



Third Quarter Financial Statements for the Period Ended 31 December 2018

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group Third Quarter Ended 31 Dec			Group 9 months Ended 31 Dec		
	2018 \$'000	2017 \$'000	% +/-	2018 \$'000	2017 \$'000	% +/-
Revenue	8,336	9,976	-16.4%	18,735	21,228	-11.7%
Cost of sales	(3,781)	(4,589)	-17.6%	(9,350)	(10,044)	-6.9%
Gross profit	4,555	5,387	-15.4%	9,385	11,184	-16.1%
Other operating income	149	83	79.5%	431	284	51.8%
Distribution costs	(2,619)	(2,947)	-11.1%	(6,547)	(8,063)	-18.8%
Administrative expenses	(881)	(875)	0.7%	(2,903)	(2,748)	5.6%
Other operating expenses	(1)	(9)	-88.9%	(3)	(23)	-87.0%
Profit from operations	1,203	1,639	-26.6%	363	634	-42.7%
Interest income	4	6	-33.3%	11	12	-8.3%
Finance expense	(57)	(64)	-10.9%	(142)	(170)	-16.5%
Share of results of the associated company	1,575	2,127	-26.0%	3,737	2,083	79.4%
Profit before income tax	2,725	3,708	-26.5%	3,969	2,559	55.1%
Income tax	(507)	(255)	98.8%	(486)	(247)	96.8%
Profit for the period, net of tax	2,218	3,453	-35.8%	3,483	2,312	50.6%
Profit attributable to:						
Owners of the Company	2,212	3,402	-35.0%	3,479	2,279	52.7%
Non-controlling interests	6	51	-88.2%	4	33	-87.9%
	2,218	3,453	-35.8%	3,483	2,312	50.6%
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Share of gain on property revaluation of associated	37	-	N/M	37	(1)	N/M
Items that may be reclassified subsequently to profit or loss						
Foreign currency translation	(397)	500	N/M	(54)	407	N/M
Share of foreign currency translation of associated company	533	-	N/M	(224)	-	N/M
Other comprehensive income for the period, net of tax	173	500		(241)	406	

1(a)(i) An income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year. (Continued)

	Third Quarter Ended 31 Dec			9 months Ended 31 Dec		
	2018	2017	%	2018	2017	%
	\$'000	\$'000	+/-	\$'000	\$'000	+/-
Total comprehensive income for the period	2,391	3,953	-40%	3,242	2,718	-39%
Total comprehensive income attributable to:						
Owners of the Company	2,519	4,125	-39%	3,242	2,869	-36%
Non-controlling interests	(128)	(172)	-26%	-	(151)	N/M
	2,391	3,953	-40%	3,242	2,718	19%

1(a) (ii) Note:-

	Group Third Quarter Ended 31 Dec			Group 9 Months Ended 31 Dec		
	2018	2017	%	2018	2017	%
	\$'000	\$'000	+/-	\$'000	\$'000	+/-
Profit/(loss) from operations is arrived at after charging/(crediting):						
Depreciation of property, plant and equipment	79	287	-72.5%	695	966	-28.1%
Gain on disposal of property, plant and equipment	-	(31)	N/M	(4)	(32)	-87.5%
Write-off of property, plant and equipment	-	177	N/M	-	339	N/M
Net foreign exchange loss/(gain)	2	(57)	N/M	57	(33)	N/M
Net Allowance/(write back) of allowance for inventory obsolescence	167	91	84%	(51)	61	N/M

NM - Not meaningful

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	The Group		The Company	
	31.12.2018	31.3.2018	31.12.2018	31.3.2018
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current assets				
Inventories	9,104	8,887	-	-
Trade and other receivables	9,345	7,176	2,955	2,463
Prepayments	147	183	43	42
Asset held-for-sale	-	1,087	-	-
Cash and bank balances	3,923	4,687	951	1,373
	22,519	22,020	3,949	3,878
Non-current assets				
Investment in associated company	24,975	23,307	13,252	13,252
Investment in subsidiaries	-	-	1,448	1,448
Property, plant and equipment	2,900	2,080	12	16
Due from related parties	1,044	1,651	806	1,407
Deferred tax assets	162	162	-	-
	29,081	27,200	15,518	16,123
Total assets	51,600	49,220	19,467	20,001
LIABILITIES				
Current liabilities				
Trade and other payables	4,639	4,131	600	410
Amounts due to directors	120	126	120	126
Bills payable	3,046	2,343	-	-
Borrowings	2,996	1,624	-	-
Income tax liabilities	-	344	-	-
Liability directly associated with assets classified as held for sale	-	52	-	-
	10,801	8,620	720	536
Non-current liabilities				
Borrowings	1,470	1,905	-	-
	1,470	1,905	-	-
Total liabilities	12,271	10,525	720	536
Net assets	39,329	38,695	18,747	19,465
SHAREHOLDERS' EQUITY				
Share capital	31,351	31,351	31,351	31,351
Revaluation reserve	3,201	3,164	-	-
Legal reserve	1,532	1,373	-	-
Translation reserve	(4,717)	(4,443)	-	-
Accumulated profits/(losses)	7,914	7,120	(12,604)	(11,886)
Total shareholders' equity	39,281	38,565	18,747	19,465
Non-controlling interests	48	130	-	-
Total equity	39,329	38,695	18,747	19,465

1(b)(ii) Aggregate amount of the group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31.12.2018		As at 31.03.2018	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
2,996	3,046	1,624	2,343

Amount repayable after one year

As at 31.12.2018		As at 31.03.2018	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
1,470	-	1,905	-

The group's borrowings and debt securities include bills payable and other bank borrowings.

Details of any collaterals

No collateral.

Group gearing ratio or borrowings divided by total shareholders' equity stands at 0.20 times as at 31 December 2018 (31 March 2018: 0.15 times).

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group Third Quarter Ended 31 Dec		Group 9 months Ended 31 Dec	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Profit before tax	2,725	3,708	3,969	2,559
Adjustments for:				
Share of results of the associated company	(1,575)	(2,127)	(3,737)	(2,083)
Depreciation of property, plant and equipment	79	287	695	966
Unrealised foreign exchange gain	(184)	(175)	(158)	(771)
Interest income	(4)	(6)	(11)	(12)
Interest expense	57	64	142	170
Allowance for inventory obsolescence	69	91	69	61
Allowance/(write-back of allowance) for inventory obsolescence	98	-	(120)	-
Gain on disposal of property, plant and equipment	-	(31)	(4)	(32)
Write back of provision for doubtful debts	(3)	-	-	-
Impairment loss on property, plant and equipment	296	-	316	-
Write-off of property, plant and equipment	-	177	-	339
Operating cash flow before working capital changes	1,558	1,988	1,161	1,197
Changes in working capital:				
Decrease in Inventories	1,894	1,290	439	482
Increase in trade and other receivables	(2,123)	(3,132)	(1,329)	(2,152)
(Increase)/Decrease in other current assets and prepayments	(93)	(391)	35	(438)
(Decrease)/Increase in trade and other payables, and bills payable	(380)	99	218	647
Net cash flows from operations	856	(146)	524	(264)
Income tax paid	(234)	(83)	(555)	(166)
Interest received	4	6	11	12
Interest paid	(57)	(64)	(142)	(170)
Net cash flows generated from/(used in) operating activities	569	(287)	(162)	(588)
Cash flows from investing activities				
Dividends received	1,881	-	1,881	-
Purchase of property, plant and equipment	(810)	(105)	(1,559)	(629)
Net cash flows generated from/(used in) investing activities	1,071	(105)	322	(629)
Cash flows from financing activities				
Net proceeds from borrowings	963	25	1,002	425
Net (repayments of)/proceeds from bills payables	(531)	823	727	1,239
Dividends paid to shareholders	(1,515)	-	(2,526)	-
Dividends paid to non-controlling shareholders	(82)	-	(82)	-
(Increase)/Decrease in restricted bank deposits	(96)	39	(662)	(35)
Net cash flows (used in)/generated from financing activities	(1,261)	887	(1,541)	1,629
Net increase/(decrease) in cash and cash equivalents	379	495	(1,381)	412
Cash and cash equivalents at the beginning of the financial period	2,125	2,253	3,916	2,282
Effects of exchange rate changes on cash and cash equivalents	7	15	(24)	69
Cash and cash equivalents at the end of the financial period	2,511	2,763	2,511	2,763

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year. (Continued)

	Third Quarter		9 months	
	Ended 31 Dec		Ended 31 Dec	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Cash and bank balances	3,923	3,674	3,923	3,674
Less : Restricted bank deposits	(1,412)	(911)	(1,412)	(911)
Cash and cash equivalents as per above	2,511	2,763	2,511	2,763

Explanatory Note:

- (1) Cash and cash equivalents comprise cash and bank balances less restricted bank deposits.
- (2) Certain fixed deposit amounting to S\$1,412,000 (31 December 2017: S\$911,000) is pledged to the bank for banking facilities to subsidiaries.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attributable to Equity holders of the Company					Sub-Total \$'000	Non- controlling interests \$'000	Total equity \$'000
	Share capital	Legal reserve	Translation reserve	Revaluation reserve	Accumulated profits			
	\$'000	\$'000	\$'000	\$'000	\$'000			
GROUP								
Balance at 1 Apr 2018	31,351	1,373	(4,443)	3,164	7,120	38,565	130	38,695
Profit for the period	-	-	-	-	3,479	3,479	4	3,483
<u>Other comprehensive income</u>								
Foreign currency translation	-	-	(50)	-	-	(50)	(4)	(54)
Share of gain on property revaluation of associated company	-	-	-	37	-	37	-	37
Share of foreign currency translation of associated company	-	-	(224)	-	-	(224)	-	(224)
Total comprehensive income	-	-	(274)	37	3,479	3,242	-	3,242
<u>Distributions to owners</u>								
Transfer from accumulated profits to legal reserve	-	159	-	-	(159)	-	-	-
Dividend paid to shareholders	-	-	-	-	(2,526)	(2,526)	-	(2,526)
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	(82)	(82)
Total distributions to owner	-	159	-	-	(2,685)	(2,526)	(82)	(2,608)
Balance as at 31 Dec 2018	31,351	1,532	(4,717)	3,201	7,914	39,281	48	39,329

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (Continued)

	Attributable to Equity holders of the Company					Non-controlling		Total equity \$'000
	Share capital	Legal reserve	Translation reserve	Revaluation reserve	Accumulated profits	Sub-Total	interests	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
GROUP								
Balance at 1 Apr 2017	31,351	1,343	(5,032)	3,127	2,995	33,784	153	33,937
Profit for the period	-	-	-	-	2,279	2,279	33	2,312
<u>Other comprehensive income</u>								
Foreign currency translation	-	1	9	(1)	3	12	4	16
Liquidation of subsidiary	-	-	-	-	188	188	(188)	-
Share of other comprehensive income of associated company	-	-	398	-	-	398	-	398
Total comprehensive income	-	1	407	(1)	2,470	2,877	(151)	2,726
<u>Distributions to owners</u>								
Dividend paid to controlling shareholders	-	-	-	-	(75)	(75)	-	(75)
Total distributions to owner	-	-	-	-	(75)	(75)	-	(75)
Balance as at 31 Dec 2017	31,351	1,344	(4,625)	3,126	5,390	36,586	2	36,588

- 1(d)(i) A statement (for the issuer and group) showing either (I) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (Continued)**

COMPANY	Share capital	Accumulated losses	Total equity
	\$'000	\$'000	\$'000
Balance at 1 Apr 2017	31,351	(13,023)	18,328
Loss for the period	-	(125)	(125)
Total comprehensive income	-	(125)	(125)
Balance as at 31 Dec 2017	31,351	(13,148)	18,203
Balance at 1 Apr 2018	31,351	(11,886)	19,465
Profit for the period	-	1,808	1,808
Dividend paid to shareholders	-	(2,526)	(2,526)
Total comprehensive income	-	(718)	(718)
Balance as at 31 Dec 2018	31,351	(12,604)	18,747

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

During the financial period, there has been no change in the Company's issued share capital. The Company does not have any outstanding convertibles.

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

Number of issued and fully paid ordinary shares as at 31 December 2018 remain unchanged at 252,629,483 compared with 31 March 2018.

There were no treasury shares as at 31 December 2018 and 31 March 2018.

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

Not applicable.

- 1(d) (v) a statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable.

2. **Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed.

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

Not applicable.

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

The Group has adopted Singapore Financial Reporting Standards (International) ("SFRS(I)"), which is effective for Singapore-incorporated companies listed on the Singapore Exchange for annual reporting periods beginning on or after 1 January 2018. The Group has also adopted the new SFRS(I) and Interpretations to SFRS(I)s ("SFRS(I) INT") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2018. The adoption of SFRS(I), and the new SFRS(I) and SFRS(I) INT relevant to the Group's operations and effective for annual periods beginning on or after 1 January 2018 did not have a material effect on the financial statements for the current financial period.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Please refer to item 4 above.

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

Profit/(Loss) per share attributable to owners of the Company:-	Group Third Quarter ended 31 Dec		Group 9 months ended 31 Dec	
	2018 cents	2017 cents	2018 cents	2017 cents
(i) Based on the weighted average number of ordinary shares in issue	0.88	1.35	1.38	0.90
(ii) On a fully diluted basis	0.88	1.35	1.38	0.90

Note:

Earnings per ordinary share is computed based on the weighted average number of ordinary shares in issue during the period ended 31 December 2018 and 31 March 2018 as follows:

	Number of shares
As at 31 December 2018	252,629,483
As at 31 March 2018	252,629,483

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**
 (a) **current financial period reported on; and**
 (b) **immediately preceding financial year.**

	Group		Company	
	31-Dec 2018 cents	31-Mar 2018 cents	31-Dec 2018 cents	31-Mar 2018 cents
Net assets value per ordinary share based on the total number of issued shares (excluding treasury shares) at the end of the reporting year	15.55	15.27	7.42	7.70

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
 (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Consolidated Statement of Comprehensive Income Review

The Group's revenue for the period ended 31 December 2018 (3QFY2019) registered \$18.74 million compared to \$21.23 million in the corresponding last financial period, a decline of 11.7%. The decline in sales was mainly due to discontinued brands and closure of non-performing outlets.

No major fluctuation for the gross profit margin for the period ended 31 December 2018.

Other operating income increased from \$0.28 million to \$0.43 million. The increase in other operating income was mainly due to sale of ELLE business and subsidiaries from principals by Taiwan subsidiary during the financial period.

Distribution costs decreased from \$8.06 million to \$6.55 million. The decrease in distribution costs was mainly due to cost associated to discontinued brands and closure of several non-performing outlets in Malaysia.

Administrative expenses increased from \$2.75 million to \$2.90 million. The increase in administrative expenses was mainly due to the accrual for Executive Directors' bonus. No accrual was made in the previous corresponding quarter ended 31 December 2017.

The Group's share of results of the associated company has increased from \$2.08 million to \$3.74 million due to the better performance of the associated company.

Income tax increased from \$0.25 million to \$0.49 million. The increase in Income tax was mainly due to withholding tax expenses from dividends paid by Taiwan subsidiary during the financial period.

Net profit attributable to owners of the Company was \$3.48 million in 3QFY2019 compared to \$2.28 million in the corresponding last financial period. It was mainly due to increased Group's share of results of the associated company.

Balance Sheet Review

The Group's trade and other receivables increased from \$7.18 million to \$9.35 million mainly due to higher sales during the year end festive season sales period.

The Group's prepayment and assets held-for-sale decreased in conjunction with the sales and purchase agreement on described earlier and previously announced on 29 April 2018.

The Group's property, plant and equipment increased mainly due to additional purchase of property, plant and equipment during the financial period by Taiwan subsidiary.

The Group's trade and other payables increased from \$4.13 million to \$4.64 million mainly due to increase in purchases and royalty payments for the year end sales.

The Group's bill payables increased by \$0.71 million from \$2.34 million to \$3.05 million mainly due to increase of bill payables for new season stocks purchased by Taiwan subsidiary.

The Group's borrowings increased by \$0.94 million from \$3.53 million to \$4.47 million mainly due to additional borrowings incurred by Taiwan subsidiary for new season stocks purchased.

Consolidated Cash Flow Statement Review

Net cash flows used in operating activities was comparable to the previous period.

Net cash flows from investing activities increased mainly due to dividend received from an associated company during the financial period, offset by purchases of property, plant and equipment during the financial period.

Net cash flows used in financing activities increased mainly due to dividend paid to shareholders offset by additional bank facilities obtained for working capital purposes by Taiwan subsidiary during the financial period.

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

The current results are in line with the Company's commentary in Paragraph 10 of the financial results announcement dated 13 November 2018.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The retail climate conditions in the region that we operate remain challenging. The Group will continue to focus on its core business, tightening operations by closing non-performing outlets and brands.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

11. Dividend (continued)

(c) Date the dividend is payable

Not Applicable

(d) Books closure date

Not Applicable

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been recommended for the current financial period.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No IPT transaction for the current financial period.

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Group has procured undertakings from all its directors and executive officers under Rule 720(1).

15. Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results) Appendix 7.2, Paragraph 15, Rule 702(1) of the Listing Manual states that:

“Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).”

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

Confirmation by the Board

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm that to the best of our knowledge, nothing of a material impact has come to the attention of the Board of Directors of the Company which may render the third quarter results of the Company for the nine months ended 31 December 2018 to be false or misleading in any material respect.

On Behalf of the Board of Directors

Goh Ching Huat
Director

Wong King Kheng
Director

BY ORDER OF THE BOARD

Lotus Isabella Lim Mei Hua
Company Secretary

13 February 2019