

PAVILLON HOLDINGS LTD

Full Year Financial Statement And Dividend Announcement for the Year Ended 31 December 2017

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

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

Financial statements for year ended 31 December 2017

	Group		
	January - December 17	January - December 16	Increase/ (Decrease)
	S\$'000	S\$'000	%
Revenue (Note 1)	16,463	15,530	6
Other items of income			
Interest income	136	303	(55)
Other income (Note 2)	209	1,870	(89)
Items of expenses			
Raw materials and changes in inventories	(4,684)	(5,622)	(17)
Personnel costs	(6,814)	(7,092)	(4)
Depreciation expenses	(507)	(660)	(23)
Finance costs	(161)	-	NM
Net foreign exchange loss	(40)	(29)	38
Other expenses	(4,925)	(3,672)	34
Share of results of associated companies (Note 3)	(521)	518	NM
(Loss)/profit before taxation (Note 4)	(844)	1,146	NM
Income tax expense (Note 5)	(589)	(268)	>100
(Loss)/profit for the year	(1,433)	878	NM
Attributable to :			
Owners of the company	(1,653)	878	NM
Non-controlling interests	220	-	NM
	(1,433)	878	NM
Other comprehensive income			
Foreign currency translation	(417)	(1,091)	(62)
Total comprehensive income for the year	(1,850)	(213)	>100
Attributable to :			
Owners of the company	(2,122)	(213)	
Non-controlling interests	272	-	NM
Total comprehensive income for the year	(1,850)	(213)	>100
Earnings per share attributable to owners of the Company	Cts	Cts	
Basic	(0.43)	0.23	NM
Diluted	(0.43)	0.23	NM

NM : Not meaningful

Notes to Income Statement**Note 1: Revenue and Profit Before Taxation**

	Food & beverages	Leasing	Properties	All other segments	Eliminations	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2017						
Revenue	13,121	3,146	3	1,688	(1,495)	16,463
(Loss)/profit before taxation	973	1,948	(44)	(3,499)	(222)	(844)
2016						
Revenue	14,261	1,269	-	1,775	(1,775)	15,530
(Loss)/profit before taxation	(2)	760	-	(1,606)	1,995	1,147

Note 2: Other income

Other income mainly consists of freight charges, Special Employment Credit and Productivity and Innovation Credit Scheme payout received from the government. Decrease in other income of approximately \$1.7m was mainly due to a prior year gain on disposal of subsidiaries.

Note 3: Share of results of associated companies

Share of results of associated companies mainly consists of share of losses of Changjiang and State Research Pavillon Financial Leasing. Share of profit of associated companies of approximately \$0.5m in the previous year turned into share of losses of approximately \$0.5m mainly due to cessation of the cultural assets trading exchange business (Changjiang).

Note 4: Profit/(loss) before taxation is stated after (crediting)/charging the following:-

	Group		
	January - December 17	January - December 16	Increase/ (Decrease)
	S\$'000	S\$'000	%
Impairment loss on investments in associated companies	484	-	NM
Gain on disposal of subsidiaries	-	(1,483)	(100)
Interest income	(136)	(303)	(55)

Note 5: Taxation

	Group		
	January - December 17	January - December 16	Increase/ (Decrease)
	S\$'000	S\$'000	%
Income tax expense is made up of:-			
On results for the financial year:			
-Current income taxation	645	200	>100
-Deferred income taxation	(23)	10	NM
	622	210	
Under/(Over) provision in respect of prior years:-			
-Current income taxation	(33)	58	NM
	(33)	58	
Total	589	268	>100

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

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	1,562	1,676	-	1
Investment in subsidiaries	-	-	29,651	29,682
Investment in associated companies	4,663	5,670	3,829	4,319
Land use rights (Note 1)	9,136	-		
Trade debtors	-	4,393	-	-
Other debtors	37	65	26	47
Deposits	417	166	-	-
Total non-current assets	15,815	11,970	33,506	34,049
Current assets				
Stocks	1,508	1,173	-	-
Trade debtors	20,319	20,431	83	50
Other debtors	8,715	548	18	93
Deposits and prepayments	479	417	10	42
Amounts due from subsidiaries (trade)	-	-	-	97
Amounts due from subsidiaries (non-trade)	-	-	2,045	2,098
Fixed deposits	4,498	3,031	1,022	3,031
Cash and bank balances	7,614	8,294	2,004	1,451
	43,134	33,894	5,181	6,862
Total assets	58,948	45,864	38,687	40,911
EQUITY AND LIABILITIES				
Current liabilities				
Trade creditors	1,006	996	-	-
Other creditors and accruals	2,634	4,076	771	566
Deposits	20	-	20	-
Provisions	-	95	1	-
Short term loans	4,090	-	-	-
Income tax payable	645	206	-	-
	8,395	5,373	792	566
Net current assets	34,739	28,521	4,389	6,296
Non-current liabilities				
Deferred tax liabilities	115	138	-	-
Franchise deposits	110	100	110	100
Provisions	180	90	-	-
Total non-current liabilities	405	328	110	100
Total liabilities	8,800	5,701	902	666
Net assets	50,148	40,163	37,785	40,245

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
	S\$'000	S\$'000	S\$'000	S\$'000
Equity attributable to owners of the Company				
Share capital	39,433	39,433	39,433	39,433
Foreign currency translation reserve	(1,281)	(812)	-	-
Capital reserve	3,750	-	-	-
Retained profits	(383)	1,542	(1,648)	812
	41,519	40,163	37,785	40,245
Non-controlling interests	8,629	-	-	-
Total Equity	50,148	40,163	37,785	40,245
Total Equity and Liabilities	58,948	45,864	38,687	40,911

Notes to Balance Sheet

Note 1: Land use rights of a piece of land within the Dongjiang bonded port area in Tianjin.

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

Nil.

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

	Group	
	January - December 17	January - December 16
	S\$'000	S\$'000
Cash flows from operating activities :		
(Loss)/profit before taxation from continuing operation	(844)	1,146
Adjustments for :		
Impairment loss on associated companies	484	-
Depreciation of property, plant and equipment	507	660
Gain on disposal of property, plant and equipment	(1)	-
Interest expense	161	-
Interest income	(136)	(303)
Share of results of associated companies	521	(518)
Gain on disposal of subsidiaries	-	(1,483)
Exchange differences	(372)	(993)
Operating profit/loss before working capital changes	320	(1,491)

	Group	
	January - December 17	January - December 16
	S\$'000	S\$'000
(Increase)/decrease in :		
Stocks	(334)	119
Trade debtors	4,504	(19,296)
Other debtors, deposits and prepayments	(8,456)	(626)
Trade creditors	10	420
Other creditors and accruals	(1,416)	2,654
Short term loan	4,090	-
Cash flows used in operations	(1,283)	(18,220)
Taxes paid	(167)	(52)
Net cash flows used in operating activities	(1,450)	(18,272)
Cash flows from investing activities		
Interest received	138	315
Purchase of property, plant and equipment	(334)	(31)
Purchase of land use rights	(9,136)	-
Investment in associated companies	-	(5,152)
Proceeds from disposal of property, plant and equipment	1	1,157
Net cash flows used in investing activities	(9,331)	(3,711)
Cash flows from financing activities		
(Placement)/withdrawal of fixed deposits	(1,467)	20,665
Interest expense paid	(162)	-
Investment by non-controlling interest	11,836	-
Net cash flows generated from financing activities	10,207	20,665
Net decrease in cash and cash equivalents	(574)	(1,318)
Effect of exchange rate changes on bank balances	(107)	(83)
Cash and cash equivalents at beginning of the financial year	8,294	9,695
Cash and cash equivalents at end of the financial year	7,614	8,294

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.

	Share capital	Capital Reserve	Retained profits	Foreign currency translation reserve	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group							
2017							
Balance as at 1 January 2017	39,433	-	1,542	(812)	40,163	-	40,163
(Loss)/profit for the financial year	-	-	(1,653)	-	(1,653)	220	(1,433)
<u>Other comprehensive income</u>							
Foreign currency translation	-	-	-	(417)	(417)	-	(417)
Other comprehensive income for the financial year, net of tax	-	-	-	(417)	(417)	-	(417)
Total comprehensive income for the financial year	-	-	(1,653)	(417)	(2,070)	220	(1,850)
<u>Changes in ownership interests in subsidiaries</u>							
Acquisition by non-controlling interests	-	3,750	(272)	-	3,478	8,357	11,835
Share of translation reserve of non-controlling interests	-	-	-	(52)	(52)	52	-
Total changes in ownership interest in subsidiaries	-	3,750	(272)	(52)	3,426	8,409	11,835
Balance as at 31 December 2017	<u>39,433</u>	<u>3,750</u>	<u>(383)</u>	<u>(1,281)</u>	<u>41,519</u>	<u>8,629</u>	<u>50,148</u>

	Share capital	Retained profits	Foreign currency translation reserve	Reserve of disposal group classified as held for sale	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2016							
Balance as at 1 January 2016	39,433	135	279	487	40,334	42	40,376
Profit for the financial year	-	878	-	-	878	-	878
<u>Other comprehensive income</u>							
Foreign currency translation	-	-	(1,091)	-	(1,091)	-	(1,091)
Other comprehensive income for the financial year, net of tax	-	-	(1,091)	-	(1,091)	-	(1,091)
Total comprehensive income for the financial year	-	878	(1,091)	-	(213)	-	(213)
<u>Changes in ownership interest in subsidiaries</u>							
Disposal of subsidiaries	-	529	-	(487)	42	(42)	-
Total changes in ownership interest in subsidiaries	-	529	-	(487)	42	(42)	-
Balance as at 31 December 2016	<u>39,433</u>	<u>1,542</u>	<u>(812)</u>	<u>-</u>	<u>40,163</u>	<u>-</u>	<u>40,163</u>

Company	Share capital	Retained profits	Total equity
	S\$'000	S\$'000	S\$'000
2017			
Balance as at 1 January 2017	39,433	812	40,245
Loss for the financial year	-	(2,460)	(2,460)
Total comprehensive income for the financial year	-	(2,460)	(2,460)
Balance as at 31 December 2017	39,433	(1,648)	37,785

	Share capital	Retained profits	Total equity
	S\$'000	S\$'000	S\$'000
2016			
Balance as at 1 January 2016	39,433	1,345	40,778
Loss for the financial year	-	(533)	(533)
Total comprehensive income for the financial year	-	(533)	(533)
Balance as at 31 December 2016	39,433	812	40,245

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 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.

<u>Issued Share Capital</u>	No. of shares	Capital (S\$)
Balance as at beginning of the year	387,748,700	39,433,461
Balance as at end of the year	387,748,700	39,433,461

There is no outstanding convertibles and treasury shares as at the end of the current financial year and as at the end of the previous financial year.

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 immediate preceding year.

Number of issued shares excluding treasury shares	2017	2016
As at beginning of the current financial year	387,748,700	387,748,700
As at end of the current financial year	387,748,700	387,748,700

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.

<u>Treasury shares</u>	2017	2016
Balance as at beginning and end of the current financial year	-	-

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.

<u>Subsidiary holdings</u>	2017	2016
Balance as at beginning and end of the current financial year	-	-

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

The figures have neither been audited nor reviewed by our auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of 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 and the Company have applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial year as compared to the audited financial statements as at 31 December 2016, except for the adoption of new and revised Financial Reporting Standards (FRS) which became effective for periods beginning on or after 1 January 2017.

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.

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after January 2018 or later periods which the Group has not early adopted.

Effective for annual periods beginning on and after 1 January 2018

- FRS 109 Financial Instruments
- FRS 115 Revenue from Contracts with Customers
- Amendments to FRS 40: Transfers of Investment Property
- Amendments to FRS 102: Classification and Measurement of Share-based Payment Transactions
- Amendments to FRS 105: Applying FS 109 Financial instruments with FRS 104 Insurance contracts
- Amendments to FRS 115: Classifications to FRS 115 Revenue from Contracts with Customers
- Improvement to FRS (December 2016)
 - o Amendment to FRS 28 Investments in Associates and associated companies
 - o Amendment to FRS 101 First-Time Adoption of Financial Reporting Standards
- INT FRS 122 Foreign currency Transactions and Advance Consideration

Effective for annual periods beginning on and after 1 January 2019

- FRS 116 Leases
- INT FRS123: Uncertainty over Income tax Treatments Illustrative Examples
- Amendments to FRS 109: Prepayment Features with Negative Compensation
- Amendments to FRS 28: Long-term Interest in Associates and associated companies

Effective date to be determined*

- Amendments to FRS 110 and FRS 28: Sales or Contribution of Assets between an investor and its Associate or Joint venture

There are no changes in the accounting policies and methods of computation since the previous financial year.

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	
	2017	2016
Profit per ordinary share for the financial year after deducting any provision for preference dividends:-	Cts	Cts
(a) Based on the weighted average number of ordinary shares on issue; and	(0.43)	0.23
(b) On a fully diluted basis	(0.43)	0.23
(To disclose the basis used in arriving at the weighted average number of shares for the purposes of (6)(a) above and to provide details of any adjustments made for the purpose of (6)(b) above)		

Note to 6 (a) and 6 (b)

Basic and fully diluted earnings per share are calculated by dividing the Group's (loss)/profit after taxation, amounting to -\$1.7m (2016: \$0.9m) by the weighted average number of ordinary shares in issue as at 31 December 2017 of 387,748,700 (31 December 2016: 387,748,700) shares.

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	
	As at 31/12/2017	As at 31/12/2016	As at 31/12/2017	As at 31/12/2016
	Cts	Cts	Cts	Cts
Net asset value per ordinary share based on existing issued share capital as at the end of the financial year reported on.	10.71	10.36	9.74	10.38

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.

Turnover and earnings

Total revenue of the Group increased by approximately \$0.9m mainly due to increase in leasing and administrative income of approximately \$2.0m being offset by decrease in food & beverages revenue of approximately \$1.0m as a result of closure of Jurong outlet during the year.

Cost of raw materials used in the restaurant decreased by approximately \$0.9m mainly due to closure of Jurong outlet. Gross profit increased by \$1.8m as compared to previous year, mainly due to increase in leasing income generated during the year. Other income decreased by approximately \$1.7m mainly due to gain on disposal of subsidiaries and writing back of reinstatement costs recognised in the previous year.

Personnel costs decreased by approximately \$0.3m and depreciation expenses decreased by approximately \$0.2m mainly due to closure of Jurong outlet during the year. Finance costs of \$0.2m arose from short term loan obtained for leasing operations. Other expenses increased by approximately \$1.3m mainly due to impairment loss of approximately \$0.5m, increase in rental expenses of approximately \$0.5m and increase in professional fees of approximately \$0.3m as a result of an aborted attempt to purchase a property in Malaysia.

Share of profits of associated companies of approximately \$0.5m in the previous year turned into share of losses of approximately \$0.5m mainly due to cessation of the cultural assets trading exchange business (Changjiang). Tax expenses increased by approximately \$0.3m mainly due to higher profit generated by leasing operations. Prior year profit for the year of approximately \$0.9m turned into loss for the year of approximately \$1.7m, mainly due to share of losses of associated companies, increase in professional fees and last year's gain on disposal of subsidiaries.

Singapore

Food & beverages operations - revenue decreased by approximately \$1.0m as a result of closure of Jurong outlet during the year. Prior year loss before taxation (LBT) of \$0.2m turned into profit before taxation (PBT) of approximately \$0.5m mainly due to decrease in management fee charged by the corporate office during the year. Franchise revenue remained at approximately \$0.6m.

People's Republic of China

- i) Leasing operations - Revenue and PBT from leasing operations increased by approximately \$2.0m and \$0.7m as compared to the previous year, mainly due to increase in leasing transactions during the year.
- ii) Properties operations - The Company expects to complete its bonded warehouse construction in Tianjin by the first quarter of 2019.
- iii) All other segments - Share of losses for the year from Changjiang and State Research Pavillon Financial Leasing amounted to approximately \$0.4m and \$0.1m respectively.

Balance sheet and cash flows review

Property, plant and equipment decreased by approximately \$0.1m mainly due to depreciation expenses charged during the year. Investment in associated companies decreased by approximately \$1.0m mainly due to impairment and share of losses incurred during the year. Non-current trade debtors decreased by approximately \$4.4m mainly due to repayment received from lessees.

Trade debtors remains at approximately \$20.3m. Other debtors increased by approximately \$8.2m mainly due to reclassification of debt from a trade debtor to other debtor as a result of changes in the nature of debt. Fixed deposits increased by approximately \$1.5m mainly due to new placement of fixed deposits. Other creditors decreased by approximately \$1.5m mainly due to decrease in leasing deposits received during the year. Short term loans of \$4.1m are money borrowed from an internet banking platform in the PRC.

Net cash flows used in operating activities decreased by approximately \$16.8m as compared to the previous year mainly due to decrease in trade and other debtors of approximately \$16.0m. Net cash flows used in investing activities increased by approximately \$6.5m mainly due to purchase of a piece of land in Tianjin. Net cash flows generated from financing activities of approximately \$10.2m arose mainly from investment by non-controlling interest during the year.

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

The actual results are in line with the general prospect commentary previously disclosed in the half-year results announcement for the financial period ended 30 June 2017.

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 food and beverage industry in Singapore is expected to remain competitive. Despite these challenges, the group will continue to explore new F&B concepts and opportunities. The Group will also continue to expand its financial leasing business in the PRC. It also expects to complete its bonded warehouse construction in Tianjin by the first quarter of 2019.

11. If a decision regarding dividend has been made:**(a) Whether an interim (final) ordinary dividend has been declared (recommended):**

No dividend has been declared or recommended.

(b) (i) Amount per share : Not applicable.

(ii) Previous corresponding period : 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 the 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.

No dividend has been declared or recommended.

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

The Group and the Company have not obtained any general mandate from shareholders for IPT pursuant to Rule 920.

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

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

Part II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3, or Half-Year Results)

15. 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 statements, with comparative information for the immediately preceding year.

	Food & beverages	Leasing	Properties	All other segments	Eliminations	Notes	Group
2017							
Turnover	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		S\$'000
-external sales	13,120	3,146	3	193	-		16,463
-inter-segment sales	-	-	-	1,495	(1,495)	A	-
	<u>13,120</u>	<u>3,146</u>	<u>3</u>	<u>1,688</u>	<u>(1,495)</u>		<u>16,463</u>
Interest income	25	68	41	1	-		136
Depreciation of property, plant and equipment	(429)	(2)	-	(76)	-		(507)
Share of results of associated companies	-	-	-	(521)	-		(521)
Impairment loss on investment in associated companies	-	-	-	(883)	399	B	(484)
Segment (loss)/profit	<u>973</u>	<u>1,948</u>	<u>(44)</u>	<u>(3,499)</u>	<u>(222)</u>	C	<u>(844)</u>
Investment in associated companies	-	-	-	4,663	-		4,663
Additions to non-current assets	119	1	2	212	-	D	334
Segment assets	4,770	45,280	9,749	41,661	(42,511)	E	58,948
Segment liabilities	1,656	5,544	388	5,075	(3,864)	F	8,800

	Food & beverages	Leasing	All other segments	Eliminations	Notes	Group
	S\$'000	S\$'000	S\$'000	S\$'000		S\$'000
Turnover	14,261	1,269	-	-		15,530
-external sales	-	-	1,775	(1,775)	A	-
-inter-segment sales	14,261	1,269	1,775	(1,775)		15,530
Interest income	-	243	59	-		303
Property, plant and equipment written off	(1)	-	-	-		1
Depreciation of property, plant and equipment	(581)	(1)	(77)	-		(659)
Share of results of associated companies	-	(518)	-	-		(518)
Stock loss	(110)	-	-	-		(110)
Segment (loss)/profit	(2)	760	(1,606)	1,995	C	1,147
Investment in associated companies	-	-	5,152	-		5,152
Additions to non-current assets	24	6	1	-	D	31
Segment assets	4,305	29,853	42,476	(30,770)	E	45,864
Segment liabilities	1,722	3,379	4,881	(4,281)	F	5,701

Geographical information

	Revenue		Non-current assets	
	2017	2016	2017	2016
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	12,547	13,813	1,114	1,420
People's Republic of China	3,343	1,269	448	256
Others	574	448	-	-
	16,463	15,530	1,562	1,676

Non-current assets information presented above consists of property, plant and equipment as presented in the consolidated balance sheet.

Note A

Inter-segment revenues are eliminated on consolidation.

Note B

Impairment loss on investment in subsidiaries are eliminated on consolidation.

Note C

The following items are deducted from segment profit to arrive at profit before tax presented in the consolidated income statement:

	2017	2016
	S\$'000	S\$'000
Gain on disposal of subsidiaries	-	1,483
Unallocated corporate expenses	-	(6)
Exchange loss on translation of intercompany loan	12	-
Impairment loss on investment in associated companies	287	-
Share of losses from associated companies	(521)	518
	(222)	1,995

Note D

Additions to non-current assets consists of additions to property, plant and equipment.

Note E

The following items are added to / (deducted from) segment assets to arrive at total assets reported in the consolidated balance sheet:

	2017	2016
	S\$'000	S\$'000
Unallocated corporate assets	4,498	3,031
Inter-segment assets	(47,009)	(33,801)
	<u>(42,511)</u>	<u>(30,770)</u>

Note F

The following items are added to / (deducted from) segment liabilities to arrive at total liabilities reported in the consolidated balance sheet:

	2017	2016
	S\$'000	S\$'000
Income tax payables	645	206
Deferred tax liabilities	115	138
Inter-segment liabilities	(4,624)	(4,625)
	<u>(3,864)</u>	<u>(4,281)</u>

16. 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 note 8 for commentary.

17. A breakdown of sales as follows:-

	Group		
	2017	2016	Changes
	S\$'000	S\$'000	%
a) Sales reported for first half-year	8,053	7,721	4
b) Operating profit/(loss) after tax before deducting minority interests reported for first half-year	(649)	882	NM
c) Sales reported for second half-year	8,410	7,809	8
d) Operating loss after tax before deducting minority interests reported for second half-year	(784)	(4)	>100

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

	2017	2016
	S\$	S\$
Ordinary	-	-
Preference	-	-
Total:	-	-

Note 1 : No dividends declared during the year.

Please refer to para 11 on dividends.

19. Disclosure of person 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(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

There is no relative of a director or chief executive officer or substantial shareholder of the Company or the Group who is occupying a managerial position in the Company or any of its principal subsidiaries.

BY ORDER OF THE BOARD
John Chen Seow Phun
Executive Chairman
23-Feb-18