

# GPS ALLIANCE HOLDINGS LIMITED



## Appendix 4D, Half-Year Financial Statements

Half-Year financial statements on consolidated results for the period ended 30 June 2016  
( These figures have not been audited )

### INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS

Name of entity

GPS ALLIANCE HOLDINGS LIMITED

ABN or equivalent company reference

ACN 163 013 947

Half year ('current period')

30 June 2016

### RESULTS FOR ANNOUNCEMENT TO THE MARKET

Extracts from this report for announcement to the market

#### APPENDIX 4D Group

	S\$'000	Up/Down	Movement %
Revenue from ordinary activities	254	Down	(88.99)
Profit from ordinary activities after tax attributable to members	(2,897)	Down	(136.8)
Net Profit for the period attributable to members	(2,897)	Down	(139.9)

	Amount per share Singapore cents	Franked amount per share Singapore cents
<b>Interim dividend</b>	Nil	NA
<b>Previous corresponding period Interim dividend</b>	Nil	NA
<b>Date the dividend (distribution) is payable</b>	Not Applicable	
<b>Record date to determine entitlements to the dividend (distribution)</b>	Not Applicable	

Any other disclosures in relation to dividends

Nil

NM: Not Meaningful

Net tangible assets per ordinary share (Singapore cents)

Group	
30/06/2016	31/12/2015
0.45cents	3.90 cents

Additional Appendix 4D disclosure requirements can be found in the notes to the half-year financial statements attached thereto.

This report is based on the consolidated half-year financial statements which have been subjected to a review by Deloitte Touche Tohmatsu.

# GPS ALLIANCE HOLDINGS LIMITED



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### INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS

#### 1(a) Consolidated Statement of Comprehensive Income for the period ended 30 June 2016

	Group			
	Note	Half Year ended 30 June		% Increase/ Decrease
		2016 S\$'000	2015 S\$'000	
<b>Continuing operations</b>				
Revenue		254	2,285	(88.9)
Cost of sales		(424)	(2,179)	(80.5)
Gross (loss) / profit		<u>(170)</u>	<u>106</u>	(260.4)
Other income		784	144	444.4
Administrative expenses		(3,314)	(1,241)	167.0
Finance costs		(145)	(193)	(24.9)
Share of profit from associate		<u>55</u>	<u>9,055</u>	(99.4)
<b>(Loss) / profit before income tax</b>		<u>(2,790)</u>	<u>7,871</u>	(135.4)
Income tax expense		-	-	NM
<b>(Loss) / profit from continuing operations</b>		<u>(2,790)</u>	<u>7,871</u>	(135.4)
<b>Discontinued operations</b>				
Loss from discontinued operations		<u>(107)</u>	<u>(613)</u>	(82.5)
<b>(Loss) / profit for the period</b>		<u>(2,897)</u>	<u>7,258</u>	(139.9)
<b>(Loss) / profit for the period</b>				
<b>Other comprehensive income:</b>				
Items that maybe classified subsequently to profit or loss:				
Exchange difference on translation of foreign operations, net of tax		<u>(70)</u>	<u>(214)</u>	(67.3)
<b>Total comprehensive (loss) / income for the period</b>		<u>(2,967)</u>	<u>7,044</u>	(142.1)
<b>(Loss) / Profit for the period attributable to:</b>				
Owners of the Company		(2,052)	7,529	(127.3)
Non-controlling interests		<u>(845)</u>	<u>(271)</u>	211.8
		(2,897)	7,258	(139.9)
<b>Total comprehensive (loss) / income for the period attributable to:</b>				
Owners of the Company		(2,122)	7,315	(129.0)
Non-controlling interests		<u>(845)</u>	<u>(271)</u>	211.8
		<u>(2,967)</u>	<u>7,044</u>	(142.1)
<b>(Losses) / Earnings per share (Singapore cents):</b>				
- Basic		(3.37)	9.29	
- Diluted		(3.37)	9.29	

NM: Not Meaningful

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#### Discontinued Operations / Held for sale

On 20 July 2015, one of the Company's subsidiaries, Global Property Strategic Alliance Pte Ltd ("GPSA") together with MORE Property Pte Ltd ("MORE"), a company incorporated in Singapore, together as vendors, entered into a conditional sale and purchase agreement ('SPA') with Asia-Pacific Strategic Investments Limited ("APSI"), a company incorporated in Singapore and listed on the Singapore Exchange Securities Trading Limited for the sale of the entire issued capital of Global Alliance Property Pte Ltd ("GA"), a newly incorporated company by GPSA and MORE.

On 2 February 2016, the Group completed the Sale and Purchase Agreement (SPA) to sell part of its real estate agency business in Singapore with changes to certain terms. The final consideration received by GPSA was S\$728,000. The vendors (GPSA and MORE Property Pte Ltd collectively) amended the contract to remove the consideration of S\$1,500,000 payable in ordinary shares in the capital of APSI and the requirement to enter into the management agreement. The payment of the consideration constituted full and final settlement of all amounts owed by the purchaser, APSI, to the vendors under the SPA. No other terms and conditions of the SPA were modified.

In compliance with the provision of AASB5 Non-Current Assets Held for Sale and Discontinued Operations, the selected assets and liabilities of GPSA that were transferred to GA have been classified as "held for sale" on the consolidated balance sheet, and the entire results of GPSA have been presented separately in the statement of comprehensive income as "Discontinued Operations" for the year ended 31 December 2015.

#### The discussion that follows compares the income statement for 6 months ended 30 June 2016 (1H2016) with previous corresponding period (1H2015)

#### Income Statement

	Revenue		(Loss) / Earnings	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
	S\$'000	S\$'000	S\$'000	S\$'000
Property Development	155	125	(826)	8,860
ID & fit-out work	99	2,670	(492)	(679)
	254	2,795	(1,318)	8,181
Elimination	-	(510)	(197)	312
	254	2,285	(1,515)	8,493
Unallocated corporate income			(90)	12
Administrative expenses			(1,292)	(634)
(Loss) / profit before income tax			(2,897)	7,871
Income tax			-	-
(Loss) / profit for the period			(2,897)	7,871
Consolidated revenue and profit/ (loss) for the period	254	2,285	(2,897)	7,871

## GPS ALLIANCE HOLDINGS LIMITED



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#### INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS

##### Revenue

Revenue for first half year ended 30 June 2016 (1H2016) decreased by 88.9% to S\$0.2 million as compared to the previous period (1H2015).

As compared to the period 1H2015 there are no new ID & fit-out works in the six months ended 30 June 2016, resulting in the decrease of revenue of S\$2.0 million.

##### Gross (Loss) / Profit

The Group reported a gross loss of S\$0.2 million in 1H2016 as compared to a gross profit of S\$0.1 million, this is mainly due to the ID & fit out work. As the projects approached their final phase, additional sub-contractor costs were incurred, due to defects.

##### Other Income

Other income is derived from back charges of sub-contractor fees, copier charges, and mainly the leasing of factory space at 8 Sungei Kadut, which is a secured property for the DBS term loan of S\$1.7 million.

##### Administrative Expenses

An increase in administrative expenses of \$2 million mainly contributed by the write off of bad debts in the agency business, the sale of which is completed in February 2016.

##### Finance Costs

A draw down on one of the loans by S\$0.75million, a completed finance lease, and an overall decrease in interest rates contributed to the decrease in finance cost by 27.5% or S\$48,000.

##### Share of Profit of Associates

The Group recognised a share of profit from the Watercolours Executive Condominium project upon receiving the Certificate of Statutory Completion ("CSC") in 1H 2016.

##### Discontinued operations

Loss from the discontinued operations in 1H2015 of S\$0.6 million is derived from the sales of Global Alliance Property Pte Ltd ("GA").

##### Profit / (Loss) for the period

The Group reported a loss of S\$2.9 million in 1H2016, compared to a profit of S\$7.3 million in 1H2015, mainly due to the share of profit of associates recognized in prior year, and that there are no new projects in the 1H2016.

# GPS ALLIANCE HOLDINGS LIMITED



## Appendix 4D, Half-Year Financial Statements

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### INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS

#### 1(b) Statement of Financial Position

	Group	
	June 30, 2016 S\$'000	Dec 31, 2015 S\$'000
<b>ASSETS</b>		
<b>Current assets</b>		
Cash & cash equivalents	313	1,109
Trade receivables	250	4,291
Other receivables	397	460
Inventories	1	131
Contract work-in-progress	216	353
	<u>1,177</u>	<u>6,344</u>
Asset classified as held for sale	-	2,346
<b>Total current assets</b>	<b>1,177</b>	<b>8,690</b>
<b>Non-current assets</b>		
Intangible assets	3	3
Property, plant & equipment	3,071	3,467
Investment in associate	7,346	7,291
<b>Total non-current assets</b>	<b>10,420</b>	<b>10,761</b>
<b>Total assets</b>	<b>11,597</b>	<b>19,451</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Bank loan and bills payable	6,618	6,813
Trade payables	2,092	4,793
Other payables and accruals	2,059	1,408
Current portion of finance leases	39	36
Income tax payable	128	128
	<u>10,936</u>	<u>13,178</u>
Liabilities directly associated with assets classified as held for sale	-	2,632
<b>Total Current Liabilities</b>	<b>10,936</b>	<b>15,810</b>
<b>Non-current Liabilities</b>		
Provisions for other liabilities and charges	240	240
Finance leases	33	46
<b>Total non-current liabilities</b>	<b>273</b>	<b>286</b>
<b>Total Liabilities</b>	<b>11,209</b>	<b>16,096</b>
<b>Capital and Reserves</b>		
Share Capital	10,354	10,354
Capital reserve	1,943	1,943
Accumulated losses	(9,042)	(6,990)
Translation reserve	(440)	(370)
Equity attributable to owners of the Company	<u>2,815</u>	<u>4,937</u>
Non-controlling interests	(2,427)	(1,582)
<b>Total equity</b>	<b>388</b>	<b>3,355</b>
<b>Total liabilities and equity</b>	<b>11,597</b>	<b>19,451</b>

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#### **The discussion that follows compares the Finance Position as at 30 June 2016 with that of 31 December 2015**

##### Current assets

Current assets decreased by S\$7.5 million from S\$8.7 million to S\$1.2 million when compared to the beginning of the year.

This is mainly due to the sales of the Real Estate Agency which previously contributed to the high receivables and cash & cash equivalents.

##### Non-current assets

Non-current assets decreased by S\$0.4 million from S\$10.8 million to S\$10.4 million when compared to the beginning of the year.

This was mainly due to write down of the net book value of fixed assets in Probuild Malaysia Sdn Bhd.

##### Current liabilities

Current liabilities decreased by S\$4.9 million from S\$15.8 million to S\$10.9 million mainly due to repayment of bank loans and lower commission payable in line with the reduction in business activities in the Real Estate Agency segment.

##### Non-current liabilities

Non-current liabilities decreased by S\$13,000 mainly due to completed finance lease liabilities.

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### INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS

#### 1(c) Consolidated statement of cash flows for the period ended 30 June 2016

	Group	
	Half - Year ended 30 Jun	
	2016	2015
	S\$'000	S\$'000
<b>Operating activities</b>		
(Loss) / profit after income tax	(2,897)	7,258
Adjustments for:		
Bad debts expense	1,983	-
Depreciation expense	202	323
Fixed assets written off	198	-
Gain on disposal of subsidiary	(593)	-
Interest expense	148	201
Interest income	-	(45)
Impairment loss of Plant & Equipment	-	(37)
Unrealised exchange gain	(3)	(170)
Share of profit of associate	(55)	(9,055)
Operating cash outflows before movements in working capital	(1,017)	(1,525)
Assets held for sales	514	-
Contract work-in-progress (net)	137	(30)
Trade receivables	2,058	1,461
Other receivables	164	2,187
Inventories	130	5
Trade payables	(3,226)	(1,224)
Other payables	124	(749)
Cash generated (used in) / from operations	(1,116)	125
Interest received	-	36
Interest paid	(148)	(203)
Net cash used in operating activities	(1,264)	(42)
<b>Investing activities</b>		
Purchase of property, plant and equipment	-	(74)
Proceeds from disposals of property, plant & equipment	-	22
Proceeds from assets held for sale	728	-
Net cash provided by / (used in) investing activities	728	(52)
<b>Financing activities</b>		
Proceeds from issuance of shares	-	2,125
Repayment of borrowings	(117)	(1,948)
Repayment of finance lease liabilities	(80)	(28)
Net cash (used in) / provided by financing activities	(197)	149
Net increase / (decrease) in cash and cash equivalents	(733)	55
Net effect of exchange rate changes in consolidating subsidiaries	(55)	(29)
Cash and cash equivalents at January 1	800	2,158
Cash and cash equivalents at June 30	12	2,184
<b>NOTE</b>		
Cash and cash equivalents	313	2,683
Bank overdraft	(301)	(499)
	12	2,184

## GPS ALLIANCE HOLDINGS LIMITED



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#### The discussion that follows compares the consolidated statement of cash flows for the 6 months to 30 June 2016 with that of 31 December 2015

The cash and cash equivalents of the Group stood at S\$12,000 compare to S\$800,000 as at end 31 December 2015. The movements are largely a result of no new revenue streams and the retention of projects which are not due for collection in the 1H2016.

#### 1(d)(i) Statements of changes in equity for the period ended 30 June 2016

	Share capital S\$'000	Capital reserve S\$'000	Translation reserve S\$'000	Accumulated losses S\$'000	Attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total S\$'000
<b>Group</b>							
Balance at 1 Jan 2015	8,229	1,943	(180)	(10,300)	(308)	(221)	(529)
Issue of share capital	2,125	-	-	-	2,125	-	2,125
Total comprehensive income for the period from 1 Jan 2015 to 30 Jun 2015	-	-	(214)	7,529	7,315	(271)	7,044
Balance at June 30, 2015	10,354	1,943	(394)	(2,771)	9,132	(492)	8,640
Total comprehensive income for the period from 1 Jul 2015 to 31 Dec 2015	-	-	24	(4,219)	(4,195)	(1,090)	(5,285)
Balance at December 31, 2015	10,354	1,943	(370)	(6,990)	4,937	(1,582)	3,355
Total comprehensive income for the period from 1 Jan 2016 to 30 Jun 2016	-	-	(70)	(2,052)	(2,122)	(845)	(2,967)
Balance at June 30, 2016	10,354	1,943	(440)	(9,042)	2,815	(2,427)	388

#### 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury 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.

In the 1H 2015, the company issued 11,212,500 ordinary shares at AUD0.18 each to raise S\$2.1 million through a placement issue for cash. There have been no placements during 1H2016.



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- 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.**

For the half year ending, 30 June 2016, the Company did not issue any new shares.  
An additional 11,212,500 ordinary shares were raised in the prior year.  
There were 85,692,500 shares on issue at 30 June 2016 (31 December 2015: 85,692,500 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 period 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 have been reviewed by the auditor in accordance with Australian Standard on Review Engagements 2410 "Review of a Financial Report Performed by the Independent Auditor of the Entity".

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

The independent auditor's review report is included on pages 4-5, of the Interim Financial Information as attached to this announcement.

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

During the 1H2016, the sale of real estate agency business was completed. Accordingly, control was lost over Global Alliance Property Pte Ltd.

- 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 period.**

Name of associates	Shareholding (%)	Share of profit (S\$'000)	
		1H2016	1H2015
Huge Development Pte Ltd	15%	55	9,055

- 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.

Except as disclosed in paragraph 5, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period 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.**

The Group has adopted all the new and revised Australian Accounting Standards and Interpretations applicable from 1 January 2016. These do not have a significant financial impact on the Group.

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

	Group	
	Half-Year ended 30 June	
	2016	2015
<b>(Loss) / Earnings per share for the period (Singapore cents)</b>		
Basic	-3.37 cents	9.29 cents
Diluted	-3.37 cents	9.29 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 period reported on; and (b) the corresponding period of the immediately preceding financial year.**

	Group	
	30/06/2016	30/06/2015
Net tangible value per ordinary share based on issued share capital as at the end of the reporting period (Singapore cents)	0.45 cents	10.05 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 previously disclose any forecast or prospect statement to shareholders.

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 period and the next 12 months.**

On 2 February 2016, the consolidated entity announced that it had completed the Sale and Purchase Agreement (SPA) to sell its real estate agency business in Singapore.

The Watercolors Executive Condominium project has received its CSC status in July 2016. A dividend of S\$6.75 million from the Watercolors Executive Condominium project was received in August 2016. The group is expecting a final dividend payout of S\$0.45 million in 2H2016 or 1H2017.

With the sales of the agency business and the completion of fit out at Watercolors, the Management is actively seeking new business opportunities, not restricted to existing industries.

## **GPS ALLIANCE HOLDINGS LIMITED**

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### **INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS**

#### **BY ORDER OF THE BOARD**

Marcelo Mora  
Company Secretary  
31 August 2016

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## GPS ALLIANCE HOLDINGS LIMITED



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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 half-year financial results for the period ended 30 June 2016 false or misleading in any material aspect.

On behalf of the board of directors,

A blue ink signature of Mr. Lim Pang Hern, consisting of several fluid, connected strokes.

Mr. Lim Pang Hern  
Chairman

A black ink signature of Mr. See Mei Li, featuring a series of rhythmic, wavy horizontal strokes.

Mr. See Mei Li  
Executive Director

Singapore  
31 August 2016

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**GPS ALLIANCE HOLDINGS LIMITED  
AND ITS SUBSIDIARIES**  
(Registration No. ACN 163 013 947)

**INTERIM FINANCIAL INFORMATION**

**FOR THE SIX MONTHS ENDED  
JUNE 30, 2016**

**GPS ALLIANCE HOLDINGS LIMITED  
AND ITS SUBSIDIARIES**

**INTERIM FINANCIAL INFORMATION**

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GPS ALLIANCE HOLDINGS LIMITED  
ACN 163 013 947

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**DIRECTORS' REPORT FOR THE HALF-YEAR ENDED 30 JUNE 2016**

This Report by the Directors of GPS Alliance Holdings Limited (the Company) is made pursuant to the provisions of the Corporations Act 2001 for the half-year ended 30 June 2016 and is accompanied by the Condensed Interim Financial Report of the Company and its subsidiaries (the Group), for the half-year ended 30 June 2016, in the form of ASX Appendix 4D.

The information set out in this Report is to be read in conjunction with that appearing in the attached Half-Year Results Announcement and in the Notes to the Condensed Consolidated Interim Financial Report which accompanies this Report.

**1. Directors**

The name of each person who has been a Director of the Company at any time during or since the end of the half-year is:

Tan Thiam Hee	Resigned on 20 April 2016
Glenda Mary Sorrell	Resigned on 20 April 2016
Lim Pang Hern	
See Mei Li	
David Richard Laxton	Redesignated as Executive Director from 4 January 2016
Dennis Yong	Resigned on 18 March 2016
Vi Chi Hong	Resigned on 20 April 2016
Wang Jinhui	
Marcelo Mora	Appointed on 20 May 2016
Andrew Bryden Skinner	Appointed on 20 May 2016

**2. Review and Results of Operations**

A review of the operations of the Group during the half-year ended 30 June 2016 and the results of those operations is contained in the attached Half-Year Results Announcement.

### 3. Auditor's Independence Declaration

A copy of the independence declaration received from the Company's auditor, Deloitte Touche Tohmatsu, in accordance with section 307C of the Corporations Act 2001, in respect of the review undertaken in relation to the Consolidated Interim Financial Report for the half year ended 30 June 2016 is included on page 3.

### 4. Rounding Off

The Company is of a kind referred to in ASIC class Order 98/100, issued by the Australian Securities and Investment Commission, and in accordance with that Class Order, amounts in the Consolidated Interim Financial Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

### 5. Events After the Reporting Period

Huge Development Pte Ltd, the company's associate, declared a dividend of S\$7.2 million, of which S\$6.75 million was received in August 2016, the remaining shall be received in either 2H2016 or 1H2017. The UOB loan of S\$4.53 million as at 30 June 2016 will be repaid on 31<sup>st</sup> August 2016.

There has not been any other matter or circumstance occurring subsequent to the end of the half year that has significantly affected, or may significantly affect, the consolidated entity.

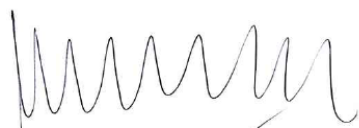
This report is signed in accordance with a resolution of directors made pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the Directors



---

LIM PANG HERN  
Chairman



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SEE MEI LI  
Executive Director

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The Board of Directors  
GPS Alliance Holdings Limited  
Level 2, 174 Collins Street  
Hobart Tasmania 7000 Australia

31 August 2016

Dear Board Members

### **GPS Alliance Holdings Limited**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of GPS Alliance Holdings Limited.

As lead audit partner for the review of the financial statements of GPS Alliance Holdings Limited for the half-year ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Carl Harris  
Partner  
Chartered Accountants

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## **Independent Auditor's Review Report to the Members of GPS Alliance Holdings Limited**

We have been engaged to review the accompanying half-year financial report of GPS Alliance Holdings Limited, which comprises the condensed consolidated statement of financial position as at 30 June 2016, and the condensed consolidated statement of comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 7 to 28.

### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Because of the matters described in the Basis for Disclaimer of Review Conclusion paragraphs below, we have not been able to complete our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*.

### *Auditor's Independence Declaration*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of GPS Alliance Holdings Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

## *Basis for Disclaimer of Review Conclusion*

We draw attention to Note 2 'Going Concern' in the financial report, which indicates that as at and for the period ended 30 June 2016, the consolidated entity had accumulated losses of S\$9.042 million (31 December 2015: S\$6.990 million), net cash used in operating activities of S\$1.264 million (30 June 2015: S\$0.042 million) and a working capital deficiency of S\$9.759 million (31 December 2015: S\$7.120 million).

We draw attention to Note 2 'Going Concern' in the financial report, which indicates that as at and for the period ended 30 June 2016, the consolidated entity had accumulated losses of S\$9.042 million (31 December 2015: S\$6.990 million), net cash used in operating activities of S\$1.264 million (30 June 2015: S\$0.042 million) and a working capital deficiency of S\$9.759 million (31 December 2015: S\$7.120 million).

The directors have satisfied themselves as to the appropriateness of the going concern assumption on the basis that:

- The entity expects to receive a further dividend of S\$450,000 from the Watercolours Executive Condominium project in January 2017;
- On 12 June 2015, the consolidated entity announced a joint venture with Vinters Development Pte Ltd, to develop the land in Kempas, Johour Bahru, Malaysia. Due to insufficient funds, the plan is currently on hold;
- The entity is in discussions to develop a new line of business;
- The entity is looking at improving the asset value of its property to allow the entity to generate cashflows through rental agreements or sale of the building;
- Existing creditors continue to support the consolidated entity by not demanding payments of outstanding amounts;
- Management will return the existing business to profitability through sourcing new and additional projects, and controlling production and administrative expenditure; and
- The consolidated entity will raise additional funds either through an equity issues or additional loans or a combination thereof to enable it to meet its obligations and fund planned activities.

Further, the statement of financial position at 30 June 2016 includes property, plant and equipment which is expected to be realised in future years. The ability to recover the carrying value of the property, plant and equipment is dependent on successfully achieving the matters outlined in Note 2 'Going Concern', and the consolidated entity continuing as a going concern.

At the date of this report, we have not been able to obtain sufficient appropriate evidence to support the basis on which the directors have satisfied themselves that they can achieve the matters described above.

## *Disclaimer of Auditor's Conclusion*

Due to the significance of the matters as described in the Basis for Disclaimer of Review Conclusion paragraphs above, based on our review, which is not an audit, we are unable to, and do not, express a conclusion as to whether the half-year financial report of GPS Alliance Holdings Limited is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Carl Harris  
Partner  
Chartered Accountants  
Hobart, 31 August 2015

**GPS ALLIANCE HOLDINGS LIMITED  
AND ITS SUBSIDIARIES**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
June 30, 2016**

	Note	June 30, 2016 <u>S\$'000</u>	Dec 31, 2015 <u>S\$'000</u>
<b><u>ASSETS</u></b>			
<b>Current assets</b>			
Cash & cash equivalents		313	1,109
Trade receivables		250	4,291
Other receivables		397	460
Inventories		1	131
Contract work-in-progress		216	353
		<u>1,177</u>	<u>6,344</u>
Asset classified as held for sale		-	2,346
Total current assets		<u>1,177</u>	<u>8,690</u>
<b>Non-current assets</b>			
Intangible assets		3	3
Property, plant & equipment		3,071	3,467
Investment in associate		7,346	7,291
Total non-current assets		<u>10,420</u>	<u>10,761</u>
<b>Total assets</b>		<u><u>11,597</u></u>	<u><u>19,451</u></u>

See accompanying notes to the condensed consolidated financial statements.

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**GPS ALLIANCE HOLDINGS LIMITED  
AND ITS SUBSIDIARIES**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)  
June 30, 2016**

	Note	June 30, 2016 <u>S\$'000</u>	Dec 31, 2015 <u>S\$'000</u>
<b><u>LIABILITIES AND EQUITY</u></b>			
<b>Current Liabilities</b>			
Bank loan and bills payable		6,618	6,813
Trade payables		2,092	4,793
Other payables and accruals		2,059	1,408
Current portion of finance leases		39	36
Income tax payable		128	128
		<u>10,936</u>	<u>13,178</u>
Liabilities directly associated with assets classified as held for sale		-	2,632
<b>Total Current Liabilities</b>		<u>10,936</u>	<u>15,810</u>
<b>Non-current Liabilities</b>			
Provisions for other liabilities and charges		240	240
Finance leases		33	46
<b>Total non-current liabilities</b>		<u>273</u>	<u>286</u>
<b>Total Liabilities</b>		<u>11,209</u>	<u>16,096</u>
<b>Equity</b>			
Share Capital		10,354	10,354
Capital reserve		1,943	1,943
Accumulated losses		(9,042)	(6,990)
Translation reserve		(440)	(370)
Equity attributable to owners of the Company		<u>2,815</u>	<u>4,937</u>
Non-controlling interests		(2,427)	(1,582)
<b>Total equity</b>		<u>388</u>	<u>3,355</u>
<b>Total liabilities and equity</b>		<u>11,597</u>	<u>19,451</u>

See accompanying notes to the condensed consolidated financial statements.

**GPS ALLIANCE HOLDINGS LIMITED  
AND ITS SUBSIDIARIES**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
For the six months ended June 30, 2016**

	Note	June 30, 2016 S\$'000	June 30, 2015 S\$'000
<b><u>Continuing operations</u></b>			
Revenue		254	2,285
Cost of sales		(424)	(2,179)
Gross (loss) / profit		(170)	106
Other income		784	144
Administrative expenses		(3,314)	(1,241)
Finance costs	8	(145)	(193)
Share of profit from associate		55	9,055
<b>(Loss) / profit before income tax</b>		(2,790)	7,871
Income tax expense		-	-
<b>(Loss) / profit from continuing operations</b>		(2,790)	7,871
<b><u>Discontinued operations</u></b>			
Loss from discontinued operations	11	(107)	(613)
<b>(Loss) / profit for the period</b>		(2,897)	7,258
<b>(Loss) / profit for the period</b>			
<b>Other comprehensive income:</b>			
Items that maybe classified subsequently to profit or loss:			
Exchange difference on translation of foreign operations, net of tax		(70)	(214)
<b>Total comprehensive (loss) / income for the period</b>		(2,967)	7,044

See accompanying notes to the condensed consolidated financial statements.

**GPS ALLIANCE HOLDINGS LIMITED  
AND ITS SUBSIDIARIES**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)  
For the six months ended June 30, 2016**

	Note	June 30, 2016 S\$'000	June 30, 2015 S\$'000
<b>(Loss) / profit for the period attributable to:</b>			
Owners of the Company		(2,052)	7,529
Non-controlling interests		(845)	(271)
		<u>(2,897)</u>	<u>7,258</u>
<b>Total comprehensive (loss) / profit for the period attributable to:</b>			
Owners of the Company		(2,122)	7,315
Non-controlling interests		(845)	(271)
		<u>(2,967)</u>	<u>7,044</u>
<b>(Losses) / Earning per share (Singapore cents):</b>			
- Basic		(3.37)	9.29
- Diluted		(3.37)	9.29

See accompanying notes to the condensed consolidated financial statements.



**GPS ALLIANCE HOLDINGS LIMITED  
AND ITS SUBSIDIARIES**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
For the six months ended June 30, 2016**

	Share capital	Capital reserve	Translation reserve	Accumulated losses	Attributable to owners of the Company	Non- controlling interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at January, 1 2015	8,229	1,943	(180)	(10,300)	(308)	(221)	(529)
Issue of share capital	2,125	-	-	-	2,125	-	2,125
Total comprehensive income for the 1H2015	-	-	(214)	7,529	7,315	(271)	7,044
Balance at June 30, 2015	10,354	1,943	(394)	(2,771)	9,132	(492)	8,640
Total comprehensive income for the 2H2015	-	-	24	(4,219)	(4,195)	(1,090)	(5,285)
Balance at December 31, 2015	10,354	1,943	(370)	(6,990)	4,937	(1,582)	3,355
Total comprehensive income for the 1H2016	-	-	(70)	(2,052)	(2,122)	(845)	(2,967)
Balance at June 30, 2016	10,354	1,943	(440)	(9,042)	2,815	(2,427)	388

See accompanying notes to the condensed consolidated financial statements.

**GPS ALLIANCE HOLDINGS LIMITED  
AND ITS SUBSIDIARIES**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
For the six months ended June 30, 2016**

	June 30, 2016 <u>S\$'000</u>	June 30, 2015 <u>S\$'000</u>
<b>Operating activities</b>		
Profit / (Loss) after income tax	(2,897)	7,258
Adjustments for:		
Bad debts expense	1,983	-
Depreciation expense	202	323
Fixed assets written off	198	-
Gain on disposal of subsidiary	(593)	-
Interest expense	148	201
Interest income	-	(45)
Impairment loss of Plant & Equipment	-	(37)
Unrealised exchange gain	(3)	(170)
Share of profit of associate	(55)	(9,055)
Operating cash outflows before movements in working capital	<u>(1,017)</u>	<u>(1,525)</u>
Assets held for sales	514	-
Contract work-in-progress (net)	137	(30)
Trade receivables	2,058	1,461
Other receivables	164	2,187
Inventories	130	5
Trade payables	(3,226)	(1,224)
Other payables	124	(749)
Cash generated (used in) / from operations	<u>(1,116)</u>	<u>125</u>
Interest received	-	36
Interest paid	(148)	(203)
Net cash used in operating activities	<u>(1,264)</u>	<u>(42)</u>

See accompanying notes to the condensed consolidated financial statements.

**GPS ALLIANCE HOLDINGS LIMITED  
AND ITS SUBSIDIARIES**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
For the six months ended June 30, 2016**

	June 30, 2016 <u>S\$'000</u>	June 30, 2015 <u>S\$'000</u>
<b>Investing activities</b>		
Purchase of property, plant and equipment	-	(74)
Proceeds from disposals of property, plant & equipment	-	22
Proceeds from assets held for sales	728	-
Net cash provided by / (used) in investing activities	<u>728</u>	<u>(52)</u>
<b>Financing activities</b>		
Proceeds from issuance of shares	-	2,125
Repayment of borrowings	(117)	(1,948)
Repayment of finance lease liabilities	(80)	(28)
Net cash (used in) / provided by financing activities	<u>(197)</u>	<u>149</u>
Net increase / (decrease) in cash and cash equivalents	(733)	55
Net effect of exchange rate changes in consolidating subsidiaries	(55)	(29)
Cash and cash equivalents at January 1	800	2,158
Cash and cash equivalents at June 30	<u>12</u>	<u>2,184</u>
<b>NOTE</b>		
Cash and cash equivalents	313	2,683
Bank overdraft	(301)	(499)
	<u>12</u>	<u>2,184</u>

See accompanying notes to the condensed consolidated financial statements.

**GPS ALLIANCE HOLDINGS LIMITED  
AND ITS SUBSIDIARIES**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2016**

**1 GENERAL**

The Company (Registration No. ACN 163013947) was incorporated in Australia on 25 March 2013 with its registered office at Level 2, 174 Collins Street, Hobart Tasmania 7000 Australia. The Company is listed on the Australian Securities Exchange. The financial information is expressed in Singapore dollars.

The details of the subsidiaries are as follows:

<u>Name of subsidiaries</u>	<u>Principal activity (Country of incorporation/operation)</u>	<u>Effective equity interest held</u>	
		<u>June 30, 2016</u>	<u>Dec 31, 2015</u>
		%	%
GPS Alliance Holdings Pte Ltd	Investment holding (Singapore)	100	100
Global Property Strategic Alliance Pte Ltd	Provision of services as real-estate agency (Singapore)	100	100
GPS Alliance Development & Investment Pte Ltd	Provision of real estate consultancy and investment (Singapore)	100	100
Global Alliance International Academy Pte Ltd (previously known as GPS Alliance International Pte Ltd)	Dormant (Singapore)	100	100
Urban Point Sdn Bhd	Dormant (Malaysia)	100	100
Myanmar GPS Alliance Co Ltd	Dormant (Myanmar)	100	100

**GPS ALLIANCE HOLDINGS LIMITED  
AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2016**

**1 GENERAL (CONT'D)**

<u>Name of subsidiaries</u>	<u>Principal activity (Country of incorporation/operation)</u>	<u>Effective equity interest held</u>	
		<u>June 30, 2016</u> %	<u>Dec 31, 2015</u> %
GPS Alliance Home Solutions Pte Ltd	Investment holding (Singapore)	60	60
Homz Lifestyle Pte Ltd	Wholesale of furniture, home furnishings and other household equipment (Singapore)	60	60
Probuild Pte Ltd	Trading of building materials, interior design and fit-out work (Singapore)	60	60
Ecobuild Products Pte Ltd	Trading of building materials, interior design and fit-out work (Singapore)	60	60
Novel Praxis Pte Ltd	Trading of building materials, interior design and fit-out work (Singapore)	60	60
Probuild Sdn Bhd	In liquidation Trading of building materials, interior design and fit-out work (Malaysia)	60	60

**GPS ALLIANCE HOLDINGS LIMITED  
AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2016**

**2 GOING CONCERN**

The financial report has been prepared on the 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 period ended 30 June 2016, the consolidated entity had accumulated losses of S\$9.042 million (31 December: S\$6.990 million), net cash used in operating activities of S\$1.264 million (30 June 2015: S\$0.042 million) and a working capital deficiency of S\$9.759 million (31 December 2015: S\$7.120 million).

The UOB bank loan of S\$4.53 million as at 30 June 2016 is secured against the investment in Watercolours Executive Condominium project. Upon receipt of the S\$6.75 million dividend from the project in August 2016, this loan was fully repaid on 31 August 2016.

The DBS loan was taken up to finance the acquisition of a JTC leasehold property with a purchase price of S\$3.3 million and has been paid down to S\$1.7 million as at balance date.

The working capital deficiency arises primarily due to the ability of the banks to recall the loans at their absolute discretion and due to significant level of creditors and accruals, of which the consolidated entity has not negotiated extended payment terms.

The ability of the consolidated entity to continue as a going concern is dependent upon the continued support of the current bankers and the successful outcome of the following matters:

- Receipt of a further dividend of S\$ 450,000 from the Watercolours Executive Condominium project in January 2017.
- On 12 June 2015, the consolidated entity announced a joint venture with Vinters Development Pte Ltd, to develop the land in Kempas, Johour Bahru, Malaysia. Due to insufficient funds, the plan is currently on hold.
- To improve the cash flow position, the consolidated entity is in discussions to develop a new line of business that will be announced to the market in due course and if required, shareholder approval will be sought.
- Should the cash flow ease, the consolidated entity is looking at improving the asset value of the leasehold property currently financed by DBS loan by building an extension, this will allow the group to generate more cashflows in terms of rental or sales of the building in the future.
- The continued support of creditors not to call for repayment of amounts currently due and payable.
- Management will return the existing business to profitability through sourcing new and additional projects, and controlling production and administrative expenditure.
- The consolidated entity will raise additional funds either through an equity issue or additional loans or a combination thereof, to enable it to meet its obligations and fund planned activities.

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

**GPS ALLIANCE HOLDINGS LIMITED  
AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2016**

**2 GOING CONCERN (CONT'D)**

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

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amount and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

**3 SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Statement of compliance**

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

**3.2 Basis of preparation**

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Singapore dollars, unless otherwise noted.

The company is a company of the kind referred to in ASIC Class Order 98/100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2015 annual financial report for the financial year ended 31 December 2015.

**GPS ALLIANCE HOLDINGS LIMITED  
AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**June 30, 2016**

**4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION  
UNCERTAINTY**

In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

**4.1 Critical judgements in applying the Group's accounting policies**

Management is of the opinion that there are no instances of application of judgements expected to have a significant effect on the amounts recognised in the financial information.

**4.2 Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

a) Revenue from contract work-in-progress

Revenue and costs associated with a project are recognised as revenue and expenses respectively by reference to the proportion of cost incurred to date in relation to the estimated total costs for the respective contracts, provided that the outcome can be reliably estimated. When it is probable that the total project costs will exceed the total project revenue, the expected loss is recognised as an expense immediately. These computations are based on the presumption that the outcome of a project can be estimated reliably.

Management has performed cost studies, taking into account the costs to date and costs to complete each project, foreseeable losses and applicable liquidated damages, if any. Management has also reviewed the status of such projects and is satisfied that the estimates to complete are realistic, and the estimates of total project costs and sales proceeds indicate full project recovery.



**GPS ALLIANCE HOLDINGS LIMITED  
AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**June 30, 2016**

**4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION  
UNCERTAINTY (CONT'D)**

b) Allowance for doubtful debts

The Group makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful debts requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of trade and other receivables and doubtful debts expenses in the year in which such estimate has been changed. There is no allowance of doubtful debts recognised at the end of the reporting period (June 30, 2015: Nil).

c) Allowance for inventories

Inventory is valued at the lower of the actual cost or net realisable value. Net realisable value is generally the merchandise's selling price, less costs to sell. The Group reviews its inventory levels in order to identify slow-moving and obsolete items which have a market price that is lower than its carrying amount. Allowances for impairment of inventories are recognised in profit or loss. There is no allowance for impairment of inventories at the end of the reporting period (June 30, 2015: Nil).

d) Useful lives and residual value of plant and equipment

The Group reassesses the estimated useful lives and residual values of plant and equipment at the end of each reporting year. Management is satisfied that there is no change in the useful lives and residual value of the plant and equipment from prior year.

**GPS ALLIANCE HOLDINGS LIMITED  
AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**June 30, 2016**

**5 RELATED PARTY TRANSACTIONS**

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest free, repayable on demand and expected to be settled in cash unless stated otherwise.

During the period, the Group entered into the following transactions with related parties within the group:

	June 30, 2016	June 30, 2015
	S\$'000	S\$'000
Professional fee expenses	4	8
Rental expenses (Global Property Strategic Alliance Pte Ltd)	-	329
Other Income	47	(41)
Purchases	-	7
Revenue (Probuild Pte Ltd)	-	(510)
	<u>51</u>	<u>(207)</u>

***Compensation of directors and key management personnel***

The remuneration of directors and other members of key management during the period were as follows:

	June 30, 2016	June 30, 2015
Short-term benefits	276	284
Post-employment benefits	25	17
Total	<u>301</u>	<u>301</u>

The remuneration of directors and key management is determined by the remuneration committee having regard to the performance of individuals and market trends, in accordance with disclosures made in our replacement prospectus dated 24 May 2013.

**GPS ALLIANCE HOLDINGS LIMITED  
AND ITS SUBSIDIARIES**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2016**

**6 BANK LOANS AND BILLS PAYABLE**

	June 30, 2016	December 31, 2015
	S\$'000	S\$'000
Bank overdraft	301	309
UOB loan	4,530	4,530
DBS loan	1,715	1,832
Hitachi loan	72	142
	<u>6,618</u>	<u>6,813</u>

The UOB loan is S\$4.53 million as at 30 June 2016 bears an interest rate of 5.25%. The UOB loan is secured by way of legal charge over a subsidiary's shares in an investee company with a carrying amount of S\$7.3 million (2015: S\$7.2 million) and corporate guarantee from the Company. The bank is able to recall the funds at their absolute discretion. The company will repaid the loan and accrued interest as on 31 August 2016.

The DBS loan is S\$1.7 million as at 30 June 2016 and is repayable over 72 instalments from February 2015 to January 2020. The loan bears an interest rate of 2.47% per annum, and is secured by way of legal charge over the subsidiary's leasehold property, corporate guarantee from the Company and a personal guarantee from certain directors of a subsidiary. The bank is able to recall the funds at their absolute discretion.

The Hitachi loan is S\$72,000 as at 30 June 2016. The loan bears an interest rate of 6.02% and is fully repayable over 36 instalments from December 2013 to December 2016.

The Bank over draft bears interest at the bank's prevailing prime rate plus a margin of 0.5% per annum.

The bank loans are denominated in the functional currencies of the respective entities and translated to SGD for reporting purpose.

**GPS ALLIANCE HOLDINGS LIMITED  
AND ITS SUBSIDIARIES**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2016**

**7 SHARE CAPITAL**

	<u>June 30, 2016</u>		<u>December 31, 2015</u>	
	Number of Ordinary shares		Number of Ordinary shares	
<b>Issued and paid up:</b>	'000	S\$'000	'000	S\$'000
At beginning of period	85,963	10,354	74,750	8,229
Issued during the period:				
Share placement	-	-	11,213	2,125
Share issue expenses	-	-	-	-
At the end of the period	<u>85,963</u>	<u>10,354</u>	<u>85,963</u>	<u>10,354</u>

On 7 May 2015, the Company issued 11,212,500 ordinary shares to raise S\$2,125,217.

**8 FINANCE COSTS**

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
	S\$'000	S\$'000
HP interest expense	1	1
Bank overdraft interest	6	10
Loan interest expenses	138	181
Bank charges	-	1
Total finance cost	<u>145</u>	<u>193</u>

**GPS ALLIANCE HOLDINGS LIMITED  
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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2016**

**9 (LOSS) / EARNINGS PER SHARE**

	June 30, 2016	June 30, 2015
(Loss) / Profit for the period attributable to owners of the Company (in S\$'000)	(2,897)	7,258
Weighted average number of ordinary shares for the purpose of the basic and diluted earnings per share (in '000)	85,963	78,095
(Loss) / Earnings per share (Singapore cents):		
- Basic	(3.37)	9.29
- Diluted	(3.37)	9.29

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**10 OPERATING SEGMENT INFORMATION**

*Products and services from which reportable segments derive their revenues*

Information reported to the Group's chief operating decision maker for the purpose of resource allocation and assessment of segment performance is more specifically focused on the functionality of services provided. The Group's reportable segments are as follows:

- Property Development
- Kitchen and wardrobe cabinet supply and interior design and fit-out work ("ID& fit-out work")

Information regarding the Group's reportable segments is presented below:

*Segment revenues and results*

The following is an analysis of the Group's revenue and results by reportable segments:

	Revenue		(Loss) / Earnings	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
	S\$'000	S\$'000	S\$'000	S\$'000
Property Development	155	125	(826)	8,860
ID & fit-out work	99	2,670	(492)	(679)
	254	2,795	(1,318)	8,181
Elimination	-	(510)	(197)	312
	254	2,285	(1,515)	8,493
Unallocated corporate income			(90)	12
Administrative expenses			(1,292)	(634)
(Loss) / profit before income tax			(2,897)	7,871
Income tax			-	-
(Loss) / profit for the period			(2,897)	7,871
Consolidated revenue and profit/ (loss) for the period	254	2,285	(2,897)	7,871

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit / (loss) represents the profit / (loss) earned by each segment without allocation of share of loss of associate, the gain on deemed disposal of previously held interest in associate, dividend income, interest income, finance costs and income tax. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

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**10 OPERATING SEGMENT INFORMATION (CONT'D)**

*Segment assets*

	June 30, 2016 <u>S\$'000</u>	Dec 31, 2015 <u>S\$'000</u>
Property Development	6,869	11,210
ID & fit-out work	4,635	4,853
Total segment assets	<u>11,504</u>	<u>16,063</u>
Assets relating to Real Estate Agency (now discontinued)	-	2,346
Elimination	-	805
	<u>11,504</u>	<u>19,214</u>
Unallocated corporate assets	93	237
Total assets	<u><u>11,597</u></u>	<u><u>19,451</u></u>

For the purposes of monitoring segment performance and allocating resources between segments, the chief operating decision maker monitors the tangible and financial assets attributable to each segment.

All assets are allocated to reportable segments other than deferred income tax asset and the assets of investment holding companies which are included under unallocated corporate assets representing cash and bank balances, deposits, prepayments and plant and equipment.

*Other segment information*

	<u>Depreciation</u>		<u>Impairment</u>		<u>Addition to PPE</u>		<u>Disposal of PPE</u>	
	June 30, 2016 <u>S\$'000</u>	June 30, 2015 <u>S\$'000</u>	June 30, 2016 <u>S\$'000</u>	June 30, 2015 <u>S\$'000</u>	June 30, 2016 <u>S\$'000</u>	June 30, 2015 <u>S\$'000</u>	June 30, 2016 <u>S\$'000</u>	June 30, 2015 <u>S\$'000</u>
Real Estate Agency	22	113	-	263	-	-	-	(28)
ID & fit-out work	180	206	-	-	-	2	(198)	(20)
Others	-	4	-	-	-	72	-	-
Total	<u>202</u>	<u>323</u>	<u>-</u>	<u>263</u>	<u>-</u>	<u>74</u>	<u>(198)</u>	<u>(48)</u>

*Geographical information*

The Group mainly operates in Singapore, its country of domicile and thus no breakdown is required.

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**11 DISCONTINUED OPERATIONS / HELD FOR SALE**

On 20 July 2015, one of the Company’s subsidiaries, Global Property Strategic Alliance Pte Ltd (“GPSA”) together with MORE Property Pte Ltd (“MORE”), a company incorporated in Singapore, together as vendors, entered into a conditional sale and purchase agreement (‘SPA’) with Asia-Pacific Strategic Investments Limited (“APSI”), a company incorporated in Singapore and listed on the Singapore Exchange Securities Trading Limited for the sale of the entire issued capital of Global Alliance Property Pte Ltd (“GA”), a newly incorporated company by GPSA and MORE.

On 2 February 2016, the Group completed the Sale and Purchase Agreement (SPA) to sell part of its real estate agency business in Singapore with changes to certain terms. The final consideration received by GPSA was S\$728,000. The vendors (GPSA and MORE Property Pte Ltd collectively) amended the contract to remove the consideration of S\$1,500,000 payable in ordinary shares in the capital of APSI and the requirement to enter into the management agreement. The payment of the consideration constituted full and final settlement of all amounts owed by the purchaser, APSI, to the vendors under the SPA. No other terms and conditions of the SPA were modified.

In compliance with the provision of AASB5 Non-Current Assets Held for Sale and Discontinued Operations, the selected assets and liabilities of GPSA that will be transferred to GA have been classified as “held for sale” on the consolidated balance sheet, and the entire results of GPSA have been presented separately in the statement of comprehensive income as “Discontinued Operations” for the year ended 31 December 2015.

On 3 May 2016, the subsidiary Probuild Malaysia Sdn Bhd, has been wound up by its creditors through Malaysia High Court. The balance items of the company has been reclass to Profit & Loss and disclosed as discontinued operations.

The combined results of the discontinued operations included in profit for the year are set out below. The comparative profit and cash flows from discontinued operations have been re-presented to include those operations classified as discontinued in the current year.

***(Loss) / Profit for the period from discontinued operations***

	June 30, 2016	June 30, 2015
	S\$'000	S\$'000
Revenue	664	6,195
Cost of sales	(611)	(5,541)
Gross profit	53	654
Other income	1	294
Expenses	(161)	(1,561)
Profit before tax	(107)	(613)
Attributable income tax expense	-	-
(Loss) for the period from discontinued operations	<u>(107)</u>	<u>(613)</u>



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**11 DISCONTINUED OPERATIONS / HELD FOR SALE (CONT'D)**

	June 30, 2016	June 30, 2015
	S\$'000	S\$'000
<i>Cashflow from discontinued operations</i>		
Net cash inflows/(outflows) from operating activities	(79)	776
Net cash outflows from investing activities	-	(28)
Net cash outflows from financing activities	-	(67)
Net cash inflows /(outflows)	<u>(79)</u>	<u>681</u>

Certain assets and liabilities of the real-estate agency division were classified and accounted for at 30 June 2015 as held for sale.

*Assets classified as held for sale*

	June 30, 2016	June 30, 2015
	S\$'000	S\$'000
Property, plant & equipment held for sale	-	454
Sundry deposits	-	158
	<u>-</u>	<u>612</u>
Liabilities associated with assets held for sale	<u>-</u>	<u>86</u>
Amounts recognised directly in equity associated with asset held for sales	<u>-</u>	<u>-</u>

**12 EVENTS AFTER THE REPORTING PERIOD**

Huge Development Pte Ltd, the company's associate, declared a dividend of S\$7.2 million, of which S\$6.75 million was received in August 2016, the remaining balance shall be received in either 2H2016 or 1H2017. The UOB loan of S\$4.53 million as at 30 June 2016 was fully repaid on 31 August 2016.

There has not been any other matter or circumstance occurring subsequent to the end of the half year that has significantly affected, or may significantly affect, the consolidated entity.

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**DIRECTORS' DECLARATION**

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

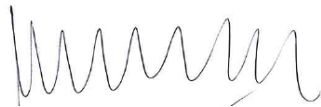
Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

ON BEHALF OF THE DIRECTORS



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Lim Pang Hern



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See Mei Li

Singapore, 31 August 2016