KAKIKO GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2225)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2018

The board (the "**Board**") of directors (the "**Director(s)**") of Kakiko Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") announces the unaudited consolidated interim results of the Group for the six months ended 30 June 2018 (the "**Period**" or "**1H2018**"), together with the unaudited comparative figures for the corresponding period in 2017 ("**1H2017**") and certain comparative figures as at 31 December 2017. The issued shares of the Company (the "**Shares**") were listed on the Main Board of the Stock Exchange on 17 October 2017 (the "**Listing Date**" and the "**Listing**", respectively).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Group is a Singapore-based service provider and mainly provides manpower outsourcing and ancillary services to building and construction contractors in the Republic of Singapore ("**Singapore**"). To a lesser extent, the Group also provides dormitory services, IT services and construction ancillary services (which comprise warehousing services, cleaning services and building maintenance works) in Singapore. The Group commenced the business of providing manpower outsourcing services in Singapore in 2006.

For the Period, the Group's revenue decreased to approximately S$21.9 million as compared to approximately S$22.7 million for 1H2017, representing a decrease of approximately 3.4%. This was mainly due to a decrease in the number of construction ancillary services projects awarded to the Group in 1H2018 as compared to that in 1H2017. Revenue from manpower outsourcing services, on the other hand, increased by 2.9% mainly due to the rescheduling of several major infrastructure contracts in Singapore from 2017 to 2018, which resulted in an increase in the demand for manpower outsourcing services in 1H2018.

In its media release dated 11 January 2018, the Building and Construction Authority of Singapore (the "**BCA**") estimated that between S$16 billion and S$19 billion worth of public projects in Singapore would be awarded in 2018, more than S$15.5 billion in 2017. BCA also projected that the total construction demand for 2018 is likely to increase from S$24.5 billion in 2017 to between S$26 billion and S$31 billion; this includes the private sector which is expected to increase to between S$10 billion and S$12 billion in 2018 from S$9 billion in 2017. In light of this, the Group is optimistic about the demand for manpower outsourcing and dormitory services in the remaining months of 2018.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased from approximately S$22.7 million for 1H2017 to approximately S$21.9 million for 1H2018, representing a decrease of approximately 3.4%. The following table sets forth a breakdown of the revenue for 1H2018 and 1H2017:

	1H2018	1H2017	Increase/ (Decrease) by
	S$	*S$*	*S$*
	(Unaudited)	(Unaudited)	
Manpower outsourcing and ancillary services	**18,823,092**	18,297,482	525,610
Dormitory services	**2,588,198**	2,628,804	(40,606)
Construction ancillary services	**218,559**	1,376,812	(1,158,253)
IT services	**304,220**	400,080	(95,860)
	21,934,069	22,703,178	(769,109)

Revenue from manpower outsourcing and ancillary services increased from approximately S$18.3 million in 1H2017 to approximately S$18.8 million in 1H2018, representing a slight increase of approximately 2.9%. This was mainly due to the rescheduling of several major infrastructure contracts in Singapore from 2017 to 2018 which resulted in an increase in the demand for manpower sourcing services in 1H2018. The increase was partially offset by a decrease in the hourly charge-out rate per foreign worker in 1H2018 as compared to that in 1H2017 due to the intensifying competition amidst the challenging environment in the Singapore construction industry.

Revenue from dormitory services remained broadly stable at approximately S$2.6 million for both 1H2018 and 1H2017. Given the occupancy rate of our dormitory, the current capacity of our dormitory is insufficient to capture further business opportunities, which resulted in the stable revenue derived from dormitory services. The Group plans to acquire an additional foreign worker dormitory in order to increase the scale of our dormitory operation. The Group is now still in the negotiation process with the seller's agent and pending dormitory tender documents from the agent.

Revenue from construction ancillary services in 1H2018 decreased by approximately S$1.2 million as compared to that in 1H2017. This was mainly due to a decrease in the number of projects awarded to the Group in relation to cleaning services, building maintenance and renovation works in 1H2018.

The decrease in revenue from IT services from approximately S$0.4 million in 1H2017 to approximately S$0.3 million in 1H2018 was mainly due to a decrease in the number of maintenance and support days required by one of our major customers.

Gross profit and gross profit margin

The Group's gross profit decreased from approximately S$6.7 million for 1H2017 to approximately S$3.6 million for 1H2018, while gross profit margin decreased from approximately 29.7% for 1H2017 to approximately 16.4% for 1H2018. These decreases were mainly due to:

(i) a decrease in revenue mentioned above and the decrease in the hourly charge-out rate per foreign worker in 1H2018 as compared to that in 1H2017 as mentioned above; and

(ii) an increase in costs of services from approximately S$16.0 million in 1H2017 to approximately S$18.3 million in 1H2018, which was due to the following:

a. increase in foreign workers' wages from approximately S$4.7 million in 1H2017 to approximately S$5.4 million in 1H2018 mainly due to the fact that more workers were retained and recruited in 1H2018 as compared to those in 1H2017 in preparation for the upcoming large-scale public sector projects;

b. increase in foreign workers' levy from approximately S$5.4 million in 1H2017 to approximately S$6.4 million in 1H2018 mainly due to (i) an increase in foreign workers' levy charges imposed by the Ministry of Manpower of the Singapore Government (the "**MoM**"); and (ii) more workers having been retained and recruited by the Group in 1H2018 as mentioned above;

c. increase in depreciation from approximately S$0.33 million in 1H2017 to approximately S$0.45 million in 1H2018 due to (i) depreciation of investment property as a result of additional renovation works for Woodlands Dormitory; and (ii) additions of two new lorries;

d. increase in workers' living related costs from approximately S$1.5 million in 1H2017 to approximately S$1.7 million in 1H2018. This was due to the fact that more workers were retained and recruited in 1H2018 as mentioned above. As a result, there have an increase in (i) the number of foreign workers who were housed to other third-party dormitory service providers, leading to an increase in rental expenses for external accommodation; and (ii) the number of workers' meals supplied by our catering service providers; and

e. increase in other workers' related costs from approximately S$0.56 million in 1H2017 to approximately S$0.91 million in 1H2018 mainly due to increases in workers' general expenses, work permit application charges and training expenses as the Group retained and recruited more workers in 1H2018.

Other income

Other income increased from approximately S$0.46 million in 1H2017 to approximately S$0.70 million in 1H2018 mainly due to the receipt of a one-off retrofitting grant from the MoM amounting to S$0.22 million and a grant for trade credit insurance from International Enterprise Singapore, a statutory board under the Ministry of Trade and Industry of the Singapore Government, amounting to S$0.06 million in 1H2018.

Administrative expenses

Administrative expenses increased from approximately S$3.4 million in 1H2017 to approximately S$5.6 million in 1H2018. The following is a discussion on the significant changes in the components of administrative expenses.

Directors' remuneration increased from approximately S$0.26 million in 1H2017 to approximately S$0.95 million in 1H2018 due to the increase in the remuneration for the Group's executive Directors and the appointment of independent non-executive Directors in late 2017 prior to the Listing.

Legal and professional fee increased from S$0.05 million in 1H2017 to S$0.17 million in 1H2018 mainly due to an increase in ongoing claims commenced by us against our customers in relation to the recovery of payments of our service fees.

Staff salaries, bonuses, allowances, welfare and employee benefits increased from approximately S$2.0 million in 1H2017 to approximately S$2.9 million in 1H2018 mainly due to an increase in the headcount and bonus payment made to our back office staff.

Travelling and entertainment expenses increased from approximately S$0.04 million in 1H2017 to approximately S$0.31 million in 1H2018 mainly due to an increase in costs in relation to relationship building with our existing and potential customers and suppliers in 1H2018.

Other gains and losses

Other gains increased by S$0.24 million in 1H2018 mainly due to an increase of approximately S$0.23 million in net foreign exchange gain as a result of the revaluation of bank balances denominated in Hong Kong dollar ("**HK$**") which appreciated against Singapore dollar ("**S$**") in 1H2018.

Other expenses

Our other expenses amounted to nil for 1H2018 as we did not incur any Listing expenses during the Period (1H2017: S$1.2 million).

Income tax expense

Income tax expense decreased by approximately S$0.64 million as the Group incurred loss during the Period.

Loss for the Period

As a result of the above factors, the Group recorded a loss of approximately S$1.1 million in 1H2018 (1H2017: profit of approximately S$3.1 million, excluding the non-recurring Listing expenses of $1.2 million), which was mainly due to the combined effect of lower revenue, higher cost of services and higher administrative expenses.

DIVIDEND

The Board has resolved not to declare the payment of an interim dividend for the Period to the shareholders of the Company (the "**Shareholders**") (1H2017: S$Nil).

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

Liquidity

The Group generally meets its working capital requirements from its internally generated funds, and maintained a healthy financial position. Upon the Listing, the source of funds of the Group had been a combination of internally generated funds and net proceeds from the Share Offer (as defined in Note 19 to the unaudited Consolidated Financial Statements below).

Cash flows analysis

The table below summarises the Group's cash flows for 1H2018 and 1H2017:

	1H2018 ***S$*** **(Unaudited)**	1H2017 *S$* (Unaudited)
Net cash used in operating activities	**(2,179,233)**	(2,316,897)
Cash used in investing activities	**(1,724,262)**	(755,204)
Cash used in financing activities	**(9,132)**	(7,143,585)

Net cash used in operating activities decreased from approximately S$2.3 million in 1H2017 to approximately S$2.2 million in 1H2018 mainly due to less income tax paid in 1H2018 as compared to that in 1H2017.

Cash used in investing activities increased from approximately S$0.8 million in 1H2017 to S$1.7 million in 1H2018 mainly due to the settlement of bond commitments (for details, please refer to Note 14 to the unaudited Consolidated Financial Statements below) and purchase of short-term bonds.

Cash used in financing activities decreased by approximately S$7.1 million in 1H2018. This was mainly due to the absence of the repayment of advance from a Director and long term debts and dividend payment in 1H2018.

Use of proceeds from the Share Offer

The net proceeds from the Share Offer were approximately HK$82.6 million (equivalent to approximately S$14.1 million) (after deducting the underwriting fees and Listing expenses), out of which approximately S$0.18 million has been utilised for the acquisition of 2 new lorries as at 30 June 2018.

In line with that was disclosed in the Company's prospectus dated 4 October 2017, our Directors presently intend that the net proceeds will be applied as follows:

(i) approximately 93.4% of the net proceeds, for partly financing the acquisition of an additional foreign worker dormitory at an estimated consideration of HK$162.0 million (equivalent to approximately S$28.0 million, being the mid-point of our estimated range of consideration for the proposed acquisition), in connection with our plan to (a) cater to the accommodation needs of the additional foreign employees to be hired under our business expansion plan; and (b) increase the scale of our dormitory service business; and

(ii) approximately 6.6% of the net proceeds, for financing the acquisition of 10 additional lorries for us to cope with the expected increase in transportation needs from a larger size of our manpower in accordance with our business expansion plan.

As mentioned above, the Group is still in the negotiation process with the seller's agent and pending dormitory tender documents from the agent.

Borrowings and gearing ratio

As at 30 June 2018, the Group had an aggregate of current and non-current finance lease obligations of approximately S$81,000, representing a decrease of approximately S$8,000 as compared to approximately S$89,000 as at 31 December 2017. The decrease was due to the repayment of finance lease obligations in 1H2018.

The Group's gearing ratio as at 30 June 2018 was approximately 0.3% (31 December 2017: approximately 0.3%). Gearing ratio is calculated by dividing total borrowings (comprising finance lease obligations) by total equity as at the end of the respective period or year and multiplied by 100%.

As at 30 June 2018, the Group had no unutilised banking facilities available for cash drawdown.

Cash and cash equivalents

As at 30 June 2018, the Group had cash and cash equivalents of approximately S$17.8 million, of which approximately 20.3% was denominated in S$ and approximately 79.7% was denominated in HK$, which were placed as deposits in major licensed banks in Singapore and Hong Kong, respectively. Cash and cash equivalents denominated in United States dollars ("**US$**") were immaterial.

Foreign exchange exposure

The Group transacts mainly in S$ which is the functional currency of the Group. A small portion of other receivables and payables is denominated in US$ arising from the transaction with a Myanmese company as mentioned above.

The Group retains a large portion of the proceeds from the Share Offer in HK$, which contributed to an unrealised foreign exchange gain of approximately S$0.2 million as HK$ strengthened against S$ in 1H2018.

Charges on the Group's assets and contingent liabilities

As at 30 June 2018, the Group's finance lease obligations were secured by the charges over leased assets with an aggregate net book value of approximately S$0.11 million (31 December 2017: S$0.12 million).

The Group did not have any material contingent liabilities as at 30 June 2018 and 31 December 2017.

Capital expenditures and capital commitments

The Group's capital expenditures principally consisted of expenditures on motor vehicles, computer and equipment, furniture and fittings and renovation. The Group recorded capital expenditures for the purchases of property, plant and equipment in a total amount of approximately S$0.19 million for 1H2018.

The Group did not have any capital commitments as at 30 June 2018 (31 December 2017: S$0.68 million).

Significant investments and material acquisitions and disposals

There were no significant investments held nor material acquisitions and disposals of subsidiaries, associates and joint ventures for 1H2018.

Off-balance sheet transactions

As at 30 June 2018, the Group did not enter into any material off-balance sheet transaction.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2018, the Group had 1,678 employees (31 December 2017: 1,556), including foreign workers.

The Group determines employee salaries based on employee's qualifications, position and seniority. In order to attract and retain valuable employees, the Group reviews the performance of our employees, which will be taken into account in annual salary review and promotion appraisal. The Group has also adopted a sales incentive scheme, pursuant to which our sales managers are entitled to sales commission based on the number of hours of deployment in respect of any manpower outsourcing contracts obtained by them from customers.

The Group incurred staff costs (including the Directors' and chief executive's remuneration, and other staff's salaries, wages and other benefits) of approximately S$11.6 million and S$9.0 million for 1H2018 and 1H2017, respectively.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Interest rate risk

The Group is exposed to cash flow interest rate risk on the variable rates of interest earned on the bank balances. The Group is also exposed to fair value interest rate risk in relation to fixed-rate finance lease obligations.

The Group currently does not have an interest rate hedging policy. However, management monitors interest rate risk exposure and will consider interest rate hedging should the need arise.

Foreign currency risk

The Group has certain bank balances, fixed deposits and trade receivables denominated in US$ and HK$ and certain trade payables denominated in US$ other than the functional currency of respective group entities which expose the Group to foreign currency risk.

The Group manages the risk by closely monitoring the movement of the foreign currency rate.

Credit risk

In order to minimise the credit risk, the Group has policies in place for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Before accepting any new customer, the Group carries out a research on the credit risk of the customer, assesses the customer's credit quality and defines the credit limits by management. Limits attributed to customers are reviewed when necessary.

In addition, the Group reviews the recoverable amount of each individual trade debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. The Group has also obtained trade credit insurance, effective from 1 November 2017, which provides cover against loss due to credit risks such as protracted default, insolvency or bankruptcy. In this regard, management of the Group considers that the Group's credit risk has significantly been reduced.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

Fair value risk

The Group is exposed to fair value risk arising from financial assets and financial liabilities that are measured at fair value on a recurring and non-recurring basis.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the six months ended 30 June 2018

		Six months ended 30 June	
		2018	2017
	Notes	***S$***	*S$*
		(Unaudited)	(Unaudited)
Revenue	*4*	**21,934,069**	22,703,178
Cost of services		**(18,346,127)**	(15,954,582)
Gross profit		**3,587,942**	6,748,596
Other income	*5*	**700,056**	462,672
Selling expenses		**(14,515)**	(14,546)
Administrative expenses		**(5,603,003)**	(3,395,113)
Other gains and (losses)	*6*	**186,368**	(57,316)
Other expenses	*7*	**–**	(1,175,271)
Finance costs	*8*	**(1,439)**	(1,586)
(Loss)/profit before taxation	*9*	**(1,144,591)**	2,567,436
Income tax expense	*10*	**–**	(636,260)
Total comprehensive (loss)/income for the Period		**(1,144,591)**	1,931,176
(Loss)/earnings per share			
Basic and diluted	*12*	**(0.09) cent**	0.19 cent

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2018

	Notes	**30 June 2018 S$ (Unaudited)**	31 December 2017 S$ (Audited)
Non-current assets			
Property, plant and equipment	*13*	**3,364,753**	3,661,339
Investment property		**199,351**	245,940
Other financial assets at fair value through profit or loss	*14*	**1,300,000**	1,300,000
		4,864,104	5,207,279
Current assets			
Trade receivables	*15*	**8,331,459**	8,030,789
Other receivables, deposits and prepayments		**3,344,434**	3,064,108
Held for trading investments		**61,200**	70,000
Held-to-maturity financial assets	*16*	**867,720**	–
Bank balances and cash	*17*	**17,834,624**	21,747,251
		30,439,437	32,912,148
Current liabilities			
Trade and other payables	*18*	**6,683,227**	7,381,895
Obligations under finance leases		**17,203**	15,540
Income tax payable		**209,101**	1,174,035
		6,909,531	8,571,470
Net current assets		**23,529,906**	24,340,678
Non-current liabilities			
Obligations under finance leases		**64,016**	73,372
Deferred tax liabilities		**123,500**	123,500
		187,516	196,872
Net assets		**28,206,494**	29,351,085
Capital and reserves			
Share capital	*19*	**2,142,414**	2,142,414
Share premium	*20*	**14,958,400**	14,958,400
Merger reserves		**1,350,000**	1,350,000
Accumulated profits		**9,755,680**	10,900,271
Equity attributable to owners of the Company		**28,206,494**	29,351,085

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2018

1. GENERAL

The Company was incorporated and registered as an exempted company in the Cayman Islands with limited liability on 14 February 2017. The immediate and ultimate holding company of the Group is Mighty One Investments Limited ("**Mighty One**"). The ultimate controlling party is Mr. Kuah Ann Thia ("**Mr. Kuah**"), who is also the chairman of the Board (the "**Chairman**"), an executive Director and the chief executive officer of the Company (the "**Chief Executive Officer**"). The registered office of the Company is at P. O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands. The Company was registered in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance (Chapter 622 of the laws of Hong Kong) (the "**Hong Kong Companies Ordinance**") on 29 September 2017 and its principal place of business in Hong Kong is at Room 1603, 16/F., China Building, 29 Queen's Road Central, Central, Hong Kong. The headquarters and principal place of business of the Company in Singapore is at 750 Chai Chee Road, #03-10/14 Viva Business Park, Singapore 469000. The issued Shares have been listed on the Main Board of the Stock Exchange since 17 October 2017.

The Company is an investment holding company and the principal activities of its Operating Subsidiaries (as defined in Note 2 below) are provision of manpower outsourcing and ancillary services, provision of dormitory services, and provision of IT services and construction ancillary services for the building and construction industry.

The functional currency of the Company is S$ which is also the presentation currency of the Company and its principal subsidiaries.

2. GROUP REORGANISATION AND BASIS OF PRESENTATION OF UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

The unaudited consolidated financial statements of the Group for the Period (the "**Unaudited Consolidated Financial Statements**") have been prepared in accordance with all applicable International Financial Reporting Standards (the "**IFRSs**") issued by the International Accounting Standards Board (the "**IASB**"). In addition, the Consolidated Financial Statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") and by the Hong Kong Companies Ordinance and the applicable conventions for group reorganisation (the "**Reorganisation**") (details of which are set out below).

Prior to the Reorganisation, the operating subsidiaries of the Company including those group companies incorporated in Singapore, were wholly controlled by Mr. Kuah (the "**Controlling Shareholder**") except for one company, of which 50% of its equity interest was held in trust by Mr. Kuah's wife, Ms. Akiko Koshiishi. In preparation for the Listing, the companies comprising the Group underwent the Reorganisation as set out below:

- On 24 November 2016, Real Value Global Limited ("**Real Value**") was incorporated in the British Virgin Islands (the "**BVI**") and one fully paid ordinary share of Real Value, representing its entire issued share capital, was allotted and issued to Mighty One, a company controlled by Mr. Kuah, not forming part of the Group, on 16 December 2016.

- Harbour Gold Investments Limited, Leading Elite Global Limited, Priceless Developments Limited and Promising Elite Investments Limited (collectively the "**Immediate Holding Companies**") were incorporated in the BVI on 28 November 2016, 28 November 2016, 13 October 2016 and 21 September 2016, respectively and one fully paid ordinary share of each of them, representing their respective entire issued share capital, was allotted and issued to Real Value on 16 December 2016.

- On 28 December 2016, Mr. Kuah acquired 50% of the equity interest in Nichefield Pte. Ltd. ("**Nichefield**") held by his nominee at a nominal cash consideration of S$1.

- On 28 December 2016, the then entire equity interests in Nichefield, Tenshi Resources International Pte. Ltd., KT&T Engineers and Constructors Pte. Ltd. ("**KT&T Engineers**"), Keito Engineering & Construction Pte. Ltd., KT&T Resources Pte. Ltd., Accenovate Engineering Pte. Ltd., Kanon Global Pte. Ltd., Accenovate Consulting (Asia) Pte. Ltd. and KT&T Global Pte. Ltd. (collectively the "**Operating Subsidiaries**") were restructured by transferring from Mr. Kuah to the Immediate Holding Companies as nominees of Real Value at consideration settled by way of the issue and allotment of a total of nine shares in Real Value, credited as fully paid to Mighty One at the direction of Mr. Kuah.

- On 14 February 2017, the Company was incorporated in the Cayman Islands with an authorised share capital of HK$380,000 divided into 38,000,000 shares with a par value of HK$0.01 each, of which one share was allotted and issued in nil paid form to the initial subscriber, an independent third party and the said share was subsequently transferred to Mighty One on the same date for nil consideration.

- On 21 August 2017, Mighty One, the Company and Mr. Kuah entered into a sale and purchase agreement, pursuant to which the Company acquired ten shares in Real Value, representing its entire issued share capital from Mighty One and in consideration thereof, 999 Shares were issued and alloted to Mighty One, all credited as fully-paid.

As part of the Reorganisation, investment holding companies, including Real Value, the Immediate Holding Companies and the Company, were incorporated and interspersed between the Operating Subsidiaries and the Controlling Shareholder. Since then, the Company has become the holding company of the Group on 21 August 2017.

The Group resulting from the Reorganisation is regarded as a continuing entity. Accordingly, the Unaudited Consolidated Financial Statements have been prepared using the principles of merger accounting as if the group structure under the Reorganisation had been in existence throughout the year ended 31 December 2017 or their respective dates of incorporation, whichever is the shorter period.

3. APPLICATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

On 1 January 2018, the Group adopted all the new and revised IFRSs and Interpretations of IFRS ("**INT IFRS**") that are effective and relevant to its operations. The adoption of these new/revised IFRSs and INT IFRSs does not result in significant changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior periods.

On the date of authorisation of these Unaudited Consolidated Financial Statements, the Group has not applied the following relevant new and revised IFRS that has been issued but is not yet effective:

IFRS 16	Leases[1]

[1] Effective for annual periods beginning on or after 1 January 2019

Except as described below, the Directors consider that the application of the other new and revised IFRs and International Accounting Standards ("**IASs**") and interpretation is unlikely to have a maternal impact on the Group's financial position and performance as well as disclosure in the future.

IFRS 16 *Leases*

IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 will supersede IAS 17 *Leases* and the related interpretations when it becomes effective.

IFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets. The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for, amongst others, interest and lease payments, as well as the impact of lease modifications. For the classification of cash flows, the Group currently presents operating lease payments as operating cash flows. Under the IFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion, which will be presented as financing cash flows.

Under IAS 17, the Group has already recognised an asset and a related finance lease liability for finance lease arrangement where the Group is a lessee. The application of IFRS 16 may result in potential changes in classification of these assets, depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

In contrast to lessee accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by IFRS 16.

As at 30 June 2018, the Group had non-cancellable operating lease commitments of S$3,416,774 (31 December 2017: S$4,282,843). A preliminary assessment indicates that these arrangements will meet the definition of a lease under IFRS 16, and hence, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of IFRS 16. In addition, the application of new requirements may result in changes in measurement, presentation and disclosure as indicated above. However, it is not practicable to provide a reasonable estimate of the financial effect until the Directors have completed a detailed review.

4. REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received and receivable from the provision of manpower outsourcing and ancillary services, dormitory services, construction ancillary services and IT services, solely derived in Singapore during the Period.

Information is reported to Mr. Kuah, being the Chairman, an executive Director, the Chief Executive Officer and the chief operating decision maker of the Group ("**CODM**"), for the purposes of resource allocation and performance assessment. The CODM reviews revenue by nature of services, i.e. provision of manpower outsourcing and ancillary services to contractors of construction projects, provision of dormitory services, provision of construction ancillary services and provision of IT services and profit for the Period as a whole. No further detailed analysis of the Group's results nor assets and liabilities is regularly provided to the CODM for review. Accordingly, only entity-wide disclosures on services, major customers and geographical information are presented in accordance with IFRS 8 *Operating Segments*.

An analysis of the Group's revenue for the Period is as follows:

	Six months ended 30 June	
	2018	2017
	S$	*S$*
	(Unaudited)	(Unaudited)
Revenue from:		
Provision of manpower outsourcing and ancillary services	**18,823,092**	18,297,482
Provision of dormitory services	**2,588,198**	2,628,804
Provision of construction ancillary services	**218,559**	1,376,812
Provision of IT services	**304,220**	400,080
	21,934,069	22,703,178

Major customers

There was no individual customer that contributed over 10% of total revenue of the Group during the Period.

Geographical information

The Group principally operates in Singapore which is also its place of domicile. All revenues are derived from Singapore based on the location of services delivered and the Group's property, plant and equipment are all located in Singapore.

5. OTHER INCOME

	Six months ended 30 June	
	2018	2017
	S$	*S$*
	(Unaudited)	(Unaudited)
Government grants *(Note (a))*	**500,306**	175,984
Dividend income from held for trading investments	**1,400**	800
Interest income	**8,287**	–
Forfeiture of customer deposits	**18,422**	5,180
Work injury/workmen compensation claims	**55,126**	41,399
Sub-leasing income	**99,958**	100,781
Other income from Myanmar *(Note (b))*	**–**	105,235
Others	**16,557**	33,293
	700,056	462,672

Notes:

(a) Government grants mainly include the Wages Credit Scheme (the "**WCS**"), the Special Employment Credit (the "**SEC**"), and the retrofitting grants.

During the periods ended 30 June 2018 and 2017, grants of S$116,220 and S$99,484 under the WCS were received respectively. Under this credit scheme, the Government of Singapore (the "**Government**") provides assistance to Singapore-registered businesses by way of co-funding 20% of wage increases given to Singapore citizen employees earning a gross monthly wage of S$4,000 or below from 2016 to 2018.

During the periods ended 30 June 2018 and 2017, the Group received grants of S$14,381 and S$35,975 under the SEC respectively. Under the SEC, the Government aims to encourage and facilitate Singapore-registered businesses to hire older Singaporean workers and persons with disabilities.

During the Period, the Group received retrofitting grants of S$215,678 from the MoM to subsidise the costs incurred for retrofitting the Group's investment property.

The remaining balances of grants are incentives received upon fulfilling the conditions for compensation of expenses already incurred or as immediate financial support with no future related costs nor related to any assets.

(b) Other income from Myanmar pertains to the profit sharing arrangement the Group has with a Myanmese counterparty with respect to a business collaboration with the Myanmese counterparty.

6. OTHER GAINS AND (LOSSES)

	Six months ended 30 June	
	2018	2017
	S$	*S$*
	(Unaudited)	(Unaudited)
Loss arising on disposal of property, plant and equipment	**–**	(55,305)
Changes in fair value of held for trading investments	**(8,800)**	–
Foreign exchange gain/(loss), net	**230,282**	(477)
Allowance for doubtful debts, net	**(35,114)**	(1,534)
	186,368	(57,316)

7. OTHER EXPENSES

	Six months ended 30 June	
	2018	2017
	S$	*S$*
	(Unaudited)	(Unaudited)
Listing expenses	**–**	1,175,271

8. FINANCE COSTS

	Six months ended 30 June	
	2018	2017
	S$	*S$*
	(Unaudited)	(Unaudited)
Interest on:		
Bank borrowings	**–**	147
Obligations under finance leases	**1,439**	1,439
	1,439	1,586

9. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before tax for the period has been arrived at after charging:

	Six months ended 30 June	
	2018	2017
	S$	*S$*
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	**482,815**	388,539
Depreciation of investment property	**46,589**	–
Workers and other staff costs		
– Salaries, wages and other benefits	**11,063,819**	8,476,571
– Contribution to retirement benefit plans	**576,807**	485,643
– Foreign worker levy	**6,380,999**	5,368,896
Total workers and other staff costs	**18,021,625**	14,331,110
Gross rental income from investment property	**2,588,198**	2,628,804
Less: direct operating expenses incurred for investment property that generated rental income during the period	**(1,866,810)**	(1,819,837)
	721,388	808,967

10. INCOME TAX EXPENSE

Singapore corporate income tax has been provided at the rate of 17% (30 June 2017: 17%) on the estimated assessable profits arising in or derived from Singapore.

	Six months ended 30 June	
	2018	2017
	S$	*S$*
	(Unaudited)	(Unaudited)
Tax expense comprises:		
Current tax – Singapore corporate income tax	**–**	636,260

11. DIVIDEND

No dividend was paid or declared by the group companies for the six months ended 30 June 2018 and 2017.

12. (LOSS)/EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2018	2017
(Loss)/profit attributable to the owners of the Company (S$)	**(1,144,591)**	1,931,176
Weighted average number of ordinary Shares in issue	**1,230,000,000**	1,029,999,999
Basic and diluted (loss)/earnings per share (S$ cents)	**(0.09)**	0.19

The calculation of basic (loss)/earnings per share is based on the (loss)/profit for the period attributable to owners of the Company and the weighted average number of Shares in issue. The number of Shares for the purpose of basic earnings per share for the period ended 30 June 2017 is based on 1,029,999,999 Shares, which were issued pursuant to the capitalisation issue as detailed in Note 19 to the Unaudited Consolidated Financial Statements, and deemed to have been issued since 1 January 2017.

Diluted (loss)/earnings per share is the same as the basic (loss)/earnings per share because the Company had no dilutive securities that are convertible into Shares during the periods ended 30 June 2018 and 2017.

13. PROPERTY, PLANT AND EQUIPMENT

	Properties and related structures on leasehold land	Leasehold improvements	Office Equipment	Motor vehicles	Furniture and fittings	Computers	Total
	S$	*S$*	*S$*	*S$*	*S$*	*S$*	*S$*
Cost							
As at 1 January 2017	4,157,552	1,985,672	120,436	1,865,512	140,332	247,689	8,517,193
Additions	7,533	13,282	2,725	1,019,319	1,964	80,631	1,125,454
Disposals	–	(100,475)	(10,034)	(504,348)	(24,774)	(71,723)	(711,354)
As at 31 December 2017 (audited)	4,165,085	1,898,479	113,127	2,380,483	117,522	256,597	8,931,293
Additions	–	–	3,150	178,301	–	4,778	186,229
Disposals/written off	–	–	–	–	–	(20,000)	(20,000)
As at 30 June 2018 (unaudited)	**4,165,085**	**1,898,479**	**116,277**	**2,558,784**	**117,522**	**241,375**	**9,097,522**
Accumulated depreciation							
As at 1 January 2017	2,068,379	1,813,608	98,861	743,619	120,229	237,471	5,082,167
Charge for the year	358,988	65,128	13,002	356,453	8,704	33,761	836,036
Elimination on disposals	–	(100,475)	(10,034)	(441,243)	(24,774)	(71,723)	(648,249)
As at 31 December 2017 (audited)	2,427,367	1,778,261	101,829	658,829	104,159	199,509	5,269,954
Charge for the Period	179,681	33,855	4,236	228,321	3,887	32,835	482,815
Elimination on disposals/written off	–	–	–	–	–	(20,000)	(20,000)
As at 30 June 2018 (unaudited)	**2,607,048**	**1,812,116**	**106,065**	**887,150**	**108,046**	**212,344**	**5,732,769**
Carrying value							
As at 31 December 2017 (audited)	1,737,718	120,218	11,298	1,721,654	13,363	57,088	3,661,339
As at 30 June 2018 (unaudited)	**1,558,037**	**86,363**	**10,212**	**1,671,634**	**9,476**	**29,031**	**3,364,753**

The above items of property, plant and equipment are depreciated on a straight-line basis with the following useful lives after taking into account the residual values:

Properties and related structures on leasehold land	Over the terms of lease of 3 – 12 years
Leasehold improvements	Shorter of 3 years or over the lease terms
Office equipment and machinery	3 years
Motor vehicles	5 years
Furniture and fittings	3 years
Computers	1 year

Included in the additions of property, plant and equipment is additions to motor vehicles amounting to S$Nil (year ended 31 December 2017: S$118,000) which were acquired under finance lease arrangements during the Period.

The carrying value of below items are assets held under finance leases:

	30 June 2018	31 December 2017
	S$	*S$*
	(Unaudited)	(Audited)
Office equipment	**2,757**	4,917
Motor vehicles	**104,233**	116,033
	106,990	120,950

14. OTHER FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2018	31 December 2017
	S$	*S$*
	(Unaudited)	(Audited)
Convertible bonds, at fair value	**1,300,000**	1,300,000

As at 30 June 2018, the convertible bonds issued by the counterparty in Myanmar had nominal values amounting to S$1,300,000, with interest rate at 8% per annum and maturity date of 31 December 2022. These investments are measured at fair value through profit or loss in accordance with IAS 39 *Financial Instruments: Recognition and Measurement*, as they formed part of the contract containing one or more embedded derivatives since the Group has the option to convert the convertible bonds into shares from the date of issue of the bonds to their maturity dates. Should all the convertible bonds be converted into shares on the date of conversion, it would amount to 30% of the share capital of the issuer of the convertible bonds. IAS 39 permits the entire contract to be designated as at fair value through profit or loss. As at 31 December 2017, the fair value of the convertible bonds approximate the amount invested because the convertible bonds was issued on 31 December 2017. The Group has not done the fair valuation of the convertible bonds as at 30 June 2018.

As at 31 December 2017, $620,000 of the bonds issued was paid with the remaining payment made on 31 January 2018.

15. TRADE RECEIVABLES

	30 June 2018 S$ (Unaudited)	31 December 2017 S$ (Audited)
Trade receivables	**8,940,676**	8,521,155
Less: allowance for doubtful debts	**(644,880)**	(609,766)
	8,295,796	7,911,389
Unbilled revenue	**35,663**	119,400
	8,331,459	8,030,789

The credit terms to customers are ranging from 3 to 30 days from the invoice date for trade receivables. The following is an analysis of trade receivables by age presented based on the invoice date at the end of each reporting period:

	30 June 2018 S$ (Unaudited)	31 December 2017 S$ (Audited)
Within 30 days	**3,637,037**	3,587,974
31 days to 60 days	**2,228,849**	2,256,927
61 days to 90 days	**630,635**	876,649
91 days to 180 days	**607,660**	150,402
181 days to 365 days	**1,191,615**	1,039,437
	8,295,796	7,911,389

16. HELD-TO-MATURITY FINANCIAL ASSETS

	30 June 2018 S$ (Unaudited)	31 December 2017 S$ (Audited)
Unquoted debt securities, at amortised cost	**867,720**	–

As at 30 June 2018, the unquoted debt securities had nominal values amounting to S$867,720 (31 December 2017: S$Nil), with a fixed interest rate of 2.15% (31 December 2017: Nil%) per annum and maturity on 16 November 2018.

There were no disposals or allowance for impairment for held-to-maturity financial assets.

The held-to-maturity financial assets are denominated in Hong Kong dollars.

17. BANK BALANCES AND CASH

Bank balances at 30 June 2018 carried interest at prevailing market interest rate of 0%-2.7% (31 December 2017: 0%-1.8%) per annum.

18. TRADE AND OTHER PAYABLES

	30 June 2018 S$ (Unaudited)	31 December 2017 S$ (Audited)
Trade payables	**1,212,583**	1,162,457
Accrued operating expenses	**2,663,716**	2,750,606
Other payables:		
Goods and services tax payables	**1,359,516**	1,335,691
Customer deposits received	**1,039,086**	1,070,717
Payables for convertible bonds (Note 14)	**–**	680,000
Others	**408,326**	382,424
	6,683,227	7,381,895

The following is an aged analysis of trade payables presented based on the invoice date at the end of each reporting period:

	30 June 2018 S$ (Unaudited)	31 December 2017 S$ (Audited)
Within 30 days	**561,949**	281,789
31 days to 90 days	**183,242**	161,967
Over 90 days	**467,392**	718,701
	1,212,583	1,162,457

The credit period on purchases from suppliers is ranging from 7 to 60 days or payable upon delivery.

19. SHARE CAPITAL

The issued share capital as at 1 January 2017 represented the share capital of Real Value comprising ten shares with a par value of US$1 each.

On 14 February 2017, the Company was incorporated in the Cayman Islands with an authorised share capital of HK$380,000 divided into 38,000,000 shares with a par value of HK$0.01 each, of which one share was allotted and issued in nil paid form to the initial subscriber, an independent third party and the said share was subsequently transferred to Mighty One on the same date for nil consideration.

On 21 August 2017, Mighty One, the Company and Mr. Kuah entered into a sale and purchase agreement, pursuant to which the Company acquired 10 shares in Real Value, representing its entire issued share capital and in consideration thereof, 999 Shares were issued and allotted to Mighty One, all credited as fully paid.

On 26 September 2017, the authorised share capital of the Company was increased to HK$20,000,000 divided into 2,000,000,000 Shares of HK$0.01 each, by the creation of additional 1,962,000,000 Shares ranking pari passu with the Shares then in issue in all respects.

As part of the Share Offer, the Company allotted and issued a total of 1,029,999,000 Shares (of which 107,500,000 Shares were sale shares) to Mighty One, credited as fully paid at par, by way of capitalisation of the sum of HK$10,299,990 standing to the credit of the share premium account of the Company (the "**Capitalisation Issue**").

The Company was successfully listed on the Main Board of the Stock Exchange on 17 October 2017 by way of a share offer of 307,500,000 Shares (including 107,500,000 sale shares) at the price of HK$0.52 per Share (the "**Share Offer**").

Movements of the issued share capital of the Company from its date of incorporation to 31 December 2017 and 30 June 2018 are as follow:

	No. of Shares	*S$*
Issued and fully paid ordinary Shares:		
At date of incorporation	1	–
Shares issued pursuant to the Reorganisation	999	2
Shares issued under the Capitalisation Issue	1,029,999,000	1,794,052
Shares issued under the Share Offer	200,000,000	348,360
As at 30 June 2018 (unaudited) and 31 December 2017 (audited)	**1,230,000,000**	**2,142,414**

20. SHARE PREMIUM

Share premium represents the excess of the consideration for the Shares issued over their aggregate par value.

21. BUSINESS COMBINATION

Subsidiary acquired

2018	**Principal activity**	**Date of acquisition**	**Proportion of voting interest acquired** *%*	**Consideration payable** *S$*
Simplex FM Services Pte. Ltd. ("**Simplex**")	Provision of manpower services	2 January 2018	100	50,000

Simplex was acquired so as to continue the expansion of the Group's activities on manpower outsourcing services.

Assets and liabilities recognised at the date of acquisition

	S$ (Unaudited)
Current assets	
Trade receivables	707,271
Bank balances	114,151
	821,422
Current liabilities	
Trade payables – KT&T Engineers	664,651
Trade payables – Third party	260
Other payables and accruals	8,508
	673,419
Amount payable to vendor/consideration payable	148,003

Goodwill arising on acquisition

	S$ (Unaudited)
Consideration payable	148,003
Less: fair value of identifiable net assets	(148,003)
Goodwill arising on acquisition	–

Net cash inflow on acquisition of a subsidiary

	Six months ended 30 June 2018 *S$* (Unaudited)
Consideration paid in cash	–
Bank balances acquired	114,151
	114,151

Impact of acquisition on the results of the Group

Included in the profit for the Period is S$0.14 million attributable to the additional business generated by Simplex. Revenue for the Period includes S$1.59 million in respect of Simplex.

The acquisition of Simplex was completed on 2nd January 2018 and management has assessed that the Group has obtained control of Simplex and has the power over Simplex, and is exposed to or has rights to variable returns from its involvement with Simplex and has the ability to use its power to affect its returns. Management has also assessed on a preliminary basis that the acquisition is that of a business and accordingly a purchase price allocation will need to be performed which management is in the process of performing and accordingly provisional amounts have been used above and management will complete its assessment for the full year announcement.

SIGNIFICANT EVENTS AFTER THE PERIOD

The Directors confirm that no significant event that affected the Group has occurred after 30 June 2018 and up to the date of this announcement.

CHANGE OF COMPLIANCE ADVISER

Dakin Capital Limited ("**Dakin**") has resigned as the compliance adviser of the Company (the "**Compliance Adviser**") with effect from 1 February 2018 due to a change in the personnel of Dakin. Grande Capital Limited has been appointed as the new Compliance Adviser pursuant to Rule 3A.27 of the Listing Rules with effect from 1 February 2018. For further details, please refer to the announcement of the Company dated 31 January 2018.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Period, the Company did not redeem any of its listed securities nor did the Company or any of its subsidiaries purchase or sell such securities.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as its own code of conduct governing the Directors' securities transactions (the "**Own Code of Conduct**"). In response to a specific enquiry made by the Company on each of the Directors, all Directors have confirmed that they had complied with the required standards as set out in the Model Code and the Own Code of Conduct throughout the Period. The Model Code also applies to other specified senior management of the Group in respect of their dealings in the Company's securities.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESS

None of the Directors or the controlling shareholders (as defined under the Listing Rules) of the Company or their respective close associates (as defined under the Listing Rules) had interests in any business apart from the Group's business which competed or was likely to compete, either directly or indirectly, with the businesses of the Group and any other conflicts of interest which any such person had or might have with the Group during the Period.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

During the Period, the Company has applied the principles and adopted all code provisions, where applicable, of the Corporate Governance Code as contained in Appendix 14 to the Listing Rules (the "**CG Code**") as its own code of corporate governance.

The Company has complied with all applicable code provisions as set out in the CG Code during the Period save as disclosed below:

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Kuah currently holds both positions. Mr. Kuah has been managing the Group's business and overall financial and strategic planning since May 2006. This arrangement also helps the Company to execute business strategies more efficiently in the ordinary business activities. All the other Directors (including the non-executive Director (the "**NED**") and independent non-executive Directors (the "**INEDs**")) consider that the vesting of the roles of the Chairman and the Chief Executive Officer in Mr. Kuah is beneficial to the business operations and management of the Group and will provide a strong and consistent leadership to the Group. In addition, due to the fact that our NED and INEDs represent over half of the Board members, all the Directors (including the NED and INEDs) consider that there is a balance of power and authority such that no one individual has unfettered power of decision. The Board will review the management structure from time to time and the need to separate the roles of the chairman and the chief executive to two individuals.

As the Company was sourcing and waiting for various quotations for Directors' liabilities insurance after the Listing, insurance cover in respect of legal actions against the Directors was not in place during the period from the Listing Date to 11 February 2018. However, as there were regular and timely communications among the Directors and the senior management of the Group, the Board was of the opinion that sound and effective corporate governance within the Group would suffice in monitoring and mitigating legal and compliance risks. Proper insurance coverage in respect of legal actions against the Directors' liabilities has been arranged by the Company since 12 February 2018 and accordingly, the Company has complied with code provision A.1.8 of the CG Code during the period from 12 February 2018 to 30 June 2018 and thereafter up to the date of this announcement.

Code provision C.1.2 of the CG Code stipulates that management should provide all members of the Board with monthly updates giving a balanced and understandable assessment of the Group's performance, position and prospects in sufficient detail to enable the Board as a whole and each Director to discharge their duties under Rule 3.08 and Chapter 13 of the Listing Rules. The Company has put in place policies to provide monthly updates to all its Directors and regarded that it has complied with code provision C.1.2 of the CG Code since then.

REVIEW BY AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Commitee**") was established on 26 September 2017 with written terms of reference in compliance with Rule 3.22 of the Listing Rules and code provision C.3 of the CG Code. The primary duties of the Audit Committee are, among other things, to make recommendations to the Board on the appointment, re-appointment and removal of external auditors and to review and monitor the financial reporting process, risk management and internal control systems of the Group. The Audit Committee currently comprises three INEDs, namely Mr. Ong Shen Chieh (also known as Mr. Wang Shengjie), Mr. Lau Kwok Fai Patrick and Mr. Lam Raymond Shiu Cheung. Mr. Lau Kwok Fai Patrick is the chairman of the Audit Committee.

The Audit Committee has reviewed the Unaudited Consolidated Financial Statements and is of the view that such Statements have been prepared in compliance with the applicable accounting standards, the Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this announcement, the Directors confirmed that the Company has maintained a sufficient public float for its Shares as required under the Listing Rules (i.e. at least 25% of the issued Shares in public hands) throughout the Period.

PUBLICATION OF INTERIM REPORT

The interim report of the Company for the Period containing all information required by the Listing Rules will be despatched to the Shareholders and available on the Company's website at www.kttgroup.com.sg and the Stock Exchange's website at www.hkexnews.hk in due course in the manner as required by the Listing Rules.

APPRECIATION

The Board would like to express its gratitude to all the Group's customers, management and staff and business partners as well as the Shareholders for their continuous support.

By order of the Board
Kakiko Group Limited
Kuah Ann Thia
Chairman, Executive Director and Chief Executive Officer

Singapore, 13 August 2018

As at the date of this announcement, the executive Directors are Mr. Kuah Ann Thia (Chairman and Chief Executive Officer) and Ms. Dolly Hwa Ai Kim (also known as Ms. Dolly Ke Aijin); the non-executive Director is Mr. Lu Yong; and the INEDs are Mr. Ong Shen Chieh (also known as Mr. Wang Shengjie), Mr. Lau Kwok Fai Patrick and Mr. Lam Raymond Shiu Cheung.