



Unaudited Half Year Financial Statement And Dividend Announcement for the Period Ended 31/12/2015

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

1(a) **A statement of comprehensive income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group \$'000 31-Dec-15	Group \$'000 31-Dec-14	+ / (-) %
Revenue	19,284	10,207	88.9%
Cost of sales	(11,034)	(4,940)	123.4%
Gross profit	8,250	5,267	56.6%
Other operating income	179	1,684	-89.4%
Distribution costs	(1,923)	(1,687)	14.0%
Administrative expenses	(3,546)	(3,787)	-6.4%
Other operating expenses	(260)	(237)	9.7%
Finance costs	(1)	-	0.0%
Share of results of associates	-	-	n/m
Profit before income tax	2,699	1,240	117.7%
Income tax expense	(367)	-	n/m
Profit for the period	2,332	1,240	88.1%
Other comprehensive loss:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences arising on translation of foreign subsidiaries	31	7	42.9%
Fair value loss on available-for-sale investments	(55)	(14)	-292.9%
Other comprehensive income for the period	(24)	(7)	-242.9%
Total comprehensive income for the period	2,308	1,233	87.2%

Note: n/m - Not meaningful

(a)(ii) **Notes to the
Other disclosure items included in the above statement**

	GROUP \$'000 31-Dec-15	GROUP \$'000 31-Dec-14
Other income including interest income	179	1,684
Foreign exchange loss	(48)	(15)
Depreciation and amortisation	(321)	(299)
Allowance for doubtful debts and bad debts written off	(17)	(18)
Gain on disposal of plant and equipment	-	6
Plant and equipment written off	-	(7)

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 \$'000 31-Dec-15	GROUP \$'000 31-Dec-14	GROUP \$'000 30-Jun-15	COMPANY \$'000 31-Dec-15	COMPANY \$'000 31-Dec-14	COMPANY \$'000 30-Jun-15
ASSETS						
Current Assets						
Cash and cash equivalents	9,050	6,897	12,021	8,369	6,501	10,628
Trade receivables	3,061	2,777	1,395	2,232	2,002	654
Amount due from related companies, associates and related parties	-	-	-	551	369	197
Other receivables and prepayments	636	758	640	480	488	522
Inventories	6,557	7,057	5,516	4,061	4,965	3,733
Total Current Assets	19,304	17,489	19,572	15,693	14,325	15,734
Non - Current Assets						
Subsidiaries	-	-	-	3,091	3,075	3,091
Associates	33	31	28	-	-	-
Club membership	160	165	160	160	165	160
Available-for-sale investments	1,181	1,230	1,236	1,181	1,230	1,236
Plant and equipments	1,935	1,689	2,062	1,330	1,103	1,465
Investment properties	15,825	15,975	15,825	15,825	15,975	15,825
Total Non - Current Assets	19,134	19,090	19,311	21,587	21,548	21,777
Total Assets	38,438	36,579	38,883	37,280	35,873	37,511
LIABILITIES AND EQUITY						
Current Liabilities						
Trade payables	2,475	1,353	1,312	1,715	941	1,099
Amount due to related companies, associates and related parties	45	51	49	992	993	997
Other payables	1,402	1,917	2,546	864	1,161	1,753
Finance lease	5	-	20	5	-	20
Income tax payable	422	79	73	408	64	52
Total Current Liabilities	4,349	3,400	4,000	3,984	3,159	3,921
Non-Current Liability						
Other payables	241	276	260	173	197	185
Deferred tax liability	182	167	191	138	119	138
Total Non-Current Liabilities	423	443	451	311	316	323
Capital and Reserves						
Share capital	10,251	10,251	10,251	10,251	10,251	10,251
Currency translation deficit	(81)	(129)	(112)	-	-	-
Fair value adjustment (deficit) surplus	(9)	40	46	(9)	40	46
Accumulated profits	23,505	22,574	24,247	22,743	22,107	22,970
Total Equity	33,666	32,736	34,432	32,985	32,398	33,267
Total Liabilities and Equity	38,438	36,579	38,883	37,280	35,873	37,511

1(b)(ii) **In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the financial period reported on with comparative figures as at the end of the immediately preceding year.**

Amount repayable in one year or less, or on demand.

As at 31 Dec 2015	
Secured	Unsecured
S\$'000	S\$'000
5	0

As at 31 Dec 2014	
Secured	Unsecured
S\$'000	S\$'000
0	0

Detail of any collateral
- Not applicable

- 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 \$'000 31-Dec-15	GROUP \$'000 31-Dec-14
Operating activities:		
Profit before income tax	2,699	1,240
<u>Adjustments for:</u>		
Share of result of associates	-	-
Depreciation of plant and equipment	321	299
Plant and equipment written off	-	7
Dividend income	(29)	(29)
Interest income	(47)	(21)
Gain on disposal of shares in associate	-	(1,607)
Allowance for doubtful debts - trade receivables	17	18
Net foreign exchange gain	25	11
Gain on disposal of plant and equipment	-	(6)
Operating cash flows before movements in working capital	2,986	(88)
Trade receivables	(1,683)	(1,547)
Other receivables and prepayments	4	(361)
Inventories	(1,041)	(3,788)
Amount due from associates and related parties - net	(4)	(2)
Trade payables	1,163	684
Other payables	(1,163)	(319)
Cash generated from operations	262	(5,421)
Interest received	47	21
Income tax paid	(26)	(70)
Net cash from (used in) operating activities	283	(5,470)
Investing activities		
Dividend income	29	29
Proceeds on disposal of plant and equipment	-	24
Proceed from disposal of shares in associate	-	3,400
Purchase of plant and equipment	(194)	(376)
Net cash (used in) from investing activities	(165)	3,077
Financing activities		
Dividend paid	(3,074)	(1,537)
Repayment of the hire purchase facility	(15)	-
Cash used in financing activities	(3,089)	(1,537)
Net decrease in cash and cash equivalents	(2,971)	(3,930)
Cash and cash equivalents at beginning of year	12,021	10,827
Cash and cash equivalents at end of period	9,050	6,897

- 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.**

Group

	Share Capital \$'000	Currency Translation Deficit \$'000	Fair Value Adjustment (Deficit) Surplus \$'000	Accumulated Profits \$'000	Total \$'000
Latest Period					
Balance as at July 1, 2015	10,251	(112)	46	24,247	34,432
Total comprehensive income for the period					
Profit for the period	-	-	-	2,332	2,332
Other comprehensive income/ (loss) for the period	-	31	(55)		(24)
Total	10,251	(81)	(9)	26,579	36,740
Dividends, representing transaction with owners, recognised directly in equity	-	-	-	(3,074)	(3,074)
Balance as at December 31, 2015	10,251	(81)	(9)	23,505	33,666

Previous Corresponding Period

Balance as at July 1, 2014	10,251	(136)	54	22,871	33,040
Total comprehensive income for the period					
Profit for the period	-	-	-	1,240	1,240
Other comprehensive income/ (loss) for the period	-	7	(14)		(7)
Total	10,251	(129)	40	24,111	34,273
Dividends, representing transaction with owners, recognised directly in equity	-	-	-	(1,537)	(1,537)
Balance as at December 31, 2014	10,251	(129)	40	22,574	32,736

Company

	Share Capital \$'000	Fair Value Adjustment (Deficit) Surplus \$'000	Accumulated Profits \$'000	Total \$'000
Latest Period				
Balance as at July 1, 2015	10,251	46	22,970	33,267
Total comprehensive income for the year	-	-	2,847	2,847
Other comprehensive loss for the period	-	(55)	-	(55)
Total	10,251	(9)	25,817	36,059
Dividends, representing transaction with owners, recognised directly in equity	-	-	(3,074)	(3,074)
Balance as at December 31, 2015	10,251	(9)	22,743	32,985

Previous Corresponding Period

Balance as at July 1, 2014	10,251	54	21,170	31,475
Total comprehensive income for the period				
Profit for the period	-	-	2,474	2,474
Other comprehensive loss for the period	-	(14)	-	(14)
Total	10,251	40	23,644	33,935
Dividends, representing transaction with owners, recognised directly in equity	-	-	(1,537)	(1,537)
Balance as at December 31, 2014	10,251	40	22,107	32,398

- 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 immediate preceding financial year.**

	Number of shares	Paid-up Capital S\$
Balance at 31 December 2015	<u>102,476,024</u>	<u>10,251,458</u>

- 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 total number of issued ordinary shares excluding treasury shares as at 31 December 2015 was 102,476,024.
(30 June 2015: 102,476,024)

- 1(d)(iv) **A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at 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 and 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.**

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year compared with those of the audited financial statements ended 30 June 2015.

- 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.**

On July 1, 2015, the Group adopted all the new and revised Singapore Financial Reporting standard ("FRSs") and Interpretations of FRS ("INT FRS") that are effective from that date and are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior years.

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

	Group 31-Dec-15	Group 31-Dec-14
Earning per ordinary share for the period : -		
(i) Based on weighted average number of ordinary shares in issued	2.28 cents	1.21 cents
(ii) On a fully diluted basis	2.28 cents	1.21 cents

Note to item (6i) :

Earnings per share is calculated based on the weighted average number of 102,476,024 (30 Jun 15: 102,476,024) ordinary shares in issue.

The basic and fully diluted earnings per ordinary share are the same as the Group did not have any potential dilutive ordinary share outstanding as at 31 December 2015.

7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the: -

- (a) current period reported on; and**
(b) immediately preceding financial year

	As at 30-Dec-15 Cents	As at 30-Jun-15 Cents
Group	32.85	33.60
Company	32.19	32.46

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.**

Statement of comprehensive income

The Group's revenue was 88.9% higher at \$19.3 million from \$10.2 million in previous corresponding period. The increase was largely due to the revenue from the SG50 projects offsetted by a small decrease in revenue from the traditional gifts business.

Gross profit increased by 56.6% from \$5.3 million to \$8.3 million in 1H FY2016. However, gross profit margin decreased from 51.6% in 1H2015 to 42.8% in 1H2016. This is mainly attributable to higher cost of sales attached to the SG50 Projects sales and a slight reduction in the gross profit margin for the traditional gifts business.

In 1H FY2015, other operating income was higher mainly due to a one-off gain of \$2.4 million recognised on the disposal of shares in its associate at the company level, correspondingly reduced by \$0.8 million at the group level due to equity accounting of the associate effected for FY2015 as a whole.

The Group's total operating expenses, comprising distribution costs, administration expenses and other operating expenses, amounted to \$5.7 million in 1H 2016, which was comparable to 1H FY2015.

Distribution costs increased by 14% to \$1.9million in 1H FY2016 as compared to 1H FY2015 largely due to expenditure on marketing costs for the SG50 projects.

Administrative expenses decreased by 6.4% from \$3.8 million in 1H FY2015 to \$3.5 million in 1H FY2016. This is mainly due to lower operating costs incurred for training programmes and professional fees as well as overseas subsidiary right-sizing exercise.

Overall, the Group recorded a profit after tax of \$2.3 million in 1H FY2016., compared with a profit of \$1.2 million in 1H FY2015.

Statement of financial position and statement of cash flows

The cash and cash equivalent increased by \$2.2 million to \$9.1 million from \$6.9m in the previous year, 31 Dec 2014, as a result of higher sales during the period. The amount was lower than the balance as at 30 June 2015 following a dividend payout of \$3.1 million in celebration of Singapore's Golden Jubilee anniversary and Noel's 40th Anniversary.

The Group's inventories increased as compared to 30 June 2015 was a result of early stocking up of the Chinese New Year sales in early February this year. Correspondingly, the trade payable increased as compared to previous corresponding period.

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

The financial performance of the Group for 1H 2016, after taking into account the SG50 projects, is in line with the previous results announcement made on 21 August 2015.

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 global economic outlook continues to remain uncertain. The operating environment of rising costs and dampened consumer sentiments will be a challenge for the group moving forward. Barring any unforeseen circumstances, the Group remains cautiously optimistic of its business outlook in the next reporting period. The Group, however, will continue to manage its operations in a prudent and efficient manner.

11 **Dividend**

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Nil

(b) Corresponding Period of the Immediately Preceding Financial Year

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

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

Not applicable.

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.**

The Company has not obtained an IPT mandate from shareholders. It does not have any interested person transaction (excluding transaction less than \$100,000) during the period under review.

14 **Negative assurance on interim financial statement.**

The Board of Directors, hereby confirmed that, to the best of its knowledge, nothing has come to its attention which may render the unaudited half year financial results of the Group to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Wong Phui Hong
Company Secretary
03 February 2016