PROGEN HOLDINGS LTD

Unaudited Full Year Financial Statement And Dividend Announcement for the Year Ended 31 December 2018

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a) 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.

S$'000	Group		
	For the financial year ended		
	31 Dec 18 (Unaudited)	31 Dec 17 (Audited)	%
Revenue			
Products and installation	1,400	2,795	(49.91)
Services and maintenance	437	427	2.34
Rental income	362	69	424.64
Total revenue	2,199	3,291	(33.18)
Other items of income			
Dividend income	2	2	-
Other income	217	117	85.47
Total other items of income	219	119	84.03
Costs and expenses			
Cost of products and installation	(1,050)	(2,438)	(56.93)
Property operating expenses	(275)	-	N/M
Salaries and employee benefits	(2,399)	(2,820)	(14.93)
Depreciation and amortisation expense	(141)	(146)	(3.42)
Other expenses	(591)	(2,758)	(78.57)
Share of results of associated company	(399)	(1)	N/M
Total costs and expenses	(4,855)	(8,163)	(40.52)
Loss from operating activities	(2,437)	(4,753)	(48.73)
Finance costs	(61)	(8)	N/M
Loss before income tax	(2,498)	(4,761)	(47.53)
Income tax credit/ (expenses)	2	47	(95.74)
Loss net of tax, attributable to equity holders of the parent	(2,496)	(4,714)	(47.05)
Other comprehensive income :			
Foreign currency translation	11	11	-
Total comprehensive income attributable to equity holders of the parent	(2,485)	(4,703)	(47.16)
Loss for the year is after crediting/(charging) of the following:-			
Fair value loss on investment property	-	(1,812)	(100.00)
Foreign exchange loss	(11)	(14)	(21.43)
Loss on disposal of property, plant and equipment	-	(1)	(100.00)
Provision for doubtful debt	(11)	(40)	(72.50)
Interest Income	203	93	118.28

N/M - Not meaningful

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.

S$'000	Group			Company	
	As at 31 Dec 18 (Unaudited)	As at 31 Dec 17 (Restated)	As at 1 Jan 2017 (Restated)	As at 31 Dec 18 (Unaudited)	As at 31 Dec 17 (Audited)
Non-current assets					
Property, plant and equipment	590	577	201	6	16
Investment property	24,000	24,000	26,000	-	-
Intangible asset - development cost	179	198	228	-	-
Fixed deposits	2,000	2,000	4,000	-	-
Deferred tax asset	54	54	54		
Investment in subsidiaries	-	-	-	8,987	8,987
Investment in associated company	-	399	-	-	-
Amount due from subsidiaries	-	-	-	23,453	18,945
Loan to associated company	7,000	5,235	-		
	33,823	32,463	30,483	32,446	27,948
Current assets					
Cash and bank balances	1,448	726	2,190	70	60
Fixed deposits	13	2,055	3,648	-	-
Trade receivables	722	1,133	1,299	-	-
Prepayments	106	116	36	12	19
Deposits	32	67	78	6	47
Other receivables	320	395	2,202	-	-
Investment securities	53	61	57	-	-
Amounts due from subsidiaries	-	-	-	995	533
Inventories	204	244	144	-	-
	2,898	4,797	9,654	1,083	659
Current liabilities					
Trade payables	(468)	(509)	(1,323)	(28)	(82)
Deferred revenue	(100)	(110)	(96)	-	-
Other payables	(2,395)	(2,612)	(2,900)	(602)	(733)
Income tax payable	(6)	(8)	(43)	(5)	(5)
Interest bearing loan	-	(2,950)	-		
Amounts due to subsidiaries	-	-	-	(456)	(456)
	(2,969)	(6,189)	(4,362)	(1,091)	(1,276)
Net current (liabilities)/ assets	**(71)**	**(1,392)**	**5,292**	**(8)**	**(617)**
Non-current liabilities					
Deferred tax liabilities	-	-	(1)	-	-
	-	-	(1)	-	-
Net assets	**33,752**	**31,071**	**35,774**	**32,438**	**27,331**
Equity attributable to equity holders of the parent					
Share capital	32,390	27,224	27,224	32,390	27,224
Foreign currency translation reserve	22	11	-	-	-
Accumulated profit	1,340	3,836	8,550	48	107
Total equity	**33,752**	**31,071**	**35,774**	**32,438**	**27,331**

(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

Group			
As at 31 December 2018 (Unaudited)		As at 31 December 2017 (Audited)	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
-	-	2,950	-

Amount repayable after one year

Group			
As at 31 December 2018 (Unaudited)		As at 31 December 2017 (Audited)	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
-	-	-	-

Details of any collateral:-

The bank borrowings are secured against the Group's investment property at 28 Riverside Road, assignment of all rights, interests, benefits arising from the rental of the investment property and corporate guarantee of the Company.

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.

S$'000	For the financial year ended	
	31 Dec 18	31 Dec 17
	(Unaudited)	(Restated)
Operating activities		
Loss before income tax	(2,498)	(4,761)
Adjustments for :		
Interest income	(203)	(93)
Interest expenses	61	8
Loss on disposal of property, plant and equipment	-	1
Dividend income from investment securities	(2)	(2)
Depreciation of property, plant and equipment	100	106
Amortisation of intangible asset	41	40
Provision for doubtful debt	11	40
Fair value loss on investment property	-	1,812
Fair value loss/ (loss) on investment securities	8	(4)
Currency realignment	11	(11)
Share of results of associated company	399	1
Operating cash flows before changes in working capital	(2,072)	(2,863)
Decrease in trade and other receivables	475	142
Decrease/ (increase) in prepayments and deposits	45	(69)
Decrease/ (increase) in inventories	40	(100)
Decrease in trade payables	(41)	(814)
(Decrease)/ increase in deferred revenue	(10)	14
Decrease in other payables	(217)	(204)
Cash flows used in operations	(1,780)	(2,173)
Interest paid	(61)	(6)
Interest received	203	77
(1) Refund of taxes	-	33
Net cash flows used in operating activities	(1,638)	(2,069)
Investing activities		
Purchase of property, plant and equipment	(113)	(97)
Cash attributed to development cost	(22)	(10)
Investment in associated company	-	(400)
Dividends received from investment securities	2	2
Decrease in fixed deposit pleadged	-	2,000
Additions to investment property	-	(198)
Loan to associated company	(1,765)	(5,235)
Net cash flows used in investing activities	(1,898)	(3,938)
Financing activities		
Repayment of interest bearing loan	(2,950)	-
Proceeds from interest bearing loan	-	2,950
Expenses incurred for issuance of shares	(168)	-
Proceeds from issuance of shares	5,334	-
Net cash flows from financing activities	2,216	2,950
Net decrease in cash and cash equivalents	(1,320)	(3,057)
Cash and cash equivalents at 1 January	2,781	5,838
Cash and cash equivalents at 31 December	1,461	2,781

(1)Tax position in FY2018 payment less than S$1k.

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.

S$'000	Share Capital	Foreign Currency Translation Reserve	Accumulated Profit	Total Equity
Group				
2018 (Unaudited)				
At 1 January	27,224	11	3,836	31,071
Proceed from issuance of shares	5,334	-	-	5,334
Less: Expenses of issuance of share	(168)	-	-	(168)
Loss net of tax	-	-	(2,496)	(2,496)
Other comprehensive income for the year	-	11	-	11
Total comprehensive income for the year	5,166	11	(2,496)	2,681
At 31 December	32,390	22	1,340	33,752
2017 (Restated)				
At 1 January	27,224	-	8,550	35,774
Loss net of tax	-	-	(4,714)	(4,714)
Total comprehensive income for the year	-	11	-	11
Total comprehensive income for the year	-	11	(4,714)	(4,703)
At 31 December	27,224	11	3,836	31,071
Company				
2018 (Unaudited)				
At 1 January	27,224	-	107	27,331
Proceed from issuance of shares	5,334	-	-	5,334
Less: Expenses of issuance of share	(168)	-	-	(168)
Loss net of tax	-	-	(59)	(59)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	5,166	-	(59)	5,107
At 31 December	32,390	-	48	32,438
2017 (Audited)				
At 1 January	27,224	-	125	27,349
Loss net of tax	-	-	(18)	(18)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(18)	(18)
At 31 December	27,224	-	107	27,331

1(d)(ii) Details of any changes in the Company’s share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

The Company’s share capital as at 30 June 2018 was S$32,404k comprising of 390,511,778 shares and 31 December 2018 was S$32,390k comprising of 390,511,778 shares following the allotment and issuance of 118,531,049 shares upon the completion of the rights issue on 29 June 2018.

There were no outstanding convertibles, options, subsidiary holdings or treasury shares as at 31 December 2017 and 31 December 2018.

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 shares as at 31 December 2018 was 390,511,778 (31 December 2017: 271,980,729). There were no treasury shares as at 31 December 2017 and 31 December 2018.

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

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

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

The figures have not been audited or reviewed by the Group's auditor.

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

Not applicable.

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

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current financial period reported on compared with those for the most recently audited financial statements, except for those as stated in Note 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 Singapore Financial Reporting Standards (International) (SFRS(I)) on 1 January 2018. In adopting SFRS(I), the Group is required to apply all of the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*. The Group will also concurrently apply SFRS(I) 9 *Financial Instruments* and SFRS(I) 15 *Revenue from Contracts with Customers*.

The Group has also concurrently applied the following SFRS(I)s, Interpretations of SFRS(I) and requirements of SFRS(I)s (collectively "new accounting standards") which are mandatorily effective from 1 January 2018.

(a) Application of SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*
The Group has elected the optional exemption in SFRS(I) to deem cumulative translation differences for foreign operations to be zero on 1 January 2017 and reclassified $213,000 of foreign currency translation reserve to the opening retained earnings as at 1 January 2017.

(b) Adoption of SFRS(I) 9 *Financial Instruments*
In assessing for impairment losses on financial assets, the Group has adopted the simplified approach and record lifetime expected losses on all its trade receivables and contract assets. The adoption of expected loss model does not have a material impact on the financial statements.

(c) Adoption of SFRS(I) 15 *Revenue from Contracts with Customers*
In accordance with the requirements of SFRS(I) 1, the Group has adopted the SFRS(I) 15 retrospectively.

Construction contracts

With the adoption of SFRS(I) 15, the Group continues to recognise construction contract revenue over time by measuring the progress towards complete satisfaction of performance obligations. Under the new standard, the methods of measuring progress include output methods or input methods. The Group has determined that the cost-based input method reflects the over-time transfer of control to customers.

The following reconciliations summarise the impacts on initial application of SFRS(I) 1 and SFRS(I) 15 on the Group's financial statements.

	As at 31 Dec 2017			As at 1 Jan 2017		
	As previously reported	**Effects**	**Restated**	**As previously reported**	**Effects**	**Restated**
Non-current assets						
Property, plant and equipment	577		577	201		201
Investment property	24,000		24,000	26,000		26,000
Intangible asset - development cost	198		198	228		228
Fixed deposits	2,000		2,000	4,000		4,000
Deferred tax asset	54		54	54		54
Investment in associated company	399		399	-		-
Loan to associated company	5,235		5,235	-		-
	32,463		32,463	30,483		30,483
Current assets						
Cash and bank balances	726		726	2,190		2,190
Fixed deposits	2,055		2,055	3,648		3,648
Trade receivables	1,133		1,133	1,299		1,299
Prepayments	116		116	36		36
Deposits	67		67	78		78
Other receivables	33	362	395	33	2,169	2,202
Investment securities	61		61	57		57
Inventories	244		244	144		144
Gross amount due from customers for contract work-in-progress	362	(362)	-	2,169	(2,169)	-
	4,797		4,797	9,654		9,654
Current liabilities						
Trade payables	(509)		(509)	(1,323)		(1,323)
Deferred revenue	(110)		(110)	(96)		(96)
Other payables	(2,495)	(117)	(2,612)	(2,697)	(203)	(2,900)
Income tax payable	(8)		(8)	(43)		(43)
Interest bearing loan	(2,950)		(2,950)	-		-
Gross amount due to customers for contract work-in-progress	(117)	117	-	(203)	203	-
	(6,189)		(6,189)	(4,362)		(4,362)
Net current assests/ (liabilities)	**(1,392)**		**(1,392)**	**5,292**		**5,292**
Non-current liabilities						
Deferred tax liabilities	-		-	(1)		(1)
	-		-	(1)		(1)
Net assets	**31,071**		**31,071**	**35,774**		**35,774**
Equity attributable to equity holders of the parent						
Share capital	27,224		27,224	27,224		27,224
Foreign currency translation reserve	(202)	213	11	(213)	213	-
Accumulated profit	4,049	(213)	3,836	8,763	(213)	8,550
Total equity	**31,071**		**31,071**	**35,774**		**35,774**

6. (Loss)/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.

Singapore Cents	For the financial year ended 31 Dec 18 (Unaudited)	31 Dec 17 (Audited)
a) Based on weighted average number of ordinary shares in issue	(0.746)	(1.733)
b) On a fully diluted basis	(0.746)	(1.733)

The loss per ordinary share for the financial period under review is calculated based on the weighted average of 334,622,532 ordinary shares (31 December 2017: 271,980,729 ordinary shares) in issue.

The basic and fully diluted earnings per ordinary share are the same as there were no potentially dilutive shares in issue during and as at the end of the financial years ended 31 December 2018 ("FY 2018") and 31 December 2017 ("FY2017").

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.

Singapore Cents	Group	Company
As at 31 December 2018 (Unaudited)	8.643	8.306
As at 31 December 2017 (Audited)	11.424	10.049

Net asset value per share is calculated based on 390,511,778 ordinary shares in issue as at 31 December 2018 and 271,980,729 shares as at 31 December 2017.

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.

FY2018 vs. FY2017

Income Statement

Revenue from products and installation decreased by S$1,395k from S$2,795k (FY2017) to S$1,400k (FY2018) mainly due to the delay in commencement of some projects and the completion of some projects in FY2018.

Revenue from rental income increased by S$293k from S$69k (FY2017) to S$362k (FY2018). This is mainly due to an increase in the occupancy rates of the investment property located at 28 Riverside Road ("**Investment Property**").

Other income increased by S$100k from S$119k (FY2017) to S$219k (FY2018). The increase was mainly due to interest income accrual for the loan to an associated company.

Cost of products and installation decreased by S$1,388k from S$2,438k (FY2017) to S$1,050k (FY2018), in line with the lower revenue generated in FY2018.

Property operating expenses mainly property tax , JTC rental expense and maintenance cost for the Investment Property. In FY2017 the related costs incurred in relation to the Investment Property were included into other expenses as the rental income for FY2017 were marginal.

Cost of salaries and employee benefits decreased by S$421k from S$2,820k (FY2017) to S$2,399k (FY2018) mainly due to lower foreign worker levy paid as a result of a reduction in foreign worker headcount in FY2018 and a reduction in salaries and bonus payment during FY2018.

Other expenses decreased by S$2,167k from S$2,758k (FY2017) to S$591k (FY2018) mainly due to no difference in revaluation of investment property in FY2018 as compared to a loss of S$1,812k recorded in FY2017; and a reclassification of property operating related expenses from other expenses to property operating expenses in FY2018.

Share of results of associated company increased by S$398k from S$1k (FY2017) to S$399k (FY2018) . It was mainly in relation to the operating loss from TSky Balmoral Pte. Ltd. which became an associated company in October 2017. The operating losses recorded by Tsky Balmoral Pte Ltd was mainly due to borrowing costs on development property which were expensed off in FY2018 in accordance with the Tentative Agenda Decision issued by the IFRS Intepretation Committee ("IFRIC") on 27 November 2018.

Finance cost of S$61k relates to loan drawn down under the revolving credit facilities for Progen Industrial Pte Ltd's provision of a shareholders' loan to the associated company and for operating cashflow purposes.

The Group's loss net of tax amounted to S$2,496k for FY2018 as compared to loss of S$4,714k for FY2017.

Balance Sheet

The Group's non-current assets increased by S$1,360k to S$33,823k as at 31 December 2018. This was mainly due to the following reasons:-
- Property, plant and equipment increased by S$13k to S$590k mainly due to additional cost incurred for leasehold improvement of S$79k and other PPE acquisition of S$34K offset by depreciation cost amounting to S$100K.
- Intangible asset- development cost decreased by S$19k to S$179k mainly due to amortisation cost amounting to S$ 41K offset by additional cost incurred for royalties payment of S$6k and patent application cost of S$16k .
- Investment in associated company decreased by S$399k to nil mainly due to share of losses in an associated company.
- Loan to associated company increased by S$1,765k to S$7,000k mainly due to additional loan injection into TSky Balmoral Pte Ltd.

The Group's current assets decreased by S$1,899k to S$2,898k as at 31 December 2018. This was largely due to the following reasons:-
- Trade receivable decreased by S$411k to S$722k which was in line with lower turnover during FY2018.
- Other receivables decreased by S$75k to S$320k mainly due to lower project related work resulting in lower progress billing offset by the increase in accrual of interest income from loan to associated company.
- Inventories decreased by S$40k to S$204k mainly due to utilisation of stock for existing projects.

The Group's current liabilities decreased by S$3,220k to S$2,969k as at 31 December 2018. This was mainly due to the decrease in the interest bearing loan from S$2,950k to nil and trade payable decreased by S$41k to S$468k in line with lower costs incurred for projects. Other payable decreased by S$217k to S$2,395k due to lower provision for staff related cost.

As a result of the above, the Group had net current liabilities of S$71k as at 31 December 2018. The Group will have sufficient financial resources to meet its obligations as and when they fall due given that the Group has an unutilised revolving credit facility of $10.0 million which is available for usage if required.

Cashflow Statement

The Group utilised cash of S$1,320k in FY2018 that was mainly used in operating activities and investing activities, offset by the cash from financing activities during FY2018. Net cash flows used in operating activities amounting to S$1,638k was mainly for working capital purpose. The Group used S$1,898k in the investing activities mainly due to the loan to associated company and to aquire PPE and development costs shared. Net cash flows from financing activities of S$2,216k were mainly proceeds from the rights share issue amounting to S$5,334k which was offset by repayment of interest bearing loan of S$2,950k and expenses incurred for issuance of right shares of S$168k. Cash and cash equivalents as at 31 December 2018 was S$1,461k.

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

The current results are in line with the Company's discussion presented in Note 10 of the unaudited results announcement dated 7 August 2018.

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's operating environment for the next 12 months continues to be very challenging with strong market competition, increasing operating and labour costs, and slow industry growth.

11. If a decision regarding dividend has been made:-

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

No dividends have been declared or recommended for the current reporting period.

(b)(i) Amount per share (cents)

Not applicable.

(b)(ii) Previous corresponding period (cents)

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) Book closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividends have been declared or recommended for the current financial period reported on as Company deemed it more appropriate to retain the cash in the Group for operating cashflow purpose.

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 does not have a Shareholders' Mandate for Interested Person Transactions. There was no interested person transaction of S$100,000 and above for the financial year ended 31 December 2018.

14. Use of Proceeds

The Company refers to the gross proceeds amounting to S$5.334 million raised from the rights issue which was completed on 3 July 2018.

As at the date of this announcement, the status on the use of the proceeds is as follows:

Intended use of proceeds	Amount allocated S$'000	Amount redeployed S$'000	Amount utilised S$'000	Balance S$'000
Expenses incurred in relation to Rights Issue	200	(32)[2]	168	-
Property related business	4,621	-	4,621	-
General working capital [1]	513	32[2]	545	-
Total	5,334	-	5,334	-

Notes:

(1) General working capital includes salary related expenses, payment to suppliers, rental expenses and other expenses incurred in relation to related to the Group's business operations.

(2) Amount was redeployed to general working capital as there was an overprovision in the amount of expenses incurred in relation to the rights issue.

Save for the redeployment, the use of proceeds from the rights issue as disclosed above is in accordance with the intended use of proceeds as disclosed in the Offer Information Statement dated 7 June 2018.

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.

S$'000	Products & installation		Services & maintenance		Rental		Property Development		Others		Eliminations / Adjustments		Group	
	2018 (Unaudited)	2017 (Audited)	2018 (Unaudited)	2017 (Audited)	2018 (Unaudited)	2017 (Audited)	2018 (Unaudited)	2017 (Audited)	2018 (Unaudited)	2017 (Audited)	2018 (Unaudited)	2017 (Audited)	2018 (Unaudited)	2017 (Audited)
Segment revenue														
Sales to external customers	1,400	2,795	437	427	362	69	-	-	-	-	-	-	2,199	3,291
Intersegment sales	111	86	14	46	151	151	-	-	-	-	(276)	(283)	-	-
Total revenue													2,199	3,291
Segment results														
Interest income	21	45	2	2	8	3	171	10	1	33	-	-	203	93
Dividend income	2	2	-	-	-	-	-	-	-	-	-	-	2	2
Fair value loss on investment property	-	-	-	-	-	(1,812)	-	-	-	-	-	-	-	(1,812)
Depreciation and amortisation	(85)	(113)	(11)	(10)	(34)	(8)	-	-	(11)	(15)	-	-	(141)	(146)
Other non-cash expenses	(8)	(37)	-	-	(3)	(3)	(448)	(9)	(16)	(32)	-	-	(475)	(81)
Segment profit/(loss) before tax	(1,526)	(2,830)	(308)	(177)	(372)	(1,774)	(275)	2	(17)	18	-	-	(2,498)	(4,761)
Income tax expense	1	43	-	-	1	3	-	-	-	1	-	-	2	47
Loss net of tax													(2,496)	(4,714)
Segment assets and liabilities														
Segment assets	3,573	6,521	881	569	24,941	24,367	7,181	5,645	158	171	(13)	(13)	36,721	37,260
Segment liabilities	1,610	2,067	160	157	468	130	7,454	8,591	731	885	(7,454)	(5,641)	2,969	6,189
Capital expenditure	119	119	11	11	-	1,812	-	-	11	16	-	-	141	1,958

As the Group operates substantially in Singapore, no segment 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 business or geographical segments.

Please refer to paragraph 8.

17. A breakdown of sales.

		Latest Financial Year (Unaudited) S$'000	Previous Financial Year (Audited) S$'000	% increase / (decrease)
(a)	Sales reported for first half year	960	2,641	(64)
(b)	Operating profit after tax before deducting minority interests reported for first half year	(1,417)	(975)	45
(c)	Sales reported for second half year	1,239	650	91
(d)	Operating (loss)/ profit after tax before deducting minority interests reported for second half year	(1,079)	(3,739)	(71)

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

Not applicable. No dividends have been declared during FY2018 and FY2017.

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and / or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Lee Pui Hoon	41	Daughter of Mr Lee Ee @ Lee Eng	Admin and Corporate Affair Director Assist the Group in administrative matters and corporate affairs and oversees the finance department. Position was first held in 2014.	Nil
Lee Yungli, Andy	39	Son of Mr Lee Ee @ Lee Eng	Senior Manager (in a wholly-owned subsidiary, Progen Pte Ltd) Responsible for Product Innovation and Development. Position was first held in 2014.	Nil

20. Confirmation of Undertakings from Directors and Executive Officers under Rule 720(1) of of Section B: Rules of Catalist of the Listing Manual of the SGX-ST ("Catalist Rules")

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules.

BY ORDER OF THE BOARD
PROGEN HOLDINGS LTD

Lee Ee @ Lee Eng
Managing Director
27 February 2019

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not 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 accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Jennifer Tan, Associate Director, Continuing Sponsorship (Mailing address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and Email: sponsorship@ppcf.com.sg*).*