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**UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND  
ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

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**Part I Information required for announcement of quarterly (Q1, Q2 & Q3), half-year and full year results**

**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		Increase (Decrease) %
	Year ended 31 December		
	2018 S\$'000	2017 S\$'000	
<b>Revenue</b>	<b>64,063</b>	<b>62,126</b>	<b>3.1</b>
Cost of sales	(46,014)	(44,793)	2.7
<b>Gross profit</b>	<b>18,049</b>	<b>17,333</b>	<b>4.1</b>
Other operating income	357	308	15.9
Administrative and selling expenses	(11,387)	(11,005)	3.5
Other operating expenses	(1,211)	(885)	36.8
Finance costs	(34)	(20)	70.0
<b>Profit before income tax</b>	<b>5,774</b>	<b>5,731</b>	<b>0.8</b>
Income tax expense	(941)	(807)	16.6
<b>Profit for the year, representing total comprehensive income for the year</b>	<b>4,833</b>	<b>4,924</b>	<b>(1.8)</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	4,845	4,929	(1.7)
Non-controlling interests	(12)	(5)	140.0
	<b>4,833</b>	<b>4,924</b>	<b>(1.8)</b>

**1 (a)(i) Notes to the statements of comprehensive income:**

	<b>Group</b>		<b>Increase (Decrease) %</b>
	<b>Year ended 31 December</b>		
	<b>2018</b>	<b>2017</b>	
	<b>S\$'000</b>	<b>S\$'000</b>	
<b>Profit before income tax is arrived after charging/(crediting):-</b>			
Cost of inventories included in expenses	45,556	44,327	2.8
Gain on disposal of property, plant and equipment	(120)	- *	N.M.
Allowance for doubtful trade receivables	247	45	448.9
Bad debts recovered	(6)	(28)	(78.6)
Reversal for stock obsolescence	(50)	-	N.M.
Depreciation of property, plant and equipment	712	567	25.6
Depreciation of investment properties	333	358	(7.0)
Amortisation of club membership	19	19	-
Net foreign exchange (gain) / loss	(2)	1	N.M.
Interest income	(60)	(6)	900.0
Interest expenses	34	20	70.0

N.M. : *Not meaningful*  
\* : *Less than S\$1,000*



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

	<u>31.12.18</u> S\$'000	<u>Group As at 31.12.17</u> S\$'000	<u>01.01.17</u> S\$'000	<u>31.12.18</u> S\$'000	<u>Company As at 31.12.17</u> S\$'000	<u>01.01.17</u> S\$'000
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents	15,180	12,012	8,120	469	37	1,415
Trade receivables	4,745	4,794	5,283	174	185	-
Other receivables and prepayments	383	741	611	15,922	17,893	18,557
Inventories	14,655	15,986	15,491	-	-	-
<b>Total current assets</b>	<u>34,963</u>	<u>33,533</u>	<u>29,505</u>	<u>16,565</u>	<u>18,115</u>	<u>19,972</u>
<b>Non-current assets</b>						
Property, plant and equipment	7,416	6,827	6,678	-	-	-
Investment properties	14,349	14,682	15,040	-	-	-
Club membership	224	243	262	-	-	-
Other receivables and prepayments	-	119	-	-	-	-
Investment in subsidiaries	-	-	-	2,340	2,340	2,340
<b>Total non-current assets</b>	<u>21,989</u>	<u>21,871</u>	<u>21,980</u>	<u>2,340</u>	<u>2,340</u>	<u>2,340</u>
<b>Total assets</b>	<u>56,952</u>	<u>55,404</u>	<u>51,485</u>	<u>18,905</u>	<u>20,455</u>	<u>22,312</u>
<b>LIABILITIES AND EQUITY</b>						
<b>Current liabilities</b>						
Trade payables	7,082	8,448	6,939	-	-	-
Other payables and accruals	1,615	1,610	1,585	129	53	128
Bank loans	353	321	349	-	-	-
Finance leases	55	47	99	-	-	-
Income tax payable	1,005	787	958	15	22	44
<b>Total current liabilities</b>	<u>10,110</u>	<u>11,213</u>	<u>9,930</u>	<u>144</u>	<u>75</u>	<u>172</u>
<b>Non-current liabilities</b>						
Bank loans	1,408	1,789	2,104	-	-	-
Finance leases	195	141	80	-	-	-
Deferred tax liability	137	120	74	-	-	-
<b>Total non-current liabilities</b>	<u>1,740</u>	<u>2,050</u>	<u>2,258</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<u>11,850</u>	<u>13,263</u>	<u>12,188</u>	<u>144</u>	<u>75</u>	<u>172</u>
<b>Capital, reserves and non-controlling interests</b>						
Share capital	8,020	8,020	8,020	8,020	8,020	8,020
Retained earnings	37,034	34,061	31,212	10,741	12,360	14,120
<b>Equity attributable to owners of the Company</b>						
Non-controlling interests	45,054	42,081	39,232	18,761	20,380	22,140
<b>Total equity</b>	<u>45,102</u>	<u>42,141</u>	<u>39,297</u>	<u>18,761</u>	<u>20,380</u>	<u>22,140</u>
<b>Total liabilities and equity</b>	<u>56,952</u>	<u>55,404</u>	<u>51,485</u>	<u>18,905</u>	<u>20,455</u>	<u>22,312</u>



1 (b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial year reported on with comparative figures as at the end of the immediately preceding financial year

**(A) Amount repayable in one year or less, or on demand**

	As at 31.12.18		As at 31.12.17	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Bank loans	353	-	321	-
Finance leases	55	-	47	-

**(B) Amount repayable after one year**

	As at 31.12.18		As at 31.12.17	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Bank loans	1,408	-	1,789	-
Finance leases	195	-	141	-

**(C) Details of any collaterals**

**As at 31.12.18**

The bank loans were secured by legal mortgages over subsidiary's freehold properties and corporate guarantees provided by the Company.

Finance leases are secured by the lessors' title to the leased assets.

**As at 31.12.17**

The bank loans were secured by legal mortgages over subsidiaries' leasehold and freehold properties and corporate guarantees provided by the Company.

Finance leases are secured by the lessors' title to the leased assets.

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

	<b>Group</b>	
	<b>Year ended 31 December 2018</b>	<b>2017</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Operating activities:</b>		
Profit before income tax	5,774	5,731
Adjustments for:		
Interest expenses	34	20
Interest income	(60)	(6)
Depreciation of property, plant and equipment	712	567
Depreciation of investment properties	333	358
Amortisation of club membership	19	19
Gain on disposal of property, plant and equipment	(120)	- *
Allowance for doubtful trade receivables	247	45
Bad debts recovered	(6)	(28)
Reversal for stock obsolescence	(50)	-
<b>Operating cash flows before changes in working capital</b>	<b>6,883</b>	<b>6,706</b>
Trade receivables	(192)	472
Other receivables and prepayments	358	(130)
Inventories	1,381	(495)
Trade payables	(1,366)	1,509
Other payables and accruals	5	25
<b>Cash flows generated from operations</b>	<b>7,069</b>	<b>8,087</b>
Income tax paid	(706)	(932)
Interest received	60	6
<b>Net cash generated from operating activities</b>	<b>6,423</b>	<b>7,161</b>
<b>Investing activities:</b>		
Proceeds from disposal of property, plant and equipment (Note A and Note B)	-	- *
Purchase of property, plant and equipment (Note A)	(955)	(590)
Prepayment of property, plant and equipment	-	(119)
<b>Net cash flows used in investing activities</b>	<b>(955)</b>	<b>(709)</b>
<b>Financing activities:</b>		
Proceed from bank loan	2,000	-
Repayment of bank loans	(2,349)	(343)
Repayment of finance leases (Note B)	(45)	(117)
Dividends paid	(1,872)	(2,080)
Interest paid	(34)	(20)
<b>Net cash flows used in financing activities</b>	<b>(2,300)</b>	<b>(2,560)</b>
Net increase in cash and cash equivalents	3,168	3,892
Cash and cash equivalents at beginning of the year	12,012	8,120
<b>Cash and cash equivalents at end of the year</b>	<b>15,180</b>	<b>12,012</b>

\* : Less than S\$1,000

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

	<b>Group</b>	
	<b>Year ended 31 December</b>	
	<b>2018</b>	<b>2017</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Note A</b>		
Additions to property, plant and equipment	1,349	716
Less:		
Offset from trade-in of property, plant and equipment	(111)	-
Acquired under finance lease	(164)	(126)
Prepayments made in prior year	(119)	-
	<hr/>	<hr/>
Net cash outflow for purchase of property, plant and equipment	<u>955</u>	<u>590</u>
 <b>Note B</b>		
Repayment of finance leases	102	117
Less:		
Offset from trade-in of property, plant and equipment	(57)	-
Net cash outflow for repayment of finance lease	<u>45</u>	<u>117</u>

- 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

Group	Share Capital	Retained earnings	Attributable to the owners of the Company	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance as at 1 January 2018</b>	8,020	34,061	42,081	60	42,141
Profit (loss) for the year, representing total comprehensive income for the year	-	4,845	4,845	(12)	4,833
Dividends paid, representing transactions with owners, recognised directly in equity	-	(1,872)	(1,872)	-	(1,872)
<b>Balance as at 31 December 2018</b>	<b>8,020</b>	<b>37,034</b>	<b>45,054</b>	<b>48</b>	<b>45,102</b>
<b>Balance as at 1 January 2017</b>	8,020	31,212	39,232	65	39,297
Profit (loss) for the year, representing total comprehensive income for the year	-	4,929	4,929	(5)	4,924
Dividends paid, representing transactions with owners, recognised directly in equity	-	(2,080)	(2,080)	-	(2,080)
<b>Balance as at 31 December 2017</b>	<b>8,020</b>	<b>34,061</b>	<b>42,081</b>	<b>60</b>	<b>42,141</b>

- 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 period (*cont'd*)

Company	Share capital S\$'000	Accumulated profits S\$'000	Total S\$'000
<b>Balance as at 1 January 2018</b>	8,020	12,360	20,380
Profit for the period, representing total comprehensive income for the period	-	253	253
Dividends paid, representing transactions with owners, recognised directly in equity	-	(1,872)	(1,872)
<b>Balance as at 31 December 2018</b>	<u>8,020</u>	<u>10,741</u>	<u>18,761</u>
<b>Balance as at 1 January 2017</b>	8,020	14,120	22,140
Profit for the period, representing total comprehensive income for the period	-	320	320
Dividends paid, representing transactions with owners, recognised directly in equity	-	(2,080)	(2,080)
<b>Balance as at 31 December 2017</b>	<u>8,020</u>	<u>12,360</u>	<u>20,380</u>



- 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, 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.**

Between 30 June 2018 (being the end of the previous period reported on) and 31 December 2018, there were no changes in the Company's share capital.

The Company had adopted the Choo Chiang Performance Share Plan prior to its listing on the Catalist in July 2015 and as at 31 December 2017 and 31 December 2018, no share awards were granted under this performance share plan. As at 31 December 2017 and 31 December 2018, the Company did not have any outstanding options, warrants or other instrument convertible into securities of the Company.

As at 31 December 2017 and 31 December 2018, the Company had an issued and paid-up share capital of S\$8,020,000 comprising 208,000,000 ordinary shares in issue. As at 31 December 2017 and 31 December 2018, the Company did not have any general mandate to undertake share buybacks and did not hold any treasury shares and subsidiary holdings.

- 1 (d)(iii) 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.**

	<b>Number of ordinary shares As at 31 December</b>	
	<u>2018</u>	<u>2017</u>
Total number of issued shares (excluding treasury shares)	<u>208,000,000</u>	<u>208,000,000</u>

- 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 hold any 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 did not hold any subsidiary holdings.

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

The figures have not been audited nor 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 issuer's most recently audited annual financial statements have been applied.**

Save as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the financial year ended 31 December 2018 (“**FY2018**”) as its most recently audited financial statements for the financial year ended 31 December 2017 (“**FY2017**”).

**5. If there are any changes in 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 accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for the financial periods beginning on or after 1 January 2018. Other than the adoption of the new standards that are effective on 1 January 2018, the Group has adopted the new financial reporting framework, Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) on 1 January 2018. The adoption of the new standards that are effective on 1 January 2018 and SFRS(I) does not result in any material changes to the Group’s accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited financial statements as at 31 December 2017.

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.**

<b>Earnings per ordinary share ("EPS")</b>	<b>Group</b>	
	<b>Year ended 31 December</b>	
	<b>2018</b>	<b>2017</b>
Profit attributable to owners of the Company (S\$'000)	4,845	4,929
Number of ordinary shares ('000)	208,000	208,000
Basic and diluted EPS (Singapore cents)	<u>2.33</u>	<u>2.37</u>

EPS is calculated based on (i) the profit attributable to owners of the Company for each of FY2018 and FY2017, and (ii) the 208,000,000 issued shares as at 31 December 2018 and as at 31 December 2017. Fully diluted EPS and the basic EPS for the financial periods presented in the table above are the same as the Company did not have any outstanding instruments convertible into rights to subscribe for, and options in respect of its shares during these financial periods.

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.**

	<b>Group</b>		<b>Company</b>	
	<b>As at 31 December</b>		<b>As at 31 December</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<b>Net Asset Value ("NAV")</b>				
Net assets (S\$'000)	45,054	42,081	18,761	20,380
Number of ordinary shares used in calculating NAV per ordinary share ('000)	208,000	208,000	208,000	208,000
NAV per ordinary share (Singapore cents)	<u>21.66</u>	<u>20.23</u>	<u>9.02</u>	<u>9.80</u>

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

### **Review of financial performance**

#### ***Revenue***

The Group's revenue is derived from sales and retail of electrical products and accessories in Singapore ("**Distribution Business**") and rental income from its investment properties in Singapore ("**Property Investment**").

Total revenue increased by S\$1.93 million or 3.1%, from S\$62.13 million in FY2017 to S\$64.06 million in FY2018, mainly due to an increase in the revenue from the Distribution Business segment.

#### ***Distribution Business***

Revenue from Distribution Business segment increased by S\$1.97 million or 3.2%, from S\$61.62 million in FY2017 to S\$63.59 million in FY2018. The increase was mainly due to: (i) higher sales volume of certain electrical products and accessories; and (ii) the upward adjustment of selling prices for certain electrical products and accessories in FY2018.

#### ***Property Investment***

Rental income from the Property Investment segment decreased by S\$0.04 million or 7.8%, from S\$0.51 million in FY2017 to S\$0.47 million in FY2018 mainly due to due to loss of rental income as there were a few months of vacancy at seven (7) investment properties following the expiry of relevant leases.

#### ***Cost of sales***

Cost of sales increased by S\$1.22 million or 2.7%, from S\$44.79 million in FY2017 to S\$46.01 million in FY2018, which is in line with the increase in revenue.

#### ***Distribution Business***

Cost of sales of the Distribution Business segment increased by S\$1.22 million or 2.8%, from S\$44.33 million in FY2017 to S\$45.55 million in FY2018, generally in line with the increase in revenue for this segment.

#### ***Property Investment***

Cost of sales of the Property Investment segment remained constant at S\$0.46 million in FY2017 and FY2018.

### ***Gross profit and gross profit margin***

Gross profit increased by S\$0.71 million or 4.1% from S\$17.34 million in FY2017 to S\$18.05 million in FY2018. Gross profit margin improved from 27.9% in FY2017 to 28.2% in FY2018.

The gross profit margin of the Distribution Business segment increased marginally by 0.3% from approximately 28.1% in FY2017 to 28.4% in FY2018.

The gross profit margin of the Property Investment segment decreased from 9.8% in FY2017 to 2.1% in FY2018. This was mainly due to lower rental received from four (4) new leases which commenced during FY2018.

### ***Other operating income***

Other operating income increased by S\$0.05 million or 16.1% from S\$0.31 million in FY2017 to S\$0.36 million in FY2018. The increase in other operating income was mainly due to an increase in (i) gain on disposal of property, plant and equipment (ii) interest income and (iii) reversal of stock obsolescence. These increases were partially offset by the decrease in (i) government grant received and (ii) bad debts recovered from customers.

### ***Administrative and selling expenses***

Administrative expenses increased by S\$0.38 million or 3.5% from S\$11.01 million in FY2017 to S\$11.39 million in FY2018. The increase in administrative and selling expenses mainly due to an increase in (i) staff costs; (ii) rental expenses; and (iii) commission paid to agents for secure new leases in FY2018.

### ***Other operating expenses***

Other operating expenses increased by S\$0.32 million or 36.0% from S\$0.89 million in FY2017 to S\$1.21 million in FY2018, mainly due to an increase in (i) allowance for doubtful trade receivables and (ii) depreciation of property, plant and equipment in FY2018.

### ***Finance costs***

Finance costs increased slightly from S\$20,000 in FY2017 to S\$34,000 in FY2018 due to a drawdown of a bank loan which was repaid during the same financial year.

### ***Profit before income tax***

As a result of the reasons mentioned above, the Group's profit before income tax increased by S\$0.04 million or 0.7% from S\$5.73 million in FY2017 to S\$5.77 million in FY2018.

## **Review of financial position**

### ***Current assets***

Current assets increased by S\$1.43 million from S\$33.53 million as at 31 December 2017 to S\$34.96 million as at 31 December 2018. The increase in current assets was mainly due to an increase in cash and bank balances of S\$3.17 million which were partially offset by a decrease in inventories, other receivables and prepayments and trade receivables of S\$1.33 million, S\$0.36 million and S\$0.05 million respectively.

### ***Non-current assets***

Non-current assets increased by S\$0.12 million from S\$21.87 million as at 31 December 2017 to S\$21.99 million as at 31 December 2018. The increase in non-current assets was mainly due to an increase in property, plant and equipment of S\$0.59 million. The increase was partially offset by a decrease in other receivables and prepayments, investment properties and club membership of S\$0.12 million, S\$0.33 million and S\$0.02 million respectively.

### ***Current liabilities***

Current liabilities decreased by S\$1.10 million from S\$11.21 million as at 31 December 2017 to S\$10.11 million as at 31 December 2018. The decrease in current liabilities were mainly due to a decrease in trade payables of S\$1.37 million. The decrease was offset by an increase in other payables and accruals, current portion of bank loans, finance leases and provision of taxation of S\$0.01 million, S\$0.03 million, S\$0.01 million and S\$0.22 million respectively.

### ***Non-current liabilities***

Non-current liabilities decreased by S\$0.31 million from S\$2.05 million as at 31 December 2017 to S\$1.74 million as at 31 December 2018. The decrease in non-current liabilities is mainly due to a decrease in the non-current portion of bank loans of S\$0.39 million and offset by an increase in non-current portion of finance lease and deferred tax liability of S\$0.06 million and S\$0.02 million respectively.



## **Review of cash flow management**

### ***Net cash generated from operating activities***

In FY2018, the Group generated net cash inflow from operating activities of approximately S\$6.42 million, which was a result of operating cash flows before changes in working capital of approximately S\$6.88 million, net working capital inflows of approximately S\$0.19 million, income tax paid of approximately S\$0.71 million and interest received of approximately S\$0.06 million.

### ***Net cash used in investing activities***

In FY2018, the Group's net cash outflow for investing activities amounted to approximately S\$0.96 million, which was solely due to purchases of property, plant and equipment.

### ***Net cash used in financing activities***

In FY2018, the Group's net cash outflow for financing activities amounted to approximately S\$2.30 million, mainly due to (i) dividends payment of S\$1.87 million; (ii) repayment of bank loans and finance leases of S\$2.40 million; and (iii) interest payments of S\$0.03 million. These were partially offset by proceed from bank loan of S\$2.00 million.

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

There has not been any forecast or prospect statement in relation to the Group's results for FY2018 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 period and the next 12 months.**

Subject to, inter alia, market conditions, availability of good location and other relevant business considerations, it is the Group's current intention to continue to expand its retail network in Singapore. The Group also intends to reinforce and strengthen its market position in Singapore by widening the range of products sold under its "CCM" and "CRM" brands. The renovation works at its headquarters and central warehouse located at 10 Woodlands Loop, Singapore 738388 is expected to be completed in FY2019.

With the new additional property cooling measures announced by the Singapore Government in July 2018 aiming to raise Additional Buyer's Stamp Duty ("ABSD") rates and tightening loan-to-value limits on residential property purchases, we expect the operating environment in the electrical material sector to be challenging. In this regard, we will continue to provide good value to our customers and explore business opportunities so as to increase our revenue.



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

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

*Current financial period reported on*

Name of dividend	First and Final dividend	Special dividend
Dividend type	Cash	Cash
Dividend per ordinary share	0.8 Singapore cents	0.1 Singapore cents
Total annual dividend	S\$1,664,000	S\$208,000
Tax rate	Tax exempt (one-tier)	Tax exempt (one-tier)

The above proposed first and final dividend and special dividend in respect of FY2018 (collectively, the "**Dividend**") is subject to the approval of the Company's shareholders at the forthcoming annual general meeting ("**AGM**") of the Company to be held in April 2019.

*Previous corresponding period of the Immediately Preceding Financial Year*

Name of dividend	First and Final dividend	Special dividend
Dividend type	Cash	Cash
Dividend per ordinary share	0.8 Singapore cents	0.1 Singapore cents
Total annual dividend	S\$1,664,000	S\$208,000
Tax rate	Tax exempt (one-tier)	Tax exempt (one-tier)

**(b) The date the dividend is payable**

Subject to shareholders' approval of the Dividend at the AGM, the payment date for the Dividend will be announced at a later date.

**(c) The date on which Registrable Transfers received by the company (up to 5.00 p.m.) will be registered before entitlements to the dividend are determined**

Subject to shareholders' approval of the Dividend at the AGM, the record date and the books closure date for determining shareholders' entitlement to the Dividend will be announced at a later date.

**12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

Not applicable.



**13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group did not obtain any general mandate from the Company's shareholders in respect of interested person transactions.

As at 31 December 2018, the following remained subsisting:

- (i) Lim Teck Chuan had provided personal guarantees to the Housing & Development Board in order that the Group may secure lease agreements;
- (ii) the Company, CCM Australia Pty Ltd ("**CCM Australia**") <sup>(1)</sup> and Lim Teck Chuan had entered into a call option agreement on 26 June 2015 ("**TL Call Option Agreement**") pursuant to which Lim Teck Chuan granted the Company a call option to acquire all the shares that he may from time to time hold in CCM Ventures;
- (iii) the Company and CCM Australia had entered into a call option agreement on 26 June 2015 pursuant to which CCM Australia granted the Company a call option to purchase from CCM Australia the trademark that is used by CCM Australia in Australia;
- (iv) each of CCM Ventures and CCM Australia had provided a non-competition deed in favour of the Company;
- (v) Lim Teck Chuan had provided an undertaking pursuant to which he would *inter alia* (aa) within two (2) years from 29 July 2015 (being the date of listing of the Company on the Catalist), divest his shareholding in CCM Ventures to persons other than his Associates such that he will no longer be a shareholder of CCM Ventures; and (bb) grant the Company a right of first refusal of any sale of any shares in CCM Ventures by himself; and
- (vi) CCM Ventures had provided an undertaking pursuant to which, amongst others, (aa) in the event of any proposed issue by CCM Ventures of any shares to any Associate of Lim Teck Chuan, it shall be a condition precedent to such share issue that the proposed subscriber enters into a call option agreement with the Company on the same terms and conditions as the TL Call Option Agreement; and (bb) CCM Ventures granted the Company a right of first refusal of any sale of any shares in CCM Australia by CCM Ventures.

On 21 July 2017, the Company announced that Lim Teck Chuan had informed the Company of his intention for the business of CCM Australia to be discontinued and consequently for both CCM Ventures and CCM Australia to be struck off and that the Company had entered into various side letters with each of Lim Teck Chuan, CCM Ventures and CCM Australia pursuant to which the relevant documents referred to under (ii) to (vi) in this paragraph above would be terminated upon the effective date of striking off of CCM Ventures and CCM Australia. As at 31 December 2018 and as at the date of this announcement, CCM Ventures and CCM Australia are still in the process of striking off.

**Note:**

- (1) CCM Ventures Pte. Ltd. ("**CCM Ventures**") owns 100% of the issued and paid-up share capital of CCM Australia. The Company's Executive Chairman and Chief Executive Officer, Lim Teck Chuan owns an interest of 65.3% in CCM Ventures and is also the sole director of CCM Ventures and a director of CCM Australia. Accordingly, CCM Australia is an associate of Lim Teck Chuan and transactions between the Group and CCM Australia (if any) are interested person transactions within the ambit of Chapter 9 of the Catalist Rules.

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

**PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

15. **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 immediately preceding year.**

**Business segment information**

	<b>Distribution business</b>	<b>Property investment business</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>2018</b>			
<b>Revenue</b>			
External sales of goods	63,589	-	63,589
Rental income	-	474	474
Segment revenue	<u>63,589</u>	<u>474</u>	<u>64,063</u>
<b>Cost of sales</b>			
External purchases	(45,556)	-	(45,556)
Cost of property maintenance	-	(458)	(458)
Segment cost of sales	<u>(45,556)</u>	<u>(458)</u>	<u>(46,014)</u>
<b>Results</b>			
Segment result	18,033	16	18,049
Other operating income	357	-	357
Administrative and selling expenses	(11,336)	(51)	(11,387)
Other operating expenses	(1,187)	(24)	(1,211)
Finance costs	(28)	(6)	(34)
Profit (loss) before income tax	<u>5,839</u>	<u>(65)</u>	<u>5,774</u>
Income tax expense			<u>(941)</u>
Profit after income tax			<u><u>4,833</u></u>

	<b>Distribution business</b>	<b>Property investment business</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>2017</b>			
<b>Revenue</b>			
External sales of goods	61,614	-	61,614
Rental income	-	512	512
Segment revenue	61,614	512	62,126
<b>Cost of sales</b>			
External purchases	(44,327)	-	(44,327)
Cost of property maintenance	-	(466)	(466)
Segment cost of sales	(44,327)	(466)	(44,793)
<b>Results</b>			
Segment result	17,287	46	17,333
Other operating income	308	-	308
Administrative and selling expenses	(10,955)	(50)	(11,005)
Other operating expenses	(852)	(33)	(885)
Finance costs	(18)	(2)	(20)
Profit (loss) before income tax	5,770	(39)	5,731
Income tax expense			(807)
Profit after income tax			4,924

The revenue and profit of the Group are mainly derived from the Distribution Business segment.

The principal assets employed by the Group are located in Singapore. Accordingly, no other segmental information by geographical segment is presented.

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

**By business segment**

In FY2018 and in FY2017, the revenue contribution from Distribution Business and Property Investment had remained relatively stable at approximately 99% and 1% respectively. Please refer to Paragraph 8 of this announcement for a detailed commentary of the Group's financial performance in FY2018 compared to FY2017.

**By geographical segment**

All the Group's operations in FY2018 and FY2017 are located in Singapore.



17. A breakdown of sales as follows:-

	Year ended 31 December		Increase / (Decrease) %
	2018 S\$'000	2017 S\$'000	
(a) Sales reported for first half year	30,965	29,883	3.6
(b) Operating profit after income tax before deducting non-controlling interests reported for first half year	2,732	2,574	6.1
(c) Sales reported for second half year	33,098	32,243	2.7
(d) Operating profit after income tax before deducting non-controlling interests reported for second half year	<u>2,101</u>	<u>2,350</u>	(10.6)

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:-

	Year ended 31 December	
	2018 S\$'000	2017 S\$'000
Ordinary	1,872	1,872
Preference	-	-
Total	<u>1,872</u>	<u>1,872</u>

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.**

<b>Name</b>	<b>Age</b>	<b>Family relationship with any director and/or substantial shareholder</b>	<b>Current position and duties and the year the position was first held</b>	<b>Details of changes in duties and positions held, if any, during the year</b>
Wilson Foo	47	Nephew of Lim Teck Chuan (Executive Chairman and Chief Executive Officer) and Lim Teck Seng (Executive Director).	General Manager since 2007.  Responsible for the overall management of the business.	Nil
Josephine Tay	49	Spouse of Lim Teck Seng (Executive Director).	Administrative Manager since 1991.  Responsible for all aspects of human resource and administrative function of the Group.	Nil
Andy Tay	46	Brother-in-law of Lim Teck Seng (Executive Director).	Purchasing Manager since 2009.  Responsible for the procurement of electrical products and accessories for the Group.	Nil

**BY ORDER OF THE BOARD**

Lim Teck Chuan  
Executive Chairman and Chief Executive Officer

Singapore

27 February 2019

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*This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited ("**Sponsor**") for compliance with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst ("**Catalist Rules**"). The Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume 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 Mr David Yeong, at 1 Robinson Road #21-00 AIA Tower Singapore 048542, Telephone: +65 6232 3210.*

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