$0.2 million; (iii) an increase in trade payables of S\$0.2 million; and (iv) an increase in other payables of S\$0.5 million; which were partly offset by an increase in trade receivables of S\$4.1 million and other receivables of S\$0.2 million.

Net cash used in investing activities of S\$1.9 million in FY2018 was mainly due to additional property, plant and equipment which comprised of vessel docking expenses of S\$1.7 million and other assets of S\$0.2 million.

Net cash used in financing activities of S\$3.8 million in FY2018 was due to (i) repayments of term loans and finance leases payables of S\$5.4 million; and (ii) interest payment of S\$0.4 million; partly offset by the proceeds from bank loans of S\$2.0 million.

As a result of the above, cash and cash equivalents decreased by S\$1.4 million to S\$7.0 million as at 31 December 2018 from S\$8.4 million as at 31 December 2017.

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

Not applicable. No forecast or prospect statement had been previously disclosed to shareholders.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting year and the next 12 months.

Despite some signs of recovery in the offshore, marine and shipping industry, the operating conditions remain challenging. An uncertain global economy and increased competition will continue to put pressure on the management of the Company. The Group will continue to stay prudent with on-going lean cost management efforts. In 2019, the Group will further build upon its shipping segment.



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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 / recommended for FY2018.

(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 and the reason(s) for the decision.

No dividend has been declared / recommended for FY2018 as the Group recorded only a small profit in FY2018 and the Board of Directors deemed it more appropriate to conserve the cash in the Group for its business operations.

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	205	-
Eric Neo Chiang Yee ⁽²⁾ Insurance broker services	187	-
Total	392	-



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Notes:-

- (1) Low Chye Hin, the Group's consultant, is the father of Low Chee Wee (Chief Executive Officer ("CEO") cum Chief Operating Officer ("COO")).
- (2) Eric Neo Chiang Yee is the brother of Eddy Neo Chiang Swee (Executive Director) and the cousin of Low Chee Wee (CEO cum COO).

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

The Group has restructured its segment information to more accurately present the Group's existing segment operations from three business segments (namely (i) new building and conversion; (ii) repair; and (iii) shipping) in FY2017 to two business segments (namely (i) new building and repair; and (ii) shipping) in FY2018. The new building and conversion business segment was combined with the repair business segment to form the new building and repair segment. This new segment presentation will effectively convey the segments' performance and financial position after the Group's efforts of lean cost management.

(a) Business segments

FY2018 (Unaudited)	New building and repair S\$'000	Shipping S\$'000	Total S\$'000
Revenue			
Segment revenue	<u>21,333</u>	<u>6,640</u>	<u>27,973</u>
Results			
Gross profit	8,206	120	8,326
Other operating income			975
Administrative expenses			(6,154)
Other operating expenses			(2,561)
Finance costs			(421)
Profit before income tax			165
Income tax expense			-
Profit for the year			<u>165</u>
Other information			
Capital expenditure			1,931
Allowance for impairment of third parties trade receivables			595
Depreciation of property, plant and equipment			2,182
Property, plant and equipment written off			740
Gain on disposal of property, plant and equipment			<u>(29)</u>
Assets and Liabilities			
Segment assets	23,466	10,107	33,573
Unallocated corporate assets			<u>12,949</u>
Total assets			<u>46,522</u>
Segment liabilities	285	3,527	3,812
Unallocated corporate liabilities			<u>15,362</u>



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Total liabilities 19,174

FY2017 (Restated)	New building and repair S\$'000	Shipping S\$'000	Total S\$'000
Revenue			
Segment revenue	<u>19,518</u>	<u>3,937</u>	<u>23,455</u>
Results			
Gross profit / (loss)	4,814	(638)	4,176
Other operating income			982
Administrative expenses			(6,143)
Other operating expenses			(2,437)
Finance costs			<u>(301)</u>
Loss before income tax			(3,723)
Income tax expense			<u>(14)</u>
Loss for the year			<u>(3,737)</u>
Other information			
Capital expenditure			1,723
Allowance for impairment of third parties trade receivables			72
Depreciation of property, plant and equipment			2,434
Impairment of property, plant and equipment			406
Property, plant and equipment written off			16
Loss on disposal of property, plant and equipment			<u>1</u>
Assets and Liabilities			
Segment assets	24,122	10,456	34,578
Unallocated corporate assets			<u>14,457</u>
Total assets			<u>49,035</u>
Segment liabilities	280	5,497	5,777
Unallocated corporate liabilities			<u>15,846</u>
Total liabilities			<u>21,623</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 FY2018 S\$'000	Restated FY2017 S\$'000	Unaudited 31/12/2018 S\$'000	Restated 31/12/2017 S\$'000
Singapore	27,696	22,770	14,171	14,540
Thailand	-	488	4,982	5,436
PRC	261	197	5	5
Others	<u>16</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>27,973</u>	<u>23,455</u>	<u>19,158</u>	<u>19,981</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>	FY2018 S\$'000	FY2017 S\$'000	Increase/ (Decrease) %
(a) Sales reported for first half year	13,223	9,622	37.4
(b) Operating loss after tax before deducting non-controlling interests reported for first half year	(259)	(3,181)	(91.9)
(c) Sales reported for second half year	14,750	13,833	6.6
(d) Operating profit / (loss) after tax before deducting non-controlling interests reported for second half year	<u>424</u>	<u>(556)</u>	n/m

n/m: not meaningful

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:-

	FY2018 S\$'000	FY2017 S\$'000
Ordinary and preference	<u>-</u>	<u>-</u>

No dividend has been declared or paid by the Company for FY2018 and FY2017.

- 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	46	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.)	Nil
Low Chye Huek	62	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	43	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
 28 February 2019