



ADVANCER GLOBAL LIMITED

(Company Registration No. 201602681W)
(Incorporated in the Republic of Singapore)

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

This announcement has been prepared by Advancer Global 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.

The contact person for the Sponsor is Mr. Ong Hwee Li (Telephone no.: (65) 65323829) at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542. SAC Capital Private Limited is the parent company of SAC Advisors Private Limited.

Background

Advancer Global Limited (the “**Company**”) was incorporated in Singapore on 2 February 2016 under the Companies Act (Chapter 50) of Singapore as an investment holding private company limited by shares, under the name of “Advancer Global Pte. Ltd.”. On 6 June 2016, the Company was converted into a public limited company and its name was changed to “Advancer Global Limited”. The Company was listed on the Catalist Board (“**Catalist**”) of the SGX-ST on 11 July 2016.

The group comprising the Company and its subsidiaries (the “**Group**”) was formed pursuant to a corporate reorganisation exercise (the “**Restructuring Exercise**”) for the purpose of the Company’s listing on Catalist. Please refer to the Company’s Offer Document dated 30 June 2016 for further details on the Restructuring Exercise. The Group is an established and diverse integrated services provider offering workforce solutions and services in Singapore through its Employment Services Business, its Building Management Business and its Security Services Business.

For the purpose of this announcement, the financial results of the Group for the financial year ended 31 December 2016 (“**FY2016**”) and the comparative financial results of the Group for the financial year ended 31 December 2015 (“**FY2015**”) have been prepared on the assumption that the Group’s structure, following the completion of the Restructuring Exercise has been in place since 1 January 2015.

PART I: INFORMATION REQUIRED FOR QUARTERLY (1Q, 2Q & 3Q), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

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

	Group		Increase/ (Decrease) %
	FY2016	FY2015	
	S\$'000	S\$'000	
Revenue	50,909	44,794	13.7
Cost of services	(37,354)	(32,918)	13.5
Gross profit	<u>13,555</u>	<u>11,876</u>	14.1
Other operating income	2,747	2,017	36.2
Administrative expenses	(12,896)	(8,915)	44.7
Finance expenses	(106)	(115)	(7.8)
Profit before income tax	3,300	4,863	(32.1)
Income tax expense	(504)	(459)	9.8
Profit for the financial period, representing total comprehensive income for the financial period	<u>2,796</u>	<u>4,404</u>	(36.5)
Profit attributable to:			
Owners of the Company	2,675	4,369	(38.8)
Non-controlling interests	121	35	245.7
	<u>2,796</u>	<u>4,404</u>	(36.5)

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

Profit for the financial year is arrived at after (charging)/crediting the following:

	Group		Increase/ (Decrease) %
	FY2016	FY2015	
	S\$'000	S\$'000	
Amortisation of intangible asset	(241)	(230)	4.8
Allowance for doubtful trade receivables	-	73	N/M
Bad debts recovered	383	12	3,091.7
Depreciation of property, plant and equipment	(368)	(214)	72.0
Gain on bargain purchase arising from acquisition	-	164	N/M
Government credit schemes and government grants	2,060	1,188	73.4
Interest income from advances to subcontractors	14	19	(26.3)
IPO expenses	(899)	(299)	200.7
Interest expense on borrowings	(77)	(102)	(24.5)
Interest expense on finance leases	(29)	(8)	262.5
(Loss)/Gain on disposal of property, plant and equipment, net	(9)	384	N/M
Property, plant and equipment written-off	(9)	(10)	(10.0)
Under provision of tax in prior years	(44)	(22)	100.0

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	
	As at		As at	
	31-Dec-2016	31-Dec-2015	31-Dec-2016	31-Dec-2015 ⁽¹⁾
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-current assets				
Investments in subsidiaries	-	-	11,371	-
Goodwill	2,306	33	-	-
Intangible asset	2,159	86	-	-
Available-for-sale financial asset	99	-	-	-
Property, plant and equipment	1,488	587	-	-
Deferred tax assets	-	36	-	-
Total non-current assets	6,052	742	11,371	-
Current assets				
Inventory	26	-	-	-
Trade and other receivables	11,088	7,266	1,563	-
Cash and cash equivalents	8,238	4,584	1,684	-
Total current assets	19,352	11,850	3,247	-
Total assets	25,404	12,592	14,618	-
EQUITY AND LIABILITIES				
Equity				
Share capital	13,562	1,405	13,562	-
Reserve	(2,603)	813	-	-
Retained earnings	4,761	2,692	848	-
Equity attributable to the owners of the Company	15,720	4,910	14,410	-
Non-controlling interests	457	67	-	-
Total equity	16,177	4,977	14,410	-
Non-current liabilities				
Deferred tax liabilities	426	33	-	-
Finance lease payables	617	220	-	-
Total non-current liabilities	1,043	253	-	-
Current liabilities				
Trade and other payables	6,949	5,797	208	-
Bank borrowings	597	944	-	-
Finance lease payables	164	36	-	-
Income tax payable	474	585	-	-
Total current liabilities	8,184	7,362	208	-
Total liabilities	9,227	7,615	208	-
Total equity and liabilities	25,404	12,592	14,618	-

Note:

- (1) There are no comparative figures at the Company level as at 31 December 2015 as the Company was incorporated on 2 February 2016.

- 1(b)(ii) In relation to the aggregate amount of the group's borrowings and debts securities, specify the following at the end of the financial period reported on with comparative figures at the end of the immediately preceding financial year**

	31-Dec-2016		31-Dec-2015	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	608	153	800	180
Amount repayable after one year	617	-	220	-
Total borrowings	<u>1,225</u>	<u>153</u>	<u>1,020</u>	<u>180</u>

Details of collaterals

The Group's borrowings are secured by:

- (i) Account receivables of a subsidiary;
- (ii) Personal guarantees by Chin Mei Yang (a Director of the Company), Chin Mui Hiong (a Director of the Company), Chin Swee Siew @ Chen Yin Siew, Ong Eng Tiang (a Director of the Company) and a director of a subsidiary. Each of the personal guarantors did not receive any benefits in kind, commission or interest payments from the Group for providing these personal guarantees;
- (iii) Motor vehicles under finance leases; and
- (iv) Corporate guarantee provided by Advancer Global Limited and Advancer Global Facility Pte. Ltd.

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
Operating activities		
Profit before income tax	3,300	4,863
Adjustments for:		
Allowance for doubtful receivables	-	73
Amortisation of intangible asset	241	230
Bad debts recovered	(383)	(12)
Depreciation of property, plant and equipment	368	214
Gain on bargain purchase arising from acquisition	-	(164)
IPO expenses	899	299
Interest expense	106	115
Interest income	(14)	(19)
Loss/(Gain) on disposal of property, plant and equipment, net	9	(384)
Property, plant and equipment written-off	9	10
	<u>4,535</u>	<u>5,225</u>
Operating cash flows before movements in working capital		
Changes in working capital:		
Inventory	23	-
Trade and other receivables	(201)	(1,289)
Trade and other payables	537	974
Cash generated from operations	<u>4,894</u>	<u>4,910</u>
Interest received	14	19
Income taxes paid	(579)	(419)
Net cash generated from operating activities	<u>4,329</u>	<u>4,510</u>
Investing activities		
Net cash (outflow)/inflow on acquisition of subsidiaries	(4,772)	179
Proceeds from disposal of property, plant and equipment	30	764
Purchase of property, plant and equipment	(484)	(213)
Net cash (used in)/generated from investing activities	<u>(5,226)</u>	<u>730</u>
Financing activities		
Dividend paid	(2,606)	(4,395)
Interest paid	(106)	(115)
IPO expenses	(1,675)	(242)
Increase in pledged fixed deposit	(5)	-
Issue of new shares	9,460	-
Proceeds from bank borrowings	597	895
Proceeds from issuance of shares in subsidiaries	-	130
Repayment to directors	(10)	(219)
Repayment (to)/from related parties	(76)	14
Repayment of borrowings	(895)	(468)
Repayment of finance lease payables	(89)	(19)
Net cash generated from/(used in) financing activities	<u>4,595</u>	<u>(4,419)</u>
Net increase in cash and cash equivalents	3,698	821
Cash and cash equivalents at beginning of financial period	<u>4,535</u>	<u>3,714</u>
Cash and cash equivalents at end of financial period⁽¹⁾	<u>8,233</u>	<u>4,535</u>

Note: For the purpose of the consolidated statements of cash flows, cash and cash equivalents comprise the following at the end of the financial periods:

	Group	
	FY2016	FY2015
	S\$'000	S\$'000
Cash and bank balances	8,238	4,584
Bank overdrafts	-	(49)
Pledged fixed deposit	(5)	-

Cash and cash equivalents

8,233

4,535

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	Retained earnings	Capital reserve	Merger reserve	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2016	1,405	2,692	813	-	4,910	67	4,977
Profit for the financial year, representing total comprehensive income for the financial year	-	2,675	-	-	2,675	121	2,796
Dividend declared	-	(606)	-	-	(606)	-	(606)
Acquisition of subsidiaries	-	-	-	-	-	269	269
Issuance of new shares pursuant to IPO	14,281	-	-	-	14,281	-	14,281
Share issue expenses	(719)	-	-	-	(719)	-	(719)
Adjustments pursuant to the Restructuring Exercise	(1,405)	-	(813)	(2,603)	(4,821)	-	(4,821)
Balance at 31 December 2016	<u>13,562</u>	<u>4,761</u>	<u>-</u>	<u>(2,603)</u>	<u>15,720</u>	<u>457</u>	<u>16,177</u>
Balance at 1 January 2015	1,375	1,843	547	-	3,765	-	3,765
Profit for the financial year, representing total comprehensive income for the financial year	-	4,369	-	-	4,369	35	4,404
Dividend declared	-	(3,520)	-	-	(3,520)	(40)	(3,560)
Issuance of ordinary shares	30	-	-	-	30	-	30
Acquisition of a subsidiary	-	-	266	-	266	72	338
Balance at 31 December 2015	<u>1,405</u>	<u>2,692</u>	<u>813</u>	<u>-</u>	<u>4,910</u>	<u>67</u>	<u>4,977</u>

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 (continued)

Company⁽¹⁾

	Share capital S\$'000	Retained Earnings S\$'000	Total S\$'000
Balance as at 2 February 2016 ⁽²⁾	*(3)	-	-
Profit for the financial period, representing total comprehensive income for the financial period	-	1,454	1,454
Dividend declared	-	(606)	(606)
Issuance of new shares pursuant to the Restructuring Exercise	14,281	-	14,281
Share issue expenses	(719)	-	(719)
Balance as at 31 December 2016	<u>13,562</u>	<u>848</u>	<u>14,410</u>

Note:

(1) There are no comparative figures at the Company level for the corresponding period of the immediately preceding financial year as the Company was incorporated on 2 February 2016.

(2) Date of incorporation

(3) S\$1.00

- 1(d)(ii) Details of any changes in the Company's share capital arising from right 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 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 changes in the Company's share capital since 30 June 2016 up to 31 December 2016 is as follows:

	Number of shares	Issued and paid-up share capital (S\$)
As at 30 June 2016	130,172,589	4,821,208
Issue of New Shares pursuant to the IPO	43,000,000	8,740,292
As at 31 December 2016	<u>173,172,589</u>	<u>13,561,500</u>

The Company was incorporated on 2 February 2016 with an issued and paid-up share capital of S\$1 comprising 1 ordinary share. Prior to the Restructuring Exercise, on 1 June 2016, the Company has an issued and paid-up share capital of S\$4,821,208 comprising 4,821,208 ordinary shares. Immediately after the Restructuring Exercise, on 1 June 2016, the 4,821,208 ordinary shares of the Company were sub-divided into 130,172,589 ordinary shares, resulting in the issue and paid-up share capital of the Company to be S\$4,821,208 comprising 130,172,589 ordinary shares.

Subsequent to the sub-division, the Company issued 43,000,000 ordinary shares pursuant to the IPO of the Company on 11 July 2016 (the "IPO") resulting in the issued and paid-up share capital of the Company to be S\$13,561,500 comprising 173,172,589 ordinary shares. Since the IPO and up till 31 December 2016, there has been no changes to the Company's issued and paid-up share capital.

The Company has no outstanding convertibles and treasury shares as at 31 December 2016. There are no comparative figures for the Company as at 31 December 2015, as the Company was incorporated on 2 February 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, excluding treasury shares as at 31 December 2016 was 173,172,589. There are no comparative figures as at 31 December 2015 as the Company was incorporated on 2 February 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 at the beginning and end of the current financial period.

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

The figures presented 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 applied the same accounting policies and methods of computation in the Group's financial statements for FY2016 compared to its most recently audited financial statements for FY2015, except for those stated in Paragraph 5 below.

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 ("FRSs") and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2016, where applicable. The adoption of these new and revised FRS and INT FRS did not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior financial year/period.

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	
	31 Dec 2016	31 Dec 2015
Profit attributable to owners of the Company (S\$'000)	2,675	4,369
Number of ordinary shares	173,172,589	173,172,589
Earnings per share (basic and diluted)(cents)	1.54	2.52

For comparative purposes, the calculation of basic and dilutive earnings per share for the respective financial year ended 31 December 2016 and 31 December 2015 is based on the number of ordinary shares issued as at 31 December 2016. The basic and dilutive earnings per share is the same as there were no potentially dilutive instruments.

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	
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015⁽¹⁾
Net asset value per share (cents)	9.08	2.84	8.32	-
Net asset value (S\$'000)	15,720	4,910	14,410	-
Number of ordinary shares issued	173,172,589	173,172,589	173,172,589	-

For comparative purposes, the calculation of net asset value per share of the Group and Company is based on the number of ordinary shares issued as at 31 December 2016.

Notes:

(1) There are no comparative figures at the Company level at 31 December 2015 as the Company was incorporated on 2 February 2016.

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 increased by S\$6.1 million or 13.7% from S\$44.8 million in FY2015 to S\$50.9 million in FY2016 mainly due to an increase of revenue of S\$4.7 million and S\$1.6 million from Group's Building Management Business and Security Services Business respectively, offset by a decrease of revenue of S\$0.2 million from Group's Employment Services Business.

Employment Services Business

The revenue from the Employment Services Business decreased by S\$0.2 million from S\$12.8 million in FY2015 to S\$12.6 million in FY2016 mainly due to a decrease in the number of foreign domestic workers ("FDWs") that the Group had placed out to households in Singapore.

Building Management Business (previously known as Cleaning and Stewarding Business)

The revenue from the Building Management Business increased by S\$4.7 million from S\$20.1 million in FY2015 to S\$24.8 million in FY2016 mainly due to the (a) revenue contribution from the acquisition of 76% of the total issued and paid up capital of Newman & Goh Property Consultants Pte Ltd ("**NGPC**"), Newman & Associate Pte Ltd ("**NAPL**") and the entire issued and paid-share capital of Premier Eco-Care Pte. Ltd. ("**Premier**"), Prestige Enviro-Care Pte. Ltd. ("**Prestige**"), and Green Management Pte. Ltd. ("**Green Management**") in the second half of FY2016 ("**HY2016**"); (b) net increase in service fees from the new cleaning and stewarding projects, offset by the service contracts which were completed and not renewed in FY2016.

Security Services Business

The revenue from the Security Services Business increased by S\$1.6 million from S\$11.9 million in FY2015 to S\$13.5 million in FY2016 mainly due to the (a) acquisition of the entire issued and paid-up share capital of Ashtree International Pte Ltd ("**Ashtree**") in HY2016; (b) net increase in the aggregate service fees from on-going projects; and (c) higher aggregate service fees from new service contracts secured in FY2016, offset by the service contracts which were completed and not renewed in FY2016.

Collectively, Ashtree, NGPC, NAPL, Premier, Prestige, and Green Management are the "**New Subsidiaries**".

As at 31 December 2016, the Group has service contracts amounting to approximately S\$3.6 million monthly from Facility Management Businesses.

Cost of services increased by S\$4.4 million or 13.5%, from S\$32.9 million in FY2015 to S\$37.3 million in FY2016 is in line with the increase in revenue from the Facilities Management Businesses (comprising of the Building Management Business and the Security Services Business). The increase is mainly due to the (a) increase in direct labour costs as a result of the acquisition of the New Subsidiaries in HY2016, and (b) increase in average salaries of security officers and employees in both the Cleaning and Stewarding Business and Employment Services Business, offset by the decrease in recruitment costs paid to overseas recruiters from Employment Services Business.

Gross profit increased by S\$1.7 million or 14.1%, from S\$11.9 million in FY2015 to S\$13.6 million in FY2016, due to an increase in gross profit from the Facilities Management Businesses, offset by a decrease in gross profit from Employment Services Business. Gross

profit margin remained relatively stable for both FY2016 and FY2015 at 26.6% and 26.5% respectively.

Other operating income increased by S\$0.7 million or 36.2% from S\$2.0 million in FY2015 to S\$2.7 million in FY2016, mainly due to (a) an increase in the amount from the government credit schemes such as Wage Credit Scheme and Temporary Employment Credit, which was in line with the increase in staff costs incurred by the Group, and (b) bad debts recovered for the amount owing to Premier, (c) an increase in the rebate of insurance premiums due to renegotiation of terms with the insurer, offset by the absence of a gain on disposal of the property located at Sin Ming Lane, and a gain on bargain purchase arising from the acquisition of Unipest Pte. Ltd. in FY2015.

Administrative expenses increased by S\$4.0 million or 44.7% from S\$8.9 million in FY2015 to S\$12.9 million in FY2016, mainly due to (a) the consolidation of administrative expense arising from the acquisition of the New Subsidiaries in HY2016, (b) an increase in staff costs of administrative employees for all of the Group's business segments including additional headcount to support corporate activities after the Company's listing on the Catalist, as well as (c) directors' incentive bonus based on the consolidated financial results of the Group in FY2016, and (d) an increase in other administrative expenses including advertising fees, depreciation expenses of the Group's property, plant and equipment arising from the increase in capital expenditures, amortisation expense, operating lease expenses for office premises and motor vehicles, professional fees as well as one-off IPO expenses.

Finance expenses decreased by S\$9,000 or 7.8% from S\$115,000 in FY2015 to S\$106,000 in FY2016, mainly due to a reduction in bank borrowings, offset by an increase in finance lease payables.

Profit after tax decreased by S\$1.6 million or 36.5% from S\$4.4 million in FY2015 to S\$2.8 million in FY2016, mainly due to the increase of IPO expenses and the increase of other administrative expenses to support the Group's corporate activities after Company's listing on the Catalist. Excluding the one-off IPO expenses of S\$899,000 and S\$299,000 in FY2016 and FY2015 respectively, the Group's profit after tax in FY2016 would have been S\$3.7 million representing a decrease of 21.4% compared to FY2015 of S\$4.7 million. Further, the Group has incurred a higher effective tax rate for FY2016 as compared to FY2015, which was mainly due to the increase of the one-off IPO expenses, which is non-deductible in nature.

REVIEW OF GROUP'S FINANCIAL POSITION

The Group's current assets increased by S\$7.5 million or 63.3% from S\$11.9 million as at 31 December 2015 to S\$19.4 million as at 31 December 2016, mainly due to an increase in cash and cash equivalents of S\$3.7 million (as explained in under "Review of Group's Cash Flows" section below), an increase in inventory of S\$26,000, and an increase in trade receivables of S\$3.0 million and other receivables of S\$0.8 million. The increase in inventory was due to the acquisition of Premier and Prestige, which provides pest control and fumigation services. The increase in trade receivables was mainly due to the acquisition of the New Subsidiaries and the increase in revenue from the Building Management Business and the Security Services Businesses. The increase in other receivables was mainly due to the increase in advances to overseas recruiters, prepayments and deposits paid for ongoing business expenditures, staff loan as well as receivables from government credit schemes.

The Group's non-current assets increased by S\$5.3 million or 715.6% from S\$0.7 million as at 31 December 2015 to S\$6.0 million as at 31 December 2016, mainly due to (a) the increase in capital expenditures, and (b) the increase in goodwill, intangible assets and available-for-sale financial asset as a result of the acquisition of the New Subsidiaries. The available-for-sale financial asset relates to NGPC's investment in a company incorporated and operating in China.

The Group's current liabilities increased by S\$0.8 million or 11.2% from S\$7.4 million as at 31 December 2015 to S\$8.2 million as at 31 December 2016, mainly due to the (a) increase in trade payables as a result of the acquisition of the New Subsidiaries and the increase in cost of sales for Group's all business segments, (b) increase in other payables in relation to employees remuneration, (c) increase provision for unutilised leave and other accrued operating expenses due to the acquisition of the New Subsidiaries, (d) advances from customers in Employment

Services Business, and (e) higher finance lease payables as a result of the purchase of motor vehicles under finance lease, offset by (a) a decrease in bank borrowings, and (b) a decrease in income tax payables.

The Group's non-current liabilities increased by S\$0.8 million or 312.3% from S\$0.3 million as at 31 December 2015 to S\$1.1 million as at 31 December 2016, mainly due to (a) higher finance lease payables as a result of the purchase of motor vehicles under finance lease, and (b) higher deferred tax liabilities mainly due to the acquisition of the New Subsidiaries.

REVIEW OF GROUP'S CASH FLOWS

The Group's net cash generated from operating activities amounted to S\$4.3 million for FY2016, mainly due to operating cash flows before movements in working capital amounting to S\$4.5 million and the increase in trade and other payables of S\$0.5 million, offset by an increase in trade and other receivables of S\$0.2 million and payment of income tax of S\$0.5 million.

Net cash used in investing activities amounted to S\$5.2 million for FY2016, mainly due to the acquisition of the New Subsidiaries and the purchase of property, plant and equipment.

Net cash generated from financing activities amounted to S\$4.6 million for FY2016, mainly due to IPO proceeds of S\$9.5 million, proceeds from bank borrowings of S\$0.6 million, offset by payment of dividends of S\$2.6 million, payment of IPO expenses of S\$1.6 million, repayment of bank borrowings of S\$0.9 million, repayment to directors and related parties, and repayment of finance lease payables.

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 has been previously disclosed 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 expects factors such as the increase of dual-income households and manpower shortages in Singapore to continue to drive demand for FDWs services in providing caregiving support to families with elderly and children which will be beneficial for the Group's Employment Services Business.

Increasing supply of residential and commercial properties in Singapore is likely to drive demand for facilities management services for such properties. This could potentially lead to higher demand for the Group's holistic suite of services under its Facilities Management Businesses.

The Group intends to integrate its existing business segments under Facilities Management Business, as well as to expand this platform through new acquisitions, so as to provide a holistic suite of services including property management, security services, building maintenance and landscaping, specialised pest control, and cleaning and stewarding.

The Group could also potentially cross-sell the services of its Employment Services Business to complement its offerings under Facilities Management Business.

11. If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared or recommended.

An interim one-tier tax exempt dividend of 0.35 Singapore cent per share in respect of FY2016 has been paid on 30 September 2016 ("Interim Dividend").

The directors are pleased to recommend a final one-tier tax exempt dividend of 0.43 Singapore cent per share for FY2016 ("Final Dividend").

(b) (i) Amount per share

The Final Dividend of 0.43 Singapore cent per share together with the Interim Dividend of 0.35 Singapore cents per share would aggregate a full year dividend of 0.78 Singapore cent per share for FY2016. The full year dividend payout for FY2016 would constitute 50% of net profit after tax attributable to owners of the Company in FY2016.

(b) (ii) Previous corresponding period

Not applicable.

(c) The date the dividend is payable

31 May 2017

(e) The date on which Registrable Transfers received by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

15 May 2017

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

Not applicable.

13. 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 Group has not obtained a general mandate from shareholders 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

	<u>Amount allocated</u> S\$ million	<u>Amount utilised</u> S\$ million	<u>Balance of net proceeds as at at the date of this announcement</u> S\$ million
Expansion of business operations	6.40	(5.40)	1.00
Branding and marketing	0.30	-	0.30
General corporate and working capital purposes	0.84	(0.58)	0.26
	<u>7.54</u>	<u>(5.98)</u>	<u>1.56</u>

PART I: ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

The Group operates only in one geographical location, being Singapore. For management purpose, the Group is organized into business units based on its products and services, and has three reportable segments as follows:

- (a) Employment Services Business segment – the provision of one-stop services for the sourcing, employment and training of FDWs to households, as well as sourcing and employment foreign workers to, amongst others, corporate and organisations.
- (b) Building Management Business segment – the provision of integrated building facility management services including property consultancy, property and facilities management services, property valuation, investment sales, cleaning and stewarding, pest control and fumigation services to, amongst others, hospitals, hotel, residential, commercial and industrial properties. The name of this segment was changed from Cleaning and Stewarding Business in FY2015 to Building Management Business as a result of the acquisition of the New Subsidiaries in HY2016.
- (c) Security Services Business segment – the provision of manpower for security solutions and services to, amongst others, commercial, industrial and residential properties, as well as security escort services and security consultancy services such as crisis management.

The Building Management Business and the Security Services Business, which are integrated and complementary, collectively constitute the Facilities Management Businesses.

	Employment Services Business	Building Management Business	Security Services Business	Non- allocated income /(expenses)	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2016					
External sales	12,627	24,753	13,529	-	50,909
Cost of sales	7,104	18,711	11,539	-	37,354
Interest income	-	14	-	-	14
Interest expense	5	48	53	-	106
Depreciation of property, plant and equipment	108	131	129	-	368
Reportable segment profit before income tax	1,262	3,078	846	(1,886)	3,300
Reportable segment assets	3,051	20,377	7,385	(5,409)	25,404
Reportable segment liabilities	1,834	4,521	2,317	555	9,227
Capital expenditures	395	229	338	-	962
	Employment Services Business	Cleaning and Stewarding Business	Security Services Business		Total
	S\$'000	S\$'000	S\$'000		S\$'000
2015					
External sales	12,818	20,090	11,886		44,794
Cost of sales	6,999	15,837	10,082		32,918
Interest income	-	19	-		19
Interest expense	-	43	72		115
Depreciation of property, plant and equipment	31	65	118		214
Reportable segment profit before income tax	1,499	2,096	1,268		4,863
Reportable segment assets	3,203	4,631	4,758		12,592
Reportable segment liabilities	2,332	2,649	2,634		7,615
Capital expenditures	69	219	192		480

16. In view of performance, the factors leading to any material changes in contributions to turnover and earnings by the business segments.

Please refer to section 8.

17. A breakdown of sales and operating profit after tax are as follows:

	Group		Increase/ (Decrease) %
	FY2016	FY2015	
	S\$'000	S\$'000	
Revenue			
(a) First half year	23,231	20,994	10.7
(b) Second half year	27,678	23,800	16.3
	50,909	44,794	13.7
Profit after tax before deducting non-controlling interests			
(c) First half year	1,909	2,250	(15.2)
(d) Second half year	766	2,119	(63.9)
	2,675	4,369	(38.8)

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

Ordinary Dividend

	FY2016 S\$	FY2015 S\$
Interim dividend	606,000	N/A
Final dividend	744,642	N/A

N/A – Not Applicable

Note: The proposed final dividend of 0.43 Singapore cent per ordinary share amounting to S\$744,642 is subject to shareholders' approval at the forthcoming Annual General Meeting of the Company.

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10).

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Chin Chwee Hwa	62	Brother of Chin Mui Hiong and Chin Mei Yang, the directors and substantial shareholders of the Company	Director of World Clean Facility Services Pte. Ltd. since 12 July 2005.	Nil
James Chin Yee Hong	31	Son of Chin Swee Siew @ Chen Yin Siew, the substantial shareholder of the	(1) Operations manager of First Stewards Private Limited and Master Clean Facility Services Pte. Ltd. and involve in	Nil

		Company and Head of Employment Services Business of the Group	day-to-day operations. (2) Director of nation Human Resources Pte.Ltd. (3) Administrative supports to both Nation Employment Pte Ltd and Enreach Employment Pte. Ltd.	
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By order of the Board

Chin Mui Hiong
Executive Chairman
24 February 2017

Chin Mei Yang
Chief Executive Officer and Executive Director
24 February 2017