

**FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016**

**PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR AND FULL YEAR RESULTS**

The Board of Directors of AA Group Holdings Ltd. (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (the “**Group**”) for the financial year ended 31 December 2016 (“**FY2016**”). The financial information in respect of FY2016 presented in this announcement has not been audited.

**1(a)(i) An income statement and the statement of comprehensive income together with a comparative statement for the corresponding year of the immediately preceding financial year**

	<b>Group</b>		
	<b>FY2016 S\$'000</b>	<b>FY2015 S\$'000</b>	<b>% change</b>
Revenue	17,170	15,471	11%
Cost of sales	(15,804)	(14,675)	8%
Gross profit	1,366	796	72%
Other operating income	834	1,296	-36%
Administrative costs	(2,550)	(1,594)	60%
Other operating costs	(352)	(23)	1,430%
Finance income	19	15	27%
Finance costs	(487)	(479)	2%
<b>(Loss)/Profit before income tax</b>	<b>(1,170)</b>	<b>11</b>	<b>-10,736%</b>
Income tax expense	(38)	(154)	-75%
<b>Net loss attributable to equity holders of the Company</b>	<b>(1,208)</b>	<b>(143)</b>	<b>745%</b>
Other comprehensive losses			
- exchange differences on translation of foreign operations	(284)	(1,783)	-84%
Total comprehensive losses for the year attributable to equity holders of the Company	(1,492)	(1,926)	-23%

# 1(a)(ii) Breakdown and explanatory notes to the income statement

Profit before income tax is arrived at after charging / (crediting) the following:

	Group		
	FY2016 S\$'000	FY2015 S\$'000	% change
Depreciation of property, plant and equipment	1,668	1,674	0%
Amortisation of prepaid land lease payments	10	10	0%
Impairment of plant and equipment	179	-	n.m.
Directors' remuneration and fees	798	549	45%
Gain on foreign exchange (net)	(240)	(716)	-66%
Rental of equipment / office	137	6	2,183%
(Gain) /Loss on disposal of plant and equipment	(15)	14	7%
Inventories written down (included in cost of sales)	15	4	275%
Interest expense	472	454	4%
Staff costs	1,984	1,949	2%

"n.m." denotes not meaningful

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

	Group		Company	
	31 Dec 16 S\$'000	31 Dec 15 S\$'000	31 Dec 16 S\$'000	31 Dec 15 S\$'000
<b>Non-Current Assets</b>				
Property, plant and equipment	14,550	13,083	-	-
Prepaid land lease payments	422	442	-	-
Goodwill	685	-	-	-
Investments in subsidiaries	-	-	11,065	11,065
	<b>15,657</b>	<b>13,525</b>	<b>11,065</b>	<b>11,065</b>
<b>Current Assets</b>				
Inventories	3,519	3,485	-	-
Trade receivables	6,239	4,652	-	-
Other receivables, deposits and prepayments	925	1,585	21	16
Fixed deposits (pledged)	512	508	-	-
Cash at bank and on hand	10,750	1,847	9,411	15
	<b>21,945</b>	<b>12,077</b>	<b>9,432</b>	<b>31</b>
<b>Total Assets</b>	<b>37,602</b>	<b>25,602</b>	<b>20,497</b>	<b>11,096</b>
<b>Current Liabilities</b>				
Trade payables	5,169	3,085	-	-
Other payables and accruals	3,385	2,138	226	205
Amount due to subsidiary	-	-	1,019	545
Hire purchase creditors	1,197	490	-	-
Bank borrowings	4,372	5,123	-	-
	<b>14,123</b>	<b>10,836</b>	<b>1,245</b>	<b>750</b>
<b>Non-Current Liabilities</b>				
Term loans	660	751	-	-
Hire purchase creditors	1,429	729	-	-
Deferred taxation	1,930	1,962	-	-
	<b>4,019</b>	<b>3,442</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>18,142</b>	<b>14,278</b>	<b>1,245</b>	<b>750</b>
<b>Shareholders' Equity:</b>				
Share capital	22,144	12,516	22,144	12,516
Reserves	(2,684)	(1,192)	(2,892)	(2,170)
<b>Total Equity</b>	<b>19,460</b>	<b>11,324</b>	<b>19,252</b>	<b>10,346</b>
<b>Total liabilities and equity</b>	<b>37,602</b>	<b>25,602</b>	<b>22,497</b>	<b>11,096</b>

**(b)(ii) Aggregate amount of group borrowings and debt securities****Amount payable in one year or less, or on demand**

	As at 31 December 2016		As at 31 December 2015	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Bills payable to banks	3,930	-	4,460	-
Term loans	76	-	74	-
Hire purchase creditors	1,197	-	490	-
Bank overdrafts	366	-	589	-

**Amount payable after one year**

	As at 31 December 2016		As at 31 December 2015	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Term loans	660	-	751	-
Hire purchase creditors	1,429	-	729	-

**Details of any collateral**

All of the Group's secured borrowings were obtained through a pledge of assets (including plant and machinery, motor vehicles, fixed deposits and the properties at Lot 147, Lot 148 and Lot 149, Sungai Petani, Kedah, Malaysia) by the Group and personal guarantees provided jointly and severally by the Company's Executive Chairman, Mr. Jaimes Hsieh, and Managing Director, Ms. Julie Feng.

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

	Group	
	FY2016	FY2015
	S\$'000	S\$'000
<b>Cash Flows from Operating Activities:</b>		
(Loss)/Profit before income tax	(1,170)	11
(Gain) / Loss on disposal of property, plant and equipment	(15)	14
Amortisation of prepaid land lease payments	10	10
Depreciation of property, plant and equipment	1,668	1,674
Property, plant and equipment written off	15	-
Impairment of plant and equipment	179	-
Net foreign exchange gain-unrealised	(694)	(313)
Inventories written down	15	4
Interest income	(16)	(15)
Interest expense	472	454
Operating cash flows before changes in working capital	464	1,839
Changes in working capital:		
Inventories	(131)	401
Trade and other receivables	(1,129)	(64)
Trade and other payables	2,896	170
Cash generated from operating activities	2,100	2,346
Cash generated from operations		
Interest received	16	15
Interest paid	(472)	(454)
Income tax paid	-	(8)
Tax refund	3	13
<b>Net cash generated from operating activities</b>	<b>1,647</b>	<b>1,912</b>
<b>Cash Flows from Investing Activities</b>		
Net cash outflow on acquisition of subsidiary	80	-
Refundable deposit advance to third party	-	(500)
Purchase of property, plant and equipment	(633)	(361)
Proceeds from disposal of property, plant and equipment	28	30
Placement of fixed deposit with licensed banks	(15)	(15)
<b>Net cash used in investing activities</b>	<b>(540)</b>	<b>(846)</b>

Cash Flows from Financing Activities:

Loan from shareholders	500	1,230
Decrease in bills payable	(450)	(206)
Repayment of hire purchase creditors	(1,581)	(511)
Repayment of term loans	(74)	(132)
Proceeds of right issue	9,628	118
Net proceeds from directors	100	137
<b>Net cash generated from financing activities</b>	<b>8,123</b>	<b>362</b>

Net increase in cash and cash equivalents	9,150	1,428
Cash and cash equivalents at the beginning of the year	1,258	(120)
Effect of exchange rate changes on the balance of cash held in foreign currencies	(24)	(50)
<b>Cash and cash equivalents at end of the year</b>	<b>10,384</b>	<b>1,258</b>

	<b>FY2016</b>	<b>FY2015</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash and cash equivalents consist of:</b>		
Cash and bank balances	10,750	1,847
Less: Bank overdrafts	(366)	(589)
	<b>10,384</b>	<b>1,258</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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

**Group**

	<b>Share Capital</b>	<b>Merger Reserve</b>	<b>Translation Reserve</b>	<b>Accumulated Earnings</b>	<b>Total</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Balance as at 1 January 2016</b>	12,516	(6,478)	(4,435)	9,721	11,324
Investment	9,628	-	-	-	9,628
Net loss for the year	-	-	-	(1,208)	(1,208)
Other comprehensive loss for the year	-	-	(284)	-	(284)
<b>Total comprehensive loss for the year</b>	-		(284)	(1,208)	(1,492)
<b>Balance as at 31 December 2016</b>	22,144	(6,478)	(4,719)	8,513	19,460

**Group**

	<b>Share Capital</b>	<b>Merger Reserve</b>	<b>Translation Reserve</b>	<b>Accumulated Earnings</b>	<b>Total</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Balance as at 1 January 2015</b>	12,516	(6,478)	(2,652)	9,864	13,250
Net loss for the year	-	-	-	(143)	(143)
Other comprehensive loss for the year	-	-	(1,783)	-	(1,783)
<b>Total comprehensive loss for the year</b>	-	-	(1,783)	(143)	(1,926)
<b>Balance as at 31 December 2015</b>	12,516	(6,478)	(4,435)	9,721	11,324

**Company**

	<b>Share Capital</b>	<b>Accumulated (Losses)</b>	<b>Total</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Balance as at 1 January 2016</b>	<b>12,516</b>	<b>(2,170)</b>	<b>10,346</b>
Investment	9,628	-	9,628
Net Loss for the year	-	(722)	(722)
Other comprehensive loss for the year	-	-	-
<b>Total comprehensive loss for the year</b>	-	(722)	(722)
<b>Balance as at 31 December 2016</b>	22,144	(2,892)	19,252

**Company**

	<b>Share Capital</b>	<b>Accumulated (Losses)</b>	<b>Total</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Balance as at 1 January 2015</b>	12,516	(1,835)	10,681
Net Loss for the year	-	(335)	(335)
Other comprehensive loss for the year	-	-	-
<b>Total comprehensive loss for the year</b>	-	(335)	(335)
<b>Balance as at 31 December 2015</b>	12,516	(2,170)	10,346

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held in treasury shares, if any, against the total number of issued shares, excluding treasury shares 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.**

The Company allotted and issued 962,762,010 rights shares on 23 December 2016 pursuant to the Rights cum Warrants Issue undertaken by the Company. Following the allotment and issuance of 962,762,010 rights shares, the total number of issued shares (excluding treasury shares) has increased from 96,276,201 shares to 1,059,038,211 shares.

The Company does not have any treasury shares as at 31 December 2016 and 31 December 2015.

As part of the Rights cum Warrants Issue, there were 962,762,010 free detachable unlisted warrants which can be converted into 962,762,010 new shares in the Company. As at 31 December 2016, there was no warrants being converted into new shares of the Company. The number of outstanding warrants which can be converted into new shares of the Company as at 31 December 2016 is 962,762,010.

**1(d)(iii) 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>As at 31 December 2016</b>	<b>As at 31 December 2015</b>
Total number of issued shares	1,059,038,211	96,276,201

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

Not applicable as the Company did not have treasury shares during and as at the end of FY2016.

**2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard).**

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

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

Not applicable.

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

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those of the audited financial statements for the financial year ended 31 December 2015.

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

The Group has adopted all the new and revised Singapore Financial Reporting Standards (FRS) and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning 1 January 2016.

The adoption of the new/revised Financial Reporting Standards and Interpretations of FRS does not result in any significant changes to the accounting policies of the Group and has no material effect on the amounts reported for the current and prior periods.

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

	<b><u>FY2016</u></b>	<b><u>FY2015</u></b> <b><u>(Restated)</u></b>
Loss per share (Singapore cents)		
- Basic basis <sup>(1)</sup>	<b>(0.59)</b>	<b>(0.08)</b>
- Diluted basis <sup>(2)</sup>	<b>(0.52)</b>	<b>(0.15)</b>

**Notes:**

- (1) Loss per share were calculated based on the weighted average number of issued shares in each of FY2016 and FY2015, being 205,441,839 and 176,506,368 ordinary shares respectively.
- (2) Loss per share were calculated based on the weighted average number of issued shares and outstanding warrants (if any) in each of FY2016 and FY2015, being 231,431,152 and 96,276,201 ordinary shares respectively.

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares, excluding treasury of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.**

	<b>Group</b>		<b>Company</b>	
	<b>As at 31 December 2016</b>	<b>As at 31 December 2015</b>	<b>As at 31 December 2016</b>	<b>As at 31 December 2015</b>
Net asset value per ordinary share (Singapore cents) <sup>(1)</sup>	<b>1.84</b>	<b>11.76</b>	<b>1.82</b>	<b>10.75</b>

**Note:**

- (1) NAV per share were computed based on the issued share capital of 1,059,038,211 ordinary shares as at 31 December 2016 and 96,276,201 ordinary shares as at 31 December 2015.

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

(a) The Group's revenue for FY2016 increased by approximately S\$1.70 million or 11% as compared to FY2015. The increase in revenue was mainly due from the Group's speaker products by approximately S\$1.70 million.

(b) Cost of sales for the financial year increased by S\$1.13 million or 8%, as compared to previous year is mainly attributable in manufacturing cost, specifically in tooling cost and maintenance cost.

(c) Gross profit for the financial year increased by S\$0.57 million or 72%, as compared to the previous year and this is mainly due to decrease in sales margin

(d) The Group's other operating income for FY2016 decreased by S\$0.46 million or 36% as compared to FY2015, mainly due to decrease in gain on foreign exchange.

(e) The Group's administrative expenses and other operating expenses increased by approximately S\$1.28 million or 79% as compared to previous year, mainly due to increase in directors' remuneration S\$0.25 million, increase in consultancy fees S\$0.39 million, rental of office S\$0.13 million, loss on unrealized foreign exchange S\$0.17 million and provision impairment on fixed assets S\$0.18 million.

(f) The Group's results before income tax for FY2016 is a loss of approximately S\$1.17 million mainly due to the increase in administrative expenses and decreased in other operating income.

(g) The Group's income tax expenses for FY2016 amounted to approximately S\$0.04 million and pertain to deferred tax liabilities arising from timing difference between depreciation and tax capital allowances.

(h) As at 31 December 2016, the net book value of the Group's property, plant and equipment and prepaid land lease payments was approximately S\$15.66 million. The foregoing constituted 41.64% of the Group's total assets as at 31 December 2016.

(i) As at 31 December 2016, the current assets of the Group amounted to S\$21.95 million. Current assets constituted 58.36% of the Group's total assets as at 31 December 2016.

This comprised of inventories of S\$3.52 million, and constituted approximately 16.04% of the Group's total current assets. The Group's inventories comprised mainly of raw materials and semi-finished products of approximately S\$2.49 million and finished goods of approximately S\$1.03 million.

The Group's trade receivables amounted to approximately S\$6.24 million and other receivables amounted to approximately S\$0.93 million, representing approximately 28.43% and 4.22% respectively of the Group's total current assets. The increase in trade receivables were mainly due to the increase of revenue during the financial period.

The Group's cash and bank balances comprising cash on hand and cash at financial institutions amounted to approximately S\$10.75 million as at 31 December 2016. The increased in cash on hand is mainly due to the Rights cum Warrants Issue with net proceeds of approximately S\$9.54 million after deducting the professional expenses of about S\$0.09 million relating to the Rights cum Warrants Issue.

As at 31 December 2016, fixed deposits of the Group amounting to approximately S\$0.51 million were pledged to banks as collateral for notes payable.

(j) As at 31 December 2016, the total current liabilities of the Group amounted to S\$14.12 million, representing 77.85% of the Group's total liabilities as at 31 December 2016.

The Group's trade payables from approximately S\$3.09 million as at 31 December 2015 to approximately S\$5.17 million as at 31 December 2016 was mainly due to the purchase of raw materials for speaker parts and increase purchase of fixed assets.

Short-term borrowings of the Group, including hire purchase payables, amounted to approximately S\$5.57 million as at 31 December 2016 and represented approximately 39.43% of the Group's total current liabilities. These borrowings were used mainly for the Group's working capital purposes.

(k) As at 31 December 2016, the Group's non-current liabilities amounted to S\$4 million, representing 22.15% of the Group's total liabilities as at 31 December 2016, comprising long-term bank borrowings and hire purchase creditors of S\$2.09 million and deferred taxation of S\$1.92 million.

The increase in long-term bank borrowings and hire purchase creditors compared to previous year was mainly due to the additional purchases of plant and machineries during the financial year ended 31 December 2016.

(l) The Group's shareholders' equity as at 31 December 2016 was approximately S\$19.47 million.

(m) As a result of the foregoing, the Group was in a net current asset position of S\$7.82 million as at 31 December 2016 compared to S\$1.24 million as at 31 December 2015.

(o) For FY2016, the Group's operating cash flow before changes in working capital was S\$0.43 million and the net cash generated from operating activities in FY2016 amounted to S\$1.65 million. This was mainly due to an increase in trade payables during the financial year.

(p) The Group's net cash used in investing activities in FY2016 amounted to S\$0.54 million. This was mainly attributable to the purchase of machinery and provision impairment of factory equipment for the financial year.

(q) The Group's net cash used in financing activities in FY2016 amounted to S\$8.12 million. This was mainly attributable to the repayment of term loans, hire purchase creditors, a decrease in bill payables, and partial offset proceed from the rights issue during the financial year.

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

No forecast or prospect statement was made in the previous announcement.

**10. A commentary at the date of the announcement of the 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.**

In light of the uncertain global, regional and local economic environment, the management of the Group maintains a cautious outlook and expects the business environment to remain highly challenging for the next 12 months.

The Group expects its current audio business to be challenging given a less robust trade environment and increased competition in this sector.

Revenue contribution from its iron ore trading business is expected to decrease in the next 12 months as a result of significant reduction in market prices.

The building and construction business through its subsidiary, Toko Construction Pte Ltd, will continue to face a challenging environment, given the current muted demand.

However, the recent acquisition of Engineering Manufacturing Services (S) Pte Ltd ("EMS") should provide some buffer and stability to the overall revenue contributions of the Group. Given its business nature and revenue model, we are confident that this will provide the Group with an anchor for the next 12 months.

**Recent Developments**

On 20th February 2017, the Group acquired the entire issued and paid-up capital of EMS.

Based on preliminary management assessment, the key financial indicators of EMS's unaudited numbers during the current financial year ended 31 December 2016 ("FY2016") are as follows:

- (1) Revenue arising from rendering of services amounting to S\$10.1 million in FY2016;
- (2) Profit before income tax amounting to S\$4.8 million in FY2016;
- (3) Net asset position amounting to S\$59.9 million as at 31 December 2016; and
- (4) Net current asset position amounting to S\$8.7 million as at 31 December 2016.

Had these business combinations been effected at 1 January 2016, the revenue of the Group from continuing operations would have been S\$27.3 million, and the Group would have made a profit before income tax of S\$3.6 million in FY2016. In addition, as at 31 December 2016, the adjusted net assets and net current assets of the combined Group would be S\$79.4 million and S\$16.5 million respectively.

The directors of the Group consider these 'pro-forma' numbers to represent an approximate measure of the performance of the combined Group on an annualised basis and provides a reference point for comparison in future periods.

**11. Dividend**

***(a) Current Financial Period Reported On***

Any dividend declared for the current financial period reported on?  
None.

***(b) Corresponding Period of the Immediately Preceding Financial Year***

Any dividend declared for the corresponding period of the immediately preceding financial year?  
None.

***(c) Date payable***

Not applicable.

***(d) Books closure date***

Not applicable.

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

No dividend has been declared or recommended in respect of FY2016.

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

**13. 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.**

**(i) Business segments****Group Consolidated Profit and Loss Statement**

	<b>T-yokes</b>	<b>U-yokes</b>	<b>Washers</b>	<b>Frame &amp; other</b>	<b>Others</b>	<b>Total</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>FY2016</b>						
Revenue	5,508	7,880	3,691	88	2	17,170
Segment results	930	1,331	228	4	1	2,494
Unallocated operating expenses (net)						(3,196)
Finance income						19
Finance cost						(487)
Profit before income tax						(1,170)
Income tax expense						(38)
Net loss for the year						(1,208)
Segment assets-unallocated						37,602
Segment liabilities-unallocated						18,142
<b>Other information:</b>						
Additions to property, plant and equipment –unallocated						577
Depreciation of property, plant and equipment –unallocated						1,668
Amortisation of prepaid land lease payments –unallocated						10
Inventories written down						15

	<b>T-yokes</b>	<b>U-yokes</b>	<b>Washers</b>	<b>Frame &amp; other</b>	<b>Others</b>	<b>Total</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>FY2015</b>						
Revenue	4,847	7,530	3,004	90	-	15,471
Segment results	533	829	(534)	(32)	-	796
Unallocated operating expenses (net)						(321)
Finance income						15
Finance cost						(479)
Profit before income tax						11
Income tax expense						(154)
Net loss for the year						(143)
Segment assets-unallocated						25,602
Segment liabilities-unallocated						14,278

**Other information:**

Additions to property, plant and equipment –unallocated	1,581
Depreciation of property, plant and equipment –unallocated	1,674
Amortisation of prepaid land lease payments –unallocated	10
Inventories written down	

Property, plant and equipment purchased by the Group are used interchangeably in the manufacture of products from different product categories. Accordingly, capital expenditure and depreciation of property, plant and equipment are disclosed as unallocated in this segment report.

**Group Consolidated Balance Sheet**

	<b>As at 31 December 2016 S\$'000</b>	<b>As at 31 December 2015 S\$'000</b>
<b>Assets</b>		
Total assets unallocated	37,602	25,602
<b>Liabilities</b>		
Total liabilities unallocated	18,142	14,278

Assets of the Group are utilised interchangeably between the different segments and there is no reasonable basis to allocate liabilities of the Group between the different segments. Accordingly, assets and liabilities of the Group are disclosed as unallocated in this segment report.

**(ii) Geographical segment**

In presenting information on the basis of geographical segments, segment revenue is based on the location of the customers. Segment assets are based on the geographical location of the assets.

	<b>Asia S\$'000</b>	<b>Europe S\$'000</b>	<b>North America S\$'000</b>	<b>Total S\$'000</b>
<b>FY2016</b>				
Segment assets	37,602	-	-	37,602
Capital expenditure	577	-	-	577
Revenue	1,699	4,767	10,704	17,170

	Asia S\$'000	Europe S\$'000	North America S\$'000	Total S\$'000
<b>FY2015</b>				
Segment assets	25,602	-	-	25,602
Capital expenditure	<u>1,581</u>	<u>-</u>	<u>-</u>	<u>1,581</u>
Revenue	1,172	9,942	4,357	15,471

**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.**

Please refer to Note 8 of this announcement.

**15. A breakdown of sales as follows:**

	Group FY2016 S\$'000	Group FY2015 S\$'000	Increase / (Decrease) %
Sales reported for first half year	7,889	6,966	13%
Operating (loss) / profit after tax reported for first half year	(324)	(33)	882%
Sales reported for second half year	9,281	8,505	9%
Operating (loss)/ profit after tax reported for the second half year	(884)	(110)	703%

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

	2016 S\$ '000	2015 S\$ '000
Ordinary shares	-	-
Preference shares	-	-
Total	-	-

**17. 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 aggregate value of interested person transactions during FY2016 is as follows:

Name of interested person	Aggregate value of all interested person transactions for FY2016 (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) S\$'000	Aggregate value of all interested person transactions for FY2015 conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) S\$'000
Audio Yoke Industrial Co. Limited	Nil	Nil

#### **18. Update on the use of proceeds from the Rights Issue**

Refer to the announcement made on 23 December 2016, the net proceeds of approximately \$9.54 million (after deducting expenses of about \$88,000) raised from the Rights Issue as follows:

Intended purposes	Amount allocated (S\$'000)	Amount utilized as at date of announcement (S\$'000)	Balance as at date of announcement (S\$'000)
For acquisition of EMS	7,632	(3,213)	4,419
For working capital	1,908	(242)	1,666
<b>Total</b>	<b>9,540</b>	<b>(3,455)</b>	<b>6,085</b>

The use of proceeds from the Rights Issue is in accordance with the stated use as disclosed to shareholders of the Company.

**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.**

Pursuant to Rule 704(10) of the SGX-ST Listing Manual Section B: Rules of Catalist ("**Listing Manual**"), there is no such person occupying a managerial position in the Company and any of its principal subsidiaries who is the relative of a Director, Chief Executive Officer or substantial shareholder of the Company.

**20. 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) of the Listing Manual.**

The Company hereby confirms that it has procured signed undertakings from all its directors and relevant executive officers in the format as set out in Appendix 7H of the Listing Manual in accordance with Rule 720(1) of the Listing Manual.

**BY ORDER OF THE BOARD**

Hsieh Kuo-Chuan  
Executive Chairman/Director  
27 February 2017

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd. (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**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. 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.*

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