

## ACROMEK LIMITED

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



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### UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2018

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*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.*

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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 environments. 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		Increase/ (Decrease)  %
	Financial Year Ended 30 Sep		
	2018 S\$'000	2017 S\$'000	
Revenue	42,311	43,537	(3)
Cost of sales	(39,201)	(42,364)	(7)
Gross profit	<u>3,110</u>	<u>1,173</u>	>100
Other operating income	209	166	26
	<u>3,319</u>	<u>1,339</u>	>100
Administrative expenses	(5,062)	(5,164)	(2)
Other operating expenses	(800)	(648)	23
Finance costs	(120)	(64)	88
Loss before income tax	(2,663)	(4,537)	41
Income tax credit/(expenses)	<u>7</u>	<u>(13)</u>	N.M
Loss for the year, representing total comprehensive loss for the year	<u>(2,656)</u>	<u>(4,550)</u>	<u>42</u>
(Loss)/Profit attributable to:			
Owners of the Company	(2,624)	(4,585)	43
Non-controlling interests	<u>(32)</u>	<u>35</u>	<u>N.M</u>
Total comprehensive (loss)/income attributable to:			
Owners of the Company	(2,624)	(4,585)	43
Non-controlling interests	<u>(32)</u>	<u>35</u>	<u>N.M</u>

N.M : not meaningful

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

	<b>Group</b>		Increase/ (Decrease) %
	<b>Financial Year Ended 30</b>		
	<b>2018</b>	<b>2017</b>	
	<b>S\$'000</b>	<b>S\$'000</b>	
Loss for the financial year is arrived at after (charging)/crediting the following:			
Depreciation	(582)	(356)	63
(Loss)/Gain on disposal of property, plant and equipment	(17)	12	N.M
Interest income	34	27	26
Foreign exchange gain/(loss) (Net)	<u>10</u>	<u>(45)</u>	N.M

N.M : not meaningful

**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 2018	30 Sep 2017	30 Sep 2018	30 Sep 2017
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Investment in subsidiaries	-	-	11,078	10,793
Goodwill	278	278	-	-
Investment property	1,709	1,748	-	-
Property, plant and equipment	2,060	2,005	-	-
<b>Total non-current assets</b>	<b>4,047</b>	<b>4,031</b>	<b>11,078</b>	<b>10,793</b>
<b>Current assets</b>				
Trade receivables	6,410	4,675	-	-
Other receivables, deposits and prepayments	312	148	41	18
Amounts due from contract customers	2,732	1,177	-	-
Amounts due from subsidiary	-	-	402	621
Loan to subsidiary	-	-	4,465	300
Cash and bank balances <sup>(1)</sup>	8,982	13,465	62	1,059
<b>Total current assets</b>	<b>18,436</b>	<b>19,465</b>	<b>4,970</b>	<b>1,998</b>
<b>Total assets</b>	<b>22,483</b>	<b>23,496</b>	<b>16,048</b>	<b>12,791</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Trade and other payables	7,567	8,817	282	288
Bill payables	1,206	2,173	-	-
Amounts due to contract customers	2,188	2,217	-	-
Income tax payable	67	80	30	30
Bank loans	415	105	-	-
Finance leases	86	86	-	-
<b>Total current liabilities</b>	<b>11,529</b>	<b>13,478</b>	<b>312</b>	<b>318</b>
<b>Net current assets</b>	<b>6,907</b>	<b>5,987</b>	<b>4,658</b>	<b>1,680</b>
<b>Non-current liabilities</b>				
Bank loans	1,944	1,845	-	-
Other payables	-	120	-	120
Finance leases	132	218	-	-
Deferred tax liabilities	52	59	-	-
<b>Total non-current liabilities</b>	<b>2,128</b>	<b>2,242</b>	<b>-</b>	<b>120</b>
<b>Net assets</b>	<b>8,826</b>	<b>7,776</b>	<b>15,736</b>	<b>12,353</b>

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

Share capital	16,225	12,529	16,225	12,529
Merger reserve	(4,718)	(4,718)	-	-
Retained earnings	(3,429)	(805)	(489)	(176)
<b>Shareholders' equity</b>	<u>8,078</u>	<u>7,006</u>	<u>15,736</u>	<u>12,353</u>
<b>Non-controlling interests</b>	<u>748</u>	<u>770</u>	<u>-</u>	<u>-</u>
<b>Total equity</b>	<u>8,826</u>	<u>7,776</u>	<u>15,736</u>	<u>12,353</u>
<b>Total liabilities and equity</b>	<u>22,483</u>	<u>23,496</u>	<u>16,048</u>	<u>12,791</u>

Note:

(1) The amount stated includes fixed deposits of S\$3,241,000 (30 September 2017: S\$3,234,000) 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 2018		30 Sep 2017	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	1,707	-	2,364	-
Amount repayable after one year	2,076	-	2,063	-
Total borrowings	<u>3,783</u>	<u>-</u>	<u>4,427</u>	<u>-</u>

**Details of collateral**

- i. Bill payables of S\$1,206,000 (30 September 2017: S\$2,173,000) is secured by fixed deposits pledged with banks.
- ii. Bank loans of S\$2,059,000 (30 September 2017: S\$1,950,000) and S\$300,000 (30 September 2017: Nil) is secured on the Group's properties and fixed deposits pledged respectively.
- iii. Finance leases of S\$218,000 (30 September 2017: S\$304,000) 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**

	<b>Group</b>	
	<b>Financial Year Ended 30 Sep</b>	
	<b>2018 S\$'000</b>	<b>2017 S\$'000</b>
<b>Operating activities</b>		
Loss before income tax	(2,663)	(4,537)
Adjustments for:		
Depreciation	582	356
Interest income	(34)	(27)
Interest expense	120	64
Loss/(Gain) on disposal of property, plant and equipment	17	(12)
Operating cash flows before movements in working capital	(1,978)	(4,156)
<i>Movements in working capital</i>		
Trade receivables	(1,735)	3,630
Other receivables, deposits and prepayments	(164)	(11)
Amount due from (to) contract customers (net)	(1,584)	4,326
Trade and other payables	(1,369)	(644)
Bill payables	(967)	1,587
Cash (used in) / generated from operations	(7,797)	4,732
Interest received	34	27
Income taxes paid	(13)	(108)
Net cash (used in) / from operating activities	(7,776)	4,651
<b>Investing activities</b>		
Purchase of property, plant and equipment	(616)	(243)
Proceeds on disposal of property, plant and equipment	-	12
Contribution from Non-Controlling Interest on incorporation of subsidiary	10	-
Acquisition of subsidiary	-	312
Net cash (used in)/from investing activities	(606)	81
<b>Financing activities</b>		
Proceed from issuance of new shares	3,696	-
Increase in fixed deposits pledged	(7)	(206)
Proceeds from / (Repayment of) borrowings (net)	323	(346)
Interest paid	(120)	(64)
Net cash from / (used in) financing activities	3,892	(616)
Net (decrease)/increase in cash and cash equivalents	(4,490)	4,116
Cash and cash equivalents at beginning of financial year	10,231	6,115
Cash and cash equivalents at end of financial year <sup>(1)</sup>	5,741	10,231

**Note:**

(1) The amount stated excludes fixed deposits of S\$3,241,000 (30 September 2017: S\$3,234,000) 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	(Accumulated losses) / Retained earnings	Total		
	S\$'000	S\$'000	S\$'000	S\$'000		
Balance as at 1 October 2017	12,529	(4,718)	(805)	7,006	770	7,776
Loss for the financial year, representing total comprehensive loss	-	-	(2,624)	(2,624)	(32)	(2,656)
Non-controlling interests from acquisition of subsidiary	-	-	-	-	10	10
Issuance of new shares pursuant to the placement exercise	3,696	-	-	3,696	-	3,696
Balance as at 30 September 2018	16,225	(4,718)	(3,429)	8,078	748	8,826
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



<b>Company</b>	<b>Share capital</b>	<b>(Accumulated losses) / Retained earnings</b>	<b>Total</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Balance as at 1 October 2017	12,529	(176)	12,353
Total comprehensive loss for the financial year	-	(313)	(313)
Issuance of new shares pursuant to the placement exercise	3,696	-	3,696
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Balance as at 30 September 2018	16,225	(489)	15,736
	<hr/> <hr/>		
Balance as at 1 October 2016	11,753	12	11,765
Total comprehensive loss for the financial year	-	(188)	(188)
Issuance of new shares as consideration for acquisition of subsidiary	776	-	776
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Balance as at 30 September 2017	12,529	(176)	12,353
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**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 30 September 2018	138,563,978	S\$16,225,000
Issued and paid-up share capital as at 31 March 2018	138,563,978	S\$16,225,000

There are no changes in the Company's share capital since the end of the previous period reported on. There were no outstanding convertibles, treasury shares and subsidiary holdings as at 30 September 2018 and 30 September 2017.

**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 2018 is 138,563,978 (30 September 2017: 122,563,978). There were no treasury shares held by the Company as at 30 September 2018 and 30 September 2017.

**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 2018.

**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 2018.

**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.**

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.**

Not applicable.

**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	
	Financial Year Ended 30 Sep 2018	2017
Loss attributable to owners of the Company (S\$'000)	<u>(2,624)</u>	<u>(4,585)</u>
Weighted average number of ordinary shares	<u>132,865,348</u>	<u>121,967,083</u>
Loss per share (basic and diluted) (cents)	<u>(1.97)</u>	<u>(3.76)</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 2018 and 30 September 2017 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-2018	30-Sep-2017	30-Sep-2018	30-Sep-2017
Net Asset Value per share (cents)	<u>5.83</u>	<u>5.72</u>	<u>11.36</u>	<u>10.08</u>
Net Asset Value (S\$'000)	<u>8,078</u>	<u>7,006</u>	<u>15,736</u>	<u>12,353</u>
Number of ordinary shares used	<u>138,563,978</u>	<u>122,563,978</u>	<u>138,563,978</u>	<u>122,563,978</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 2018 ("FY2018") dipped 3%, registering at S\$42.31 million, compared to the corresponding financial year ended 30 September 2017 ("FY2017") at S\$43.54 million. It has remained relatively stable, buoyed by healthy level of business activities.

The decrease in costs of sales of approximately 7% or S\$3.16 million from S\$42.36 million in FY2017 to S\$39.20 million in FY2018 was due to better margins from the Group's major projects. Accordingly, gross profit increased by approximately S\$1.94 million or 165% from S\$1.17 million in FY2017 to S\$3.11 million in FY2018.

The Group has made improvements on its gross profit margins, from 3% for FY2017 to 7% for FY2018. In relation to its pharmaceutical plant project at Tuas, the Group continued to face problems during the construction, mainly stemming from original design issues and changes, resulting in significant additional costs for reworks and acceleration. This is exacerbated by the Group's lack of familiarity with the pharmaceutical industry and higher than expected manpower requirements. The project has since been completed and handed over in FY2018. Despite the setbacks from this project, the Group has, by this track record, strengthened its position in this growing industry through securing and completing other pharmaceutical projects in FY2018.

Excluding the one-off impact of the pharmaceutical plant project at Tuas, the Group achieved a gross margin of 15% for FY2018 on the back of healthier margins from its other major projects. This is an improvement from its margin performance in FY2017.

Other operating income increased 26% to \$209,000, with an immaterial increase in absolute terms. The Group achieved a slight dip of 2% in administrative expenses as it continues to keep a lid on its costs, amid keen competition. Other operating expenses increased by 23% to S\$800,000 mainly due to increase in depreciation expenses as a result of additions to property, plant and equipment.

The increase in the Group's finance cost from S\$64,000 in FY2017 to S\$120,000 in FY2018 was due to the increase in interest costs from the borrowings of the Group's subsidiary, Golden Harvest Engineering Pte Ltd ("Golden Harvest"). This is because interest cost recorded from Golden Harvest's borrowings in FY2017 was only for nine months as Golden Harvest was acquired in January 2017 as compared to a full year in FY2018. Borrowing costs has also generally increased due to increase in interest rates.

Taxation of the Group is negligible as it is in a net loss position. Non-controlling interests arose mainly due to share of results of Golden Harvest.

The Group reported a significantly lower loss in its results in FY2018, despite absorbing a massive one-off impact from the problems faced on its pharmaceutical plant project. Accordingly, it turned in a net loss attributable to shareholders of approximately S\$2.62 million for FY2018, a significant improvement of 43% as compared to a net loss of S\$4.59 million in FY2017.

#### **REVIEW OF GROUP'S FINANCIAL POSITION**

Non-current assets as at 30 September 2018 remained stable at S\$4.05 million compared to S\$4.03 million as at 30 September 2017.

Current assets decreased by approximately 5% or S\$1.03 million from S\$19.47 million as at 30 September 2017 to S\$18.43 million as at 30 September 2018, mainly due to the decrease in cash and bank balances of S\$4.48 million, partially offset by the increase in trade receivables of S\$1.73 million and amount due from contract customers of S\$1.56 million. Trade receivables and amount due from contract customers increased by approximately 33% and 132% respectively due to slower billings and collections.

The Group's total bank borrowings increased by S\$0.41 million from S\$1.95 million as at end of 30 September 2017 to S\$2.36 million as at 30 September 2018 due to drawdown of S\$0.3 million of short term revolving credit facilities. This has been repaid after FY2018. Finance leases dipped to S\$0.22 million from S\$0.30 million a year ago due to repayment. The Group's borrowings and finance leases were mainly incurred by Golden Harvest to finance the purchase of its investment property and its leasehold property from which it operates. The finance leases were used to finance the purchase of its motor vehicles.

Current liabilities as at 30 September 2018 decreased by approximately 14% or S\$1.95 million to S\$11.53 million from S\$13.48 million as at 30 September 2017, mainly due to decrease in trade and other payables, and decrease in bill payables. Non-current liabilities as at 30 September 2018 dipped due to decrease in other payables.

#### **REVIEW OF GROUP'S CASH FLOWS**

Overall, the Group's cash and cash equivalents as at the end of FY2018 decreased by S\$4.49 million to S\$5.74 million as compared to S\$10.23 million as at the end of FY2017.

Cash used in operating activities for FY2018 amounted to S\$7.78 million, mainly due to slower billings and collections cycle of its trade debts and lower bills and trade payables due to faster repayments. Net cash used in investing activities of S\$0.61 million was mainly due to renovation costs incurred to move to our new office premise as the previous lease term expired.

These are offset by cash inflow from the Group's financing activities, which amounted to S\$3.89 million mainly due to proceeds from issuance of new shares of S\$3.70 million

pursuant to the placement exercise and increase in short term bank borrowings of S\$0.31 million. This is partially offset by interest paid during the year of S\$120,000.

**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.**

Despite the current setback in the Group's financial performance, its long term fundamentals remain strong. The Group has reviewed and tightened its current processes in view of the losses incurred over the last two years. It is drawing lessons learnt from the management of its projects, particularly the pharmaceutical plant so as to ensure that such incidence do not recur.

The Group may face continued pressures on its margins as competition is expected to remain keen. The Group is continually taking steps to streamline its processes and manage its costs amid a tight foreign labour market so as to achieve cost and operational optimisation.

Tender activities are high as the Group continues to see activities in the sectors that it serves. Against this backdrop, the Group continues to actively develop its business through direct negotiations and bidding for projects, underpinned by its healthy balance sheet and established track record.

The Group continues to focus on its expansion and diversification strategy into the renewable energy sector that will provide the Group with sustainable revenue and income streams. In the earlier part of the year, the Group has incorporated a 80% owned subsidiary, Acropower Pte Ltd, to spearhead this initiative. As previously announced, the Group is in talks with a potential customer to build, own and operate ("BOO") a waste-to-energy plant at their premise. The Group is cautiously optimistic that this will translate into definitive agreements in due course. Relevant announcements will be made as and when appropriate.

Accordingly, the Group will step up its efforts in the coming year to grow its renewable energy business. A separate team has been dedicated, together with our green energy partner, Green Energy Resources (M) Sdn Bhd, to see this through.

The Group has also expanded its geographical reach with the recent incorporation of a 67% owned subsidiary in Indonesia, P.T. Acromec Trading Indonesia, to provide engineering products and solutions to customers in Indonesia. This is in line with the Group's expansion plan as set out in the Company's Offer Document dated 6 April 2016. The Group believes that the penetration into new geographical markets, including, amongst others, Indonesia, will be beneficial for its long-term growth as such markets are poised for growth in the foreseeable future.

The Group continues to focus on growing its maintenance business as it provides the Group with recurring income and revenue streams. Recurring revenue augments well and adds stability to the Group's largely project-based business.

As at the date of this announcement, the Group's order book stands at approximately S\$8 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 2018.

**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	0.84 <sup>(1)</sup>	0.16
Working capital to expand business operations through securing more projects and projects of a larger scale	3.50	3.50 <sup>(2)</sup>	-
Net proceeds from IPO	4.50	4.34	0.16

Notes:

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

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

### Placement Exercise Proceeds

	Amount allocated	Amount utilised	Balance of net proceeds as at at the date of this announcement
	S\$ million	S\$ million	S\$ million
General working capital purposes	3.70	1.70 <sup>(1)</sup>	2.00

Note:

(1) Utilised for payment 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					
	FY2018			FY2017		
	EPC	Maintenance	Consolidated Total	EPC	Maintenance	Consolidated Total
Revenue from external customers	37,656	4,655	42,311	38,832	4,705	43,537
Cost of sales	(35,926)	(3,275)	(39,201)	(39,096)	(3,268)	(42,364)
Gross Profit/(Loss)	1,730	1,380	3,110	(264)	1,437	1,173
Segment results			(1,995)			(4,144)
Depreciation and Amortisation expense			(582)			(356)
Interest income			34			27
Finance costs			(120)			(64)
Loss before tax			(2,663)			(4,537)
Taxation			7			(13)
Loss for the financial year			(2,656)			(4,550)

#### Geographical segments

The Group's activities are mainly located in Singapore. The geographical locations of the Group's customers and assets are mainly 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**

Close to 90% of the Group's revenue for FY2018 and FY2017 was contributed by its EPC business segment. Revenue from both the EPC and Maintenance business segments remained relatively stable.

Material changes in earnings from the EPC business segment has been explained in Note 8 of this announcement. There is no material change in Maintenance business segment earnings.

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

(All figures in S\$'000)

		Group		
		FY2018	FY2017	Change %
(a)	Sales reported for first half year	22,238	21,009	6%
(b)	Operating profit/(loss) after tax reported for first half year	61	(2,370)	N.M.
(c)	Sales reported for second half year	20,073	22,528	(11%)
(d)	Operating (loss)/profit after tax reported for second half year	(2,717)	(2,180)	(25%)

N.M : not meaningful

**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.**

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 2018

**Chew Chee Keong**  
Executive Director