

Appendix 4E, Preliminary Final Report – Appendix 4E

Full Year financial statements on consolidated results for the year ended 31 December 2016
(This financial report is currently being audited)

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

Name of entity

GPS ALLIANCE HOLDINGS LIMITED

ABN or equivalent company reference

ACN 163 013 947

Full year ('current year')

31 December 2016

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Extracts from this report for announcement to the market

APPENDIX 4E

	Group		
	S\$'000	Up/Down	Movement %
Revenue from ordinary activities	421	Down	81.6
Profit from ordinary activities after tax attributable to members	(3,874)	Down	NM
Net profit for the year attributable to members	(3,874)	Dow	NM
	Amount per share Singapore cents		Franked amount per share Singapore cent
Final dividend	Nil		Nil
Previous corresponding period Final dividend	Nil		Nil
Date the dividend (distribution) is payable	Not Applicable		
Record date to determine entitlements to the dividend (distribution)	Not Applicable		

Any other disclosures in relation to dividends

Nil

Net tangible assets per ordinary share (Singapore cents)

Group	
31/12/2016	31/12/2015
0.88 cents	3.90 cents

Additional Appendix 4E disclosure requirements can be found in the notes to the full year financial statements.

This report is based on the consolidated full year financial statements which are in the process of being audited by Lo Surdo Braithwaite Audit and Assurance Pty Ltd.

GPS Alliance Holdings Limited ordinary shares on issue for the year ended 31 December 2016 is 85,962,500 (31 December 2015: 85,962,500) ordinary shares.

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1(a) Consolidated Statement of Comprehensive Income for the year ended 31 December 2016

	Consolidated		
	31	31	
	December	December	%
	2016	2015	Increase / (decrease)
Continuing operations			
Revenue	421	2,288	(81.6)
Cost of sales	(577)	(4,270)	(86.5)
Gross (loss) / profit	(156)	(1,982)	N/M
Other income	314	300	N/M
Administrative expenses	(3,857)	(2,994)	28.8
Finance cost	(303)	(359)	(15.6)
Share of profit of associate	-	7,891	N/M
Profit / (loss) before income tax	(4,002)	2,856	N/M
income tax	128	-	-
Profit / (loss) from continuing operations	(3,874)	2,856	N/M
Discontinued operations			
Loss from discontinued operations	-	(907)	(100.0)
Profit / (loss) for the year	(3,874)	1,949	N/M
Other comprehensive income			
Exchange difference on translation of foreign operations, net of tax	11	(190)	N/M
Other comprehensive income for the year, net of tax	11	(190)	N/M
Total Comprehensive income for the year	(3,863)	1,759	N/M
Profit / (loss) for the year attributable to:			
Owners of the Company	(2,743)	3,310	N/M
Non-controlling interests	(1,131)	(1,361)	N/M
	(3,874)	1,949	N/M
Total comprehensive income attributable to:			
Owners of the Company	(2,731)	3,120	N/M
Non-controlling interests	(1,132)	(1,361)	N/M
	(3,863)	1,759	N/M
Earnings / (losses) per share (Singapore cents)			
Basic and diluted loss per share	(4.51)	2.38	
Earnings / (losses) per share - continuing operations (Singapore cents)			
Basic and diluted loss per share	(4.51)	3.48	

NM : Not Meaningful

NM: Not Meaningful

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The discussion that follows compares the income statement for the year ended 31 December 2016 with previous year ended 31 December 2015

Income Statement

Revenue

Revenue for year ended 31 December 2016 (FY2016) decreased by 81.6% to S\$0.42 million as compared with the previous year (FY2015). The drop in revenue was largely due to lower revenue of S\$1,867 million from ID & fit-out work segment and the sale of the Property business.

Gross (Loss) / Profit

The Group reported a gross loss of S\$0.2 million in FY2016, compared with gross profit of S\$2.0 million in FY2015, mainly due to selling off the property agency business

Other Income

Other income remained at S\$0.3 million compared to FY2015.

Administrative Expenses

There was a 28.8% increase in administrative expenses from S\$3.0 million in FY2015 to S\$3.9 million in FY2016, mainly due to the impairment of investments by S\$1.9 million and partially offset by higher expenses from Development and Investment segment.

Finance Costs

Finance costs decreased marginally by S\$56,000 to S\$313,000 in FY2016 following the partial repayment of bank loan in August 2016 (S\$4.53 million) and December 2016 (S\$0.6 million).

Share of Profit of Associate

No share of profit was recognised during FY2016 as the Watercolours Executive Condominium project was completed.

Profit / (Loss) for the year

The Group reported a loss of S\$3.9 million in FY2016, compared with a profit of S\$1.9 million in FY2015, mainly due to the impairment of assets during the year ended 31 December 2016.

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1(b) Statement of Financial Position as at 31 December 2016

	Consolidated	
	31	31
	December	December
	2016	2015
	S\$'000	S\$'000
ASSETS		
Current assets		
Cash and cash equivalents	303	1,109
Trade receivables	339	4,291
Other receivables	184	460
Inventories	-	131
Contract work-in-progress	-	353
Assets held for sale	-	2,346
Total current assets	826	8,690
Non-current assets		
Intangible assets	3	3
Property, plant and equipment	4,787	3,467
Investment in associate	150	7,291
Total non-current assets	4,940	10,761
LIABILITIES		
Current liabilities		
Borrowings	1,693	6,813
Trade payables	1,398	4,793
Other payables and accruals	1,623	1,408
Current portion of finance leases	58	36
Income tax payable	-	128
Liabilities associated with assets held for sale	-	2,632
Total current liabilities	4,772	15,810
Non-current liabilities		
Borrowings	-	-
Provisions for other liabilities and charges	240	240
Total non-current liabilities	240	286
NET ASSETS	754	3,355
EQUITY		
Issued capital	10,354	10,354
Capital reserve	1,943	1,943
Asset revaluation reserve	1,326	-
Translation reserve	(359)	(370)
Accumulated losses	(9,882)	(6,990)
Parent equity interest	3,382	4,937
Non-controlling interest	(2,628)	(1,582)
Total Equity	754	3,355

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The discussion that follows compares the Financial Position as at 31 December 2016 with that of 31 December 2015

Current assets

Current assets decreased by S\$7.9 million from S\$8.7 million to S\$0.8 million when compared to the beginning of the year. This was mainly due the completion of the sale of Global Alliance Property Pte Ltd reflecting the reduction on the assets held for sale and the impairment of trade receivables.

Non-current assets

Non-current assets decreased by S\$5.9 million from S\$10.8 million to S\$4.9 million when compared to the beginning of the year. This was mainly due to the received of S\$6.7 from the Huge Development Pte Ltd for the Watercolours project.

Current liabilities

Non-current liabilities decrease by S\$11 million due to the repayment of the loan to United Overseas Bank (UBO) of S\$4.5 million and the reduction of the liabilities associated to the assets held for sale of the Agency division and repayment of trade payables.

Non-current liabilities

Non-current liabilities no significant change

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

1(b)(i) Going Concern

The financial report has been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

As at and for the year ended 31 December 2016, the consolidated entity had accumulated losses of S\$9.9 million (2015: S\$7.0 million), net cash used in operating activities of S\$1.5 million (2015: S\$1.3 million) and a working capital deficiency of S\$3.9 million (2015: S\$7.1 million).

The first bank loan of S\$6.95 million with an original maturity date of 30 September 2015 secured against the investment in the Watercolours Executive Condominium project was in full in August 2016.

The second bank loan of S\$2.6 million was taken up to finance the acquisition of a JTC leasehold property with a purchase price of S\$3.3 million and had been paid down to S\$1.4 million as at reporting date. This loan is repayable over 72 months from February 2014 to January 2020.

The ability of the Company and the consolidated entity to continue as going concerns is dependent upon the continued support of the current bankers and the successful timely completion of the following events / plans that have been put in place by Management:

- The consolidated entity is in discussions with existing bankers to extend repayment terms for the first bank loan and to secure additional facilities;
- The consolidated entity is working to improve the profitability and cash flows of the business;
- The Company continues to seek suitable merger and acquisition opportunities and/or strategic alliances to strengthen existing business as well as share placements to improve its cash position within Singapore and in other jurisdictions outside Singapore.
- The Company completed the redevelopment of the Probuild Pte Ltd building located at 23 Neythal Road Singapore and received a written revaluation of the value of the property at S\$5.3 million with a current bank loan of S\$1.4 million.

At the date of this report and having considered the above factors, the directors are confident that the Company and consolidated entity will be able to continue as going concerns.

However, if the Company and consolidated entity are unable to obtain the additional and continuing financial support of their financier and successfully complete the plans referred to above, significant uncertainty would exist as to the ability of the Company and the consolidated entity to continue as going concerns and, therefore, whether they will be able to realise their assets and discharge their liabilities in their normal course of business.

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INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

1(c) Consolidated statement of cash flows for the year ended 31 December 2016

	Consolidated	
	31 December 2016 S\$'000	31 December 2015 S\$'000
Operating activities		
Profit / (loss) for the year	(3,874)	1,949
Adjustments for:		
Write off deferred tax asset	-	174
Depreciation expense	392	589
Loss on disposal of property, plant and equipment	-	200
Interest expense	-	374
Interest income	-	(46)
Impairment loss on inventory	-	103
Net (write back) / impairment loss on property, plant and equipment	-	(279)
Provision for doubtful debts	1,086	86
Unrealised exchange gain	58	(158)
Share of profit of associate	804	(7,891)
Operating cash outflows before movements in working capital	(1,534)	(4,899)
Contract work-in-progress	353	1,459
Trade receivables	796	1,858
Other receivables	-	2,418
Inventories	132	27
Trade payables	(940)	(1,147)
Other payables	-	(698)
Cash used in operations	(1,193)	(982)
Interest received	1	46
Interest paid	(218)	(382)
Income tax paid	(128)	-
Net cash used in operating activities	(1,538)	(1,318)
Investing activities		
Purchase of property, plant and equipment	(580)	(175)
Purchase of intangible assets	-	(1)
Proceed from disposal of property, plant and equipment	-	27
Dividend income from associate	6,750	750
Net cash used in investing activities	(6,170)	601
Financing activities		
Proceeds from issue of shares	-	2,125
Contribution from minority interest	-	1
Proceed from borrowings	-	500
Repayment of borrowings	(5,438)	(2,979)
Proceed from finance lease liabilities	-	77
Repayment of finance lease liabilities	-	(56)
Proceed from bills payables	-	-
Repayments of bills payables	-	-
Net cash from financing activities	(5,438)	(332)
Net cash decrease in cash and cash equivalents	(806)	(1,049)
Cash and cash equivalents at January 1	1,109	2,158
Cash and cash equivalents at 31 December	303	1,109

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Note to statement of cash flows

	Consolidated	
	31	31
	December	December
	2016	2015
	S\$'000	S\$'000
Cash and cash equivalents		
<i>Continuing operations:</i>		
Cash and bank balances	303	1,109
Less: Bank overdraft	(306)	(309)
	(3)	800
<i>Discontinued operations:</i>		
Cash and cash balances	-	145
Cash and cash equivalents	(3)	945

The discussion that follows compares the consolidated statement of cash flows for the 12 months to 31 December 2016 with that of 31 December 2015

The cash and cash equivalents of the Group decreased to S\$0.3 million mainly due to cash used in operating activities, and repayment of bank loans this was offset by the dividend received from associates (Watercolours Executive Condominium project).

1(d)(i) **Statements of changes in equity for the year ended 31 December 2016**

	Issued capital S\$'000	Capital reserves S\$'000	Accumulated losses S\$'000	Translation reserve S\$'000	Total S\$'000	Non- controlling interest S\$'000	Total Equity S\$'000
Balance at 1 January 2015	8,229	1,943	(10,300)	(180)	(308)	(221)	(529)
Total comprehensive income for the year							
Loss for the year	-	-	3,310	-	3,310	(1,361)	1,949
Total comprehensive income for the year	-	-	-	(190)	(190)	-	(190)
Transactions with owners recorded directly on equity							
Ordinary share issued	2,125	-	-	-	2,125	-	2,125
Balance at 31 December 2015	10,354	1,943	(6,990)	(370)	4,937	(1,582)	3,355
Balance at 1 January 2016	10,354	1,943	(6,990)	(370)	4,937	(1,582)	3,355
Total comprehensive income for the year							
Profit for the year	-	-	(2,892)	11	(2,881)	(1,046)	(3,927)
Total comprehensive income for the year	-	-	-	-	-	-	-
Transactions with owners recorded directly on equity							
Ordinary share issued	-	1,326	-	-	1,326	-	1,326
Balance at 31 December 2016	10,354	3,269	(9,882)	(359)	3,382	(2,628)	754

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

- 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 year 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 of the issuer, as at the end of the current financial year reported on and as at the end of the corresponding year of the immediately preceding financial year.

During the year no changes to the Company issued capital.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial year and as at the end of the immediately preceding year.

As at 31 December 2016, the Company's issued capital comprises 85,962,500 (31 December 2015: 85,962,500) ordinary fully paid shares.

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

There are no treasury shares.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (eg. The Singapore Standard of Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard).

The figures are currently being audited in accordance with Australian Auditing Standards. It is likely that the independent audit report will contain an emphasis of matter paragraph relating to uncertainty surrounding the ability of the company and the consolidated entity to continue as going concerns, refer note 1b(i) above.

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

It is likely that the independent audit report will contain an emphasis of matter paragraph relating to uncertainty surrounding the ability of the company and the consolidated entity to continue as going concerns, refer note 1b(i) above.

- 4(a). Details of entities over which control has been granted or lost during the year.

None.

- 4(b). Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan.

None.

- 4(c) Details of associates and joint venture entities including the name of the associate or joint venture entity and details of the reporting entity's percentage holding in each of these entities and – where material to an understanding of the report - aggregate share of profits (losses) of these entities, details of contributions to net profit for each of these entities, and with comparative figures for each of these of these disclosures for the previous corresponding year.

In prior years, the Group report Huge Development Pte Ltd as an associate to the Group, for reporting purposes the Watercolours Executive condominium project was completed during the year 2016 and Huge Development Pte Ltd stopped been an associated.

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

The report has been prepared in accordance with International Financial Reporting Standards.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting year compared with those of the audited financial statements for the year ended 31 December 2015.

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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.

No changes

6. Earnings per ordinary share of the group for the current financial year reported on and the corresponding year of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group	
	Full Year ended 31 December	
	2016	2015
Earnings / (Losses) per share for the year (Singapore cents)		
<i>Continuing Operations</i>		
Basic	(4.51) cents	3.48 cents
Diluted	(4.51) cents	3.48 cents
<i>Discontinued Operations</i>		
Basic	-	-1.11 cents
Diluted	-	-1.11 cents
<i>Total</i>		
Basic	-	2.38 cents
Diluted	-	2.38 cents

7. Net tangible 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 year reported on; and (b) the corresponding year of the immediately preceding financial year.

	Group	
	31/12/2016	31/12/2015
Net tangible value per ordinary share based on issued share capital as at the end of the reporting year (Singapore cents)	0.88 cents	3.90 cents

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

The Group did not make any forecast or prospect statement previously disclosed to shareholders.

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9. 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 year and the next 12 months.

The Watercolours Executive Condominium project achieved approval for Certificate of Statutory Completion (CSC) in first quarter of 2016, and the expiry of the defect liability period in second quarter of 2016. The consolidated entity received payments of approximately S\$6.87 million (by way of dividend) including the dividend from the Watercolours executive Condominium project. This provided an injection of funds to cover operations and the repayment of bank loans. Further dividends are expected in the first quarter of 2017 to cover operations.

The Group expects the business and operating environment to remain difficult in 2017. Given the challenging environment, management will continue to seek new sources of funding, further streamline its operations and keep a tight control on operating costs.

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

The group completed all property development activities during 2015. During 2016 the Group has not started any property development contract with the Kempas project presently postponed. As mentioned in last year's Appendix 4E the Real Estate Agency division was discontinued in 2015. The group now solely is undertaking fit-out activities within Singapore and looking for new opportunities. The Group's Chief operating decision maker having considered the facts concluded that, during the year ended 31 December 2016 the Group operated within the fit-out industry.

11. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Business segments:-

Property Development

The Group continue to look for new opportunities.

ID & fit-out work

Revenue of ID & fit-out work continue to decline due to lower contract sum secured.

Real Estate Agency (Now Discontinued)

On 2 February 2016, the disposal of the real estate agency division.

BY ORDER OF THE BOARD

Marcelo Mora
Company Secretary
28 February 2017

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CONFIRMATION BY THE BOARD

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the full year financial results for the year ended 31 December 2016 to be false or misleading in any material aspect.

On behalf of the board of directors,



Mr. Lim Pang Hern (Jeffrey)
Chairman



Ms. See Mei Li
Executive Director

Singapore
28 February 2017