Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

KPM HOLDING LIMITED
吉輝控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8027)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the "Directors") of KPM Holding Limited (the "Company") collectively and individually accept full responsibility, include particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading and deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

The original is prepared in the English language. This announcement is translated into Chinese. In the event of any inconsistencies between the Chinese and the English version, the latter shall prevail.

* *For identification purpose only*

RESULTS

The board of Directors (the "Board") of the Company (together with its subsidiaries, the "Group") is pleased to present the audited consolidated results of the Group for the year ended 31 December 2017 together with comparative figures for the corresponding year in 2016:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2017

	Note	**2017** *S$*	2016 *S$*
Revenue	*3*	**12,847,395**	9,549,724
Cost of sales		**(7,282,418)**	(5,294,555)
Gross profit		**5,564,977**	4,255,169
Other income	*4*	**189,363**	246,315
Other gains and losses	*5*	**(1,959,625)**	188,853
Selling and administrative expenses		**(3,608,239)**	(3,212,731)
Other expense	*6*	**(14,000)**	(121,800)
Finance cost	*7*	**(13,981)**	(13,550)
Profit before income tax		**158,495**	1,342,256
Income tax	*8*	**(358,605)**	(268,216)
(Loss)/profit for the year		**(200,110)**	1,074,040
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operation		**35,178**	–
Other comprehensive income, net of tax		**35,178**	–
Total comprehensive (loss)/income for the year, attributable to owners of the Company	*9*	**(164,932)**	1,074,040
(Loss)/earnings per share			
Basic and diluted (S$ cents)	*11*	**(0.006)**	0.034

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2017

	Note	**31 December 2017 S$**	31 December 2016 S$
ASSETS			
Non-current assets			
Plant and equipment	*13*	**759,019**	851,384
Intangible asset	*14*	**36,266**	22,933
Available-for-sale investments	*15*	**–**	2,907
Total non-current assets		**795,285**	877,224
Current assets			
Inventories	*16*	**455,329**	745,633
Trade and other receivables	*17*	**3,571,635**	3,114,790
Pledged bank deposits	*18*	**963,360**	960,673
Bank and cash balances	*18*	**10,320,566**	11,135,896
Total current assets		**15,310,890**	15,956,992
Total assets		**16,106,175**	16,834,216
Current liabilities			
Trade payables	*19*	**580,150**	607,040
Other payables and accruals	*20*	**998,738**	1,623,305
Obligations under finance leases	*21*	**83,888**	103,450
Income tax payable		**392,000**	240,000
Total current liabilities		**2,054,776**	2,573,795
Net current assets		**13,256,114**	13,383,197
Total assets less current liabilities		**14,051,399**	14,260,421
Non-current liabilities			
Obligations under finance leases	*21*	**183,595**	211,685
Deferred tax liability	*22*	**28,000**	44,000
Total non-current liabilities		**211,595**	255,685
NET ASSETS		**13,839,804**	14,004,736
Capital and reserves			
Share capital	*23*	**689,655**	689,655
Share premium		**12,126,905**	12,126,905
Merger reserves		**(4,570,095)**	(4,570,095)
Currency translation reserve		**35,178**	–
Accumulated profits		**5,558,161**	5,758,271
TOTAL EQUITY		**13,839,804**	14,004,736

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2017

	Share capital	Share premium *(Note A)*	Merger reserves *(Note B)*	Currency translation reserve	Retained earnings	Total
	S$	*S$*	*S$*	*S$*	*S$*	*S$*
At 1 January 2016	689,655	12,126,905	(4,570,095)	–	4,684,231	12,930,696
Profit for the year, representing total comprehensive income for the year	–	–	–	–	1,074,040	1,074,040
At 31 December 2016 and 1 January 2017	689,655	12,126,905	(4,570,095)	–	5,758,271	14,004,736
Loss for the financial year	–	–	–	–	(200,110)	(200,110)
Other comprehensive income:						
Foreign currency translation	–	–	–	35,178	–	35,178
Total comprehensive income	–	–	–	35,178	(200,110)	(164,932)
At 31 December 2017	689,655	12,126,905	(4,570,095)	35,178	5,558,161	13,839,804

Note:

(A) Share premium represents the excess of share issue over the par value.

(B) Merger reserves represents the difference between the underlying net assets of the subsidiary which was acquired by the Company pursuant to the re-organisation on 23 June 2015 and the total par value and share premium amount of the shares issued.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2017

	2017	2016
	S$	*S$*
OPERATING ACTIVITIES		
Profit before tax	**158,495**	1,342,256
Adjustments for:		
Gain on disposal of plant and equipment	**(36,360)**	(71,460)
Loss on disposal of available for sales financial assets	**1,411,169**	–
Plant and equipment written off	**6,975**	–
Depreciation and amortisation expenses	**287,407**	240,587
Interest income	**(12,996)**	(27,780)
Finance costs	**13,981**	13,550
Allowance for doubtful debts	**100,073**	20,570
Bad debts recovered	**(19,377)**	(60,732)
Inventory allowance	**–**	8,400
Foreign exchange loss/(gain)	**497,325**	(97,013)
Operating cash flow before movements in working capital	**2,406,692**	1,368,378
Trade and other receivables	**(698,022)**	705,768
Inventories	**290,304**	(227,640)
Trade payables	**(20,405)**	(437,586)
Other payables and accruals	**(614,537)**	480,913
Cash generated from operations	**1,364,032**	1,889,833
Income tax paid	**(222,605)**	(321,454)
Net cash from operating activities	**1,141,427**	1,568,379
INVESTING ACTIVITIES		
Placement of pledged bank deposits	**(2,687)**	(2,066)
Purchase of intangible assets	**(32,900)**	(25,800)
Purchase of plant and equipment	**(184,657)**	(295,398)
Proceeds from disposal of plant and equipment	**92,140**	89,979
Purchases of available-for-sale financial assets	**(2,837,553)**	–
Proceeds from disposal of available-for-sale financial assets	**1,429,291**	–
Interest received	**38,451**	2,066
Net cash used in investing activities	**(1,497,915)**	(231,219)

	2017	2016
	S$	*S$*
FINANCING ACTIVITIES		
Repayment of obligations under finance lease	**(105,508)**	(123,589)
Finance lease interest paid	**(13,958)**	(13,505)
Other interest paid	**(23)**	(45)
Net cash used in financing activities	**(119,489)**	(137,139)
Net (decrease)/increase in cash and cash equivalents	**(475,977)**	1,200,021
Cash and cash equivalents, represented by bank and cash balances at 1 January	**11,135,896**	9,838,862
Effect of exchange rate changes	**(339,353)**	97,013
Cash and cash equivalents, represented by bank and cash balances at 31 December	**10,320,566**	11,135,896

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

The Company was incorporated and registered as an exempted company in the Cayman Islands with limited liability on 10 March 2015 and its registered office is Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The Company was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance (Chapter 622 of the laws of Hong Kong) (the "Companies Ordinance") on 30 March 2015. With effective from 13 October 2017, the principal place of business in Hong Kong registered is Unit 6, 10/F, Wayson Commercial Building, 28 Connaught Road West, Sheung Wan, Hong Kong. The head office and principal place of business of the Group is at 424 Tagore Industrial Avenue, Sindo Industrial Estate, Singapore 787807.

The Company is an investment holding company and the principal activities of its operating subsidiary are engaged in the design, fabrication, installation and maintenance of signage and related products.

The consolidated financial statements are presented in Singapore Dollars ("S$"), which is also the functional currency of the Company.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs", which include all International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations) issued by the International Accounting Standards Board (the "IASB") and the applicable disclosure requirements of the Chapter 18 of GEM Listing Rules.

On 1 January 2017, the Group has adopted all the new and revised IFRS, amendments and Interpretations that are effective from that date and are relevant to its operations. The adoption of these new/revised IFRS, amendments and interpretations does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior period.

3. REVENUE AND SEGMENT INFORMATION

The Group operates in a single segment which mainly include sale of signage, bollard, variable-message signs, bus stops, linkways and aluminium railings to customers located in Singapore.

Information is reported to the chief operating decision maker ("CODM") of the Group, for the purposes of resource allocation and performance assessment. The CODM reviews revenue by nature of contracts, i.e. "Public" and "Private" and profit for the year as a whole. No analysis of the Group's assets and liabilities is regularly provided to the CODM for review. Accordingly, only entity-wide disclosures on products, major customers and geographical information are presented in accordance with IFRS 8 Operating Segments.

An analysis of the Group's revenue provided to the CODM for resource allocation and performance assessment is as follows:

	2017	2016
	S$	*S$*
Public	**11,842,152**	8,661,595
Private	**1,005,243**	888,129
	12,847,395	9,549,724

Entity-wide disclosures

Major customers

No customer individually contributed over 10% of total revenue of the Group.

Geographical information

The Group principally operates in Singapore, also the place of domicile. All revenue and non-current assets of the Group are generated from external customers and located in Singapore by location of customers and non-current assets, respectively.

4. OTHER INCOME

	2017	2016
	S$	*S$*
Bank interest income	**12,996**	27,780
Government grants	**73,266**	90,745
Rental income under operating lease in respect of subleasing of workshop premises	**10,000**	98,000
Unclaimed payables	**52,557**	–
Others	**40,544**	29,790
	189,363	246,315

5. OTHER GAINS AND LOSSES

	Year ended 31 December	
	2017	2016
	S$	*S$*
Allowance for doubtful debts *(Note 17)*	**(100,073)**	(20,570)
Bad debt recovered *(Note 17)*	**19,377**	60,732
Gain on disposal of plant and equipment	**36,360**	71,460
Foreign exchange (loss)/gain, net	**(497,145)**	77,231
Loss on disposal of available for sales financial assets	**(1,411,169)**	–
Plant and equipment written off	**(6,975)**	–
	(1,959,625)	188,853

6. OTHER EXPENSES

Other expenses related to direct attributable expenses in respect of subletting workshop premises.

7. FINANCE COSTS

	Year ended 31 December	
	2017	2016
	S$	*S$*
Interests on borrowings wholly repayable within five years:		
– Obligations under finance leases	**13,958**	13,505
– Others	**23**	45
	13,981	13,550

8. INCOME TAX EXPENSE

	Year ended 31 December	
	2017	2016
	S$	*S$*
Current tax – Singapore Corporate Income Tax ("CIT")	**392,000**	240,000
(Over)/under provision in prior years	**(17,395)**	24,216
Deferred tax *(Note 22)*	**(16,000)**	4,000
	358,605	268,216

Singapore CIT is calculated at 17% of the estimated assessable profit, and is eligible for CIT rebate of 50%., capped at S$25,000 and 20%, capped at S$10,000 for Year of Assessment 2017 and 2018 respectively. Singapore incorporated companies can also enjoy 75% tax exemption on the first S$10,000 of normal chargeable income and a further 50% tax exemption on the next S$290,000 of normal chargeable income.

The income tax expense for the year can be reconciled to the profit before tax per the statement of profit or loss and other comprehensive income as follows:

	Year ended 31 December	
	2017	2016
	S$	*S$*
Profit before tax	**158,495**	1,342,256
Tax at Singapore CIT of 17%	**26,944**	228,184
Tax effect of expenses not deductible for tax purpose	**536,759**	123,819
Tax effect of income under tax exemption and rebate	**(35,925)**	(45,925)
Tax effect of enhanced allowance *(Note)*	**(149,469)**	(61,938)
(Over)/under provision in prior years	**(17,395)**	24,216
Others	**(2,309)**	(140)
Income tax expense for the period	**358,605**	268,216

Note: Being additional 300% tax deductions/allowances for qualified capital expenditures and operating expenses under the Productivity and Innovation Credit scheme in Singapore.

9. (LOSS)/PROFIT FOR THE YEAR

	Year ended 31 December	
	2017	2016
	S$	*S$*
(Loss)/profit for the year has been arrived at after charging:		
Audit fees paid to auditor of the Company:		
– current year	**103,000**	130,000
Non-audit fees paid to auditor of the Company:		
– current year	**–**	7,200
– prior year	**–**	8,000
Depreciation and amortisation expenses	**287,407**	240,587
Inventory allowance	**–**	8,400
Cost of inventories recognised as expenses	**5,145,203**	3,647,200
Directors' fee *(note 10)*	**79,388**	76,135
Directors' and chief executive's remuneration *(note 10)*	**344,936**	339,772
Other staff costs		
– salaries and other staff costs	**3,082,027**	2,484,282
– contributions to defined contribution plans	**102,610**	104,087
Minimum lease payment under operating lease in respect staff dormitory, office and working premises	**441,231**	443,190

10. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

The emoluments paid or payable to each of the directors and the chief executive (Mr. Tan Kwang Hwee Peter) were as follows:

	Fee	Salaries and other benefits	Bonus	Contributions to defined contribution plan	Total
	S$	*S$*	*S$*	*S$*	*S$*
For the year ended 31 December 2017					
Executive directors:					
Mr. Tan Thiam Kiat Kelvin	–	127,200	10,000	13,940	151,140
Mr. Tan Kwang Hwee Peter	–	127,200	10,000	13,940	151,140
Ms. Liu Qian (Resigned on 25 January 2017)	–	3,008	–	–	3,008
Kong Weishan (Appointed on 25 January 2017)	–	39,648	–	–	39,648
	–	297,056	20,000	27,880	344,936
Independent non-executive directors					
Mr. Oh Eng Bin (Hu Rongming)	26,463	–	–	–	26,463
Mr. Tan Kiang Hua	26,463	–	–	–	26,463
Mdm. Kow Yuen-Ting (Gao Yun Ting)	26,462	–	–	–	26,462
	79,388	–	–	–	79,388
	79,388	297,056	20,000	27,880	424,324

	Fee	Salaries and other benefits	Bonus	Contributions to defined contribution plan	Total
	S$	*S$*	*S$*	*S$*	*S$*
For the year ended 31 December 2016					
Executive directors:					
Mr. Tan Thiam Kiat Kelvin	–	127,200	10,000	13,940	151,140
Mr. Tan Kwang Hwee Peter	–	127,200	10,000	13,940	151,140
Ms. Liu Qian (Appointed on 12 February 2016 and resigned on 25 January 2017)	–	37,492	–	–	37,492
	–	291,892	20,000	27,880	339,772
Independent non-executive directors					
Mr. Oh Eng Bin (Hu Rongming)	25,378	–	–	–	25,378
Mr. Tan Kiang Hua	25,378	–	–	–	25,378
Mdm. Kow Yuen-Ting (Gao Yun Ting)	25,379	–	–	–	25,379
	76,135	–	–	–	76,135
	76,135	291,892	20,000	27,880	415,907

The remuneration of directors and senior management including the discretionary bonus is determined having regard to the performance and market trend by the remuneration committee.

The fees are for services as a director of the Company and the salaries and other benefits, bonus and contributions to defined contribution plan are paid for services in connection as management of the Group.

Neither the chief executive nor any of the directors of the Company waived any emoluments during the years ended 31 December 2017 and 2016.

Employees' emoluments

Of the five individuals with the highest emoluments in the Group, 2 (2016: 2) were directors of the Company during the year ended 31 December 2017 whose emoluments are included in the disclosures above. The emoluments of the remaining 3 (2016: 3) individuals were as follows:

	Year ended 31 December	
	2017	2016
	S$	*S$*
Salaries and other staff costs	**224,874**	258,669
Bonus	**26,354**	16,808
Contributions to defined contribution plan	**20,337**	34,668
	271,565	310,145

Their emoluments were within the following band:

	Year ended 31 December	
	2017	2016
	No. of employees	*No. of employees*
Nil to HK$1,000,000	**3**	3

During both reporting periods, no emoluments were paid by the Group to any of the directors of the Company or the five highest paid individuals of the Group as an inducement to join or upon joining the Group or as compensation for loss of office.

11. (LOSS)/EARNINGS PER SHARE

	Year ended 31 December	
	2017	2016
(Loss)/profit attributable to the owners of the Company (S$)	**(200,110)**	1,074,040
Weighted average number of ordinary shares in issue	**3,200,000,000**	3,200,000,000
Basic and diluted (loss)/earnings per share (S$ cents)	**(0.006)**	0.034

The diluted (loss)/earnings per share is the same as the basic (loss)/earnings per share as there were no unissued shares of the Company under option.

For the year ended 31 December 2016, the calculation of the basic (loss)/earnings per share is based on the (loss)/profit for the year attributable to owners of the Company and the weighted average number of ordinary shares in issue as adjusted retrospectively to reflect as if the share subdivision of one issued share into eight subdivided share, which became effective on 19 August 2016, had occurred at the start of the earliest period for which earnings per share information is presented.

12. RETIREMENT BENEFITS CONTRIBUTION

The total cost charged to profit or loss of S$130,490 and S$131,967 for the years ended 31 December 2017 and 2016 respectively, represents contributions paid to the retirement benefits scheme by the Group.

As at 31 December 2017 and 2016, contributions of S$47,346 and S$46,459 respectively, were due in respective years had not been paid to the plans. The amounts were paid subsequent to the end of the respective year.

13. PLANT AND EQUIPMENT

	Computers	Furniture and fittings	Office equipment and machinery	Renovation	Motor vehicles	Total
	S$	*S$*	*S$*	*S$*	*S$*	*S$*
COST						
At 1 January 2016	114,194	2,372	313,049	107,747	908,507	1,445,869
Additions	1,283	–	56,000	–	494,201	551,484
Elimination on disposals	–	–	–	–	(296,484)	(296,484)
At 31 December 2016 and 1 January 2017	115,477	2,372	369,049	107,747	1,106,224	1,700,869
Additions	–	–	215,670	23,057	–	238,727
Elimination on disposals	–	–	(12,500)	–	(95,623)	(108,123)
Written off	(15,205)	–	(29,115)	–	–	(44,320)
Exchange realignment	–	–	–	(528)	–	(528)
At 31 December 2017	100,272	2,372	543,104	130,276	1,010,601	1,786,625
ACCUMULATED DEPRECIATION						
At 1 January 2016	59,372	948	157,626	34,265	609,933	862,144
Provided for the year	38,208	474	54,788	21,550	122,700	237,720
Eliminated on disposals	–	–	–	–	(250,379)	(250,379)
At 31 December 2016 and 1 January 2017	97,580	1,422	212,414	55,815	482,254	849,485
Provided for the year	15,076	474	70,008	23,086	159,196	267,840
Eliminated on disposals	–	–	(12,500)	–	(39,843)	(52,343)
Written off	(15,205)	–	(22,140)	–	–	(37,345)
Exchange realignment	–	–	–	(31)	–	(31)
At 31 December 2017	97,451	1,896	247,782	78,870	601,607	1,027,606
CARRYING AMOUNTS						
At 31 December 2016	17,897	950	156,635	51,932	623,970	851,384
At 31 December 2017	2,821	476	295,322	51,406	408,994	759,019

The above items of plant and equipment are depreciated on a straight-line basis over the following estimated useful lives:

Computers	3 years
Furniture and fittings	5 years
Office equipment and machinery	5 years
Renovation	5 years
Motor vehicles	5 years

Additions to plant and equipment are analysed as follows:

	2017	2016
	S$	*S$*
Additions of plant and equipment	**238,727**	551,484
Trade-in price of disposed motor vehicles	**–**	(27,586)
Acquired under finance lease agreements	**(54,070)**	(228,500)
Cash payments to acquire plant and equipment	**184,657**	295,398

Depreciation expense has been included in the profit and loss as follows:

	2017	2016
	S$	*S$*
Cost of sales	**198,997**	147,835
Selling and administrative expenses	**68,843**	89,885
	267,840	237,720

14. INTANGIBLE ASSET

	2017	2016
	S$	*S$*
SOFTWARE		
COST:		
At the beginning of the year	**25,800**	–
Additions	**32,900**	25,800
At the end of the year	**58,700**	25,800
ACCUMULATED AMORTISATION:		
At the beginning of the year	**(2,867)**	–
Amortisation for the year	**(19,567)**	(2,867)
At the end of the year	**(22,434)**	(2,867)
CARRYING AMOUNT:		
At the end of the year	**36,266**	22,933

The intangible asset has finite useful live of 3 years, over which the asset is amortised.

The amortisation expense has been included in the line item "depreciation and amortisation expense" in profit and loss.

15. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments related to listed equity securities in Singapore and Hong Kong which were carried at fair value.

In the current financial year, the investments in listed equity securities were fully disposed of. In the prior financial years, the securities were acquired through part of the partial settlement of customer balance in the previous financial years.

	2017	2016
	S$	*S$*
At the beginning of the year	**2,907**	20
Additions	**2,837,553**	2,887
Disposals	**(2,840,460)**	–
At the end of the year	**–**	2,907

16. INVENTORIES

	At 31 December	
	2017	2016
	S$	*S$*
Raw material, net of allowance	**193,355**	201,274
Work-in-progress	**200,116**	502,937
Finished goods	**61,858**	41,422
	455,329	745,633

The cost of raw materials recognised as an expense included Nil (2016: S$8,400) in respect of write down of inventory to net realisable value.

17. TRADE AND OTHER RECEIVABLES

	At 31 December	
	2017	2016
	S$	*S$*
Trade receivables	**2,600,549**	2,142,727
Less: allowance for doubtful debts	**(89,673)**	(21,747)
	2,510,876	2,120,980
Retention receivables	**468,705**	319,168
Unbilled receivables	**–**	30,643
Purchase advances paid to suppliers	**217,735**	107,167
Receivables from disposals of freehold property *(Note)*	**200,000**	200,000
Interest receivables	**945**	26,400
Rental and other deposits	**127,774**	156,598
Prepayments	**44,790**	153,834
Other receivables	**810**	–
	3,571,635	3,114,790

Note: The amount of S$200,000 is withheld by a lawyer as the stakeholder is pending the finalisation of transfer of a part of related common property from the Management Corporation Strata Title to increase in the gross floor area of the disposed property.

The directors are of the view that the process is administrative and is confident that the finalisation will be done in due course.

In addition, certain executive directors who are the controlling shareholders have provided an undertaking to indemnify the Group for any loss arising from non settlement of this amount.

For majority of customers, invoices are issued upon transferred risks and rewards of the products. For one particular customer, invoices would be raised in according to the schedule set out in the sales contracts (i.e. recognised as advanced billing as disclosed in note 20) while the revenue will be recognised until goods are delivered and accepted by the counterparties. Trade receivables are generally granted a credit period of 30 to 60 days from the invoice date for trade receivables to all customers. The following is an aging analysis of trade receivables net of allowance for doubtful debts presented based on invoice date at the end of the reporting period, which approximated the respective revenue recognition dates:

	At 31 December	
	2017	2016
	S$	*S$*
1-30 days	**639,883**	1,034,048
31-60 days	**662,217**	523,768
61-90 days	**377,568**	233,195
91-180 days	**588,675**	236,406
181-365 days	**180,065**	74,079
Over 365 days	**62,468**	19,484
	2,510,876	2,120,980

Before granting credit to new customers, the Group reviews the customers' profile and available consolidated financial statements to assess the potential customer's credit quality and defines credit limits for each customer.

The Group assesses at each of the reporting period end whether there is objective evidences that trade and other receivables are impaired. At each of reporting period end, unbilled receivables, all aged within 30 days from the date of revenue recognition, related to invoices issued after the financial year ended for the products delivered prior to each of year end. Retention receivables are retention monies held by customers which will be refunded upon expiry of defect liability period, generally of 1 year, in accordance with sales contracts.

The following is an aging analysis of trade receivables (net of allowance for doubtful debts) which are past due but not impaired based on the due date:

	At 31 December	
	2017	2016
	S$	*S$*
Overdue:		
31-60 days	**662,217**	523,768
61-90 days	**377,568**	233,195
91-180 days	**588,675**	236,406
181 days to 365 days	**180,065**	74,079
Over 365 days	**62,468**	19,484
	1,870,993	1,086,932

	At 31 December	
	2017	2016
	S$	*S$*
Trade receivable impaired:		
Current	**–**	19,047
Past due 61 to 90 days	**–**	1,484
Past due > 90 days	**89,673**	1,216
	89,673	21,747

The Group has provided allowance for individual receivables that were considered to be impaired based on management assessment performed at each reporting period end and write off individual debtors with long overdue amounts which management assessed are unlikely to be recovered. Based on past experience, management believes that no impairment allowance is necessary in respect of remaining balances as there has not been a significant change in credit quality and the remaining balances are still considered fully recoverable. The balances of trade receivables that are neither past due nor impaired have good credit quality as assessed by the Group according to repayment history of respective customer. The Group does not hold any collateral over these balances.

Movement in the allowance on doubtful debts for trade receivables

	At 31 December	
	2017	2016
	S$	*S$*
At beginning of the year	**21,747**	136,867
Amounts recovered during the year	**(19,377)**	(60,732)
Allowance on doubtful debts recognised in profit or loss	**100,073**	20,570
Amounts written off	**(12,770)**	(74,958)
At end of the year	**89,673**	21,747

Movement in the allowance on doubtful debts for retention receivables

	At 31 December	
	2017	2016
	S$	*S$*
At beginning of the year	**–**	6,414
Amounts written off	**–**	(6,414)
At end of the year	**–**	–

18. PLEDGED BANK DEPOSITS AND BANK AND CASH BALANCES

Pledged bank deposits have been pledged as a security for bankers guarantee issued in relation to contracts awarded to the Group. Pledged bank deposits carry prevailing market interest rate ranging from 0.20% to 0.35% and 0.20% to 0.35% per annum as at 31 December 2017 and 2016, respectively.

Bank balances are non-interest bearing, except for S$161 (31 December 2016: Nil) carries interest at fixed rate of 0.025% (31 December 2016: Nil) per annum as at 31 December 2017.

19. TRADE PAYABLES

	At 31 December	
	2017	2016
	S$	*S$*
Trade payables	**580,150**	607,040

The following is an aging analysis of trade payables presented based on the purchase recognition date, that is, goods receipt date, at the end of each reporting period:

	At 31 December	
	2017	2016
	S$	*S$*
0–30 days	**206,784**	282,982
31–90 days	**238,084**	78,695
Over 90 days	**135,282**	245,363
	580,150	607,040

20. OTHER PAYABLES AND ACCRUALS

	At 31 December	
	2017	2016
	S$	*S$*
Advance billings to customers	**265,285**	855,182
Retention payable to suppliers	**65,928**	44,602
Goods and services tax payable	**167,092**	107,287
Accrued operating expenses	**364,864**	499,663
Accrued staff commission	**44,860**	29,000
Rental deposits received	**–**	15,000
Customer deposits received	**90,709**	64,888
Other payables	**–**	7,683
	998,738	1,623,305

21. OBLIGATIONS UNDER FINANCE LEASES

The Group entered into lease arrangements with independent third parties in relation to certain motor vehicles and office equipment. The Group considered that these lease arrangements are finance lease as substantially all the risks and rewards incidental to ownership of these motor vehicles and office equipment retained with the Group. The lease terms ranged from 4-5 years (2016: 3-5 years). Interest rates of underlying all obligations under finance leases at the date of inception is 4.0% to 6.3% and 4.0% to 6.4% per annum as at 31 December 2017 and 2016, respectively.

The net carrying value of leased assets used to secure the lease obligations was S$436,927 (2016: S$584,450).

	Minimum lease payments As at 31 December		Present value of minimum lease payments As at 31 December	
	2017	2016	**2017**	2016
	S$	*S$*	***S$***	*S$*
Amounts payable under finance leases:				
Not later than one year	**95,864**	117,796	**83,886**	103,450
Later than one year and not later than two years	**75,663**	82,652	**67,740**	73,395
Later than two years and not later than five years	**122,243**	147,692	**115,857**	138,290
	293,770	348,140	**267,483**	315,135
Less: future finance charges	**(26,287)**	(33,005)	**–**	–
Present value of lease obligations	**267,483**	315,135	**267,483**	315,135
Less: Amount due for settlement within 12 months (shown under current liabilities)			**(83,888)**	(103,450)
Amount due for settlement after 12 months (shown under non-current liabilities)			**183,595**	211,685

Reconciliation of liabilities arising from financing activities

The table below details changes in the group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the group's consolidated statement of cash flows as cash flows from financing activities.

	1 January 2017	**Financing cash flows**	**New finance lease**	**Finance cost**	**31 December 2017**
	S$	*S$*	*S$*	*S$*	*S$*
Finance leases	315,135	(119,466)	57,856	13,958	267,483

Note: New finance lease of $57,856 includes goods and service tax of $3,786.

22. DEFERRED TAX LIABILITY

Deferred tax liability arises mainly from the excess of tax over book depreciation of plant and equipment.

	2017	2016
	S$	*S$*
At beginning of the year	**44,000**	40,000
(Credited)/charged to profit or loss *(note 8)*	**(16,000)**	4,000
At end of the year	**28,000**	44,000

23. SHARE CAPITAL

On 19 August 2016, the ordinary shares of the Company of par value of HK$0.01 each has been sub-divided into eight sub-divided ordinary shares of par value of HK$0.00125 each.

	Number of shares	Par value *HK$*	Share capital *HK$*
Authorised:			
As at 1 January 2016	5,000,000,000	0.01	50,000,000
Sub-division of one share into eight sub-divided shares on 19 August 2016 and at 31 December 2016, 1 January 2017 and 31 December 2017	40,000,000,000	0.00125	50,000,000

	Number of shares	Share capital *S$*
Issued and fully paid:		
At 1 January 2016	400,000,000	689,655
Sub-division of one issued share into eight sub-divided share	2,800,000,000	–
At 31 December 2016, 1 January 2017 and 31 December 2017	3,200,000,000	689,655

24. RELATED PARTY DISCLOSURES

Some of the Group's transactions and arrangements are with related parties and the effects of these on the basis determined between the parties is reflected in these financial statements.

Key management personnel remuneration

Remuneration for key management personnel of the Group is the amounts paid to the Group's directors as disclosed in note 10.

25. CONTINGENT LIABILITIES

As at 31 December 2017 and 2016, the Group has following contingent liabilities:

	At 31 December	
	2017 ***S$***	2016 *S$*
Banker gurantee	**23,271**	82,260

MANAGEMENT DISCUSSION AND ANALYSIS

General

For the financial period to date, the Group had been principally engaged in the design, fabrication, installation and maintenance of signage and related products. The Group operated in a single segment which mainly included sale of signage, bollard, variable-message signs, bus stops, linkways and aluminium railing to customers located in Singapore.

FINANCIAL REVIEW

Revenue and Results

For the year ended 31 December 2017, the Group recorded revenue of approximately S$12,847,000 (2016: approximately S$9,550,000) and loss for the year of approximately S$200,000 (2016: profit for the year of approximately S$1,074,000).

Revenue had increased by approximately 34.5% or S$3,298,000, attributable to higher revenue of approximately S$3,181,000 from the public sector and S$117,000 from the private sector. For the year ended 31 December 2017, the Group has delivered substantial quantities under few high value contracts to a few major customers who had contributed approximately S$4,140,000 or 32.2% of the revenue. These customers had only contributed approximately S$1,474,000 or 15.4% of the revenue for the year ended 31 December 2016.

The gross profit and gross profit margin for the year ended 31 December 2017 was approximately S$5,565,000 (2016: approximately S$4,255,000) and approximately 43.3% (2016: approximately 44.6%) respectively. The higher gross profit by approximately S$1,310,000 was mainly due to higher revenue.

Other gains and losses included loss on disposal of available-for-sale investments of approximately S$1,411,000 after the Group disposed off the available-for-sale investments during the year ended 31 December 2017. The Group also recorded approximately S$497,000 foreign exchange loss which was mainly arise from cash and cash equivalents denominated in Hong Kong dollars which was depreciating against Singapore dollars.

Selling and administrative expenses for the year ended 31 December 2017 was approximately S$3,608,000, (2016: approximately S$3,213,000) representing an increase of approximately S$395,000 or 12.3% mainly due to higher expenses incurred for staff costs, legal and professional fees and advertisement expenses.

The Group recorded a profit before tax for the year ended 31 December 2017 of approximately S$158,000 (2016: approximately S$1,342,000), representing a decrease of approximately S$1,184,000 or 88.2% as compared with the last financial year. Profit before tax for the year ended 31 December 2017 would have been approximately S$1,569,000 assuming that loss on disposal of available-for-sale investments of approximately S$1,411,000 were excluded.

The Group recorded income tax of approximately S$359,000 for the year ended 31 December 2017 despite the loss position as the expenses such as the loss on disposal of the available-for-sale investments is not tax deductible.

Loss for the year ended 31 December 2017 was approximately S$200,000, representing a decrease of S$1,274,000 as compared with profit of approximately S$1,074,000 for the year ended 31 December 2016.

Liquidity and Financial Resources

The Group's exposure to liquidity risk arises in the general funding of the Group's operations, in particular, that the duration of the contracts span from 1 month to 4 years and during which the amount of progress claim vary from month to month depending on the provision of signage and related products for the month. The supply and installation schedule is as directed by the customer, in accordance with the main contractor's schedule. As such, the Group actively manages our customers' credit limits, aging, and repayment of retention monies and monitor the operating cash flows to ensure adequate working capital funds and repayment schedule is met.

For the year ended 31 December 2017, the cash and cash equivalents of the Group has decreased by approximately S$476,000. This was mainly due to a net cash flow arising from the purchase and sale of the Group's available-for-sale investments of approximately S$1,409,000 and approximately S$106,000 repayment of obligations under finance lease, offset by net cash generated from operating activities of approximately S$1,141,000.

At 31 December 2017, the Group had cash and cash equivalents of approximately S$10,321,000 (2016: approximately S$11,136,000) which were placed with major banks in Singapore and Hong Kong.

As at 31 December 2017, the Group's borrowings comprised the obligations under finance lease of approximately S$267,000 (2016: approximately S$315,000).

FOREIGN EXCHANGE EXPOSURE

The Group transacts mainly in Singapore Dollars, which is the functional currency of the Group. However, the Group had incurred an unrealised foreign exchange loss of approximately S$497,000 mainly due to the Group retains the proceeds from placement in Hong Kong Dollars which was depreciated against the Singapore Dollars.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There were no significant investments held as at 31 December 2017. There were no any material acquisitions and disposals of subsidiaries during the year ended 31 December 2017. Net cash used in investing activities amounted to approximately S$1,498,000 which approximately S$2,838,000 was used for purchases of available-for-sale investments offset with approximately S$1,429,000 proceeds from disposal of available-for-sale investments. There was no plan authorised by the Board for any material investments or additions of capital assets as at the date of this announcement.

CHARGES ON GROUP'S ASSETS

As at 31 December 2017, the Group's obligations under finance lease are secured by the lessor's title to the relevant leased motor vehicles and office equipment with the aggregate carrying values amounting to approximately S$437,000 (2016: approximately S$584,000).

CONTINGENT LIABILITIES

As at 31 December 2017, the guarantees in respect of performance bonds in favour of our customers was approximately S$23,000, which is secured by pledged bank deposits (2016: approximately S$82,000).

CAPITAL COMMITMENTS

As at 31 December 2017, the Group did not have any capital commitment (2016: Nil).

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

The business objectives as set out in the prospectus of the Company dated 30 June 2015 (the "Prospectus") for the period from 10 July 2015 (the "Listing Date") to 31 December 2017 is set out below:

Business objectives	**Planned expenses (as stated in the Prospectus) in respect of business objectives from the Listing Date to 31 December 2017**	**Use of proceeds**	**Balance available**
	HK$ *(in million)*	*HK$* *(in million)*	*HK$* *(in million)*
Purchase of materials and/or equipment in relation to expansion of existing sector and to target and secure more non-road infrastructure related projects	8.2	4.9	3.3
Expansion via new companies or acquisitions	8.2	–	8.2
Expansion and enhancement of work force to support our business expansion in the existing sector and non-road infrastructure related projects	4.7	1.0	3.7
Working capital and other general corporate purposes	2.3	2.3	–
Total	23.4	8.2	15.2

In view of the challenging economic and construction industry environment, the Group has deferred the implementation of some business objectives and such planned business expenses to next year.

As at the date of this announcement, the Directors do not anticipate any change to the plan as to the use of proceeds.

EMPLOYEE INFORMATION

As at 31 December 2017, the Group had an aggregate of 82 (2016: 78) employees.

The employees of the Group are remunerated according to their job scope and responsibilities. The local employees are also entitled to discretionary bonus depending on their respective performance. The foreign workers are employed on one or two year contractual basis and are remunerated according to their work skills.

Total staff costs, including Directors' emoluments, amounted to approximately S$3,530,000 for the year ended 31 December 2017 (2016: approximately S$2,928,000).

BUSINESS REVIEW

Revenue comprised of revenue from the sales of signage and related products in both the public and private sectors in Singapore, which amounted to approximately S$12,847,000 and S$9,550,000 for the year ended 31 December 2017 and 2016, respectively.

Public sector includes road signage, signage and related products for education institutions, public housing flats/compounds, defence compound, airport and national parks, amongst others.

Private sector includes signage and related products for commercial buildings, industrial buildings, private residential buildings, hospital and fast food chains.

During the current financial year, the business revenue and net loss was approximately S$12,847,000 and S$200,000 respectively. Despite business revenue having improved by 34.5%, mainly from public sector projects, this was offset by higher operating costs of approximately S$2,383,000 and loss on disposal of available-for-sale investments by approximately S$1,411,000.

DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2017.

OUTLOOK

According to the release by Ministry of Trade and Industry Singapore on 2 January 2018, the growth in the construction sector contracted by 8.3 percentage points to negative 8.1 percentage points in 2017 from 0.2 percentage points in 2016, primarily due to the weakness in private sector construction activities.

The Group will continue to manage its expenditures, review the business strategy constantly and look for opportunity to cope with existing market environment in a cautious and prudent manner.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or any Associated Corporations

As at 31 December 2017, the interests and short positions of each director and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Aggregate long positions in the shares and underlying shares of the Company

Name of Director/ chief executive	Nature of interest	Number of shares held	Approximate percentage of the issued share capital
Executive Directors:			
Mr. Tan Thiam Kiat Kelvin	Interest of controlled company(1)	983,440,000	30.73%
Mr. Tan Kwang Hwee Peter	Interest of controlled company(1)	983,440,000	30.73%

Notes:

(1) The entire issued share capital of Absolute Truth Investments Limited is beneficially owned as to 50% by Mr. Tan Thiam Kiat Kelvin and as to 50% by Mr. Tan Kwang Hwee Peter. Under the SFO, each of Mr. Tan Thiam Kiat Kelvin and Mr. Tan Kwang Hwee Peter is deemed to be interested in all the shares held by Absolute Truth Investments Limited. Details of the interest in the Company held by Absolute Truth Investments Limited are set out in the section headed "Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares" below.

Save as disclosed above, as at 31 December 2017, none of the Directors and chief executive of the Company had any interests or short positions in any shares, debentures or underlying shares of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2017, the following substantial shareholders' and other persons' interests and short positions of 5% or more of the issued share capital of the Company were recorded in the register required to be kept under section 336 of Part XV of the SFO:

Aggregate long positions in the shares and underlying shares of the Company

Name of substantial shareholder	Nature of interest	Number of shares held	Approximate percentage of the issued share capital
Absolute Truth Investments Limited	Beneficial owner	983,440,000	30.73%
Wang Ya Fei	Beneficial owner	240,000,000	7.50%
Han Dongshen	Beneficial owner	176,000,000	5.50%

Save as disclosed above, as at 31 December 2017, the Directors and the chief executive of the Company were not aware of any person (other than the Directors or chief executive of the Company whose interests are disclosed above) who had an interest or short position in the securities of the Company which would fall to be disclosed to the Company and the Stock Exchange.

COMPETING INTERESTS

The Directors are not aware of any business and interest of the Directors nor the controlling shareholders of the Company nor any of their respective close associates (as defined in the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interests which any such person has or may have with the Group during the year ended 31 December 2017.

SHARE OPTION SCHEME

The Company has not adopted any share option scheme and has not issued any option since the date of its incorporation pursuant to the GEM Listing Rules.

There were no unissued shares of the Company or the subsidiaries under option.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2017.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board strives to uphold the principles of corporate governance as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 15 to the GEM Listing Rules, and adopted various measures to enhance the internal control system, the Directors' continuous professional development and other areas of practice of the Company. While the Board strives to maintain a high level of corporate governance, it also works hard to create values and achieve maximum return for its shareholders. The Board will continue to conduct review and improve the quality of corporate governance practices with reference to local and international standards.

In the opinion of the Directors, the Company has complied with the CG Code during the year ended 31 December 2017.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings concerning securities transactions by the Directors as set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "Model Code"). Having been made specific enquiry, all the Directors confirmed that they have complied with the required standard of dealings as set out in the Model Code during the year ended 31 December 2017.

EVENTS AFTER THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

As far as the Company is aware, there were no significant events affecting the Company nor any of its subsidiaries after the financial year ended 31 December 2017 requiring disclosure in this announcement.

AUDIT COMMITTEE

The Company established an audit committee on 23 June 2015 with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and paragraph C.3 of the CG Code as set out in Appendix 15 to the GEM Listing Rules. The audit committee consists of three independent non-executive Directors namely Mdm. Kow Yuen-Ting (Gao Yun Ting), Mr. Tan Kiang Hua and Mr. Oh Eng Bin (Hu Rongming). Mdm. Kow Yuen-Ting (Gao Yun Ting), a Director with the appropriate professional qualifications, serves as the chairman of the audit committee.

Among other things, the primary duties of the audit committee are to assist the Board in providing an independent view of the effectiveness of our Group's financial reporting process, internal control and risk management system, to oversee the audit process and to perform other duties and responsibilities as assigned by the Board. The audit committee held 4 meetings during the year ended 31 December 2017.

The Group's audited annual results for the year ended 31 December 2017 have been reviewed by the audit committee.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held on Tuesday, 8 May 2018. A notice convening the annual general meeting will be published and despatched to the shareholders of the Company in due course.

By order of the Board
KPM Holding Limited
Tan Thiam Kiat Kelvin
Chairman

Singapore, 20 March 2018

As at the date of this announcement, the executive Directors are Mr. Tan Thiam Kiat Kelvin, Mr. Tan Kwang Hwee Peter and Ms. Kong Weishan and the independent non-executive Directors are Mr. Oh Eng Bin (Hu Rongming), Mr. Tan Kiang Hua and Mdm. Kow Yuen-Ting (Gao Yun Ting).

This announcement will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its publication and on the Company's website at www.kpmholding.com.