

ACESIAN PARTNERS LIMITED

(Registration No: 199505699D)

Full Year Financial Statement Announcement for the year ended 31 December 2017

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENT OF FULL YEAR RESULTS**1(a) (i) Statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year**

| | FY2017 | FY2016 | Increase/ (Decrease) |
|---------------------------------|----------------|----------------|---------------------------------|
| | S\$'000 | S\$'000 | % |
| Revenue | 12,041 | 46,781 | (74.26) |
| Cost of sales | (8,249) | (39,268) | (78.99) |
| Gross profit | 3,792 | 7,513 | (49.53) |
| Other operating income | 8,200 | 1,301 | 530.28 |
| Administration expenses | (4,675) | (5,177) | (9.70) |
| Other operating expenses | (9,814) | (5,395) | 81.91 |
| Finance costs | (16) | (121) | (86.78) |
| (Loss) / profit before taxation | (2,513) | (1,879) | N.M. |
| Taxation | 89 | (462) | (119.26) |
| (Loss) / profit for the year | (2,424) | (2,341) | N.M. |

Other comprehensive income / (loss)**Items that may be reclassified subsequently to profit or loss:**

| | | |
|---|----------------|---------|
| Exchange differences on translating foreign operations | 234 | (20) |
| Total comprehensive income / (loss) for the year | (2,190) | (2,361) |

(Loss) / Profit attributable to:

| | | |
|-----------------------------|----------------|---------|
| Shareholders of the Company | (2,417) | (2,317) |
| Non-controlling interests | (7) | (24) |
| | (2,424) | (2,341) |

Total comprehensive income / (loss) attributable to:

| | | |
|-----------------------------|----------------|---------|
| Shareholders of the Company | (2,183) | (2,354) |
| Non-controlling interests | (7) | (7) |
| | (2,190) | (2,361) |

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

| | FY2017 | FY2016 |
|---|----------------|----------------|
| | S\$'000 | S\$'000 |
| Depreciation of plant and equipment | 332 | 384 |
| Gain on disposal of plant and equipment | (17) | (8) |
| Amortisation of intangible assets | - | 477 |
| Impairment of goodwill | - | 1,006 |
| Impairment of intangible asset | - | 223 |
| Impairment loss on other receivable | - | 76 |
| Allowance for impairment of trade receivables | 279 | 622 |
| Allowance for impairment of trade receivables written back | - | (76) |
| Bad debt written off | - | 23 |
| Bad debt recovered | - | (21) |
| Exchange loss/ (gain) | 191 | (129) |
| Interest income | (4) | (8) |
| Interest expense | 16 | 121 |
| Provision for WIP | 7,768 | - |
| Provision for warranty written back | - | (283) |
| Provision for slow-moving inventories | 31 | 54 |
| Fair value adjustment on financial asset, fair value through profit or loss | - | (3) |

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

| | Group | | Company | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 31/12/2017 | 31/12/2016 | 31/12/2017 | 31/12/2016 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| ASSETS | | | | |
| Non-Current Assets | | | | |
| Plant and equipment | 1,057 | 1,130 | 204 | 46 |
| Investment in subsidiaries | - | - | 8,733 | 7,703 |
| | 1,057 | 1,130 | 8,937 | 7,749 |
| Current Assets | | | | |
| Inventories | 2,046 | 1,395 | - | - |
| Gross amount due from customers for contract work-in-progress | 5,228 | 9,229 | - | - |
| Trade and other receivables | 8,083 | 7,667 | 21,943 | 18,443 |
| Prepaid operating expenses | 386 | 117 | 31 | 53 |
| Fixed deposits pledged | 55 | 159 | - | - |
| Cash and cash equivalents | 3,006 | 7,344 | 653 | 3,971 |
| | 18,804 | 25,911 | 22,627 | 22,467 |
| Total Assets | 19,861 | 27,041 | 31,564 | 30,216 |
| EQUITY AND LIABILITIES | | | | |
| Capital and Reserve | | | | |
| Share capital | 18,192 | 18,192 | 18,192 | 18,192 |
| Accumulated losses | (6,525) | (4,108) | (9,205) | (9,308) |
| Translation difference reserve | (1,496) | (1,730) | - | - |
| Attributable to shareholders of the Company | 10,171 | 12,354 | 8,987 | 8,884 |
| Non-controlling interests | 48 | 55 | - | - |
| Total equity | 10,219 | 12,409 | 8,987 | 8,884 |
| Non-Current Liabilities | | | | |
| Deferred tax liabilities | - | 109 | - | - |
| Finance Lease Payables | - | 55 | - | - |
| | - | 164 | - | - |
| Current Liabilities | | | | |
| Trade and other payables | 9,635 | 14,169 | 22,577 | 21,332 |
| Current tax payable | 2 | 203 | - | - |
| Finance Lease Payables | 5 | 96 | - | - |
| | 9,642 | 14,468 | 22,577 | 21,332 |
| Total Equity and Liabilities | 19,861 | 27,041 | 31,564 | 30,216 |

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

Amount repayable in one year or less

| As at 31 December 2017 | | As at 31 December 2016 | |
|------------------------|-----------|------------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| 5 | - | 96 | - |

Amount repayable after one year

| As at 31 December 2017 | | As at 31 December 2016 | |
|------------------------|-----------|------------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| - | - | 55 | - |

Details of collaterals

Secured loans are vehicles bought on finance leases.

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

| | FY2017 | FY2016 |
|---|----------------|----------------|
| | S\$'000 | S\$'000 |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| (Loss) / profit before taxation | (2,513) | (1,879) |
| Adjustments for: | | |
| Depreciation of plant and equipment | 332 | 384 |
| Impairment of goodwill | - | 1,006 |
| Impairment of intangible asset | - | 223 |
| Gain on disposal of plant & equipment | (17) | (8) |
| Impairment loss on other receivable | - | 76 |
| Plant and equipment written off | - | 2 |
| Allowance for impairment of trade receivables | 279 | 622 |
| Allowance for impairment of trade receivables written back | - | (76) |
| Bad debt recovered | - | (21) |
| Bad debt written off | - | 23 |
| Provision for warranty written back | - | (283) |
| Interest expense | 16 | 121 |
| Interest income | (4) | (8) |
| Amortisation of intangible assets | - | 477 |
| Provision for WIP | 7,768 | - |
| Provision / (write back) for slow-moving inventories | 31 | 54 |
| Fair value adjustment on financial asset, fair value through profit or loss | - | (3) |
| Operating cash flow before working capital changes | 5,892 | 710 |
| Translation difference | 112 | (17) |
| (Increase) / decrease in inventories | (682) | 1,105 |
| Increase in amount due from customers for contract work-in-progress | (3,767) | (6,250) |
| (Increase) / decrease in trade and other receivables | (870) | 4,165 |
| Increase / (decrease) in trade and other payables | (4,535) | (323) |
| Cash used in operations | (3,850) | (610) |
| Interest received | 4 | 8 |
| Tax paid | (205) | (279) |
| Net cash used in operating activities | (4,051) | (881) |

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

| | FY2017 | FY2016 |
|---|----------------|----------------|
| | S\$'000 | S\$'000 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of plant and equipment | (317) | (296) |
| Proceed from disposal of financial asset at fair value through profit or loss | - | 52 |
| Net cash outflow from disposal of a subsidiary | - | (46) |
| Proceeds from disposal of plant and equipment | 88 | 12 |
| Net cash used in investing activities | (229) | (278) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Bank loan repaid | - | (1,126) |
| Hire Purchase Payables | (145) | (116) |
| Interest paid | (16) | (121) |
| Decrease in fixed deposits pledged | 103 | 481 |
| Net cash used in financing activities | (58) | (882) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | (4,338) | (2,041) |
| EFFECTS OF FOREIGN EXCHANGE TRANSLATION | - | (6) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING | 7,344 | 9,391 |
| CASH AND CASH EQUIVALENTS AT THE END | 3,006 | 7,344 |

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following statement of financial position:-

| | 31/12/2017 | 31/12/2016 |
|---------------------------|-------------------|-------------------|
| Fixed deposits | 336 | 443 |
| Cash at bank and in hand | 2,670 | 6,901 |
| Cash and cash equivalents | 3,006 | 7,344 |

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

| | Attributable to shareholders of the Company | | | | | Non-controlling Interests | Total |
|--|---|--------------------------------|--------------------|----------|----------------|---------------------------|----------------|
| | Share Capital | Translation difference reserve | Accumulated Losses | Reserve | Total | | |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | | S\$'000 | S\$'000 |
| The Group | | | | | | | |
| At 1 January 2016 | 17,580 | (1,693) | (1,792) | 612 | 14,707 | 108 | 14,815 |
| Loss for the year | - | - | (2,317) | - | (2,317) | (24) | (2,341) |
| <u>Other comprehensive profit / (loss)</u> | | | | | | | |
| Exchange differences on translating foreign operations | - | (37) | - | - | (37) | 17 | (20) |
| Total comprehensive loss for the year | - | (37) | (2,317) | - | (2,354) | (7) | (2,361) |
| Performance shares vested | 612 | - | - | (612) | - | - | - |
| Disposal of a subsidiary | - | - | - | - | - | (46) | (46) |
| At 31 December 2016 | 18,192 | (1,730) | (4,109) | - | 12,353 | 55 | 12,408 |
| At 1 January 2017 | 18,192 | (1,730) | (4,109) | - | 12,353 | 55 | 12,408 |
| Loss for the year | - | - | (2,417) | - | (2,417) | (7) | (2,424) |
| <u>Other comprehensive profit / (loss)</u> | | | | | | | |
| Exchange differences on translating foreign operations | - | 234 | - | - | 234 | - | 234 |
| Total comprehensive loss for the year | - | 234 | (2,417) | - | (2,183) | (7) | (2,190) |
| Performance shares vested | - | - | - | - | - | - | - |
| Disposal of a subsidiary | - | - | - | - | - | - | - |
| At 31 December 2017 | 18,192 | (1,496) | (6,526) | - | 10,170 | 48 | 10,218 |
| The Company | | | | | | | |
| Shareholders of the Company | | | | | | | |
| At 1 January 2016 | 17,580 | - | (9,765) | 612 | 8,427 | - | 8,427 |
| Total comprehensive profit for the year | - | - | 457 | - | 457 | - | 457 |
| Performance shares vested | 612 | - | - | (612) | - | - | - |
| At 31 December 2016 | 18,192 | - | (9,308) | - | 8,884 | - | 8,884 |
| At 1 January 2017 | 18,192 | - | (9,308) | - | 8,884 | - | 8,884 |
| Total comprehensive profit for the year | - | - | 103 | - | 103 | - | 103 |
| Performance shares vested | - | - | - | - | - | - | - |
| At 31 December 2017 | 18,192 | - | (9,205) | - | 8,987 | - | 8,987 |

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

The company did not have any convertible instruments, treasury shares or subsidiary holding as at 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.**

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

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

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

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

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

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

The figures have not been audited or reviewed by the auditors.

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

Not applicable.

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

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

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

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

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

| | FY2017 | FY2016 |
|---|----------------|----------------|
| | S\$'000 | S\$'000 |
| Net (loss) / profit attributable to shareholders of the company | (2,417) | (2,317) |
| Earnings per share for the year based on the weighted average number of shares in issue of 373,285,542 for FY2017 (FY2016: 373,285,542) | | |
| | Cents | Cents |
| Basic (loss) / earnings per share | (0.65) | (0.62) |
| Diluted (loss) / earnings per share | (0.65) | (0.62) |

There is no dilutive effect for the year ended 31 December 2017.

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

| | Group | | Company | |
|---------------------------|-------------------|------------|-------------------|------------|
| | 31/12/2017 | 31/12/2016 | 31/12/2017 | 31/12/2016 |
| | Cents | Cents | Cents | Cents |
| Net asset value per share | 2.74 | 3.32 | 2.41 | 2.38 |

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

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

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period on, including (where applicable) seasonal or cyclical factors: and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Statement of comprehensive income (FY2017 vs FY2016)

Revenue

The Group registered a decrease in revenue in the current financial period. Revenue decreased from S\$46.78 million in FY2016 to S\$12.04 million in FY2017.

This was mainly due to a decrease in revenue of approximately S\$11.64 million from the manufacturing segment and S\$21.99 million from engineering segment due to absence of revenue from new projects.

Gross profit

Although the revenue decreased in the current financial period, gross profit margin increased to 31.5% in FY2017 as compared to 16.1% in FY2016.

Other operating income

Other operating income increased by S\$6.90 million from S\$1.30 million in FY2016 to S\$8.20 million in FY2017. A large part of this increase was because of the settlement of the scheme creditors which were adjudicated by the Judicial Manager of ASPL.

Administrative expenses

Administrative expenses decreased from S\$5.17 million in FY2016 to S\$4.67 million in FY2017. This was mainly due to a decrease in administrative costs in line with lower sales and production activity accordingly.

Other operating expenses

The other operating expenses increased from S\$5.39 million in FY2016 to S\$9.81 million in FY2017. A large part of this increase was due to a provision made for the outstanding claim in relation to project at Changi Airport T4, pending the outcome of arbitration.

Finance costs

Finance costs decreased from S\$121,000 in FY2016 to S\$16,000 in FY2017.

Taxation

Reversal of deferred tax liability resulted a positive figure in FY2017.

Loss after taxation

Overall, the Group incurred a losses of S\$2.42 million in FY2017 as compared to a loss S\$2.34 million in FY2016.

Statement of Financial Position (FY2017 vs. FY2016)

In FY2017, the value of the plant and equipment decreased from S\$1.13 million in FY2016 to S\$1.05 million mainly due to depreciation and disposal of equipment and motor vehicle.

Inventories increased from S\$1.39 million as at 31 December 2016 to S\$2.04 million as at 31 December 2017 due to increased stock holding of raw materials.

Gross amount due from customers for contract work-in-progress comprise of S\$12.53 million which is the cost incurred in relation to Changi Airport T4 project.

A provision of S\$7.77 million has been made in the subsidiary's book, pending the outcome of the arbitration.

Trade and other receivables increased slightly from S\$7.66 million as at 31 December 2016 to S\$8.08 million as at 31 December 2017.

Trade and other payables decreased from S\$14.16 million as at 31 December 2016 to S\$9.63 million as at 31 December 2017 due largely to the court's sanction of APL's scheme of arrangement to purchase and settle the outstanding creditors of ASPL which is in Judicial Management.

Liquidity

The Group's cash and cash equivalents reduced from S\$7.34 million in FY2016 to S\$3.01 million as at 31 December 2017 largely due to an approved settlement scheme pursuant to Section 227X of The Companies Act (Cap. 50) in relation to the subsidiary's ongoing disputes in Changi Airport T4 & T1E projects.

Net cash used in operating activities for FY2017 was S\$4.05 million as compared to net cash used of S\$0.88 million for FY2016.

Net cash used in financing activities was S\$0.06 million in FY2017 as compared to net cash used of S\$0.88 million in FY2016. This was due mainly to repayments for bank borrowings in FY2016.

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

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

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

The Group continues to be mindful of the challenging economic climate and is taking pre-emptive actions to handle the challenges. The Group noted that its subsidiary, Acesian Star (S) Pte Ltd continues to remain under Judicial Management even after settling all the adjudicated claim by subcontractors and suppliers through a scheme pursuant to Section 227X of The Companies Act (Cap. 50), due to Takenaka Corporation continuing to allege to be a creditor. The Group had lost and continues to miss out tendering for Government related project as these projects require company with BCA L6 license qualification. Acesian Star (S) Pte Ltd is the only one has the BCA L6 license within the group. We will continue to work with the Judicial Manager on the necessity for Acesian Star (S) Pte Ltd to be remained in Judicial Management.

The group has expanded its businesses by investing in machinery and talents. We hope this expansion effort will bear fruit in 2018.

11. Dividend

(a) Current Financial Period Report on

Any dividend declared for the current financial period reported on?

N/A

(b) Corresponding Period of the immediately Preceding Financial Year

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

N/A

(c) Date payable

N/A

(d) Books closure date

N/A

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

No.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half year results)

13. Segmented revenue and results for business or geographical segments (of the group) in the company's most recently audited annual financial statements, which comparative information for the immediately preceding year.

| | Manufacturing | | Engineering Services | | Distribution & Services | | Total | |
|----------------|---------------|---------|----------------------|---------|-------------------------|---------|---------------|---------|
| | FY2017 | FY2016 | FY2017 | FY2016 | FY2017 | FY2016 | FY2017 | FY2016 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| REVENUE | | | | | | | | |
| External sales | <u>7,138</u> | 18,780 | <u>4,849</u> | 26,846 | <u>54</u> | 1,155 | <u>12,041</u> | 46,781 |

RESULTS

| | | | | | | | | |
|---------------------------------------|--------------|-------|----------------|---------|-----------|-----|----------------|----------------|
| Segment results | <u>(830)</u> | 2,198 | <u>(1,705)</u> | (3,310) | <u>22</u> | 462 | <u>(2,513)</u> | (650) |
| Unallocated finance costs | | | | | | | - | - |
| Taxation | | | | | | | 89 | (462) |
| Impairment of goodwill | | | | | | | - | (1,006) |
| Impairment of intangible assets | | | | | | | - | (223) |
| Non-controlling interest | | | | | | | <u>7</u> | <u>24</u> |
| Net loss attributable to shareholders | | | | | | | <u>(2,417)</u> | <u>(2,317)</u> |

ASSETS

| | | | | | | | | |
|------------------------------|--------------|--------|---------------|--------|------------|-------|---------------|---------------|
| Segment assets | <u>7,700</u> | 10,783 | <u>10,225</u> | 15,000 | <u>411</u> | 1,258 | <u>18,336</u> | 27,041 |
| Unallocated corporate assets | | | | | | | - | - |
| Total assets | | | | | | | <u>18,336</u> | <u>27,041</u> |

LIABILITIES

| | | | | | | | | |
|-----------------------------------|--------------|-------|--------------|--------|---|-----|--------------|---------------|
| Segment liabilities | <u>3,512</u> | 2,600 | <u>4,605</u> | 11,690 | - | 342 | <u>8,117</u> | 14,632 |
| Unallocated corporate liabilities | | | | | | | - | - |
| Total liabilities | | | | | | | <u>8,117</u> | <u>14,632</u> |

| | Manufacturing | | Engineering Services | | Distribution & Services | | Total | |
|---|---------------|---------|----------------------|---------|-------------------------|---------|---------|---------|
| | FY2017 | FY2016 | FY2017 | FY2016 | FY2017 | FY2016 | FY2017 | FY2016 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| OTHER INFORMATION | | | | | | | | |
| Capital expenditure | 290 | 275 | 27 | 21 | - | - | 317 | 296 |
| Depreciation | 270 | 317 | 62 | 67 | - | - | 332 | 384 |
| Allowance for impairment of trade receivables | 279 | 622 | - | - | - | - | 279 | 622 |
| Allowance for impairment of other receivables | - | (76) | - | - | - | - | - | (76) |
| Provision for WIP | - | - | 9,293 | - | - | - | 9,293 | - |
| Bad debt written off | - | 23 | - | - | - | - | - | 23 |
| Bad debt written off/ (recovered) | - | - | - | (21) | - | - | - | (21) |
| Allowance for impairment of trade receivables (recovered) | - | - | - | (76) | - | - | - | (76) |
| (Gain)/loss on disposal of plant and equipment | 10 | (4) | (27) | (4) | - | - | (17) | (8) |
| Impairment of goodwill | - | - | - | 1,006 | - | - | - | 1,006 |
| Impairment of intangible assets | - | - | - | 223 | - | - | - | 223 |

Geographical reporting

| Revenue | S'pore & M'sia | China | Total |
|---------------|----------------|-------|--------|
| FY2017 ('000) | 11,607 | - | 11,607 |
| FY2016 ('000) | 46,781 | - | 46,781 |

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

Revenue for manufacturing and engineering segments decreased as compared to FY2016 due to absence new projects.

15. Breakdown of sales

| | FY2017 | FY2016 | Increase/ (decrease) |
|--|----------------|---------|-------------------------|
| | | | |
| Revenue reported for 1 st half year | 5,259 | 28,624 | -81.6% |
| | | | |
| Operating profit / (loss) after tax before deducting minority interests reported for the 1 st half year | (276) | 543 | N.M |
| | | | |
| Revenue reported for 2 nd half year | 6,782 | 18,157 | -62.6% |
| | | | |
| Operating loss after tax before deducting minority interests reported for the 2 nd half year | (2,148) | (2,884) | N.M |

16. Interested Party Transactions

| Name of interested person | Aggregate value of all interested transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) | | Aggregate value of all interested transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) | |
|------------------------------|---|---------|---|---------|
| | FY 2017 | FY 2016 | FY 2017 | FY 2016 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Chern Dar Enterprise Co. Ltd | | | | |
| Purchases | - | - | 106 | 2,817 |
| | | | | |

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

17. Disclosure under Rule 704(10) of section B: Rules of Catalist of the SGX-ST Listing Manual

The Company wishes to confirm that there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or the Chief Executive Officer or substantial shareholders of the Company.

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

Not applicable.

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

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

By Order of the Board

Wong Kok Chye

Group Chief Executive Officer

26 February, 2018

By Order of the Board

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

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

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