
UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

*This announcement has been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch ("**Sponsor**") for compliance with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"). The Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement. The contact person for the Sponsor is Ms Tan Cher Ting, Director, Investment Banking, CIMB Bank Berhad, Singapore Branch, at 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, Telephone: +65 6337 5115.*

Choo Chiang Holdings Ltd. (the "**Company**") was incorporated in the Republic of Singapore on 5 September 2014 under the Companies Act (Chapter 50) of Singapore as a private limited company. The Group (as defined herein), comprising the Company and its subsidiaries (the "**Group**"), was formed pursuant to a restructuring exercise (the "**Restructuring Exercise**") undertaken to streamline and rationalise the corporate structure and shareholding structure of the Group prior to the Company's initial public offering ("**IPO**") and listing on the Catalist of the SGX-ST (the "**Catalist**"). Please refer to the Company's offer document dated 15 July 2015 ("**Offer Document**") in connection with the IPO for further details on the Restructuring Exercise.

The Company was admitted to the Catalist on 29 July 2015. For the purpose of this announcement, the Group's results for the financial year ended 31 December 2015 ("**FY2015**") and comparative results for the financial year ended 31 December 2014 ("**FY2014**") have been prepared on a combined basis and include the financial information of the companies now comprising the Group as if the current Group structure had been in existence throughout the relevant periods or from the date the entities are under common control as the case may be.

Part I Information required for announcement of quarterly (Q1, Q2 & Q3), half-year and full year results

1 (a)(i) An income statement and statement of comprehensive income, or 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) %
	Year ended 31 December		
	2015	2014	
	S\$'000	S\$'000	
Revenue	65,024	70,442	(7.7)
Cost of sales	(49,439)	(53,100)	(6.9)
Gross profit	15,585	17,342	(10.1)
Other operating income	858	406	111.3
Administrative and selling expenses	(10,766)	(9,406)	14.5
Other operating expenses	(1,123)	(994)	13.0
Finance costs	(144)	(136)	5.9
Profit before tax	4,410	7,212	(38.9)
Income tax expense	(816)	(1,191)	(31.5)
Profit for the year, representing total comprehensive income for the year	3,594	6,021	(40.3)
Total comprehensive income attributable to:			
Owners of the Company	3,579	5,870	(39.0)
Non-controlling interests	15	151	(90.1)
	3,594	6,021	(40.3)

1 (a)(ii) Notes to the statements of comprehensive income:

	Group		Increase / (Decrease) %
	Year ended 31 December		
	2015	2014	
	S\$'000	S\$'000	
Profit before tax is arrived after charging/(crediting):-			
Cost of inventories included in expenses	49,063	52,849	(7.2)
Gain on disposal of property, plant and equipment	(14)	(130)	(89.2)
Bad debts written off	1	32	(96.9)
Allowance for doubtful trade receivables	281	325	(13.5)
Bad debts recovered	(327)	(22)	(1,386.4)
Provision/(Reversal) of stock obsolescence	46	(340)	113.5
Depreciation of properties, plant and equipment	471	306	53.9
Depreciation of investment properties	342	244	40.2
Net foreign exchange loss/ (gain)	42	(3)	1,500.0
Interest income	(3)	- *	N.M.
IPO related expenses	381	-	N.M.
Interest expenses	144	136	5.9

N.M. : Not meaningful
* : Less than S\$1,000



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

	Group		Company	
	As at 31 December		As at 31 December	
	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
<u>ASSETS</u>				
Current assets				
Cash and cash equivalents	7,964	3,303	1,026	692
Trade receivables	5,635	6,963	1,800	-
Other receivables and prepayments	378	323	4,053	4,785
Inventories	16,464	16,269	-	-
Total current assets	30,441	26,858	6,879	5,477
Non-current assets				
Property, plant and equipment	6,730	6,619	-	-
Investment properties	17,658	15,254	-	-
Investment in subsidiaries	-	-	2,740	2,500
Total non-current assets	24,388	21,873	2,740	2,500
Total assets	54,829	48,731	9,619	7,977
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Trade payables	7,775	7,331	-	-
Other payables and accruals	2,934	2,338	147	15
Bank loans	847	811	-	-
Finance leases	146	97	-	-
Income tax payable	728	1,019	-	-
Total current liabilities	12,430	11,596	147	15
Non-current liabilities				
Bank loans	5,872	4,318	-	-
Finance leases	243	208	-	-
Deferred tax liability	45	24	-	-
Total non-current liabilities	6,160	4,550	-	-
Total liabilities	18,590	16,146	147	15
Capital, reserves and non-controlling interests				
Share capital	8,020	8,020	8,020	8,020
Retained earnings / (Accumulated losses)	27,103	23,524	1,452	(58)
Equity attributable to owners of the Company	35,123	31,544	9,472	7,962
Non-controlling interests	1,116	1,041	-	-
Total equity	36,239	32,585	9,472	7,962
Total liabilities and equity	54,829	48,731	9,619	7,977

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

(A) Amount repayable in one year or less, or on demand

	As at 31 December 2015		As at 31 December 2014	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Bank loans	847	-	811	-
Finance leases	146	-	97	-
Amount owing to a related party	-	1,015	-	979

(B) Amount repayable after one year

	As at 31 December 2015		As at 31 December 2014	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Bank loans	5,872	-	4,318	-
Finance leases	243	-	208	-

(C) Details of any collaterals

As at 31 December 2015

The bank loans were secured by legal mortgages over subsidiaries' leasehold and freehold properties and corporate guarantees provided by the Company. The finance leases were secured by personal guarantees provided by the Company's directors (please also refer to paragraph 13(i) of this announcement for details).

As at 31 December 2014

The bank loans and finance leases were secured by legal mortgages over subsidiaries' leasehold and freehold properties and personal guarantees provided by the Company's directors (please also refer to paragraph 13(i) of this announcement for details).

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

	Group	
	Year ended 31 December 2015	2014
	S\$'000	S\$'000
Operating activities:		
Profit before tax	4,410	7,212
Adjustments for:		
Interest expenses	144	136
Interest income	(3)	- *
Depreciation of property, plant and equipment	471	306
Depreciation of investment properties	342	244
Gain on disposal of property, plant and equipment	(14)	(130)
Allowance for doubtful trade receivables	281	325
Bad debts recovered	(327)	(22)
Bad debts written off	1	32
Provision/(Reversal) of allowance for stock obsolescence	46	(340)
Property, plant and equipment written off	-	1
Operating cash flows before changes in working capital	5,351	7,764
Trade receivables	1,373	3,181
Other receivables and prepayments	(55)	(165)
Inventories	(241)	(571)
Trade payables	444	(1,346)
Other payables and accruals	16	(1,106)
Cash flows generated from operations	6,888	7,757
Income tax paid	(1,086)	(1,822)
Interest received	3	- *
Net cash from operating activities	5,805	5,935
Investing activities:		
Proceeds from disposal of property, plant and equipment	14	137
Purchase of property, plant and equipment (Note A)	(388)	(430)
Additions of investment properties (Note B)	(2,206)	(2,764)
Net cash flows used in investing activities	(2,580)	(3,057)
Financing activities:		
Repayment to a director	-	(984)
Proceeds from bank loans	2,200	2,487
Repayment of bank loans	(610)	(3,296)
Repayment of finance leases	(110)	(30)
Proceeds of issue of shares	-	5,520
Dividends paid	-	(10,800)
Interest paid	(104)	(61)
Capital contribution from non-controlling interests in a subsidiary	60	-
Net cash flows from (used in) financing activities	1,436	(7,164)
Net increase (decrease) in cash and cash equivalents	4,661	(4,286)
Cash and cash equivalents at beginning of the period	3,303	7,589
Cash and cash equivalents at end of the period	7,964	3,303

* : Less than S\$1,000

	Group	
	Year ended 31 December	
	2015	2014
	S\$'000	S\$'000
Note A		
Additions to property, plant and equipment	582	765
Less:		
Acquired under finance lease	(194)	(335)
Net cash outflow for purchase of property, plant and equipment	<u>388</u>	<u>430</u>
Note B		
Additions to investment properties	2,746	2,254
Add:		
Payment made for prior year unpaid balances	-	510
Less:		
Unpaid balances at end of the year	(540)	-
Net cash outflow for addition of investment properties	<u>2,206</u>	<u>2,764</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

Group	Share Capital	Retained earnings	Attributable to the owners of the Company	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2015	8,020	23,524	31,544	1,041	32,585
Profit for the year, representing total comprehensive income for the year	-	3,579	3,579	15	3,594
<i>Transactions with owners, recognised directly in equity</i>					
Capital contribution from non-controlling interests in a subsidiary	-	-	-	60	60
Balance as at 31 December 2015	8,020	27,103	35,123	1,116	36,239
Balance as at 1 January 2014	2,500	28,454	30,954	890	31,844
Profit for the year, representing total comprehensive income for the year	-	5,870	5,870	151	6,021
<i>Transactions with owners, recognised directly in equity</i>					
Issue of share capital	5,520	-	5,520	-	5,520
Dividend declared	-	(10,800)	(10,800)	-	(10,800)
Balance as at 31 December 2014	8,020	23,524	31,544	1,041	32,585

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 (*cont'd*)

Company	Share capital S\$'000	Retained earnings/ (Accumulated losses) S\$'000	Total S\$'000
Balance as at 1 January 2015	8,020	(58)	7,962
Profit for the year, representing total comprehensive income for the year	-	1,510	1,510
Balance as at 31 December 2015	<u>8,020</u>	<u>1,452</u>	<u>9,472</u>
Balance as at 5 September 2014 (date of incorporation)	- *	-	- *
Loss for the period, representing total comprehensive loss for the period	-	(58)	(58)
Issue of shares, representing transactions with owners recognised directly in equity	8,020	-	8,020
Balance as at 31 December 2014	<u>8,020</u>	<u>(58)</u>	<u>7,962</u>

* : *Less than S\$1,000*

- 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 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.**

On 5 September 2014, the Company was incorporated with an issued and paid-up capital of S\$1.00 comprising one (1) ordinary share. On 7 November 2014, the Company issued 2,699,999 new fully paid ordinary shares at S\$1.00 per share and the Company's issued and paid-up share capital increased from S\$1.00 to S\$2,700,000 comprising 2,700,000 ordinary shares. On 25 November 2014, the Company issued 500,000 new fully paid ordinary shares and the Company's issued and paid-up share capital increased from S\$2,700,000 comprising 2,700,000 ordinary shares to S\$8,020,000 comprising 3,200,000 ordinary shares. On 23 June 2015, in connection with the IPO, each ordinary share in the capital of the Company was subdivided into 65 ordinary shares ("**Share Split**"), resulting in an issued and paid-up share capital of S\$8,020,000 comprising 208,000,000 ordinary shares.

As at 31 December 2015, the Company had an issued and paid-up share capital of S\$8,020,000 comprising 208,000,000 ordinary shares in issue. As at 31 December 2015, the Company did not have any outstanding options, warrants or other instrument convertible into securities of the Company. The Company had adopted the Choo Chiang Performance Share Plan prior to its listing on the Catalist and as at 31 December 2015, there was no award granted under this performance share plan. As at 31 December 2015, the Company did not hold any treasury shares.

- 1 (d)(iii) 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.**

	Number of ordinary shares As at 31 December	
	2015	2014
Total number of issued shares	208,000,000	208,000,000 ⁽¹⁾

Note:

(1) The number of shares as at 31 December 2014 shown in the table above has been adjusted for the Share Split.

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

Not applicable as the Company did not hold any treasury shares as at 31 December 2014 and 31 December 2015.

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

The figures have not been audited nor reviewed by the auditors.

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.

Save as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for FY2015 as its most recently audited financial statements for FY2014.

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

The Group has adopted all the new and revised Financial Reporting Standards (“**FRS**”) and Interpretations of FRS (“**INT FRS**”) that are relevant to the Group and effective for the financial period beginning on 1 January 2015. The adoption of these new and revised FRS and INT FRS did not result in changes to the Group’s accounting policies and had no material effect on the amounts reported for FY2014 and FY2015.

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.

Earnings per share	Group	
	Year ended 31 December	
	2015	2014
Profit attributable to owners of the Company (S\$'000)	3,579	5,870
Number of ordinary shares ('000)	208,000	208,000
- Basic and diluted (Singapore cents)	1.72	2.82

Earnings per ordinary share is calculated based on the profit attributable to owners of the Company for FY2015 and FY2014 and using 208,000,000 issued shares as at 31 December 2015 and as at 31 December 2014 (as adjusted for the Share Split).

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	
	As at 31 December 2015	2014	As at 31 December 2015	2014
Net Asset Value ("NAV")				
Net assets (S\$'000)	35,123	31,544	9,472	7,692
Number of ordinary shares used in calculating NAV per ordinary share ('000)	208,000	208,000 ⁽¹⁾	208,000	208,000 ⁽¹⁾
NAV per ordinary share (Singapore cents)	16.89	15.17	4.55	3.70

Note:

(1) The number of shares as at 31 December 2014 shown in the table above has been adjusted for the Share Split.

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 financial performance

Revenue

The Group's revenue is derived from sales and retail of electrical products and accessories in Singapore ("**Distribution Business**") and rental income from its investment properties in Singapore ("**Property Investment**").

Total revenue decreased by S\$5.40 million or 7.7%, from S\$70.44 million in FY2014 to S\$65.02 million in FY2015 due mainly to a decrease in the revenue from the Distribution Business segment.

Distribution Business

Revenue from the Distribution Business segment decreased by S\$5.53 million or 7.9%, from S\$70.13 million in FY2014 to S\$64.60 million in FY2015. The decrease was mainly due to a downward adjustment in the selling prices for most of the Group's electrical products and accessories which commenced in the second half of FY2014 as part of the Group's strategy to maintain its price competitiveness in the industry. In addition, the lower revenue was also partly due to a slight decrease in sales volume as a result of the general slow-down in the industry.

Property Investment

Rental income from the Property Investment segment increased by S\$0.10 million or 33.3%, from S\$0.32 million in FY2014 to S\$0.42 million in FY2015 as temporary occupation permits were granted in June 2015 in respect of three (3) of the Group's investment properties at Tagore 8 (a light industrial development located at 421 Tagore Industrial Avenue in Singapore) and the Group commenced deriving rental income from these three (3) newly acquired investment properties in the second half of FY2015. In addition, the Group also derived additional rental income from new leases secured during FY2015 in respect of another three (3) investment properties located at: (i) 5 Soon Lee Street, #01-67 Pioneer Point, Singapore 627607; (ii) 8B Admiralty Street #01-06, 8B @ Admiralty, Singapore 757440; and (iii) 8B Admiralty Street #01-07, 8B @ Admiralty, Singapore 757440.

Cost of sales

Cost of sales decreased by S\$3.66 million or 6.9%, from S\$53.10 million in FY2014 to S\$49.44 million in FY2015.

Distribution Business

Cost of sales of the Distribution Business segment decreased by S\$3.79 million or 7.2%, from S\$52.85 million in FY2014 to S\$49.06 million in FY2015, generally in line with the decrease in revenue for this segment. Cost of sales in FY2015 was also lower due to a decrease in the purchase price of certain products. The decrease was partially offset by an increase in the allowance for stock obsolescence amounting to S\$0.39 million.

Property Investment

Cost of sales of the Property Investment segment increased by S\$0.13 million or 49.8%, from S\$0.25 million in FY2014 to S\$0.38 million in FY2015. The increase was mainly due to an increase in depreciation expense, property tax and property management fee of S\$0.10 million, S\$0.02 million and S\$0.01 million respectively as a result of the six (6) new leases which commenced during FY2015.

Gross profit and gross profit margin

Gross profit decreased by S\$1.76 million or 10.1%, from S\$17.34 million in FY2014 to S\$15.58 million in FY2015. Overall gross profit margin also declined from 24.6% in FY2014 to 24.0% in FY2015.

The gross profit margin of the Distribution Business segment decreased from approximately 24.6% in FY2014 to 24.0% in FY2015 mainly due to a downward adjustment in the selling prices for most of the Group's electrical products and accessories in the second half of FY2014 as part of the Group's strategy to maintain its price competitiveness in the industry and attract new customers.

The gross profit margin of the Property Investment segment decreased from 20.3% in FY2014 to 10.5% in FY2015 mainly due to higher depreciation and finance costs arising from the six (6) new leases which commenced during FY2015.

Other operating income

Other operating income increased by S\$0.45 million or 111.3%, from S\$0.41 million in FY2014 to S\$0.86 million in FY2015. The increase in other operating income was mainly due to an increase in the bad debts recovered from customers and an increase in sponsorship income received from suppliers during FY2015. These were partially offset by a decrease in gain on disposal of motor vehicles and foreign exchange gain in FY2015.

Administrative and selling expenses

Administrative and selling expenses increased by S\$1.36 million or 14.8%, from S\$9.41 million in FY2014 to S\$10.77 million in FY2015, mainly due to higher staff-related costs, advertising expenses and IPO-related expenses.

Other operating expenses

Other operating expenses increased by S\$0.13 million or 13.0%, from S\$0.99 million in FY2014 to S\$1.12 million in FY2015, mainly as a result of an increase in the Group's depreciation expenses on three (3) newly completed investment properties prior to renting out to third parties in FY2015, as well as foreign exchange loss incurred during FY2015.

Finance costs

Finance costs increased from S\$136,000 in FY2014 to S\$144,000 in FY2015.

Profit before tax

As a result of the reasons mentioned above, the Group's profit before tax decreased by S\$2.80 million or 38.9%, from S\$7.21 million in FY2014 to S\$4.41 million in FY2015.

Review of financial position

Current assets

Current assets increased by S\$3.58 million from S\$26.86 million as at 31 December 2014 to S\$30.44 million as at 31 December 2015. The increase in current assets was mainly due to an increase in cash and cash equivalents of S\$4.66 million, an increase in inventories of S\$0.20 million and an increase in other receivables and prepayments of S\$55,000, which were partially offset by a decrease in trade receivables of S\$1.33 million.

Non-current assets

Non-current assets increased by S\$2.52 million from S\$21.87 million as at 31 December 2014 to S\$24.39 million as at 31 December 2015. The increase was mainly due to the purchase of plant and equipment of approximately S\$0.58 million and progress billings of three (3) investment properties upon issuance of temporary occupation permits amounting to S\$2.75 million. These were partially offset by depreciation of investment property and property, plant and equipment of S\$0.34 million and S\$0.47 million respectively.

Current liabilities

Current liabilities increased by S\$0.84 million from S\$11.60 million as at 31 December 2014 to S\$12.43 million as at 31 December 2015. The increase in current liabilities was mainly due to an increase in unpaid balances for three (3) investment properties of approximately S\$0.54 million and other payables of S\$56,000, an increase in trade payables of S\$0.45 million and an increase in the current portion of bank loans and finance leases of S\$85,000, which were partially offset by a decrease in the provision of taxation of approximately S\$0.29 million.

Non-current liabilities

Non-current liabilities increased by S\$1.61 million from S\$4.55 million as at 31 December 2014 to S\$6.16 million as at 31 December 2015. The increase in non-current liabilities was mainly due to an increase in the non-current portion of bank borrowings for the completion of the three (3) investment properties of approximately S\$1.55 million.

Review of cash flow

Net cash from operating activities

In FY2015, the Group generated net cash from operating activities of approximately S\$5.80 million, which was a result of operating cash flows before changes in working capital of approximately S\$5.35 million, net working capital inflows of approximately S\$1.54 million and income tax paid amounting to approximately S\$1.09 million.

Net cash used in investing activities

In FY2015, the Group's net cash outflow for investing activities amounted to approximately S\$2.58 million, which was mainly due to payment for investment properties of approximately S\$2.21 million and purchases of property, plant and equipment of approximately S\$0.39 million, partially offset by proceeds from disposals of property, plant and equipment of approximately S\$14,000.

Net cash from financing activities

In FY2015, the Group generated net cash from financing activities amounting to approximately S\$1.44 million, mainly due to proceeds from bank loans for acquisition of investment properties of approximately S\$2.20 million and capital contribution from non-controlling interests in a subsidiary amounting to S\$60,000 which were partially offset by repayment of bank loans and finance leases of approximately S\$0.72 million and interest paid of approximately S\$0.10 million.

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

There has not been any forecast or prospect statement in relation to the Group's results 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.

In around November 2015, the Group opened a new retail branch at Oxley BizHub, Block 61 Ubi Road 1, #01-11, Singapore 408727. Subject to *inter alia* market conditions, availability of good location and other relevant business considerations, it is the Group's current intention to continue to expand its retail network in Singapore. The Group also intends to reinforce and strengthen its market position in Singapore by widening the range of products sold under its "CCM" and "CRM" brands. These plans are consistent with the disclosures in the Offer Document. As the IPO comprised entirely of vendor shares and no new shares were issued by the Company, the Group did not receive any IPO proceeds.

The Company expects the market conditions to be challenging in the next 12 months and will execute its plans cautiously.

11. If a decision regarding dividend has been made:

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

Current financial period reported on

Name of dividend	First and Final dividend
Dividend type	Cash
Dividend per ordinary share	0.6 Singapore cents
Total annual dividend	S\$1,248,000
Tax rate	Tax exempt (one-tier)

The above proposed first and final dividend in respect of FY2015 (the “**Dividend**”) is subject to the approval of the Company’s shareholders at the forthcoming annual general meeting of the Company.

Previous corresponding period of the immediately preceding financial year

Nil.

(b) The date the dividend is payable

The payment date for the Dividend will be announced at a later date.

(c) The date on which Registrable Transfers received by the company (up to 5.00 p.m.) will be registered before entitlements to the dividend are determined

The record date and the books closure date for determining shareholders’ entitlement to the Dividend will be announced at a later date.

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

Not applicable.

As disclosed on page 41 of the Offer Document, subject to the considerations set out therein, the board of directors of the Company (the “**Directors**”) intends to recommend and distribute dividends of not less than 30% of the Group’s consolidated net profits attributable to shareholders in respect of each of FY2015 and the financial year ending 31 December 2016. Please refer to the Offer Document for details.

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 did not obtain any general mandate from the Company's shareholders in respect of interested person transactions.

Name of interested person	Aggregate value of all interested person transactions during FY2015 (excluding transactions less than S\$100,000 and transactions conducted under general mandate)	Aggregate value of all interested person transactions conducted during FY2015 under the general mandate (excluding transactions less than \$100,000)
Lim Teck Chuan - Sale of electrical accessories by the Group to CCM Australia Pty Ltd ("CCM Australia") ⁽¹⁾	Nil	Nil

Note:

- (1) CCM Ventures Pte. Ltd. ("**CCM Ventures**") owns 100% of the issued and paid-up share capital of CCM Australia. The Company's Executive Chairman and Chief Executive Officer, Lim Teck Chuan owns an interest of 65.3% in CCM Ventures and is also the sole director of CCM Ventures and a director of CCM Australia. Accordingly, CCM Australia is an Associate of Lim Teck Chuan and transactions between the Group and CCM Australia (if any) are interested person transactions within the ambit of Chapter 9 of the Catalist Rules.

The following is a summary of the interested person transactions as disclosed in the Offer Document:

(i) Personal guarantees provided by Lim Teck Chuan and Lim Teck Seng

As disclosed from pages 105 to 106 of the Offer Document, as at 16 June 2015 (being the latest practicable date prior to the lodgement of the Offer Document with the SGX-ST), Lim Teck Chuan and Lim Teck Seng had provided personal guarantees to Far Eastern Bank Limited ("**FEB**"), United Overseas Bank Limited ("**UOB**"), Hong Leong Finance Limited ("**Hong Leong**") and the Housing & Development Board ("**HDB**") in order that the Group may secure banking facilities, finance leases and lease agreements (as the case may be). Lim Teck Chuan and Lim Teck Seng did not receive any benefit in kind, commission or interest from the Group for providing these personal guarantees.

In accordance with the intentions as previously disclosed in the Offer Document, in relation to the Group's banking facilities with FEB and UOB, Lim Teck Chuan and Lim Teck Seng had obtained a release and discharge of their personal guarantees (which were replaced with corporate guarantees by the Company) during FY2015.

As at 31 December 2015 (being the end of the financial year reported on) and as at the date hereof, the personal guarantees provided by Lim Teck Chuan and Lim Teck Seng in relation to the Group's finance leases granted by Hong Leong and the Group's leases with HDB remained in effect.

(ii) Call option granted by Lim Teck Chuan

As disclosed from pages 106 to 107 of the Offer Document, the Company, CCM Ventures and Lim Teck Chuan entered into a call option agreement on 26 June 2015 ("**TL Call Option Agreement**") pursuant to which Lim Teck Chuan granted the Company a call option to acquire all the shares that he may from time to time hold in CCM Ventures ("**TL Call Option**").

The Company may exercise the TL Call Option at any time, subject to Chapter 9 of the Catalist Rules. The exercise price shall be the fair market value of the shares of CCM Ventures prevailing as of the exercise date as determined by an independent appraiser to be jointly appointed by the Company and Lim Teck Chuan. The decision on the exercise of the TL Call Option will rest with the Company's Independent Directors with the concurrence of the Audit Committee.

(iii) Call option granted by CCM Australia

As disclosed on page 108 of the Offer Document, the Company and CCM Australia entered into a call option agreement on 26 June 2015 pursuant to which CCM Australia granted the Company a call option to purchase from CCM Australia the trademark that is used by CCM Australia ("**Australian TM**") in Australia ("**Australian TM Call Option**"). The Company may exercise the Australian TM Call Option to require CCM Australia to sell, transfer and assign the Australian TM and all rights and interests thereto to the Company or any of its subsidiaries for an aggregate purchase consideration equivalent to the registration costs incurred by CCM Australia for the registration of such trademark in Australia.

The Australian TM Call Option may be exercised by the Company at any time, subject to Chapter 9 of the Catalist Rules, during the 6-month period commencing immediately after Lim Teck Chuan and his Associates cease to collectively hold a majority interest (direct or indirect) in the shares of CCM Australia. The decision on the exercise of the Australian TM Call Option will rest with the Independent Directors with the concurrence of the Audit Committee.

In addition to the above, the Company has obtained *inter alia* the following:

- (a) a non-competition deed provided by each of CCM Ventures and CCM Australia (as described from pages 114 to 115 of the Offer Document);
- (b) an undertaking provided by Lim Teck Chuan (as described from pages 115 to 116 of the Offer Document) pursuant to which he will *inter alia* (aa) within two (2) years from 29 July 2015 (being the date of listing of the Company on the Catalist), divest his shareholding in CCM Ventures to persons other than his Associates such that he will no longer be a shareholder of CCM Ventures; and (bb) grant the Company a right of first refusal of any sale of any shares in CCM Ventures by himself; and

- (c) an undertaking provided by CCM Ventures (as described from pages 116 to 117 of the Offer Document) pursuant to which, amongst others, (aa) in the event of any proposed issue by CCM Ventures of any shares to any Associate of Lim Teck Chuan, it shall be a condition precedent to such share issue that the proposed subscriber enters into a call option agreement with the Company on the same terms and conditions as the TL Call Option Agreement; and (bb) CCM Ventures granted the Company a right of first refusal of any sale of any shares in CCM Australia by CCM Ventures.

Please also refer to the Offer Document for details.

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 hereby confirms that it has already procured signed undertakings from all its Directors and the relevant executive officers in the format as set out in Appendix 7H of the Catalist Rules in accordance with Rule 720(1) of the Catalist Rules, such format as revised by the SGX-ST on 21 January 2016.

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

Business segment information

	Distribution business	Property investment business	Total
	\$'000	\$'000	\$'000
2015			
Revenue			
External sales of goods	64,604	-	64,604
Rental income	-	420	420
Segment revenue	64,604	420	65,024
Cost of sales			
External purchases	(49,063)	-	(49,063)
Cost of property maintenance	-	(376)	(376)
Segment cost of sales	(49,063)	(376)	(49,439)
Results			
Segment result	15,541	44	15,585
Other operating income	858	-	858
Administrative and selling expenses	(10,734)	(32)	(10,766)
Other operating expenses	(1,013)	(110)	(1,123)
Finance costs	(74)	(70)	(144)
Profit before tax	4,578	(168)	4,410

	Distribution business	Property investment business	Total
	\$'000	\$'000	\$'000
2014			
Revenue			
External sales of goods	70,127	-	70,127
Rental income	-	315	315
Segment revenue	<u>70,127</u>	<u>315</u>	<u>70,442</u>
Cost of sales			
External purchases	(52,849)	-	(52,849)
Cost of property maintenance	-	(251)	(251)
Segment cost of sales	<u>(52,849)</u>	<u>(251)</u>	<u>(53,100)</u>
Results			
Segment result	17,278	64	17,342
Other operating income	406	-	406
Administrative and selling expenses	(9,370)	(36)	(9,406)
Other operating expenses	(883)	(111)	(994)
Finance costs	(84)	(52)	(136)
Profit before tax	<u>7,347</u>	<u>(135)</u>	<u>7,212</u>

Revenue and profit of the Group are mainly derived from the Distribution Business and Property Investment.

The principal assets employed by the Group are located in Singapore. Accordingly, no other segmental information by geographical segment is presented.

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

Please refer to paragraph 8 of this announcement for a review of the performance of the Group.



17. A breakdown of sales as follows:-

	Year ended 31 December		Increase / (Decrease) %
	2015 S\$'000	2014 S\$'000	
(a) Sales reported for first half year	31,581	35,040	(9.9)
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	2,221	3,918	(43.3)
(c) Sales reported for second half year	33,443	35,402	(5.5)
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	<u>1,373</u>	<u>2,103</u>	(34.7)

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

	Year ended 31 December	
	2015 S\$'000	2014 S\$'000
Ordinary	1,248	-
Preference	-	-
Total	<u>1,248</u>	<u>-</u>

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 first held	Details of changes in duties and positions held, if any, during the year
Wilson Foo	44	Nephew of Lim Teck Chuan (Executive Chairman and Chief Executive Officer) and Lim Teck Seng (Executive Director).	General manager since 2007. Responsible for the overall management of the business.	Nil
Josephine Tay	46	Spouse of Lim Teck Seng (Executive Director).	Administrative Manager since 1991. Responsible for all aspects of human resource and administrative functions of the Group.	Nil
Andy Tay	43	Brother of Josephine Tay and brother-in-law of Lim Teck Seng (Executive Director).	Purchasing Manager since 2009. Responsible for the procurement of electrical products and accessories for the Group.	Nil

BY ORDER OF THE BOARD

Lim Teck Chuan
Executive Chairman and Chief Executive Officer

Singapore

24 February 2016