

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FULL YEAR ENDED 31 DECEMBER (“FY”) 2018

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CHANGE IN REPORTING CURRENCY

The Group has changed its presentation currency from Singapore Dollar (“**SGD**”) to Chinese Yuan (“**RMB**”) with effect from 1 January 2018. Correspondingly, the FY2017 comparative figures have been restated to take into account of the change in the Group's presentation currency. Please refer to Paragraph 4 of the announcement for more details on the rationale for the change in the Group's presentation currency.

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

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

The Group		Change %	
RMB'000			
FY2018	FY2017		
Restated			
Continuing operations			
Revenue	10,241	5,472	87
Other income	10	13	(23)
Other gains and losses	2,857	4,036	(29)
-Amortisation of intangible assets	(518)	-	NM
-Depreciation of property, plant & equipment	(32)	*	NM
-Employees compensation	(9,019)	(1,669)	440
-Other expenses	(4,819)	(2,541)	90
Total expense	(14,388)	(4,210)	242
(Loss)/profit before income tax	(1,280)	5,311	NM
Income tax expense	(144)	(919)	(84)
(Loss)/profit from continuing operations	(1,424)	4,392	NM
Discontinued operations			
Loss from discontinued operations	-	(1,052)	NM
Net (loss)/profit	(1,424)	3,340	NM
(Loss)/profit from continuing operations attributable to:			
Equity holders of the Company	(2,299)	4,392	NM
Non-controlling interests (“NCI”)	875	-	NM
	(1,424)	4,392	NM
(Loss)/profit attributable to equity holders of the Company relates to:			
(Loss)/profit from continuing operations	(2,299)	4,392	NM
Loss from discontinued operations	-	(1,052)	NM
	(2,299)	3,340	NM

* Denotes amount less than RMB1,000

NM – Not Meaningful

The Group		Change %
RMB'000		
FY2018	FY2017	
<i>Restated</i>		

Other comprehensive income:

Items that may be reclassified subsequently to profit or loss:

Currency translation differences arising from consolidation

Other comprehensive income, net of tax

Total comprehensive (loss)/income

Total comprehensive (loss)/income attributable to:

Equity holders of the Company

Non-controlling interest

296	1,471	(80)
296	1,471	(80)
(1,128)	4,811	NM
(2,003)	4,811	NM
875	-	NM
(1,128)	4,811	NM

NM – Not Meaningful

1(a)(ii) Additional information for the income statement

The Group's (loss)/profit before tax for the financial year is derived at after charging/(crediting):

	The Group		
	FY2018	FY2017	Change
	RMB'000	RMB'000	%
	<i>Restated</i>		
Interest income – bank deposits	(10)	(13)	(23)
Interest income on financial assets, at fair value through profit or loss ("FVTPL")	(2,859)	-	NM
Currency exchange gains – net	*	1	NM
Gain on disposal of a subsidiary corporation	-	(4,036)	NM

* Denotes amount less than RMB1,000

NM – Not Meaningful

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

		Group			Company		
		31 Dec 18 RMB'000	31 Dec 17 RMB'000	1 Jan 17 RMB'000	31 Dec 18 RMB'000	31 Dec 17 RMB'000	1 Jan 17 RMB'000
BALANCE SHEETS							
ASSETS	Note						
Current assets							
Cash and bank balances	A	1,980	Restated 7,822	Restated 28,403	153	Restated 498	Restated 6,707
Financial assets, FVTPL		59,530	-	-	-	-	-
Trade receivables		6,288	1,300	23,322	-	-	-
Other receivables, deposits and prepayments		12,279	72,739	1,448	75,880	77,899	5,396
Inventories		-	-	20,956	-	-	-
		80,077	81,861	74,129	76,033	78,397	12,103
Non-current assets							
Goodwill		12,223	-	-	-	-	-
Intangible assets		13,863	-	-	-	-	-
Investment in a joint venture		-	-	1,647	-	-	-
Investments in subsidiary corporations		-	-	-	*	*	16,054
Investment property		-	-	13,760	-	-	-
Property, plant and equipment		277	3	3,751	148	-	-
		26,363	3	19,158	148	*	16,054
Total assets		106,440	81,864	93,287	76,181	78,397	28,157
LIABILITIES							
Current liabilities							
Trade and other payables		5,200	1,014	8,674	831	578	408
Borrowings - trust receipts		-	-	9,315	-	-	-
Deferred government grant		-	-	131	-	-	-
Current income tax liabilities		97	918	44	-	-	-
		5,297	1,932	18,164	831	578	408
Non-current liability							

Deferred income tax liabilities	3,642	-	2	-	-	-
Total liabilities	8,939	1,932	18,166	831	578	408
NET ASSETS	97,501	79,932	75,121	75,350	77,819	27,749
EQUITY						
Capital and reserves attributable to equity holders of the Company						
Share capital	29,194	29,194	29,194	29,194	29,194	29,194
Currency translation reserve	1,767	1,471	-	3,550	1,471	-
Retained profits/(accumulated losses)	46,968	49,267	45,927	42,606	47,154	(1,445)
Attributable to equity holders of the Company	77,929	79,932	75,121	75,350	77,819	27,749
Non-controlling interest	19,572	-	-	-	-	-
Total equity	97,501	79,932	75,121	75,350	77,819	27,749

* Denotes amount less than RMB1,000

1(b)(ii) Aggregate amount of group's borrowings and debt securities as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

Not applicable. There were no borrowings and debt securities recorded as at 31 December 2018 and 31 December 2017.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Cash flows from operating activities:

(Loss)/profit before taxation

Adjustments for:

Depreciation of property, plant and equipment

Depreciation of investment property

Amortisation of intangible assets

Interest income on financial assets, FVTPL

Impairment loss on investment property

Gain on disposal of property, plant and equipment

Property, plant and equipment written-off

Gain on disposal of a subsidiary corporation

Interest income

Unrealised currency translation losses

Change in working capital, net of effects from acquisition and disposal of subsidiaries:

Inventories

Trade and other receivables

Trade and other payables

Deferred government grant

Cash generated from operations

Income tax paid

Net cash provided by operating activities

Cash flows from investing activities:

Acquisition of a subsidiary, net of cash acquired

Additions to property, plant and equipment

Increase in financial assets, FVTPL, net

Disposal of property, plant and equipment

Disposal of a subsidiary corporation, net of cash disposed of

Interest received

Net cash used in investing activities

Cash flows from financing activities:

Proceeds from borrowings

Repayment of borrowings

Fixed deposits with maturity more than three months

Net cash provided by financing activities

FY2018	FY2017
RMB'000	RMB'000
	<i>Restated</i>
(1,424)	3,340
32	1,328
-	321
518	-
(2,859)	-
-	222
-	(49)
-	12
-	(4,036)
(10)	(13)
296	1,471
(3,447)	2,596
-	540
63,558	(8,241)
(17,093)	7,555
-	(131)
43,018	2,319
(774)	(51)
42,244	2,268
8,850	-
(275)	(1,352)
(56,671)	-
-	49
-	(6,846)
10	29
(48,086)	(8,120)
-	33,759
-	(33,132)
-	1,883
-	2,510

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)

CONSOLIDATED STATEMENT OF CASH FLOWS

Net decrease in cash and bank balances

Cash and bank balances:

Beginning of financial year

End of financial year

FY2018	FY2017
RMB'000	RMB'000
(5,842)	(3,342)
7,822	11,164
1,980	7,822

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.

The Group	Share Capital	Currency Translation Reserve	Retained Profits	NCI	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2018	29,194	1,471	49,267	-	79,932
Loss for the year	-	-	(2,299)	875	(1,424)
Other comprehensive income for the year	-	296	-	-	296
Acquisition of subsidiary	-	-	-	18,697	18,697
At 31 December 2018	29,194	1,767	46,968	19,572	97,501
<i>(Restated)</i>					
At 1 January 2017	29,194	-	45,927	-	75,121
Total comprehensive income for the year	-	1,471	3,340	-	4,811
At 31 December 2017	29,194	1,471	49,267	-	79,932

The Company	Share Capital	Currency Translation Reserve	Retained Profits/ (Accumulated Losses)	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2018	29,194	1,471	47,154	77,819
Total comprehensive income/(loss) for the year	-	2,079	(4,548)	(2,469)
At 31 December 2018	29,194	3,550	42,606	75,350
At 1 January 2017	29,194	-	(1,445)	27,749
Total comprehensive income for the year	-	1,471	48,599	50,070
At 31 December 2017	29,194	1,471	47,154	77,819

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 purposes since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.

Ordinary shares of the Company	Number of shares	Share capital RMB
	78,000,000	29,194,031
As at 31 December 2018 and 2017		

The Company did not have any outstanding options, convertibles, treasury shares and subsidiary holdings as at 31 December 2018 and 31 December 2017.

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.

The Company's total number of issued and paid up share capital as at 31 December 2018 was 78,000,000 ordinary shares (31 December 2017: 78,000,000 ordinary shares).

There were no treasury shares as at the end of the current financial year and as at the end of the immediately preceding financial year.

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

There were no sales, transfers, cancellation and/or use of treasury shares during FY2018.

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.

There were no sales, transfers, cancellation and/or use of subsidiary holdings during FY2018.

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 by the auditors of the Company.

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 changed its presentation currency from SGD to RMB with effect from 1 January 2018. With 100% of the Group's revenue being derived from China and denominated in RMB, the management is of the view that it is more appropriate for the Group to adopt the RMB as the presentation currency. The change has also aligned the presentation currency with the Group's functional currency, which is RMB. In accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"), all comparative figures for FY2017 and FY2016 are also presented in RMB.

Save as disclosed in the above and in Paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the Group's financial statements for FY2018 compared to the audited financial statements for FY2017.

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.

Singapore listed companies are required to apply a new financial reporting framework - SFRS(I) that is identical to the International Financial Reporting Standards with effect from 1 January 2018. The Group has adopted SFRS(I) on 1 January 2018, including Interpretations of SFRS(I). The adoption of these new SFRS(I) and interpretations of SFRS(I) did not result in significant change to the Group's accounting policies and did not have a material impact on the Group's results for FY2018.

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.

Earnings per share ("EPS")	The Group	
	FY2018	FY2017
(Loss)/Profit attributable to equity holders of the Company (RMB'000)		
- Continuing operations	(2,299)	4,392
- Discontinued operations	-	(1,052)
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share ('000)	78,000	78,000
Basic and diluted EPS (RMB cents) ⁽¹⁾		
- Continuing operations	(2.95)	5.63
- Discontinued operations	-	(1.35)

⁽¹⁾ The basic and diluted EPS were the same as the Company and the Group did not have any potentially dilutive instruments for the respective financial periods.

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.

Net asset value ("NAV") per ordinary share	Group		Company	
	31 Dec 18	31 Dec 17	31 Dec 18	31 Dec 17
NAV attributable to equity holders of the Company (RMB'000)	77,929	79,932	75,350	77,819
Number of ordinary shares ('000)	78,000	78,000	78,000	78,000
NAV per ordinary share based on issued share capital (RMB)	1.00	1.02	0.97	1.00

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.

REVIEW OF FINANCIAL PERFORMANCE

On 20 October 2017, the Company entered into a Sale and Purchase Agreement ("SPA") to dispose of the Group's entire interests in SMJ Furnishings (S) Pte Ltd ("SMJ Furnishings") (comprising the Group's carpet furnishing business). On 26 December 2017, the shareholders of the Company approved the disposal of the Group's entire interests SMJ Furnishings. On 16 January 2018, the Group completed the disposal of SMJ Furnishings. On 7 February

2018, the Board announced that the Company and the purchasers had entered into a supplementary deed, notwithstanding and without affecting the legality nor effectiveness of completion which has occurred on 16 January 2018, risk and rewards associated with the SPA and control over SMJ Furnishings shall be transferred from 31 December 2017. Accordingly, the financial results in relation to the carpet furnishing business has been reclassified as discontinued operations in FY2017 and there are no other business activities from this segment in FY2018.

On 21 July 2018, the Group announced, amongst others, the proposed acquisition of 52% equity interest in Beijing Libre Commercial Management Ltd (“**Libre Hospitality**”) for RMB 15.59 million (the “**Libre Acquisition**”). On 13 August 2018, the Group announced the completion of the Libre Acquisition. All risks and rewards of and the control over Libre Hospitality were transferred from 1 July 2018. Libre Hospitality is in the business of hospitality facilities management, including the management of hotels, resorts and provision of consultancy services on hotel and resorts management, investment, development and branding. As of 31 December 2018, Libre Hospitality has five hotels under long term management contracts. Three of these hotels have commenced operation and the details are as follows:

Names of hotels/resorts	Number of rooms	Location
Libre Resorts Huangshan	528	Huangshan, Anhui Province, China
Libre Resorts Lijiang	562	Lijiang, Yunnan Province, China
Libre Collection Yizheng	36	Yangzhou, Jiangsu Province, China

The others subsidiary, Beijing Zhuoyue Tiancheng Business Management Co. Ltd. (“**ZYTC**”), is in the business of providing consultancy service to hotel and resorts. Following the acquisition of Libre Hospitality, the Group has included the business of the Libre Hospitality and ZYTC under the hospitality division of the Group.

In addition, the Group has changed the presentation currency from SGD to RMB in FY2018 as the majority of its revenue and assets are now denominated in RMB. As a result of the change, prior year comparative figures have been restated to RMB as well.

Revenue from continuing operations

The Group recorded a revenue of RMB 10.2 million for FY2018, up 87% from RMB 5.5 million in FY2017. The newly acquired Libre Hospitality contributed approximately RMB 8.5 million for FY2018 from its hotel management activities and consultancy services. ZYTC, recorded revenue of approximately RMB 1.7 million in FY2018, down from RMB 5.5 million in FY2017, due to the lower revenue contribution from consulting projects.

Other income from continuing operations

The Group’s other income was mostly from the interest income from bank deposits. The decrease is due to lower bank balances and deposit rates.

Other gains and losses from continuing operations

The Group’s other gains and losses for FY2018 was mainly contributed by the interest income on financial assets, at fair value through profit or loss.

The gain from the disposal of SMJ Furnishings did not recur in FY2018. As the Group changed its presentation currency from SGD to RMB, the previous year financial statements of SMJ Furnishings (denominated in SGD) and PT Spektum Meguh Jaya (denominated in Indonesian Rupiah) were restated into RMB and the corresponding currency translation reserve was derecognised upon disposal of the furnishing business in 2017.

Employee compensation from continuing operations

The employee compensation increased significantly from approximately RMB 1.7 million to approximately RMB 9.0 million due to increased headcount and higher compensation structure from the newly acquired Libre Hospitality. The headcount in the Group rose from 9 at the end of 2017 to 25 at the end of 2018. Libre Hospitality is managed by an experienced management team and many of them have previous work experiences in well-established hotel chains. As such, the compensation structure in Libre Hospitality is higher than other companies within the Group.

Other operating expenses from continuing operations

The increase in other operating expenses of approximately RMB 2.3 million or 90% was mainly due to the following:

- (i) Other operating expenses from the newly acquired Libre Hospitality amounting to approximately RMB 1.3 million. These expenses include marketing and promotional, travelling and entertainment, rental and other operating expenses to support Libre Hospitality operations;
- (ii) Rental expenses of approximately RMB 0.7 million for the Singapore office. In FY2017, the Company shared the office of SMJ Furnishings. There is no rental expense in the comparable figure as the financial results of SMJ Furnishings has been reclassified as discontinued operations in FY2017;
- (iii) Withholding tax expenses of approximately RMB 0.3 million borne by ZYTC on management fees to the Company;
- (iv) Professional fees incurred for the disposal of SMJ Furnishings of approximately RMB 0.1 million; and
- (v) Renovation expense of approximately RMB 0.1 million for the Singapore office.

Income tax expense from continuing operations

While the Group recorded a loss before tax of RMB 1.3 million, the Group incurred an income tax expense of RMB 0.1 million. The tax expense is largely attributable to tax expense on profitable companies within the Group and provision for deferred tax liability on unremitted earnings from foreign subsidiaries in accordance with SFRS (I) 1-12. Furthermore, the losses from other companies within the Group were not allowed to offset their losses against the profits from other profitable companies within the Group for income tax purposes.

Loss after tax from continuing operations

The Group recorded a loss after tax of RMB 1.4 million, as compared to a profit after tax of RMB 4.4 million in FY2017 due mainly to absence of other gains, amortisation of intangible assets, higher employee compensation and other operating expenses.

Non-controlling interests

The non-controlling interests' share of the Libre Hospitality profits amounted to RMB 0.9 million for FY2018.

Loss from discontinued operations

The discontinued operations refer to subsidiary corporation, SMJ Furnishings, engaged in carpet furnishings business, which has been disposed in FY2017.

REVIEW OF FINANCIAL POSITION

Current assets

As of 31 December 2018, the Group had RMB 59.5 million worth of financial assets, at fair value through profit or loss, which comprises of mostly short-term fixed income instruments denominated in RMB. The Group also deploys the excess cash with licensed investment managers to earn higher returns.

As of 31 December 2018, the Group has trade receivables of RMB 6.3 million which comprises of hotel management fees and project management revenue due from customers arising from the hotel management activities and consultancy services. The increase in trade receivables from RMB 1.3 million to RMB 6.3 million was in line with the increase in revenue.

The other receivables, deposits and prepayments comprised of mostly deposits for bidding new hotel management contracts. As of 31 December 2017, the Group's other receivables, deposits and prepayments comprised mostly of approximately RMB 68.0 million from the disposal of SMJ Furnishings. These receivables were fully collected in FY2018.

Non-current assets

The Group's non-current assets amounted to RMB 26.4 million as at 31 December 2018 mainly due to goodwill and intangibles assets which arose from the acquisition of Libre Hospitality.

The amount under goodwill represents the excess of purchase consideration over the attributable identifiable net assets acquired. The goodwill is provisionally determined as the Purchase Price Allocation ("PPA") exercise of the acquisition are being assessed currently.

The intangible assets comprise of long term management contracts and naming rights identified during the acquisition. The Group will amortise the intangible assets over 10 to 15 years in accordance to the contract periods of the management contracts and naming rights.

Current liabilities

The Group's trade and other payables increased from RMB 1.0 million as at 31 December 2017 to RMB 5.2 million as at 31 December 2018 due to higher payables and accrued operating expenses, which is in line with the increased scale of the Group's business.

Non-current liabilities

The Group's deferred income tax liabilities of RMB 3.6 million as at 31 December 2018 were pertaining to the deferred tax liabilities allocated to the intangible assets based on the statutory tax applied on the fair value of the intangible assets.

Working capital

The Group had a positive working capital of approximately RMB 74.8 million as at 31 December 2018 as compared to approximately RMB 79.9 million as at 31 December 2017.

Shareholders' equity

The Group's equity attributable to equity holders of the Company fell by RMB 2.0 million to RMB 77.9 million as at 31 December 2018 from RMB 79.9 million as at 31 December 2017. The decrease is due to losses from FY2018 of RMB 2.3 million, partially offset by an increase in the currency translation reserve by RMB 0.3 million.

REVIEW OF CASH POSITION

Net cash provided by operating activities of the Group amounted to RMB 42.2 million in FY2018 as compared to RMB 2.3 million in FY2017. In FY2018, the cash flows provided by operating activities was mainly contributed by the decrease in trade and other receivables of RMB 63.6 million, partially offset by the decrease in trade and other payable of RMB 17.1 million. As explained earlier, the decrease in trade and other receivables was mainly due the collection of the receivables from the disposal of SMJ Furnishings.

Net cash used in investing activities of RMB 48.1 million were mainly due to net increase of RMB 56.7 million in financial assets, FVTPL, partially offset by a net cash of RMB 8.9 million acquired by the Group from the acquisition of Libre Hospitality.

There was no cash flow from financing activities in FY2018.

Overall, the Group recorded a net cash decrease of RMB 5.8 million as compared to a net cash decrease of RMB 3.3 million in FY2017.

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

The Group's results for FY2018 are generally in line with the Company's profit guidance announcement dated 20 February 2019, except that the foreign exchange loss is no longer one of the main reasons for the loss recorded in FY2018 after the Company finalising its financial results. Instead, please refer to paragraph 8 of this announcement for the factors leading to the loss in FY2018.

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.

China achieved GDP growth of 6.6% for 2018. Despite the slowest rate of growth in 28 years, China's Gross Domestic Product ("GDP") reached RMB 90 trillion in 2018 and there are still several bright spots in the China economy. For example, the China's tourism industry earned RMB 5.97 trillion and 5.5 billion domestic trips were made in 2018, up 10.5% and 10.8%, respectively, according to data from the China Ministry of Culture and Tourism.

The Group believes that the positive momentum in domestic tourism industries would continue to support the growth of the Group's hospitality business. The Group aims to achieve higher occupancy rates in the hotels under management with creative promotional activities targeted at new market segments. For example, the newly-opened Hangzhou Huangshan High Speed Railway offers a fast and convenient way to travel from Hangzhou to Huangshan in around 1.5 hours. With the reduced travelling time, Libre Huangshan Resort can expand its target customer base to travelers in the Shanghai region for weekend vacations.

Despite the losses in FY2018, the Group remains comfortable with its financial position with net assets attributable to equity holders of the Company of RMB 77.9 million as of 31 December 2018. With the economic uncertainties

and the volatile market conditions, the management have implemented various cost cutting measures to improve the profitability of Group.

Looking ahead, the Group will continue to identify new growth areas and opportunities for investment or acquisition with the goal of expanding and enhancing the performance and net asset value of the Group.

11. If a decision regarding dividend has been made:

(a) Whether an interim (final) dividend has been declared (recommended); and

None.

(b) (i) Amount per share in cents

Not applicable.

(ii) Previous corresponding period's amount per share in cents

None.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended in view of the loss for FY2018.

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

The Group has not obtained a general mandate from shareholders for IPT.

14. Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statement, with comparative information for the immediately preceding year.

Business Segments

	Continuing operations				Discontinued operations		Total	
	Hospitality Division*		HQ and other investing activities		Carpet Division			
	FY2018 RMB'000	FY2017 RMB'000	FY2018 RMB'000	FY2017 RMB'000	FY2018 RMB'000	FY2017 RMB'000	FY2018 RMB'000	FY2017 RMB'000
Segment Revenue	10,241	5,472	-	-	-	81,946	10,241	87,418
Adjusted EBITDA	(768)	3,690	(2,831)	(1,297)	-	6,128	(3,599)	8,521
Allowance for impairment of trade and other receivables	-	-	-	-	-	2,858	-	2,858
Depreciation	17	*	15	-	-	1,649	32	1,649
Income tax expense	144	919	-	-	-	34	144	953
Finance costs	-	-	-	-	-	333	-	333
Interest income	(10)	-	-	(13)	-	(186)	(10)	(199)
Amortisation	518	-	-	-	-	-	518	-
Interest income on financial assets, FVTPL	(2,859)	-	-	-	-	-	(2,859)	-
Bad debts written off	-	-	-	-	-	93	-	93
Inventories written off	-	-	-	-	-	387	-	387
Inventories written down	-	-	-	-	-	1,791	-	1,791
Impairment loss on investment property	-	-	-	-	-	222	-	222

Business Segments (continued)

	Continuing operations				Discontinued operations		Total	
Segment assets	Hospitality Division*		HQ and other investing activities		Carpet Division			
	FY2018 RMB'000	FY2017 RMB'000	FY2018 RMB'000	FY2017 RMB'000	FY2018 RMB'000	FY2017 RMB'000	FY2018 RMB'000	FY2017 RMB'000
	104,329	8,639	2,111	73,225	-	-	106,440	81,864
	Segment assets includes: Additions to: - property, plant and equipment	110	5	165	-	-	-	275
Segment liabilities	8,018	1,352	921	580	-	-	8,939	1,932

Geographical Segments

	Continuing operations				Discontinued operations		Total	
	Hospitality Division*		HQ and other investing activities		Carpet Division			
	FY2018 RMB'000	FY2017 RMB'000	FY2018 RMB'000	FY2017 RMB'000	FY2018 RMB'000	FY2017 RMB'000	FY2018 RMB'000	FY2017 RMB'000
<u>Revenue</u>								
China	10,241	5,472	-	-	-	-	10,241	5,472
Singapore	-	-	-	-	-	54,714	-	54,714
Philippines	-	-	-	-	-	14,908	-	14,908
Malaysia	-	-	-	-	-	2,809	-	2,809
Indonesia	-	-	-	-	-	6,309	-	6,309
Others	-	-	-	-	-	3,206	-	3,206
	10,241	5,472	-	-	-	81,946	10,241	87,418
<u>Segment assets</u>								
China	104,329	4,295	-	-	-	-	104,329	4,295
Singapore	-	4,344	2,111	73,225	-	-	2,111	77,569
	104,329	8,639	2,111	73,225	-	-	106,440	81,864

*The Consultancy Services Division is renamed as Hospitality Division in FY2018 following the acquisition of Libre Hospitality. The activities of the Hospitality Division include the management of hotels, resorts and provision of consultancy services on hotel and resorts management, investment, development and branding.

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to paragraph 8.

16. A breakdown of sales

			Change %
	FY2018 RMB'000	FY2017 RMB'000	
<u>First Half</u>			
(a) Sales reported	1,632	378	332
(b) Operating loss after tax before deducting NCI	(880)	(183)	380
<u>Second Half</u>			
(c) Sales reported	8,609	5,094	69
(d) Operating (loss)/profit after tax before deducting NCI	(544)	4,575	NM
<u>Total</u>			
Sales reported	10,241	5,472	87
Operating (loss)/profit after tax before deducting NCI	(1,424)	4,392	NM

NM - Not Meaningful

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable.

18. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules.

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules.

19. Disclosure of persons occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) of the Catalist Rules. If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(10) of the Catalist Rules, the Board of SMJ International Holdings Ltd. hereby confirms that there is no person occupying a managerial position in the Company or in any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

On behalf of the Board

Peng Fei
Executive Director and Chief Executive Officer
8 March 2019

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