

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

*Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as ascribed to them in the Offer Document of the Company dated 7 January 2016 (the “**Offer Document**”).*

GS Holdings Limited (the “Company”) was listed on Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 18 January 2016. The initial public offering (the “**IPO**”) of the Company was sponsored by UOB Kay Hian Private Limited (the “**Sponsor**”).

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor, for compliance with the relevant rules of 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. The Sponsor and the SGX-ST assume no responsibility for the contents of the announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact persons for the Sponsor are Mr. Alvin Soh, Head of Catalist Operations, Senior Vice President and Mr. Lan Kang Ming, Vice President, who can be contacted at 8 Anthony Road #01-01, Singapore 229957, Telephone: +65 6590 6881.

Background

The Company was incorporated in Singapore on 19 September 2014 under the Act as a public company limited by shares, under the name “GS Holdings Limited”. The Group undertook a corporate reorganisation (the “**Restructuring Exercise**”) to rationalise and streamline the Group corporate structure, under which the Company became the ultimate holding company for the Group. Please refer to the Offer Document for further details on the Restructuring Exercise.

The Group is an established centralised commercial dishware washing company providing a “one-stop shop” solution for its customers’ cleaning needs in the food and beverage industry in Singapore. The Group specialises in end-to-end cleaning services with a focus on centralised commercial dishware washing services. The Group is a dishware washing specialist in Singapore with ISO 22000: 2005 certification and Halal certification serving customers island-wide through its strategically-located centralised dishware washing facilities.

**PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3),
HALF-YEAR AND FULL YEAR RESULTS**

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

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group FY2016 S\$'000	Group FY2015 S\$'000	Increase/ (Decrease) %
Revenue	9,201	6,259	47%
Cost of sales	(9,279)	(6,134)	51%
Gross (Loss) / Profit	(78)	125	N.M.
Other income	2,145	1,201	79%
Administrative expenses	(3,574)	(3,247)	10%
Finance costs	(433)	(178)	143%
Loss before tax for the year	(1,940)	(2,099)	N.M.
Income tax expense	(11)	(58)	(81%)
Loss for the year, net of tax	(1,951)	(2,157)	N.M.
Loss attributable to:			
Equity holders of the Company	(1,913)	(2,157)	N.M.
Non-controlling interests	(38)	-	N.M.
	(1,951)	(2,157)	

1(a)(ii) Notes to consolidated statements of profit or loss and other comprehensive income.

	Group FY2016 S\$'000	Group FY2015 S\$'000	Increase/ (Decrease) %
Loss for the year include the following (charges)/credits:			
Fair value gain on investment properties	5	64	(92%)
Government grants	531	447	19%
Finance expenses	(433)	(178)	143%
Depreciation of property, plant and equipment	(1,135)	(572)	98%
Rental expense	(611)	(520)	18%
Personnel expenses	(6,509)	(5,029)	29%
Property, plant and equipment written off	(4)	(31)	(87%)
Loss on disposal of property, plant and equipment	(43)	-	N.M
Subcontractor expenses	(647)	(284)	128%
Income tax expense	(11)	(58)	(81%)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Group As at 31 Dec 2016 S\$'000	Group As at 31 Dec 2015 S\$'000	Company As at 31 Dec 2016 S\$'000	Company As at 31 Dec 2015 S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	12,262	8,817	–*	–
Investment properties	4,791	4,775	–	–
Investments in subsidiaries	–	–	13,071	9,071
	<u>17,053</u>	<u>13,592</u>	<u>13,071</u>	<u>9,071</u>
Current assets				
Inventories	117	3	–	–
Trade and Other Receivables	3,335	2,214	2,855	377
Tax recoverable	7	–	–	–
Cash and bank balances	1,065	1,081	230	2
	<u>4,524</u>	<u>3,298</u>	<u>3,085</u>	<u>379</u>
Total assets	<u><u>21,577</u></u>	<u><u>16,890</u></u>	<u><u>16,156</u></u>	<u><u>9,450</u></u>
EQUITY				
Equity attributable to owners of the Company				
Share capital	11,498	3,704	11,498	3,704
Assets revaluation reserve	2,919	2,919	–	–
(Accumulated losses) / Retained earnings	(1,394)	519	(528)	(1,316)
Merger Reserve	(6,071)	(6,071)	–	–
Equity attributable to equity holders of the Company	<u>6,952</u>	<u>1,071</u>	<u>10,970</u>	<u>2,388</u>
Non-controlling interests	<u>7</u>	<u>–</u>	<u>–</u>	<u>–</u>
Total equity	<u><u>6,959</u></u>	<u><u>1,071</u></u>	<u><u>10,970</u></u>	<u><u>2,388</u></u>
LIABILITIES				
Non-current liabilities				
Loans and borrowings	8,350	9,920	–	–
Other payables	–	1,000	–	1,000
	<u>8,350</u>	<u>10,920</u>	<u>–</u>	<u>1,000</u>
Current Liabilities				
Trade and other payables	2,421	1,537	5,186	6,062
Provision for tax	–	107	–	–
Loans and borrowings	3,847	3,255	–	–
	<u>6,268</u>	<u>4,899</u>	<u>5,186</u>	<u>6,062</u>
Total liabilities	<u><u>14,618</u></u>	<u><u>15,819</u></u>	<u><u>5,186</u></u>	<u><u>7,062</u></u>
Total equity and liabilities	<u><u>21,577</u></u>	<u><u>16,890</u></u>	<u><u>16,156</u></u>	<u><u>9,450</u></u>

*amount below S\$1,000

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

As at 31 Dec 2016 (S\$'000)		As at 31 Dec 2015 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
3,847	nil	3,255	nil

Amount repayable after one year

As at 31 Dec 2016 (S\$'000)		As at 31 Dec 2015 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
8,350	nil	9,920	nil

Details of collateral

As at the date of the statement of financial position, total borrowings included secured liabilities is S\$12,197,000 (31 December 2015: S\$13,175,000) for the Group. Secured bank loans amounting to S\$11,606,000 (31 December 2015: S\$12,516,000) are secured and/or guaranteed by one or several collateral(s) including:

(i) a legal mortgage over our Group's property at 16A Sungei Kadut Way and/or 7 Mandai Link and/or 8 Loyang Way 4, (ii) corporate guarantees by our Company, (iii) legal mortgages over certain of Mr. Pang Pok's personal properties.

Other finance lease liabilities of the Group amounting to S\$591,000 (31 December 2015: S\$659,000) are secured by the rights to the Group's motor vehicles and machinery.

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

COMBINED STATEMENT OF CASH FLOWS

	Group FY2016 S\$'000	Group FY2015 S\$'000
Cash flows from operating activities		
Loss before tax from continuing operations	(1,940)	(2,099)
Adjustments for:		
Depreciation	1,135	571
Interest expense	433	178
Property, plant and equipment written off	4	31
Loss on disposal of property, plant and equipment	43	–
Fair value gain on investment properties	(5)	(64)
IPO expenses recognised	120	1,266
Forgiven of the amount due to director	(1,000)	–
Operating cash flow before working capital changes	<u>(1,210)</u>	<u>(117)</u>
Changes in working capital:		
Inventories	(114)	33
Receivables	(1,121)	(2,778)
Payables	705	(863)
Cash flows used in operations	<u>(1,740)</u>	<u>(3,725)</u>
Income tax paid	(125)	(136)
Net cash used in operating activities	<u>(1,865)</u>	<u>(3,861)</u>
Cash flow from investing activities		
Purchases of property, plant and equipment	(4,315)	(7,629)
Additions to investment property	(11)	(227)
Proceeds from disposal of property, plant and equipment	13	67
Net cash used in investing activities	<u>(4,313)</u>	<u>(7,789)</u>
Cash flow from financing activities		
Bank deposit pledged	55	200
Repayment of obligations under finance lease	(214)	(188)
Proceeds from finance lease	–	279
Proceeds from loans and borrowings	1,011	10,333
Repayment of loans and borrowings	(1,921)	(1,220)
Net proceeds from issuance of ordinary shares	7,794	50
Payment of IPO expenses	(120)	(1,086)
Contributions from non-controlling interests	45	–
Interest expenses	(433)	(178)
Net cash generated from financing activities	<u>6,217</u>	<u>8,190</u>
Net increase / (decrease) in cash and cash equivalents	39	(3,460)
Cash and cash equivalents at beginning of the period	1,026	4,486
Cash and cash equivalents at end of the period (Note A)	<u>1,065</u>	<u>1,026</u>

1(c)(ii) Note A:

For the purpose of the consolidated cash flow statement, the consolidated cash and cash equivalents comprise the following:

	Group FY2016 S\$'000	Group FY2015 S\$'000
Cash at bank and on hand	1,010	1,026
Short-term bank deposits	55	55
Cash and cash equivalents per Group statement of financial position	1,065	1,081
Less: Deposits placed with banks as security	–	(55)
Cash and cash equivalents per consolidated cash flow statement	1,065	1,026

1(d)(i) A statement (for the issuer and group) showing either (a) all changes in equity or (b) 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.

STATEMENTS OF CHANGES IN EQUITY

Group

	Share capital S\$'000	Asset Revaluation Reserve S\$'000	(Accumulated Losses) / Retained Earnings S\$'000	Merger Reserve S\$'000	Total attributable to owners of the Company S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
At 1 January 2016	3,704	2,919	519	(6,071)	1,071	–	1,071
Loss for the period	–	–	(1,913)	–	(1,913)	(38)	(1,951)
Issuance of ordinary shares	8,280	–	–	–	8,280	–	8,280
Incorporation of subsidiary	–	–	–	–	–	45	45
Capitalisation of IPO expenses	(486)	–	–	–	(486)	–	(486)
At 31 December 2016	11,498	2,919	(994)	(6,071)	6,952	7	6,959
At 1 January 2015	3,000	2,919	2,677	–	8,596	–	8,596
Loss for the period	–	–	(2,158)	–	(2,158)	–	(2,158)
Issuance of ordinary shares from restructuring	1,354	–	–	–	1,354	–	1,354
Conversion of convertible loan to equity	2,350	–	–	–	2,350	–	2,350
Adjustments to capital from restructuring exercise	(3,000)	–	–	(6,071)	(9,071)	–	(9,071)
At 31 December 2015	3,704	2,919	519	(6,071)	1,071	–	1,071

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

Company

	Share capital S\$'000	Accumulated Losses S\$'000	Total S\$'000
At 1 January 2016	3,704	(1,316)	2,388
Profit for the period	–	788	788
Issuance of ordinary shares	8,280	–	8,280
Capitalisation of IPO expenses	(486)	–	(486)
At 31 December 2016	11,498	(528)	10,970
At 1 January 2015	–	–	–
Loss for the period	–	(1,316)	(1,316)
Issuance of ordinary shares from restructuring	1,354	–	1,354
Conversion of convertible loan to equity	2,350	–	2,350
At 31 December 2015	3,704	(1,316)	2,388

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 as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issue, 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.

<u>Issued and fully paid ordinary shares</u>	<u>No. of shares ('000)</u>	<u>Share capital (\$'000)</u>
As at 31 December 2015	100,000	3,704
Issue of new shares pursuant to the IPO	24,000	5,514 ⁽¹⁾
Issue of new shares	8,000	2,280
As at 31 December 2016	132,000	11,498

Note:

(1) Taking into account the capitalisation of listing expenses of approximately \$0.4 million.

There are no outstanding convertible or outstanding options or treasury shares as at 31 December 2015 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.

	As at 31 December 2016	As at 31 December 2015
Total number of issued shares (excluding treasury shares)	<u>132,000,000</u>	<u>100,000,000</u>

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

There are no treasury shares held by the Company.

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

The figures have not been audited by the auditors of the Company.

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

Not applicable

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

The financial results for the financial year under review have been prepared using the same accounting policies and methods of computation as presented in the Group's most recently 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.

There are no changes in the Group's accounting policies and methods of computation including any required by an accounting standard. The adoption of the new and revised Financial Reporting Standards (including their consequential amendments) and interpretations is assessed to have no material impact on the Group and Company's financial statements.

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	
	<u>FY2016</u>	<u>FY2015</u>
Loss attributable to owners of the Company (S\$'000)	(1,913)	(2,157)
Weighted average number of ordinary shares ('000)	126,929	126,929
Basic and diluted EPS based on actual number of shares (cents)	(1.51)	(1.70)

There are no outstanding convertible or outstanding options or treasury shares as at 31 December 2015 and 31 December 2016.

For comparative purposes, the earnings per share for the respective financial periods have been computed based on the profit attributable to owners of the Company and the Company's weighted average number of ordinary shares of 126,928,962 shares.

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 As at 31-Dec-16	Group As at 31-Dec-15	Company As at 31-Dec-16	Company As at 31-Dec-15
Net asset value (S\$'000)	6,952	1,071	10,970	2,388
Number of ordinary shares ('000)	132,000	132,000	132,000	132,000
Net asset value per ordinary share based on issued share capital (cents)	5.3	0.8	8.3	1.8

For comparison and illustrative purposes, the calculation for the NAV per share for the respective financial years is based on the enlarged share capital of 132,000,000 shares.

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 THE GROUP'S PERFORMANCE

Revenue

Our revenue increased by approximately S\$2.9 million or 47%, from S\$6.3 million in FY2015 to S\$9.2 million in FY2016 mainly due to additional contracts secured from new customers such as Suntec Singapore Convention & Exhibition Centre during FY2016 and the new revenue from sales of crockeries to new customers.

Cost of sales and gross profits

Our cost of sales increased by approximately S\$3.2 million, or 51%, from S\$6.1 million in FY2015 to S\$9.3 million in FY2016 mainly due to (i) an increase in labour costs of S\$1.6 million as there was an overall increase in remuneration and headcount; (ii) an increase in subcontractor expenses of approximately \$0.6 million; (iii) an increase in overhead cost of approximately \$400,000 million such as , chemical and detergent, transportation and rental costs in line with the increase in business activities; (iii) an increase in depreciation expenses of approximately S\$400,000 from the new facility set up at 8 Loyang Way 4 in March 2016; (iv) an increase in expendable crockeries cost of approximately S\$186,000.

Our overall gross profit decreased by S\$203,000 from gross profit of S\$125,000 in FY2015 to gross loss of S\$78,000 in FY2016 mainly attributable to the increase in general workers in anticipation of new business growth and higher depreciation from the purchase of new machinery for the Loyang facility for the expansion of the Group's dishware washing operations.

REVIEW OF THE GROUP'S PERFORMANCE (Cont'd)

Other income

Other income increased by approximately S\$944,000, or 79%, from approximately S\$1.2 million in FY2015 to approximately S\$2.1 million in FY2016 mainly due to the S\$1.0 million that was forgiven by our Executive Chairman and Chief Executive Officer, Mr. Pang Pok. It was partially offset by the decrease in fair value gain on investment properties of approximately S\$59,000. The remaining other income was attributable to the rental income of S\$600,000 and government grants of approximately S\$500,000.

Administration expenses

Our administrative expenses increased by approximately S\$327,000, or 10%, from S\$3.2 million in FY2015 to S\$3.6 million in FY2016. The increase in administrative expenses was mainly due (i) an increase in salaries and related expenses of S\$844,000 as a result of an increase in headcount in line with the increase in business activities; (ii) an increase in other expenses of approximately S\$583,000 such as professional fees, sponsorship fees, listing fees and repair expenses; and (iii) partially offset by a decrease in IPO expenses of approximately of S\$1.1 million recognised in FY2015.

Finance Cost

Our finance costs increased by approximately S\$255,000, or 143%, from approximately S\$178,000 in FY2015 to approximately S\$433,000 in FY2016. The increase was mainly attributable to the higher level of loans and borrowings in FY2016.

REVIEW OF THE GROUP'S FINANCIAL POSITION

Non-current assets

Our non-current assets increased by S\$3.5 million, or 25%, from S\$13.6 million as at 31 December 2015 to S\$17.1 million as at 31 December 2016. This was mainly due to (i) the increase in property, plant and equipment of S\$1.0 million from the additions of dishwashing equipment for the expansion of the Group's dishware washing operations, S\$518,000 from purchase of crockeries for the expansion of the Group's dishware washing operations in the hospitality industry and S\$1.9 million from renovation costs relating to the newly acquired property at 8 Loyang Way 4.

Current assets

Our current assets increased by S\$1.2 million, or 37%, from S\$3.3 million as at 31 December 2015 to S\$4.5 million as at 31 December 2016. This was mainly due to an increased in trade and other receivables by S\$1.1 million as a result of an increase in trade receivables which in line with higher revenues.

Non-current liabilities

Our non-current liabilities, comprising the non-current portion of our loans and borrowings, decreased by S\$2.6 million, or 24% from S\$11.0 million as at 31 December 2015 to S\$8.4 million as at 31 December 2016. This was mainly due to the \$1.6 million progressive repayment of existing loans and the S\$1.0 million that was forgiven by our Executive Chairman and Chief Executive Officer, Mr. Pang Pok. The non-current portion of our loans and borrowings as at 31 December 2016 bore interest rates ranging from 2.4% to 9.6% per annum.

REVIEW OF THE GROUP'S FINANCIAL POSITION (Cont'd)

Current liabilities

Trade and other payables increased by S\$884,000, or 58%, from S\$1.5 million as at 31 December 2015 to S\$2.4 million as at 31 December 2016 which is in line with the increase in cost of sales. Our loans and borrowings increased by S\$592,000, or 18%, from S\$3.3 million as at 31 December 2015 to S\$3.8 million as at 31 December 2016 due an increased in new short term loans \$1.0 million drawn down by the Group during FY2016 and partially offset by progressive repayment of existing loans. This current portion of our loans and borrowings as at 31 December 2016 bore interest rates ranging from 2.4% to 9.6% per annum.

REVIEW OF THE GROUP'S CASH FLOW STATEMENT

Net Cash Used in Operating Activities

In FY2016, we recorded net cash used in operating activities of S\$1.9 million, which comprised operating cash outflows before changes in working capital of S\$1.2 million, net working capital outflow of S\$1.7 million, and net tax payment of approximately S\$125,000.

The working capital outflow was mainly due to an increase in S\$1.1 million in trade and other receivables, an increase in inventories of S\$114,000 and an increase in trade and other payables of S\$705,000.

Net Cash Used in Investing Activities

In FY2016, we recorded a net cash outflow from investing activities of S\$4.4 million which was mainly due to the S\$1.6 million additions of dishwashing equipment for the expansion of the Group's dishware washing operations, S\$650,000 from purchase of crockeries for the expansion of the Group's dishware washing operations in the hospitality industry and S\$2.2 million from renovation costs relating to the newly acquired property at 8 Loyang Way 4.

Net Cash Generated from Financing Activities

In FY2016, we recorded a net cash inflow from financing activities of approximately S\$6.4 million. This was mainly due to (i) net proceeds from IPO and new placement of shares of S\$7.8 million, partially offset by a net repayment of bank borrowings and finance lease amounting to S\$1.4 million.

Overall the cash and cash equivalent of the Group has increased by S\$39,000 from S\$1.03 million as at 31 December 2015 to S\$1.07 million as at 31 December 2016.

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 disclosed to shareholders previously.

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 moved to its new facility at Loyang in March 2016. The Loyang facility is the Group's largest facility, spanning an area of 4,500 sqm that will accommodate a total of 12 production lines, featuring greater automation. To date, the Loyang facility has 12 fully operational production lines, including a highly-automated line.

As previously announced, the Group has signed a lease agreement with Changi Airport Group (Singapore) Pte Ltd ("**CAG**") on 16 December 2016 to lease the Centralised Dishwashing Facility ("**CDF**") premise on a 5-year tenure, which carries an additional 5-year option. With this CDF, the Group will be able to provide F&B tenants and businesses located in Singapore Changi Airport Terminals 1, 2, 3 and the soon-to-be completed Terminal 4 and Jewel with on-site dishwashing services.

With an anticipated tightness in the labour market for dishwashing staff and the Government's continuous effort to reduce domestic companies' reliance on foreign workers, we continue to see a favourable shift in demand for our services. The Group is of the opinion that any further increase in business volume will continue to reap economies of scale.

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?

No dividend was declared for the corresponding period of the immediately preceding financial year.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared or recommended by the directors of the Company.

13. 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

No segmental information is presented based on business or geographical segment as the Group operates in only one business segment, which is the provision of centralised dishware washing and cleaning services in Singapore.

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 item 8 above.

15. A breakdown of sales as follows: -

	FY2016 \$'000 Group	FY2015 \$'000 Group	% Increase/ (decrease) Group
a) Sales reported for first half year	4,394	3,417	28.6%
b) Profit / (Loss) before tax for first half	400	(64)	725%
c) Sales reported for second half year	4,807	2,842	69.1%
d) Loss before tax for second half year	(2,340)	(2,035)	4.7%

16. Summary of Interested Person Transactions for the financial year ended 31 December 2016

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
	S\$'000	S\$'000
Hao Kou Wei Pte Ltd	600	702
Koufu Group	–	441
Eastlink Food Court	–	149

The Company has adopted the shareholders' mandate for recurrent interested person transactions on 15 April 2016

17. Use of Share Placement Proceeds

As disclosed in the Placing Announcement, on 15 June 2016, the net proceeds raised by the Company from the placement of 8,000,000 new ordinary shares which amounted to \$2.25 million. As at the date of this announcement, the Net Proceeds have been utilised as follows:

Purpose	Amount allocated (as stated in the Placing announcement) (S\$'000)	Reallocation of the use of Net Proceeds (S\$'000)	Net Proceeds utilised as at the date of this announcement (S\$'000)	Balance of Net Proceeds as at the date of this announcement (S\$'000)
Expansion of the Group's dishware washing operations in the hospitality industry	1,575	(863)	(712)	–
General working capital	675	863	(1,538)	–
	<u>2,250</u>	<u>–</u>	<u>(2,250)</u>	<u>–</u>

As at the date of this announcement, the Company has utilised S\$712,000 for the expansion of the Group's dishware washing operations in the hospitality industry

The Company has also utilised S\$1.5 million as general working capital consists of directors' fee, staff salaries and related expenses as well as trade and non-trade payments. The utilisations is not in accordance of the stated use as disclosed in the Placing Announcement, on 15 June 2016. As at the date of this announcement, the Company has provided an update on the use of the net proceeds raised from the placement of 8,000,000 new ordinary shares which amounted to \$2.25 million.

In the best interests of the Company and its shareholders to strengthen the working capital of the Group, S\$863,000 of the Net Proceeds initially allocated for expansion of the Group's dishware washing operations in the hospitality industry was reallocated to general working capital purposes, due to an increase in operating costs in line with higher sales volume.

18. Confirmation by the issuer pursuant to Rule 720(1)

The Company has procured the undertakings from all its Directors and executive officers as required under Rule 720(1) of the Catalist Rules.

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.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Pang Yiling, Eliss	33	Daughter of Mr. Pang Pok	Special Projects Manager since 2015	No change

BY ORDER OF THE BOARD

Pang Pok

Executive Chairman and Chief Executive Officer

28 February 2017

Kenneth Foo Sek Kuan

Chief Financial Officer