PROGEN HOLDINGS LTD

Unaudited Full Year Financial Statement And Dividend Announcement for the Year Ended 31 December 2017

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a) 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.

S$'000	Group		
	For the financial year ended		
	31 Dec 17 (Unaudited)	31 Dec 16 (Audited)	%
Revenue			
Products and installation	2,795	9,426	(70.35)
Services and maintenance	427	405	5.43
Rental income	69	30	130.00
Total revenue	3,291	9,861	(66.63)
Other items of income			
Dividend income	2	2	-
Other income	117	198	(40.91)
Total other items of income	119	200	(40.50)
Costs and expenses			
Cost of products and installation	(2,438)	(5,821)	(58.12)
Salaries and employee benefits	(2,820)	(2,864)	(1.54)
Depreciation and amortisation expense	(146)	(78)	87.18
Other expenses	(2,758)	(2,841)	(2.92)
Share of results of associated company	(1)	-	N/M
Total costs and expenses	(8,163)	(11,604)	(29.65)
Loss from operating activities	(4,753)	(1,543)	208.04
Finance costs	(8)	-	N/M
Loss before income tax	(4,761)	(1,543)	208.55
Income tax credit/ (expenses)	47	(50)	N/M
Loss net of tax, attributable to equity holders of the parent	(4,714)	(1,593)	195.92
Other comprehensive income :			
Foreign currency translation	11	(13)	N/M
Total comprehensive income attributable to equity holders of the parent	(4,703)	(1,606)	192.84
Loss for the year is after crediting/(charging) of the following:-			
Fair value loss on investment property	(1,812)	(1,748)	3.66
Foreign exchange (loss)/ gain	(14)	14	(200.00)
Fixed asset written off	-	(8)	N/M
Loss on disposal of property, plant and equipment	(1)	(5)	(80.00)
Provision for doubtful debt	(40)	(75)	(46.67)
Interest Income	93	137	(32.12)

N/M - Not meaningful

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.

S$'000	Group		Company	
	As at 31 Dec 17 (Unaudited)	As at 31 Dec 16 (Audited)	As at 31 Dec 17 (Unaudited)	As at 31 Dec 16 (Audited)
Non-current assets				
Property, plant and equipment	577	201	16	32
Investment property	24,000	26,000	-	-
Intangible asset - development cost	198	228	-	-
Fixed deposits	2,000	4,000	-	-
Deferred tax asset	54	54		
Investment in subsidiaries	-	-	8,987	9,003
Investment in associated company	399	-	-	-
Amount due from subsidiaries	-	-	18,945	-
Loan to associated company	5,235	-		
	32,463	30,483	27,948	9,035
Current assets				
Cash and bank balances	726	2,190	60	363
Fixed deposits	2,055	3,648	-	3,577
Trade receivables	1,133	1,299	-	-
Prepayments	116	36	19	12
Deposits	67	78	47	47
Other receivables	33	33	-	25
Investment securities	61	57	-	-
Amounts due from subsidiaries	-	-	533	15,494
Inventories	244	144	-	-
Gross amount due from customers for contract work-in-progress	362	2,169	-	-
	4,797	9,654	659	19,518
Current liabilities				
Trade payables	(509)	(1,323)	(82)	(79)
Deferred revenue	(110)	(96)	-	-
Other payables	(2,495)	(2,697)	(733)	(661)
Income tax payable	(8)	(43)	(5)	(8)
Interest bearing loan	(2,950)			
Amounts due to subsidiaries	-	-	(456)	(456)
Gross amount due to customers for contract work-in-progress	(117)	(203)	-	-
	(6,189)	(4,362)	(1,276)	(1,204)
Net current (liabilities)/ assets	**(1,392)**	**5,292**	**(617)**	**18,314**
Non-current liabilities				
Deferred tax liabilities	-	(1)	-	-
	-	(1)	-	-
Net assets	**31,071**	**35,774**	**27,331**	**27,349**
Equity attributable to equity holders of the parent				
Share capital	27,224	27,224	27,224	27,224
Foreign currency translation reserve	(202)	(213)	-	-
Accumulated profit	4,049	8,763	107	125
Total equity	**31,071**	**35,774**	**27,331**	**27,349**

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

Amount repayable in one year or less, or on demand

Group			
As at 31 December 2017 (Unaudited)		As at 31 December 2016 (Audited)	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
S$2,950	-	-	-

Amount repayable after one year

Group			
As at 31 December 2017 (Unaudited)		As at 31 December 2016 (Audited)	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
-	-	-	-

Details of any collateral:-

The bank borrowings are secured against the Group's investment property at 28 Riverside Road.

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.

S$'000	For the financial year ended	
	31 Dec 17 (Unaudited)	31 Dec 16 (Audited)
Operating activities		
Loss before income tax	(4,761)	(1,543)
Adjustments for :		
Interest income	(93)	(137)
Interest expenses	8	-
Loss on disposal of property, plant and equipment	1	5
Fixed asset written off	-	8
Dividend income from investment securities	(2)	(2)
Depreciation of property, plant and equipment	106	72
Amortisation of intangible asset	40	6
Provision for doubtful debt	40	75
Fair value loss on investment property	1,812	1,748
Fair value loss on investment securities	(4)	6
Currency realignment	(11)	(13)
Share of results of associated company	1	-
Operating cash flows before changes in working capital	(2,863)	225
Decrease in trade and other receivables	142	555
(Increase)/ decrease in prepayments and deposits	(69)	66
(Increase)/ decrease in inventories	(100)	129
Decrease/ (increase) in gross amount due from customer for contract work-in-progress	1,807	(1,473)
(Decrease)/ increase in trade payables	(814)	426
Increase/ (decrease) in deferred revenue	14	(11)
Decrease in other payables	(204)	(1,122)
Decrease in gross amount due to customer for contract work-in-progress	(86)	(668)
Cash flows used in operations	(2,173)	(1,873)
Interest paid	(6)	-
Interest received	77	137
Payment of taxes	33	(11)
Net cash flows used in operating activities	(2,069)	(1,747)
Investing activities		
Purchase of property, plant and equipment	(97)	(128)
Proceeds from disposal of property, plant and equipment	-	15
Cash attributed to development cost	(10)	(6)
Investment in associated company	(400)	-
Dividends received from investment securities	2	2
Decrease in fixed deposit pleadged	2,000	
Additions to investment property	(198)	(1,742)
Loan to associated company	(5,235)	-
Net cash flows used in investing activities	(3,938)	(1,859)
Financing activities		
Proceeds from interest bearing loan	2,950	-
Dividends Paid	-	(544)
Net cash flows used in financing activities	2,950	(544)
Net decrease in cash and cash equivalents	(3,057)	(4,150)
Cash and cash equivalents at 1 January	5,838	9,988
Cash and cash equivalents at 31 December	2,781	5,838

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.

S$'000				
Group	Share Capital	Foreign Currency Translation Reserve	Accumulated Profit	Total Equity
2017 (Unaudited)				
At 1 January	27,224	(213)	8,763	35,774
Loss net of tax	-	-	(4,714)	(4,714)
Other comprehensive income for the year	-	11	-	11
Total comprehensive income for the year	-	11	(4,714)	(4,703)
At 31 December	27,224	(202)	4,049	31,071
2016 (Audited)				
At 1 January	27,224	(200)	10,900	37,924
Loss net of tax	-	-	(1,593)	(1,593)
Dividends paid			(544)	(544)
Other comprehensive income for the year	-	(13)	-	(13)
Total comprehensive income for the year	-	(13)	(2,137)	(2,150)
At 31 December	27,224	(213)	8,763	35,774
Company				
2017 (Unaudited)				
At 1 January	27,224	-	125	27,349
Loss net of tax	-	-	(18)	(18)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(18)	(18)
At 31 December	27,224	-	107	27,331
2016 (Audited)				
At 1 January	27,224	-	688	27,912
Loss net of tax	-	-	(19)	(19)
Dividends paid			(544)	(544)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(563)	(563)
At 31 December	27,224	-	125	27,349

1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were no changes in the Company's share capital between 30 June 2017 and 31 December 2017. The Company's share capital as at 30 June 2017 and 31 December 2017 was S$27,224k comprising 271,980,729 shares. There were no outstanding convertibles, options, subsidiary holdings or treasury shares as at 31 December 2017 and 31 December 2016.

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

The total number of issued shares excluding treasury shares as at 31 December 2017 and 31 December 2016 was 271,980,729. There were no treasury shares as at 31 December 2017 and 31 December 2016.

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. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

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

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

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

The figures have not been audited or reviewed by the Group's auditor.

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.

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current financial period reported on compared with those for the most recently audited financial statements, except for those as stated in Note 5 below.

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 applicable new or revised Financial Reporting Standards ("FRS") and Intepretation of FRS ("INT FRS") which are mandatory for financial years beginning on or after 1 January 2017. The adoption of these new FRS and INT FRS has no significant impact on the financial statements of the Group and the Company for current and prior reporting periods.

6. (Loss)/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.

Cents	For the financial year ended	
	31 Dec 17 (Unaudited)	31 Dec 16 (Audited)
a) Based on weighted average number of ordinary shares in issue	(1.733)	(0.586)
b) On a fully diluted basis	(1.733)	(0.586)

The loss per ordinary share for the financial year under review is calculated based on the weighted average of 271,980,729 ordinary shares in issue for the financal years ended 31 December 2017 ("FY2017") and 31 December 2016 ("FY2016").

The basic and fully diluted loss per share are the same as there were no potentially dilutive shares in issue during and as at the end of the FY2017 and FY2016.

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.

Singapore Cents	Group	Company
As at 31 December 2017 (Unaudited)	11.424	10.049
As at 31 December 2016 (Audited)	13.153	10.055

Net asset value per share is calculated based on 271,980,729 ordinary shares in issue as at 31 December 2017 and 31 December 2016.

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.

Financial year ended 31 Dec 2017 ("FY2017") vs. financial year ended 31 Dec 2016 ("FY2016")

Income Statement

Revenue

The Group's revenue decreased by S$6,570k from S$9,861k (FY2016) to S$3,291k (FY2017) due to:-

Revenue from products and installation decreased by S$6,631k from S$9,426k (FY2016) to S$2,795k (FY2017) mainly due to the completion of some projects, the delay in the commencement of a new project which will only be starting work in March 2018 and was not awarded tendered projects budgeted for.

Revenue from services and maintenance increased by S$22k from S$405k (FY2016) to S$427k (FY2017) due to increase in sales related to air conditioner repair and change of parts.

Revenue from rental income increased by S$39k from S$30k (FY2016) to S$69k (FY2017). This is mainly due to an increase in the number of tenants at the investment property located at 28 Riverside Road ("**Investment Property**").

Other items of income

Other income decreased by S$81k from S$200k (FY2016) to S$119k (FY2017). The decrease in FY2017 was mainly due to the lower interest income of S$93k (FY 2016: S$137K) as fixed deposit was withdrawn for working capital purposes and to fund the Company's commitment under the JVA (as defined herein).

Costs and expenses

The Group's costs and expenses decreased by S$3,441k from S$11,604k (FY2016) to S$8,163k (FY2017) mainly due to:-

Cost of products and installation decreased by S$3,383k from S$5,821k (FY2016) to S$2,438k (FY2017), in line with the lower revenue generated in FY2017.

Cost of salaries and employee benefits decreased by S$44k from S$2,864k (FY2016) to S$2,820k (FY2017) mainly due to lower foreign worker levy paid as a result of reducing foreign worker headcount in FY2017.

Depreciation and amortisation expenses increased by S$68k from S$78k (FY2016) to S$146k (FY2017) mainly due to the full year amortisation of the intangible asset in Year 2017 as compared to the two months amortisation in Year 2016. In addition, in Year 2017, there was an increase in property, plant and equipment ("**PPE**") due to addition of air conditioners used at the Group's office.

Other expenses decreased by S$83k from S$2,841k (FY2016) to S$2,758k (FY2017) mainly due to a reduction in office rental expenses from S$260k to S$96k after July 2016 following the Company's shift to the Investment Property and lower provision for bad debt of S$75k (FY2016) and S$40k (FY2017), partially offset by higher loss on revaluation of Investment Property of S$1,748k (FY2016) and S$1,812k (FY2017) following an independent valuation performed on the Investment Property as at 31 December 2017 ("**Valuation**").

Share of results of associated company of S$1k is in relation to the operating loss from TSky Balmoral Pte. Ltd. which became an associated company in October 2017.

Finance Cost

Finance cost of S$8k relates to loan drawn down under the revolving credit facilities for Progen Industrial Pte Ltd's provision of a shareholders' loan to the associated company as part of its commitments under the joint venture agreement **(**"**JVA")** which was announced on 6 November 2017.

Income tax expense / credit

There was an income tax credit of S$47k for FY2017 (FY2016: Income tax expense S$50k) mainly due to lower operating revenue and reversal of provision for tax after IRAS completed the tax assessment.

Loss net of tax

The Group's loss net of tax amounted to S$4,714k for FY2017 as compared to loss of S$1,593k for FY2016.

Balance Sheet

Non-current assets

The Group's PPE increased by S$376k from S$201k (FY2016) to S$577k (FY2017) mainly due to addition of leasehold renovations and air conditioners amounting to S$483k, offset by depreciation of S$106k, and the loss on disposal of PPE of S$1k.

Investment Property decreased by S$2,000k to S$24,000k (FY2016: S$26,000k). There was a fair valuation loss amounting to S$1,812k pursuant to the Valuation and the remaining S$188k was mainly due to reclassification of office air-conditioner from Investment Property to PPE.

The investment in associated company is mainly investment cost incurred in relation to the JVA of S$400k, offset by the share of loss for FY2017 of S$1k.

The Group's loans to associated company amounting to S$5,235k mainly comprise of shareholders' loan extended to its associated company to fulfil the Group's commitments under the JVA.

Current assets

The Group's cash and cash equivalents, comprising fixed deposits and cash and bank balances, decreased by S$3,057k from S$5,838k (FY2016) to S$2,781k (FY2017) mainly due to cash used for the operating activities, investment in an associated company and the shareholders' loan extended to the associated company.

The Group's trade receivables decreased by S$166k from S$1,299k (FY2016) to S$1,133k (FY2017) mainly due to timing difference of progress billings and lower revenue generated in Year 2017.

The Group's prepayments cost increased by S$80k from S$36k (FY2016) to S$116k (FY2017) mainly due to costs incurred for ad-hoc jobs amounting to S$62k which are accrued as prepayments to match against unbilled revenue due to timing differences.

The Group's inventories increased by S$100k from S$144k to S$244k mainly due to additional equipment purchased during the year for upcoming project use.

Current liabilities

The Group's trade payables decreased by S$814k from S$1,323k (FY2016) to S$509k (FY2017) mainly due to lower cost incurred in relation to project activities.

The Group's other payables decreased by S$202k from S$2,697k (FY2016) to S$2,495k (FY2017) mainly due to payments made in relation to cost incurred and lower accrual for the redevelopment of the Investment Property.

The Group's provision for tax decreased by S$35k from S$43k (FY2016) to S$8k (FY2017) mainly due to reversal of prior years over provision of taxation after the tax assessment was completed by IRAS.

The Group's net amount due from customers for contract work-in-progress (after deducting amount due to customers for contract work-in-progress) decreased by S$1,721k from S$1,966 (FY2016) to S$245k (FY2017) mainly due to timing difference of progress billings.

The Group's interest bearing loan which was S$2,950k (FY2017) and nil (FY2016) relates to revolving credit facilities drawn down to partially fund the shareholder's loan extended to the associated company for fulfillment of the Group's commitment under the JVA.

The Group's net current liabilities of S$1,392k is mainly due to the S$2,950k revolving credit drawn down to partially fund the Group's obligations under the JVA via a shareholder's loan to the associated company. The aggregate amount of shareholder's loan of S$5,235k as at 31 December 2017 is recorded as a non-current asset.

The Group will have sufficient financial resources to meet its obligations as and when they fall due given that the revolving credit facility has an unutilised limit of approximately S$9.0 million and the completion of the proposed rights issue as announced by the Company on 11 December 2017.

Cash flow Statement

The Group utilised S$2,069k of cash for its operating activities in FY2017, as compared to S$1,747k in FY2016, as a result of operating loss before working capital changes of S$2,863k and a decrease in working capital changes of S$690k. The decrease in working capital changes is mainly due to a decrease in gross amount due from customer for contract work-in-progress due to lower revenue generated from products and installation.

The Group utilitsed S$3,938k of cash in its investing activities in FY2017, as compared to S$1,859k in FY2015 mainly due to assets acquisition in FY2017 and shareholders' loan to associated company amounting to S$5,235k and the investment in associated company amounting to S$400k, offset by decrease in fixed deposit pledged of S$2,000k.

The Group has also drawndown S$2,950k cash under its revolving credit facility in FY2017 for shareholders' loan to its associated company to fulfil its commitment under the JVA.

As a whole, the Group utilised cash of S$3,057k in FY2017 as compared to S$4,150k in FY2016. The cash and cash equivalents as at 31 December 2017 was S$2,781k (31 December 2016: S$5,838k).

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

The current results are in line with the Company's discussion presented in Note 10 of the unaudited results announcement dated 11 August 2017.

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.

As annouced on 11 December 2017, the Company will be seeking shareholders' approval to diversify into property business at a general meeting to be convened. The proposed business diversification includes the business of property development, re-development including acquisition, development and/or sale of industrial, commercial and residential property; and property investment in industrial, commercial and residentail property for rental yield, capital growth and/or provision of property related servcies and facilities. The Company believes that such business diversification will complement the Group's existing core business in the design, supply, installation and maintenace of air-conditioning and mechanical ventilation systems.

The Group's operating environment for the next 12 months continues to be very challenging with strong market competition, increasing operating and labour costs, and slow industry growth.

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

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

No dividends have been declared or recommended for the current reporting period.

(b)(i) Amount per share (cents)

Not applicable.

(b)(ii) Previous corresponding period (cents)

Not applicable.

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

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) Book closure date

Not applicable.

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

No dividends have been declared or recommended for the current financial period reported on.

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 does not have a Shareholders' Mandate for Interested Person Transactions. There was no interested person transaction of S$100,000 and above for the financial year ended 31 December 2017.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

14. 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.

S$'000	Products & installation		Services & maintenance		Rental		Others		Eliminations / Adjustments		Group	
	2017 (Unaudited)	2016 (Audited)	2017 (Unaudited)	2016 (Audited)	2017 (Unaudited)	2016 (Audited)	2017 (Unaudited)	2016 (Audited)	2017 (Unaudited)	2016 (Audited)	2017 (Unaudited)	2016 (Audited)
Segment revenue												
Sales to external customers	2,795	9,426	427	405	69	30	-	-	-	-	3,291	9,861
Intersegment sales	86	314	46	30	151	63	-	-	(283)	(407)	-	-
Total revenue											3,291	9,861
Segment results												
Interest income	45	71	2	2	3	1	43	63	-	-	93	137
Dividend income	2	2	-	-	-	-	-	-	-	-	2	2
Fair value loss on investment property	-	-	-	-	(1,812)	(1,797)	-	-	-	49	(1,812)	(1,748)
Depreciation and amortisation	(113)	(19)	(10)	(12)	(8)	-	(15)	(47)	-	-	(146)	(78)
Other non-cash expenses	(37)	(76)	-	(4)	(3)	-	(41)	(8)	-	-	(81)	(88)
Segment profit/(loss) before tax	(2,830)	7	(177)	64	(1,774)	(1,730)	20	81	-	35	(4,761)	(1,543)
Income tax expense	43	(48)	-	1	3	-	1	(3)	-	-	47	(50)
Loss net of tax											(4,714)	(1,593)
Segment assets and liabilities												
Segment assets	6,521	9,388	569	628	24,367	26,054	5,816	4,067	(13)	-	37,260	40,137
Segment liabilities	2,067	3,452	157	132	130	29	3,835	750	-	-	6,189	4,363
Capital expenditure	119	73	11	33	1,812	1,798	16	27	-	(49)	1,958	1,882

As the Group operates substantially in Singapore, no segment information by geographical segment is presented.

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

Please refer to paragraph 8.

16. A breakdown of sales.

		Latest Financial Year (Unaudited) S$'000	Previous Financial Year (Audited) S$'000	% increase / (decrease)
(a)	Sales reported for first half year	2,641	4,882	(46)
(b)	Operating profit after tax before deducting minority interests reported for first half year	(975)	4	(24,475)
(c)	Sales reported for second half year	650	4,979	(87)
(d)	Operating (loss)/ profit after tax before deducting minority interests reported for second half year	(3,739)	(1,597)	134

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

Not applicable. No dividends have been declared during FY2017 and FY2016.

18. 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 and / or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Lee Pui Hoon	40	Daughter of Mr Lee Ee @ Lee Eng	Admin and Corporate Affair Director Assist the Group in administrative matters and corporate affairs and oversees the finance department. Position was first held in 2014.	Nil
Lee Yungli, Andy	38	Son of Mr Lee Ee @ Lee Eng	Senior Manager (in a wholly-owned subsidiary, Progen Pte Ltd) Responsible for Product Innovation and Development. Position was first held in 2014.	Nil

19. Confirmation of Undertakings from Directors and Executive Officers under Rule 720(1) of of Section B: Rules of Catalist of the Listing Manual of the SGX-ST

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

BY ORDER OF THE BOARD
PROGEN HOLDINGS LTD

Lee Ee @ Lee Eng
Managing Director
27 February 2018

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not 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 accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Jennifer Tan, Senior Manager, Continuing Sponsorship (Mailing address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and Email: sponsorship@ppcf.com.sg*).*