

GPS ALLIANCE HOLDINGS LIMITED



Appendix 4E, Preliminary Final Report – Appendix 4E

Full Year financial statements on consolidated results for the year ended 31 December 2018
(This financial report is currently being audited)

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

Name of entity

GPS ALLIANCE HOLDINGS LIMITED

1) Detail of reporting period

ABN or equivalent company reference

ACN 163 013 947

Full year ('current year')

31 December 2018

2) RESULTS FOR ANNOUNCEMENT TO THE MARKET

Extracts from this report for an announcement to the market

APPENDIX 4E

	Group		
	S\$'000	Up/Down	Movement %
2.1) Revenue from ordinary activities	284	Down	NM
2.2) Profit from ordinary activities after tax attributable to members	814	Up	NM
2.3) Net profit for the year attributable to members	814	Up	NM
	Amount per share Singapore cents		Franked amount per share Singapore cents
2.4) Final and interim dividends	Nil		Nil
Previous corresponding period Final dividend	Nil		Nil
Date the dividend (distribution) is payable		Not Applicable	
2.5) 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	
31/12/2018	31/12/2017
1.96 cents	0.76 cents

2.6) Additional Appendix 4E disclosure requirements can be found in the notes to the full year preliminary 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 2018 is 85,962,500 (31 December 2017: 85,962,500) ordinary shares.

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3) Consolidated Statement of Comprehensive Income for the year ended 31 December 2018

	Consolidated		% Increase / (decrease)
	31 December 2018 S\$'000	31 December 2017 S\$'000	
Continuing operations			
Revenue	284	419	(32.2)
Cost of sales	(727)	(156)	366.0
Gross (loss) / profit	(443)	263	N/M
Other income	3,406	608	460.2
Administrative expenses	(2,119)	(485)	336.9
Finance cost	(30)	(64)	(53.1)
Profit before income tax	814	322	152.8
income tax	-	-	-
Profit from continuing operations	814	322	152.8
Other comprehensive income			
Exchange difference on translation of foreign operations, net of tax	204	(160)	N/M
Other comprehensive income for the year, net of tax	204	(160)	N/M
Total Comprehensive income for the year	1,018	162	528.4
Profit for the year attributable to:			
Owners of the Company	(261)	40	N/M
Non-controlling interests	1,075	282	281.2
	814	322	152.8
Total comprehensive income attributable to:			
Owners of the Company	(57)	(120)	52.5
Non-controlling interests	1,075	282	281.2
	1,018	162	528.4
Earnings per share (Singapore cents)			
Basic and diluted loss per share	0.95	0.38	
Earnings per share - continuing operations (Singapore cents)			
Basic and diluted loss per share	0.95	0.38	

N/M: Not Meaningful

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The discussion that follows compares the income statement for the year ended 31 December 2018 with the previous year ended 31 December 2017

Income Statement

Revenue

Revenue for the year ended 31 December 2018 (FY2018) decreased from S\$0.42 million to S\$0.28 million.

Gross (Loss) / Profit

GPS Alliance Holdings Limited (GPS or the Company) and its subsidiary and related companies (the Group) reported a gross loss of S\$0.44 million in FY2018, compared with gross profit of S\$0.26 million in FY2017.

Other Income

Other income increased by S\$2.80 million to S\$3.41 when compared to FY2017 due to the amounts of gain on disposal of subsidiaries (\$2.42 million) and gain on the discontinued operation of subsidiaries (\$0.60 million).

Administrative Expenses

Administrative expenses increased to \$2.12 million from \$0.49 million mainly due to bad debt written off amounted \$1.17 million included in the administrative expenses.

Finance Costs

Finance costs decreased by 53% to S\$0.03 million in FY2018 (FY2017: S\$0.06 million). The disposal of a subsidiary resulted in GPS Group being released from all indebtedness owed to DBS Bank and as a consequence the elimination of interest payments on the loan.

Profit for the year

The Group reported a profit of S\$0.81 million in FY2018, compared with a profit of S\$0.32 million in FY2017, mainly due to gain on disposal of subsidiaries and gain on the discontinued operation of subsidiaries, restructuring and write-offs.

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4) Statement of Financial Position as at 31 December 2018

	Consolidated	
	31 December 2018 S\$'000	31 December 2017 S\$'000
ASSETS		
Current assets		
Cash and cash equivalents	21	194
Trade receivables	98	68
Other receivables	508	27
Total current assets	627	289
Non-current assets		
Intangible assets	3	3
Property, plant and equipment	-	4,446
Investment in associate	-	150
Other receivables	1,855	-
Total non-current assets	1,858	4,599
LIABILITIES		
Current liabilities		
Borrowings	-	1,333
Trade payables	4	943
Other payables and accruals	795	1,687
Current portion of finance leases	-	35
Total current liabilities	799	3,998
Non-current liabilities		
Provisions for other liabilities and charges	-	240
Total non-current liabilities	-	240
NET ASSETS	1,686	650
EQUITY		
Issued capital	10,354	10,354
Capital reserve	2,000	1,943
Asset revaluation reserve	-	1,326
Translation reserve	(456)	(519)
Accumulated losses	(10,212)	(9,951)
Parent equity interest	1,686	3,153
Non-controlling interest	-	(2,503)
Total Equity	1,686	650

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The discussion that follows compares the Financial Position as at 31 December 2018 with that of 31 December 2017

Current assets

Current assets increased by S\$0.34 million from S\$0.29 million to S\$0.63 million when compared to the beginning of the year. This was mainly attributable to the amount owing from Probuild Pte Ltd (“Probuild”) becoming other receivables after disposal.

Non-current assets

Non-current assets decreased to S\$1.86 million from S\$4.60 million when compared to FY 2017. This was mainly attributable to the disposal of the Probuild’s property, plant and equipment, disposal of investment in associate and amount owing from Probuild becoming other receivables after disposal.

Current liabilities

Current liabilities decreased to S\$0.80 million from \$4.00 million mainly due to the disposal of Probuild which included the outstanding DBS bank loan and other liabilities of subsidiaries and discontinued operation of subsidiaries.

Non-current liabilities

Non-current liabilities decreased to S\$nil from S\$0.02 million due to the disposal of subsidiaries.

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Going Concern

This 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 2018, the consolidated entity had accumulated losses of S\$10.2 million (2017: S\$10.0 million), net cash outflow from operating activities of S\$163,000 (2017: Net cash inflow of S\$280,000) and a working capital deficiency of S\$0.17 million (2017: S\$3.71 million).

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

- The consolidated entity is working to improve the profitability and cash flows of the business;
- The consolidated entity continues to seek suitable merger and acquisition opportunities and/or strategic alliances to strengthen its existing businesses and to develop other cash flow opportunities from the delivery of services or products;
- The consolidated entity has a history of successful share placements and capital raisings to improve its cash position when they have been required.

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

However, if the Group does not obtain additional funding, reduced expenditure in line with available funding, 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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5) Consolidated statement of cash flows for the year ended 31 December 2018

	Consolidated	
	31 December	31 December
	2018	2017
	S\$'000	S\$'000
Operating activities		
Profit for the year	814	322
Adjustments for:		
Depreciation expense	172	336
Gain on settlement of creditors	-	(887)
Bad debts written off	1,171	-
Interest expense	30	-
Plant and equipment written off	65	-
Dividend income	(150)	-
Gain on discontinued operation of subsidiaries	(601)	-
Gain on disposal of subsidiaries	(2,419)	-
Reversal of provision for warranty	(54)	-
Unrealised exchange loss	34	-
Operating cash outflows before movements in working capital	(938)	(229)
Trade and other receivables	200	162
Trade and other payables	605	411
Cash generated from operations	(133)	344
Interest paid	(30)	(64)
Net cash from operating activities	(163)	280
Investing activities		
Disposal of subsidiary, net of cash disposed of	123	-
Dividend received	150	-
Net cash from investing activities	273	-
Financing activities		
Repayment of borrowings	(262)	(389)
Repayment of finance lease liabilities	(21)	-
Net cash from financing activities	(283)	(389)
Net cash decrease in cash and cash equivalents	(173)	(109)
Cash and cash equivalents at January 1	194	303
Cash and cash equivalents at 31 December	21	194

Note to statement of cash flows

	Consolidated	
	31 December	31 December
	2018	2017
	S\$'000	S\$'000
Cash and cash equivalents		
<i>Continuing operations:</i>		
Cash and bank balances	21	194
Less: Bank overdraft	-	-
Cash and cash equivalents	21	194

The discussion that follows compares the consolidated statement of cash flows for the 12 months to 31 December 2018 with that of 31 December 2017

The cash and cash equivalents of the Group decreased to S\$0.02 million from \$0.19 million mainly due to cash used in operating activities, and repayment of bank loans this was offset by rental income and settlement payments of contract completed.

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6) Statements of changes in equity for the year ended 31 December 2018

	Issued capital S\$'000	Accumulated losses S\$'000	Reserves S\$'000	Translation reserve S\$'000	Total S\$'000	Non- controlling interest S\$'000	Total Equity S\$'000
Balance at 1 January 2017	10,354	(9,991)	3,269	(359)	3,273	(2,785)	488
Total comprehensive income for the year							
Profit for the year	-	40	-	-	40	282	322
Foreign currency translation differences	-	-	-	(160)	(160)	-	(160)
Total comprehensive income for the year	-	40	-	(160)	(120)	282	162
Transactions with owners recorded directly on equity							
Ordinary share issued	-	-	-	-	-	-	-
Balance at 31 December 2017	10,354	(9,951)	3,269	(519)	3,153	(2,503)	650
Balance at 1 January 2018	10,354	(9,951)	3,269	(519)	3,153	(2,503)	650
Total comprehensive income for the year							
Profit for the year	-	(261)	-	-	(261)	1,075	814
Foreign currency translation differences	-	-	-	204	204	-	204
Total comprehensive income for the year	-	(261)	-	204	(57)	1,075	1,018
Transactions with owners recorded directly on equity							
Disposal and discontinued operation of subsidiaries	-	-	(1,269)	(141)	(1,410)	1,428	18
Balance at 31 December 2018	10,354	(10,212)	2,000	(456)	1,686	-	1,686

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.

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 2018, the Company's issued capital comprises 85,962,500 (31 December 2017: 85,962,500) ordinary fully paid shares.

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.

7 & 8)

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.

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9)

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	
	31/12/2018	31/12/2017
Net tangible value per ordinary share based on issued share capital as at the end of the reporting year (Singapore cents)	1.96 cents	0.76 cents

10)

Details of entities over which control has been granted or lost during the year.

On 30 Jun 2018, the Group sold its entire share interest in its subsidiary, Probuild Pte Ltd to Global-Allied Pte Ltd. The consideration for the sale was of S\$100,000.

On 31 Dec 2018, the Group sold its entire shares of 3 subsidiaries, namely GPS Alliance Development & Investment Pte Ltd, GPS Alliance Home Solutions Pte Ltd and Global Alliance International Academy Pte Ltd to 23 MEP Furniture Pte Ltd for a consideration sum of S\$10.00 respectively. These entities were not in operation.

During the financial year, there were discontinued operations of 2 subsidiaries, namely Probuild Sdn Bhd and Urban Point Sdn Bhd. These entities were not in operation.

11)

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.

Investment in the associate company - Huge Development Pte Ltd was held by GPS Development & Investment Pte Ltd and the investment was disposed following the disposal of a subsidiary, GPS Alliance Development & Investment Pte Ltd on 31 Dec 2018.

12)

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 Group expects the business and operating environment to remain difficult during the year 2019. Given the challenging environment, management will continue to seek new sources of funding, further streamline its operations, seeking new ventures within and outside the core business of the Group and keep tight control on operating costs.

13)

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 2017.

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.

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14)

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	
	2018	2017
Earnings / (Losses) per share for the year (Singapore cents)		
Basic	0.95 cents	0.38 cents
Diluted	0.95 cents	0.38 cents

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.

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.

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's Chief operating decision maker having considered the facts concluded that, during the year ended 31 December 2018, the Group is mainly in the real estate agent activities and continues to look for new business opportunities.

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 continues to look for new opportunities.

ID & fit-out work

There was no activity of ID & fit-out work carried out during 2018.

Real Estate Agency

In prior years, due to the terms and conditions of the sale and purchase agreement for the sale of Global Alliance Property Pte Ltd, GPS was required to cease the Real Estate Agency division operations in Singapore until the expiry of the restriction.

On the expiry of the restriction during 2018, the Group re-commenced real estate agent activities, both commercial and residential and has concentrated on the commercial properties due to the high cost associated with residential properties.

15)

Where the Financial Statements have been audited or reviewed.

The Financial Statements are currently being audited in accordance with Australian Auditing Standards.

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16)

Where the have not yet been audited or reviewed is likely to contain in the auditors' report (including any qualifications or emphasis of matter).


It is likely that the independent audit report will contain a paragraph an emphasis of matter relating to uncertainty surrounding the ability of the company and the consolidated entity to continue as a going concern, refer note 4 above.

17)

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

The Financial Statement has not yet been audited. Audit is in progress.

BY ORDER OF THE BOARD



Marcelo Mora
Company Secretary
28 February 2019

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 2018 to be false or misleading in any material aspect.

On behalf of the Board of Directors,



Mr Lim Pang Hern (Jeffrey)
Chairman

Singapore
28 February 2019



Mr David Laxton
Non-Executive Director

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