

Appendix 4D

FINANCIAL REPORT FOR THE HALF YEAR ENDED 30 JUNE 2017
GPS ALLIANCE HOLDINGS LIMITED
ACN 163 013 947



DETAILS OF THE REPORTING PERIOD AND THE PREVIOUS CORRESPONDING PERIOD

Current Reporting Period Period Ended 30 June 2016

Previous Reporting Period Period Ended 30 June 2017

2 RESULTS FOR ANNOUNCEMENT TO THE MARKET

	S\$'000	Up/Down	Movement %
2.1 Revenue from ordinary activities	92	Down	(63.8)
2.2 Profit from ordinary activities after tax attributable to members	624	Up	N/M
2.3 Net Profit for the period attributable to members	624	Up	N/M

	Amount per share Singapore cents	Franked amount per share Singapore cents
2.4 Final and Interim dividends	Nil	NA
Previous corresponding period Interim dividend	Nil	NA
Date the dividend (distribution) is payable	Not Applicable	
2.5 Record date to determine entitlements to the dividend (distribution)	Not Applicable	

2.6 Any other disclosures in relation to items 2.1 to 2.4

Revenue

Revenue for first half year ended 30 June 2017 (1H2017) decreased to S\$92,000 from S\$254,000 for the same period ended 30 June 2016 (1H2016).

Gross Profit / (Loss)

The Group reported a gross profit of S\$79,000 in 1H2017 as compared to a gross loss of S\$170,000 for (1H2016) and a profit of S\$624,000 attributable to equity holders of the Company (1H2016: loss S\$2,052,000). This is mainly due the completion of the sale of projects, the finalization of accounts relating to business sold or rationalised, and final reconciliation of the projects.

Other Income

Other income was derived from a share of the income of the property held by a partly owned subsidiary and from the reversal of previous provisions and possible payables that were settled during the period.

Administrative Expenses

A decrease in administrative expenses to S\$575,000 from S\$3,314,000 as the operations of the Company were stabilised and brought to a position reflecting the current activities of the Company.

Finance Costs

A decrease in interest payments and repayment of principal contributed to the decrease in finance cost to S\$15,000.

Total Comprehensive Income / (Loss)

The Group reported a profit of S\$980,000 in 1H2017, compared to a loss of S\$2,967,000 in 1H2016.

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Current assets

Current assets increased to S\$ 600,000 from \$560,000 when compared to 1H2017.

Non-current assets

Non-current assets decreased to S\$4,758,000 from S\$4,940,000 when compared to 1HR2017 due to amortisation of property, and depreciation of plant and equipment.

Current liabilities

Current liabilities decreased to S\$3,650,000 from S\$4,772,000 mainly due to repayment of bank loans and settlement of creditor claims resulting in the finalization of the various projects.

Non-current liabilities

Non-current liabilities remained the same at S\$240,000

		Group	
		30/06/2017	31/12/2016
3	Net tangible assets per ordinary share (Singapore cents)	1.71 cents	0.57 cents

4 During the reporting period ended 30 June 2017, the Group has not gained or lost control of entities.

5 There were no dividends or distributions and dividends or distributions payments.

6 There were no dividends or redistribution of investments plans in operation.

7 No joint ventures during the reporting period.

8 Not applicable

9 This report is based on the consolidated half-year financial statements, which have been subjected to a review by Lo Surdo Braithwaite Audit and Assurance Pty Ltd.

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

BY ORDER OF THE BOARD

Marcelo Mora
Company Secretary
29 August 2017

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FINANCIAL REPORT FOR THE HALF YEAR ENDED 30 JUNE 2017
GPS ALLIANCE HOLDINGS LIMITED
ACN 163 013 947



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 2017 false or misleading in any material aspect.

On behalf of the board of directors,

A handwritten signature in blue ink, appearing to be 'LPH', written over a light blue horizontal line.

Mr. Lim Pang Hern
Chairman

A handwritten signature in blue ink, appearing to be 'DL', written over a light blue horizontal line.

Mr. David Laxton
Executive Director

Singapore
29 August 2017

GPS ALLIANCE HOLDINGS LIMITED
and its subsidiaries

ACN 163 013 947

INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
30 JUNE 2017

**GPS ALLIANCE HOLDINGS LIMITED
AND ITS CONTROLLED ENTITIES**

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**GPS ALLIANCE HOLDINGS LIMITED
AND ITS CONTROLLED ENTITIES**

DIRECTORS' REPORT

The Directors of GPS Alliance Holdings Limited (the 'Company' or 'GPS') present their report together with the condensed consolidated interim financial report and the auditor's review report thereon for the half-year ended 30 June 2017.

Directors

The names and particulars of the Directors of the Company at any time during or since the end of the half-year are:

Lim Pang Hern (Jeffrey), Executive Chairman

Director since 1 July 2014

Mr Lim joined the Board on 1 July 2014 as Executive Director. On the 1 June 2016, he was appointed as Group Executive Chairman. He is the founder of BD CraneTech and he has a diverse experience in cranes, properties, marine, precast, galvanizing and construction industry.

David R. Laxton, Executive Director

Director since 8 August 2014

Mr Laxton is a Chartered Mechanical Engineer, joined the Board as non-executive, non-independent Director, and subsequently re-designated as Executive Director from 4 Jan 2016. David Laxton is a Mechanical Engineer with a vast experience in mechanical engineering and company director. He graduated from the University of Surrey Guilford UK with a BSc Honours in Mechanical. He has held Directorship roles with a number of Singapore and Indonesian companies. Mr Laxton is bilingual with a good command of Indonesian.

Wang Jinhui, Executive Director

Director since 29 April 2015

Ms Wang is the founder of the Zhonghong Enterprise Group, and director of its subsidiaries Zhonghong Real Estate Development Company, Dehong Real Estate Development Company, Hongchuan Real Estate Development Company and Hebei Yisheng Real Estate Development Company. Under her leadership, Zhonghong Enterprise Group has expanded into luxury hotels and high-end restaurants including the development of the Zhonghong Huijing International, Zhujing Jiayuan and Majestic Galaxy City which has become an iconic landmark in Shijiazhuang City.

Marcelo Mora, Non-executive Director, Company Secretary

Director since 20 May 2016.

Graduated with a Bachelor of Business degree and Graduate Diploma of Applied Corporate Governance, is a Chartered Secretary (AGIA). He has been an accountant for more than 30 years both in Australia and internationally and he is also the Group Company Secretary.

Andrew B. Skinner, Non-executive Director

Director since 20 May 2016

Certified Practising Accountant (CPA) joined the Board as Non-executive Director on 20 May 2016. He has been in public practice as a Chartered Accountant and CPA for over 36 years and is currently principal of Andrew Skinner & Associates Pty Ltd a CPA Public Practice.

**GPS ALLIANCE HOLDINGS LIMITED
AND ITS CONTROLLED ENTITIES**

DIRECTORS' REPORT

See Mei Li

Director since 8 August 2014, resigned 30 June 2017.

See Mei Li started as a Technical Assistant at Siflex Industries Pte Ltd in 1987. Shortly after, she joined Lim Pang Hern in BD Cranetech Pte Ltd from 1991 to present. In her current role she is overseeing various departments such as Sales and Marketing, Shipping, Procurement and Inventory Management, HR Administrative and Project Management. See Mei Li holds a Diploma in Building Services Engineering from Ngee Ann Polytechnic Singapore, Diploma in Industrial Management from MDIS Singapore and Certificate for SME Advanced Management Program from SMU Singapore.

Review and Results of Operations

The activities of GPS Alliance Holdings Limited and its controlled entities (the 'Group') during the half-year ended 30 June 2017 include the following:

Revenue

Revenue for first half year ended 30 June 2017 (1H2017) decreased to S\$92,000 from S\$254,000 for the same period in (1H2016).

Gross Profit / (Loss)

The Group reported a gross profit of S\$79,000 in 1H2017 as compared to a gross loss of S\$170,000 for (1H2016) and a profit of S\$624,000 attributable to equity holders of the Company (1H2016: loss S\$2,052,000). This is mainly due the completion of the sale of projects, the finalization of accounts relating to business sold or rationalised, and final reconciliation of the projects.

Other Income

Other income is derived mainly from the leasing of factory space at 8 Sungei Kadut, which is a secured property for the DBS term loan of S\$1.4 million and from the reversal of previous provisions and possible payables that were settled during the period.

Administrative Expenses

A decrease in administrative expenses to S\$575,000 from S\$3,314,000.

Finance Costs

A decrease in interest payments and repayment of principal contributed to the decrease in finance cost to S\$15,000.

Share of Profit of Associates

No share of profits from associates were received in the period

Total Comprehensive Income / (Loss)

The Group reported a profit of the Company of S\$980,000 in 1H2017, compared to a loss of S\$2,967,000 in 1H2016.

**GPS ALLIANCE HOLDINGS LIMITED
AND ITS CONTROLLED ENTITIES**

DIRECTORS' REPORT

Current assets

Current assets increased by S\$40,000 to S\$600,000 when compared to the beginning of the year.

Non-current assets

Non-current assets decreased by S\$182,000 from S\$4,940,000 to S\$4,758,000 when compared to the beginning of the year. This was mainly as a result in amortization of property and depreciation of plant and equipment.

Current liabilities

Current liabilities decreased by S\$1,122,000 from S\$4,772,000 to S\$3,650,000 mainly due to repayment of bank loans and settlement of other payables and creditors.

Non-current liabilities

Non-current liabilities remained the same at S\$240,000

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.

Subsequent Events

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



DAVID LAXTON
Executive Director

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001**

Lo Surdo Braithwaite Audit and Assurance Pty Ltd

ABN 16 602 200 757

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350 Kent Street
Sydney NSW 2000

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Drummoyne NSW 2047

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**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS
ACT 2001 TO THE DIRECTORS OF GPS ALLIANCE HOLDINGS LIMITED**

I declare that, to the best of my knowledge and belief, during the half year ended 30 June 2017 there has been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

The entity is in respect of GPS Alliance Holdings Limited and the entities it controlled during the period.

Lo Surdo Braithwaite Audit and Assurance Pty Ltd
Chartered Accountants
Scott Bennison
Director 

Dated in Sydney on this *29th* day of *August* 2017

**GPS ALLIANCE HOLDINGS LIMITED
AND ITS CONTROLLED ENTITIES**

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 30 JUNE 2017**

	Notes	30 June 2017 S\$'000	30 June 2016 S\$'000
Continuing operations			
Revenue		92	254
Cost of sales		(13)	(424)
Gross profit / (loss)		79	(170)
Other income		608	784
Administrative expenses		(575)	(3,314)
Creditors write-back		829	-
Finance cost	7	(15)	(145)
Share of profit of associate		-	55
Profit / (loss) before income tax		926	(2,790)
Income tax		-	-
Profit / (loss) from continuing operations		926	(2,790)
Discontinued operations			
Loss from discontinued operations		-	107
Profit / (loss) for the period		926	(2,897)
Other comprehensive income			
Exchange difference on translation of foreign operations, net of tax		54	(70)
Total Comprehensive (loss) / income for the period		980	(2,967)
Profit / (loss) for the year attributable to:			
Owners of the Company		624	(2,052)
Non-controlling interests		302	(845)
		926	(2,897)
Total comprehensive income / (loss) attributable to:			
Owners of the Company		678	(2,122)
Non-controlling interests		302	(845)
		980	(2,967)
Earnings / (losses) per share (Singapore cents)			
Basic and diluted loss per share attributable to ordinary equity holders		1.08	(3.37)
Earnings / (losses) per share - continuing operations			
Basic and diluted loss per share		1.08	(3.37)

The above Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes

**GPS ALLIANCE HOLDINGS LIMITED
AND ITS CONTROLLED ENTITIES**

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017**

	Notes	30 June 2017 S\$'000	31 December 2016 S\$'000
ASSETS			
Current assets			
Cash and cash equivalents		196	303
Trade receivables		73	73
Other receivables		331	184
Inventories		-	-
Contract work-in-progress		-	-
Total current assets		600	560
Non-current assets			
Intangible assets		3	3
Property, plant and equipment		4,605	4,787
Investment in associate		150	150
Total non-current assets		4,758	4,940
LIABILITIES			
Current liabilities			
Trade payables		706	1,387
Borrowings	6	1,471	1,704
Other payables and accruals		1,428	1,623
Finance leases	7	45	58
Income tax payable		-	-
Total current liabilities		3,650	4,772
Non-current liabilities			
Borrowings		-	-
Provisions for other liabilities and charges		240	240
Finance lease		-	-
Total non-current liabilities		240	240
NET ASSETS		1,468	488
EQUITY			
Issued capital	8	10,354	10,354
Capital reserve		1,943	1,943
Asset revaluation reserve		1,326	1,326
Translation reserve		(305)	(359)
Accumulated losses		(9,367)	(9,991)
Parent equity interest		3,951	3,273
Non-controlling interest		(2,483)	(2,785)
Total Equity		1,468	488

The above Condensed Consolidated Interim Statement of Financial Position should be read
in conjunction with the accompanying notes

**GPS ALLIANCE HOLDINGS LIMITED
AND ITS CONTROLLED ENTITIES**

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 30 JUNE 2017**

	Issued capital S\$'000	Reserves S\$'000	Translation reserve S\$'000	Accumulated losses S\$'000	Total S\$'000	Non- controlling interest S\$'000	Total Equity S\$'000
Balance at 1 January 2016	10,354	1,943	(370)	(6,990)	4,937	(1,582)	3,355
Total comprehensive income for the period							
Profit / (loss) for the period	-	-	-	(2,052)	(2,052)	(845)	(2,897)
Foreign currency translation differences	-	-	(70)	-	(70)	-	(70)
Total comprehensive profit/(loss) for the period	-	-	(70)	(2,052)	(2,122)	(845)	(2,967)
Transactions with owners recorded directly on equity	-	-	-	-	-	-	-
Balance at 30 June 2016	10,354	1,943	(440)	(9,042)	2,815	(2,427)	388
Balance at 1 January 2017	10,354	3,269	(359)	(9,991)	3,273	(2,785)	488
Total comprehensive income for the period							
Profit for the period	-	-	-	624	624	302	926
Foreign currency translation differences	-	-	54	-	54	-	54
Total comprehensive profit/(loss) for the period	-	-	-	-	-	-	-
Transactions with owners recorded directly on equity	-	-	-	-	-	-	-
Balance at 30 June 2017	10,354	3,269	(305)	(9,367)	3,951	(2,483)	1,468

The above Condensed Consolidated Interim Statement of Changes in Equity should be read
in conjunction with the accompanying notes

**GPS ALLIANCE HOLDINGS LIMITED
AND ITS CONTROLLED ENTITIES**

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 30 JUNE 2017**

	30 June 2017 S\$'000	30 June 2016 S\$'000
Cash flows from operating activities		
Cash receipts in the course of operations	660	1,986
Cash payments in the course of operations	(506)	(3,102)
Cash provided by (used in) operations	154	(1,116)
Interest received	-	-
Interest paid	(15)	(148)
Net cash used in operating activities	139	(1,264)
Cash flows from investing activities		
Proceed from assets held for sale	-	728
Proceeds for plant and equipment	-	-
Net cash used in investing activities	-	728
Cash flows from financing activities		
Repayment of borrowings	(246)	(117)
Repayment of finance leases	-	(80)
Net cash used in financing activities	(246)	(197)
Net (decrease) in cash and cash equivalents	(107)	(733)
Net effect of exchange rate changes in consolidating subsidiaries	-	(55)
Cash and cash equivalents at the beginning of the financial period	(3)	800
Cash and cash equivalents at the end of the financial period	(110)	12

The above Condensed Consolidated Interim Statement of Cash Flows should be read
in conjunction with the accompanying notes

	30 June 2017 S\$'000	30 June 2016 S\$'000
Notes to the statement of cash flows		
Cash and bank balances	196	313
Less: Bank overdraft	(306)	(301)
	(110)	12

**GPS ALLIANCE HOLDINGS LIMITED
AND ITS CONTROLLED ENTITIES**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2017**

NOTE 1 - REPORTING ENTITY

GPS Holdings Limited (the 'Company') is a company domiciled in Australia. The condensed consolidated interim financial statements of the Company as at and for the half-year ended 30 June 2017 comprise the Company and its subsidiaries (together referred to as the 'Group'). The Group principal activities in the course of the half-year ended 30 June 2017 were the, ownership of commercial industrial property, the improvement of such property, the provision of interior design and fit-out work and other activities in the property services sector.

The consolidated annual financial statements of the Group as at and for the year ended 31 December 2016 are available upon request from the Company's registered office at Suite 510, 7 Railway Street, Chatswood, NSW, 2067, Australia or at www.gpsalliance.com.au

NOTE 2 - BASIS OF PREPARATION

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 condensed consolidated interim financial statements do not include full disclosures of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2016 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX Listing Rules.

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 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 2016 annual financial report for the financial year ended 31 December 2016.

The condensed consolidated interim financial statements were approved by the Board of Directors on 29 August 2017.

NOTE 3 - 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 half-year ended 30 June 2017, the consolidated entity had accumulated losses of S\$9,367,000 (2016: S\$9,042,000), net cash from operating activities of S\$139,000 (2016 net cash used: S\$1,264,000) and a working capital deficiency of S\$3,050,000 (2016: S\$9,759,000). The working capital deficiency arises primarily due to the ability of the banks to recall the loans at their absolute discretion.

**GPS ALLIANCE HOLDINGS LIMITED
AND ITS CONTROLLED ENTITIES**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2017**

NOTE 3 - GOING CONCERN (CONT.)

The DBS 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\$1.2 million as at reporting date. This loan is repayable over 72 months from February 2014 to January 2020 on a monthly basis.

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 secure additional facilities should they be needed;
- The consolidated entity is working to improve the underlying 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 Group is working to secure consolidating 100% equity interest of some subsidiaries.
- 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 directors are confident that the consolidated entity will be able to continue as a going concern.

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.

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.

NOTE 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.

**GPS ALLIANCE HOLDINGS LIMITED
AND ITS CONTROLLED ENTITIES**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2017**

**NOTE 4 - CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY
(CONT.)**

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.

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.

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.

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.

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 CONTROLLED ENTITIES**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2017**

NOTE 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:

	30 June 2017	30 June 2016
	S\$'000	S\$'000
Professional fee expenses	21	4
Other	12	47
	33	51

NOTE 6 - BANK LOANS AND BILLS PAYABLE

	30 June 2017	31 December 2016
	S\$'000	S\$'000
Bank overdraft	306	306
DBS loan	1,165	1,398
	1,471	1,704

The Bank overdraft bears interest at Bank's Prevailing Prime Rate + 0.5% per annum.

The DBS loan is S\$1.17 million as at 30 June 2017 and is repayable over 72 instalments from February 2015 to January 2020. The loan bears an interest rate of 2.48% 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 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 CONTROLLED ENTITIES**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2017**

NOTE 7 - FINANCE COSTS

	30 June 2017	31 December 2016
	S\$'000	S\$'000
Amounts payables under finance leases:	45	58
Less future finance charges	-	-
Present value of lease obligation	45	58

It is the company's policy to lease certain items of its plant and equipment under finance leases. The average lease term is 3 years. The average effective borrowing rate is 4.04% per annum. Interest rates are fixed at the contract date, and thus expose the company to fair value interest rate risk. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

All lease obligations are denominated in Singapore dollars.

The fair value of the company's lease obligations approximates their carrying amount.

The company's obligations under finance leases are secured by the lessors' titles to the leased assets.

NOTE 8 - ISSUED CAPITAL

	June 2017		December 2016	
	N ^o	S\$'000	N ^o	S\$'000
Ordinary shares				
Balance at beginning of the year	85,962	10,354	85,962	10,354
Issue ordinary shares	-	-	-	-
Balance at end of the year	85,962	10,354	85,962	10,354

NOTE 9 - OPERATING SEGMENT INFORMATION

Products and services from which reportable segments derive their revenues

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (the chief operating decision makers) in assessing performance and determining the allocation of resources. The Group is managed primarily on a geographical basis, which involves the ID & fit-out work and property development in the Republic of Singapore. Operating segments are determined on the basis of financial information reported to the board which is at the consolidated entity level.

Accordingly, management currently identifies the Group as having only one reportable segment, being property development with no ID & fit-out carried out during the reporting period on in the prior year. The financial results from this segment are equivalent to the financial statements of the consolidated Group as a whole.

NOTE 10 - EVENTS AFTER THE REPORTING PERIOD

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.

**GPS ALLIANCE HOLDINGS LIMITED
AND ITS CONTROLLED ENTITIES**

DIRECTORS' DECLARATION


In the opinion of the Directors of GPS Alliance Holdings Limited (the Company):

- (1) the condensed consolidated interim financial statements and notes set out on pages 5 to 13, are in accordance with the *Corporations Act 2001*, including:
 - (a) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its performance for the half-year ended on that date; and
 - (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- (2) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable

ON BEHALF OF THE DIRECTORS



Lim Pang Hern



David Laxton

Singapore, 29 August 2017

Lo Surdo Braithwaite Audit and Assurance Pty Ltd

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of GPS Alliance Holdings Limited

Opinion

We have reviewed the accompanying half-year financial report of GPS Alliance Holdings Limited (the company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year ended 30 June 2017 financial report of GPS Alliance Holdings Limited does not present fairly, in all material respects the financial position of GPS Alliance Holdings Limited as at 30 June 2017, and of its financial performance and its cash flows for the half year ended 30 June 2017 ended on that date, in accordance with Australian Accounting Standards *AASB 134 Interim Financial Reporting and Corporations Regulations 2001*.

Material uncertainty related to going concern

We draw your attention to Note 2 'Going Concern' of the financial report, which indicates the Group has prepared the financial statements on a going concern basis and believe that the company is able to discharge their liabilities in their normal course of business. The going concern assumption is contingent upon the company being able to maintain its existing finance facilities and additionally obtain further finance and/or capital raising to pursue their projects. In the event that this does not occur, the board has expressed the view that there is significant uncertainty that the company can continue as a going concern.

Auditors Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on *Review Engagements ASRE 2410 Review of a Financial Performed by Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporation Act 2001* including: giving a true and fair view of the consolidated entity's

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financial position as at 30 June 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of GPS Alliance Holdings Limited, ASRE 2410 required that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primary of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is subsequently less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurances that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

Lo Surdo Braithwaite Audit and Assurance Pty Ltd
Chartered Accountants


Scott Bennison
Director
Date 29/8/17

CORPORATE INFORMATION

BOARD OF DIRECTORS

Lim Pang Hern (Jeffrey)
Executive Chairman

David Richard Laxton
Executive Director

Wang Jin Hui
Executive Director

Andrew Bryden Skinner
Non-Executive Director

Marcelo Mora
Non-Executive Director
Company Secretary

AUSTRALIAN REGISTERED OFFICE

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AUSTRALIAN SHARE REGISTRAR AND SHARE TRANSFER OFFICE

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2000, Australia
(02) 9290 9600

AUDITORS

Lo Surdo Braithwaite Audit and Assurance Pty Ltd
Level 5, 350 Kent Street, Sydney NSW 2000,

PRINCIPAL BANKERS

United Overseas Bank Limited

80 Raffles Place #11-00, UOB Plaza 1, Singapore 048624

DBS Bank Limited

12 Marina Boulevard, Marina Bay Financial Centre Tower 3,
Singapore 018982

Our principal place of business is at

106 International Road Singapore 629175

Our Telephone number is (65) 6253 1110

Our Facsimile number is (65) 6256 1110

Our website address is www.gpsalliance.com.au