

ACROMEK LIMITED

(incorporated in the Republic of Singapore)
(Company Registration Number: 2015440003M)



UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

This announcement has been prepared by ACROMEK Limited (the “Company”) and its contents have been reviewed by the Company’s sponsor, SAC Capital Private Limited (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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Background

ACROMEK Limited (together with its subsidiaries, the “Group”) was listed on Catalist of the SGX-ST on 18 April 2016, pursuant to an initial public offering (the “IPO”) exercise. The Group is primarily a Singapore-based specialist engineering services provider in the field of controlled environments. It currently serves mainly the healthcare, pharmaceutical, biomedical science, research and academia, and electronics sectors.

The Group’s business is divided into two main business segments:

- (1) Engineering, Procurement and Construction (“EPC”) segment; and
- (2) Maintenance segment.

The EPC segment provides engineering, procurement and construction services, specialising in architectural, mechanical, electrical and process works within controlled environment. The Maintenance segment provides maintenance and repair services for facilities and equipment of controlled environments and their supporting infrastructure.

PART I: INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

1(a)(i) A statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		Inc/(Dec) %
	Financial Year Ended 30 Sep		
	2017 S\$'000	2016 S\$'000	
Revenue	43,537	43,502	-
Cost of sales	(42,364)	(38,375)	10
Gross profit	<u>1,173</u>	<u>5,127</u>	(77)
Other operating income	166	170	(2)
	<u>1,339</u>	<u>5,297</u>	(75)
Administrative expenses	(5,164)	(4,774)	8
IPO Expenses	-	(716)	N.M
Other operating expenses	(648)	(347)	87
Finance costs	(64)	(7)	N.M
Loss before income tax	(4,537)	(547)	N.M
Income tax expenses	(13)	(30)	(57)
Loss for the year, representing total comprehensive income for the year	<u>(4,550)</u>	<u>(577)</u>	<u>N.M</u>
(Loss)/Profit attributable to:			
Owners of the Company	(4,585)	(577)	N.M
Non-controlling interests	<u>35</u>	<u>-</u>	<u>N.M</u>
Total comprehensive (loss)/income attributable to:			
Owners of the Company	(4,585)	(577)	N.M
Non-controlling interests	<u>35</u>	<u>-</u>	<u>N.M</u>

N.M : not meaningful

1(a)(ii) Notes to the statement of comprehensive income

	Group	
	Financial Year Ended 30 Sep	
	2017	2016
	S\$'000	S\$'000
Profit for the financial year is arrived at after (charging)/crediting the following:		
Depreciation	(356)	(119)
Gain/(Loss) on disposal of property, plant and equipment	12	(7)
Interest income	27	34
Foreign exchange loss (Net)	(45)	(3)

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

	Group		Company	
	30 Sep 2017	30 Sep 2016	30 Sep 2017	30 Sep 2016
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-current assets				
Investment in subsidiaries	-	-	10,793	6,218
Goodwill	277	-	-	-
Investment property	1,748	-	-	-
Property, plant and equipment	2,005	324	-	-
Total non-current assets	4,030	324	10,793	6,218
Current assets				
Trade receivables	4,675	7,792	-	-
Other receivables, deposits and prepayments	148	102	18	39
Amounts due from contract customers	1,177	4,325	-	-
Amounts due from subsidiary	-	-	414	1,790
Loan to subsidiary	-	-	300	1,800
Cash and bank balances ⁽¹⁾	13,465	9,142	1,059	2,152
Total current assets	19,465	21,361	1,791	5,781
Total assets	23,495	21,685	12,584	11,999
LIABILITIES AND EQUITY				
Current liabilities				
Trade and other payables	8,936	9,147	201	205
Bill payables	2,173	586	-	-
Amounts due to contract customers	2,217	1,039	-	-
Amounts due to subsidiary	-	-	-	-
Income tax payable	80	98	30	30
Bank loans	105	-	-	-
Finance leases	86	-	-	-
Total current liabilities	13,597	10,870	231	235
Net current assets	5,868	10,491	1,560	5,546
Non-current liabilities				
Bank loans	1,845	-	-	-
Finance leases	218	-	-	-
Deferred taxation	59	-	-	-
Total non-current liabilities	2,122	-	-	-
Net assets	7,776	10,815	12,353	11,764

**Equity attributable to the owners
of the Company**

Share capital	12,529	11,753	12,529	11,753
Merger reserve	(4,718)	(4,718)	-	-
Retained earnings	(805)	3,780	(176)	11
Shareholders' equity	<u>7,006</u>	<u>10,815</u>	<u>12,353</u>	<u>11,764</u>
Non-controlling interests	<u>770</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total equity	<u>7,776</u>	<u>10,815</u>	<u>12,353</u>	<u>11,764</u>
Total liabilities and equity	<u>23,495</u>	<u>21,685</u>	<u>12,584</u>	<u>11,999</u>

Note:

(1) The amount stated includes fixed deposits of S\$3,234,000 (30 September 2016: S\$3,027,000) pledged as collaterals for banking facilities.

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 period reported on with comparative figures at the end of the immediately preceding financial year

	30 Sep 2017		30 Sep 2016	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	2,364	-	586	-
Amount repayable after one year	2,063	-	-	-
Total borrowings	<u>4,427</u>	<u>-</u>	<u>586</u>	<u>-</u>

Details of collateral

- i. Bill payables of S\$2,173,000 (30 September 2016: S\$586,000) is secured by fixed deposits pledged with banks.
- ii. Bank loans of S\$1,950,000 (30 September 2016: Nil) is secured on the Group's properties
- iii. Finance leases of S\$304,000 (30 September 2016: Nil) is secured on the Group's motor vehicles.

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	
	Financial Year Ended 30 Sep	
	2017 S\$'000	2016 S\$'000
Operating activities		
Loss before income tax	(4,537)	(547)
Adjustments for:		
Depreciation	356	119
IPO expenses	-	716
Interest income	(27)	(34)
Interest expense	64	7
(Gain)/Loss on disposal of property, plant and equipment	(12)	7
Operating cash flows before movements in working capital	(4,156)	268
<i>Movements in working capital</i>		
Trade receivables	3,630	(2,179)
Other receivables, deposits and prepayments	(11)	27
Amount due from (to) contract customers (net)	4,326	2,236
Trade and other payables	(644)	(2,040)
Bill payables	1,587	197
Cash generated/(used in) operations	4,732	(1,491)
Interest received	27	28
Income taxes paid	(108)	(652)
Net cash from/(used in) operating activities	4,651	(2,150)
Investing activities		
Purchase of property, plant and equipment	(243)	(300)
Proceeds on disposal of property, plant and equipment	12	-
Acquisition of subsidiary	312	-
Net cash from/(used in) investing activities	81	(300)
Financing activities		
Proceeds from issuance of shares pursuant to IPO	-	5,940
Dividends paid	-	(2,161)
Increase in fixed deposits pledged	(207)	(506)
Repayment of borrowings	(345)	(10)
Interest paid	(64)	(7)
Payment for IPO expenses	-	(1,120)
Net cash (used in)/from financing activities	(616)	2,143
Net increase/(decrease) in cash and cash equivalents	4,116	(279)
Cash and cash equivalents at beginning of financial year	6,115	6,394
Cash and cash equivalents at end of financial year ⁽¹⁾	10,231	6,115

Note:

⁽¹⁾ The amount stated excludes fixed deposits of S\$3,234,000 (30 Sep 2016: S\$3,027,000) pledged as collaterals for banking facilities.

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

	Attributable to Owners of the Company				Non-controlling interests	Total Equity
	Share capital	Merger reserve	Retained earnings / (Accumulated losses)	Total		
	S\$'000	S\$'000	S\$'000	S\$'000		
Balance as at 1 October 2016	11,753	(4,718)	3,780	10,815	-	10,815
Loss for the financial year, representing total comprehensive loss	-	-	(4,585)	(4,585)	35	(4,550)
Non-controlling interests from acquisition of subsidiary	-	-	-	-	735	735
Issuance of new shares as consideration for acquisition of subsidiary	776	-	-	776	-	776
Balance as at 30 September 2017	12,529	(4,718)	(805)	7,006	770	7,776
Balance as at 1 October 2015	1,500	-	6,518	-	-	8,018
Loss for the financial year, representing total comprehensive loss	-	-	(577)	(577)	-	(577)
Dividends:						
Paid to previous shareholders of subsidiary before IPO	-	-	(1,800)	(1,800)	-	(1,800)
Paid to shareholders after IPO	-	-	(361)	(361)	-	(361)
Adjustments pursuant to the Restructuring Exercise	(1,500)	(4,718)	-	(6,218)	-	(6,218)
Issuance of new shares pursuant to the Restructuring Exercise	6,218	-	-	6,218	-	6,218
Issuance of new shares pursuant to the IPO	5,535	-	-	5,535	-	5,535
Balance as at 30 September 2016	11,753	(4,718)	3,780	10,815	-	10,815

Company

	Share capital	Retained Earnings / (Accumulated losses)	Total
	S\$'000	S\$'000	S\$'000
Balance as at 1 October 2016	11,753	11	11,764
Total comprehensive loss for the financial year	-	(187)	(187)
Issuance of new shares as consideration for acquisition of subsidiary	776	-	776
	-		
Balance as at 30 September 2017	12,529	(176)	12,353
Balance as at 22 December 2015 ⁽¹⁾	-	-	-
Total comprehensive loss for the financial year	-	372	372
Dividends	-	(361)	(361)
Issuance of new shares pursuant to the Restructuring Exercise	6,218	-	6,218
Issuance of new shares pursuant to the IPO	5,535	-	5,535
Balance as at 30 September 2016	11,753	11	11,764

Note:

(1) Date of incorporation of the Company

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.

	Company	
	Number of ordinary shares	Issued and paid-up share capital
Issued and paid-up share capital as at 31 March 2017	122,563,978	12,529,000
Issued and paid-up share capital as at 30 September 2017	122,563,978	12,529,000

There were no changes to the Company's issued and paid up share capital from 1 April 2017 to 30 September 2017. There were no outstanding convertibles, treasury shares and subsidiary holdings as at 30 September 2017 and 30 September 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 ordinary shares as at 30 September 2017 is 122,563,978 (30 September 2016: 120,270,645). There were no treasury shares held by the Company as at 30 September 2017 and 30 September 2016.

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

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial year ended 30 September 2017.

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

Not applicable. The Company did not have subsidiary holdings during and as at the end of the current financial year ended 30 September 2017.

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 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 mentioned in Note 5 below, the Group has consistently applied the same accounting policies and methods of computation for the current financial year compared to the most recently audited annual financial statements.

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 the applicable revisions to various existing Financial Reporting Standards ("FRS"), the new FRS and Interpretations of FRS ("INT FRS") that are mandatory on the Group for its financial year commenced on October 1, 2016. The adoption of these various revised FRS, new FRS and INT FRS effective for the Group's financial year commenced on October 1, 2016 does not have a material financial effect on the Group and the Company.

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

	Group	
	30-Sep-2017	30-Sep-2016
Loss attributable to owners of the Company (S\$'000)	<u>(4,585)</u>	<u>(577)</u>
Weighted average number of ordinary shares	<u>121,967,083</u>	<u>105,476,124</u>
Loss per share (basic and diluted) (cents)	<u>(3.76)</u>	<u>(0.55)</u>

The basic and dilutive earnings per share is the same as there were no potentially dilutive ordinary shares in issue, for the financial year ended 30 September 2017 and 2016 respectively.

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

	Group		Company	
	30-Sep-2017	30-Sep-2016	30-Sep-2017	30-Sep-2016
Net Asset Value per share (cents)	<u>5.72</u>	<u>8.99</u>	<u>10.08</u>	<u>9.78</u>
Net Asset Value (S\$'000)	<u>7,006</u>	<u>10,815</u>	<u>12,353</u>	<u>11,764</u>
Number of ordinary shares used	<u>122,563,978</u>	<u>120,270,645</u>	<u>122,563,978</u>	<u>120,270,645</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 GROUP RESULTS

Revenue for the financial year ended 30 September 2017 ("FY2017") remained stable at S\$43.54 million compared to the corresponding financial year ended 30 September 2016 ("FY2016") at S\$43.50 million.

The increase in costs of sales of approximately 10% or S\$3.99 million from S\$38.38 million in FY2016 to S\$42.36 million in FY2017 was due to continued low margins on a few of the Group's major projects.

As reported in the previous results announcement relating to the Group's financial results for FY2016, the Group was facing executional difficulties and complexities for its major projects where the resultant escalation of costs has impacted the Group's gross profit margins in both FY2017 and FY2016. The Group had since substantially completed these projects in FY2017.

In addition, the Group's current project on a pharmaceutical plant, which commenced in the second half of FY2017, experienced tight margins due to higher than expected manpower demand, as it re-entered into this relatively new space. The Group hopes that, by this track record, it will strengthen its position in this growing industry.

Accordingly, gross profit decreased by approximately S\$3.96 million or 77% from S\$5.13 million in FY2016 to S\$1.17 million in FY2017. Gross profit margins dipped from 12% for FY2016 to 3% for FY2017 correspondingly, amid a tight foreign labour market and keen competition as the Group continues to keep a lid on its costs.

Other operating income remained stable. The increase in administrative expenses for the Group of approximately S\$0.39 million or 8% and other operating expenses of approximately S\$0.30 million or 87% in FY2017 was mainly due to the inclusion of the administrative costs and other operating expenses of the Group's 60%-owned subsidiary, Golden Harvest Engineering Pte Ltd ("Golden Harvest"), which was acquired in FY2017. Likewise, the Group's depreciation expenses for FY2017 increased from S\$0.12 million in FY2016 to S\$0.36 million in FY2017 due to the inclusion of Golden Harvest's depreciation expenses. Otherwise, the Group's administrative costs and other operating expenses would have remained stable.

The increase in the Group's finance cost from S\$7,000 in FY2016 to S\$64,000 in FY2017 was due to the borrowings by Golden Harvest, having taken up bank loans to finance the purchase of its office premise as well as an investment property. The taxation expense of

S\$13,000 relates to Golden Harvest. Overall, the Group is in a loss position. Non-controlling interests arose due to its share of results of Golden Harvest.

Due to the above reasons, the Group reported a net loss attributable to shareholders of approximately S\$4.59 million for FY2017, as compared to a net loss of S\$0.60 million in FY2016.

REVIEW OF GROUP'S FINANCIAL POSITION

Non-current assets increased significantly by S\$3.71 million from S\$0.32 million as at 30 September 2016 to S\$4.03 million as at 30 September 2017. The increase was mainly due to an investment property of S\$1.75 million and increase in property, plant and equipment of S\$1.68 million owned by Golden Harvest. The other increase in non-current assets was mainly attributable to the recognition of goodwill of S\$0.28 million arising from the acquisition of Golden Harvest.

Current assets decreased by approximately 9% or S\$1.89 million from S\$21.36 million as at 30 September 2016 to S\$19.47 million as at 30 September 2017, mainly due to the decrease in trade receivables of S\$3.12 million and amount due from contract customers of S\$3.15 million, which was offset by the increase in cash and bank balances of S\$4.32 million. Trade receivables and amount due from contract customers decreased by approximately 40% and 73% respectively due to better collections and timing difference between billings and completion of work at the end of the respective years for the execution of its major projects. Cash and bank balances increased by approximately 47% or S\$4.32 million mainly due to shorter billing and collection cycle and downpayment received.

The Group's total bank borrowings of S\$1.95 million and finance leases of S\$0.30 million were incurred by Golden Harvest. The bank borrowings were incurred to finance the purchase of Golden Harvest's investment property and its leasehold property from which it operates. The finance leases are mainly used to finance the purchase of its motor vehicles.

Current liabilities as at 30 September 2017 increased by approximately 25% or S\$2.73 million as compared to the end of FY2016, mainly due to (i) downpayment received for new projects wins, (ii) increase in amounts due to contract customers, and (iii) increase in bill payable, which was partially offset by the decrease in trade and other payables.

REVIEW OF GROUP'S CASH FLOWS

Overall, the Group's cash and cash equivalents as at the end of FY2017 of S\$10.23 million increased by approximately 67% or S\$4.12 million, as compared to S\$6.12 million as at the end of FY2016.

Cash generated from operating activities for FY2017 amounted to S\$4.65 million, on the back of faster billings and collections of its trade debts and downpayment received. The increase of the inflow of cash from the Group's investing activities to S\$81,000 in FY2017 was due mainly to the net cash from acquisition of Golden Harvest of S\$0.31 million, which was partially offset by purchase of property, plant and equipment of S\$0.24 million. Cash outflow from financing activities amounted to S\$0.62 million in FY2017 mainly due to repayment of

borrowings of S\$0.35 million and increase of fixed deposits pledged with banks of S\$0.21 million for additional banking facilities.

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

Not applicable. No forecast or prospect statement was previously made 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.

The Group continues to see activity in the healthcare, biomedical, research and academia sectors, albeit at a slower pace. The Group has also seen renewed demand in the semiconductor and the pharmaceutical industries. Against this backdrop, the Group continues to actively develop its business through direct negotiations and bidding for projects.

Despite the current setback in the Group's financial performance, its long term fundamentals remain strong where the Group continues to review its current processes to improve operational efficiencies and manage its costs amid a tight foreign labour market.

On the business development front, the Group is seeking and evaluating viable business opportunities both locally and in the region, including inviting strategic partners and investors, so as to expand and grow its business. On the Group's recent acquisition of Golden Harvest, the acquisition presents an opportunity for the Group to expand its network of customers and service offerings and increase its recurring income base through the provision of maintenance services to serve more and larger scale facilities. Recurring based revenues augment well and add stability to our largely project-based business.

Competition is expected to remain keen. As such, the Group may face continued pressure on its margins. As at the date of this announcement, the Group's order book stands at approximately S\$14 million.

11. Dividend:

(a) Any dividend declared for the current financial period reported on?

Not applicable.

(b) Corresponding period of the immediately preceding financial year

Not applicable.

(c) Date payable

Not applicable

(d) Book closure date

Not applicable.

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

No dividend has been declared or recommended for the financial year ended 30 September 2017.

13. If the Group has obtained a general mandate from shareholders for interested person transactions (“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.

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 has procured undertakings from all its directors and executive officers as set out in Appendix 7H under Rule 720(1).

15. Updates on use of IPO proceeds

	Amount allocated	Amount utilised	Balance of net proceeds as at at the date of this announcement
	S\$ million	S\$ million	S\$ million
Expansion through acquisitions, and/or strategic alliances and venture into new geographical markets	1.00	0.64 ⁽¹⁾	0.36
Working capital to expand business operations through securing more projects and projects of a larger scale	3.50	3.50 ⁽²⁾	-
Net proceeds from IPO	<u>4.50</u>	<u>4.14</u>	<u>0.36</u>

Notes:

⁽¹⁾ Utilised for payment of purchase consideration for acquisition of 60% of the issued and paid-up share capital of Golden Harvest

⁽²⁾ Utilised for settlement of supplier invoices for our projects

PART II INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

16. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

For management purposes, the Group is organised into two operating segments:

- (i) Engineering, Procurement and Construction ("EPC") segment; and
- (ii) Maintenance segment.

The EPC segment provides engineering, procurement and construction services, specialising in architectural, mechanical, electrical and process works within controlled environment.

The Maintenance segment provides maintenance and repair services for facilities and equipment of controlled environments and their supporting infrastructure.

Business segment

	Segment Information - S\$'000					
	FY2017			FY2016		
	EPC	Maintenance	Consolidated Total	EPC	Maintenance	Consolidated Total
Revenue from external customers	39,641	3,896	43,537	41,577	1,925	43,502
Cost of sales	(39,599)	(2,765)	(42,364)	(36,964)	(1,411)	(38,375)
Gross Profit	42	1,131	1,173	4,613	514	5,127
Segment results			(4,144)			(454)
Depreciation and Amortisation expense			(356)			(119)
Interest income			27			33
Finance costs			(64)			(7)
Loss before tax			(4,537)			(547)
Taxation			(13)			(30)
Loss for the financial year			(4,550)			(577)

Geographical segments

The Group's activities are located in Singapore. The geographical locations of the Group's customers and assets are in Singapore. Accordingly, there are no geographical segments presented.

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

More than 90% of the Group's revenue for FY2017 and FY2016 was contributed by its EPC business segment. Revenue from the EPC business segment remained relatively stable. Revenue from the Maintenance business segment doubled due to the acquisition of its 60%-owned subsidiary, Golden Harvest, whose main activities are that of the provision of maintenance services.

Material changes in earnings from the EPC business segment has been explained in Note 8 of this announcement. The increase in Maintenance business segment earnings was due mainly to the earnings contributed by Golden Harvest.

18. A breakdown of sales as follows:

(All figures in S\$'000)

		Group		
		FY2017	FY2016	Change %
(a)	Sales reported for first half year	21,009	23,231	(10%)
(b)	Operating (loss)/profit after tax reported for first half year	(2,370)	1,606	N.M.
(c)	Sales reported for second half year	22,528	20,271	11%
(d)	Operating (loss)/profit after tax reported for second half year	(2,180)	(2,183)	0%

19. A breakdown of the total annual dividend (in dollar value) for issuer's latest full year and its latest full year as follows:

Total Annual Dividend

(All figures in S\$'000)

Ordinary
Preference
Total

	FY2017	FY2016
Ordinary	-	2,161 ⁽¹⁾
Preference	-	-
Total	-	2,161

Note:

⁽¹⁾ S\$361,000 in respect of the interim dividend was paid to shareholders after IPO on 20 July 2016. S\$1,800,000 was paid to previous shareholders of a subsidiary before IPO

- 20. 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.**

We confirm that none of the persons occupying managerial positions in the Group is a relative of a director or chief executive officer or substantial shareholder of the Company.

On behalf of the Board of Directors

Lim Say Chin
Executive Chairman and Managing Director
28 November 2017

Chew Chee Keong
Executive Director