

ST. JAMES HOLDINGS LIMITED (Registration No : 200210338M)

Full Year Financial Statement and Related Announcement

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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

The Board of Directors of St. James Holdings Limited wishes to announce the unaudited results of the Group for the financial year ended 30 June 2014.

1(a)(i) 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

	GROUP 12 mths ended 30.6.2014 S\$'000	GROUP 12 mths ended 30.6.2013 S\$'000	Increase/ (Decrease) %
Revenue	19,316	28,976	(33)
Other operating income	3,240	2,585	25
Total revenue	22,556	31,561	(29)
Costs and expenses			
Cost of goods sold	6,342	9,669	(34)
Depreciation	1,957	2,829	(31)
Staff costs	7,162	10,150	(29)
Selling and promotional expenses	3,012	4,360	(31)
Rental	3,585	3,813	(6)
Management fees	75	326	(77)
Finance costs	84	148	(43)
Other operating expenses	6,089	4,293	42
Total costs and expenses	28,306	35,588	(20)
Loss from operations	(5,750)	(4,027)	43
Share of loss of joint venture	(221)	(139)	59
Loss before taxation	(5,971)	(4,166)	43
Income tax credit	52	453	(89)
Loss for the year, net of tax	(5,919)	(3,713)	59
Other comprehensive income for the year, net of tax	-	-	
Total comprehensive income for the year	(5,919)	(3,713)	59
Attributable to :			
Equity holders of the Company	(6,044)	(3,918)	54
Non-controlling interests	125	205	(39)
Total comprehensive income for the year	(5,919)	(3,713)	59

1(a)(ii) Loss before taxation is stated after charging/(crediting) the following :-

	GROUP 30.6.2014 S\$'000	GROUP 30.6.2013 S\$'000	Increase/ (Decrease) %
Depreciation	1,957	2,829	(31)
Impairment of plant and equipment	570	-	n.m
Interest expense on bank borrowings	32	98	(67)
Finance cost on provision for reinstatement costs	52	50	4
Finance revenue on rental deposits	(32)	(51)	(37)
Directors' fees	157	157	0
Provision for impairment in investment in joint venture	106	-	n.m
Provision for doubtful receivables - joint venture	218	-	n.m
Gain on disposal of plant and equipment	-	(5)	n.m
Plant and equipment written-off	2,126	-	n.m
Inventories written-off	26	-	n.m
Interest income from banks	(5)	(1)	400
Bad debts written-off	9	-	n.m
Management fees paid to joint venture partner	75	326	(77)

n.m - 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	
	30.6.2014	30.6.2013	30.6.2014	30.6.2013
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Plant and equipment	1,685	6,640	-	-
Investment in subsidiaries	-	-	172	9,101
Investment in joint venture	-	327	-	-
Deposits and other receivables	1,840	692	-	-
Current assets				
Inventories	885	1,409	-	-
Amounts due from related parties (non-trade)	36	36	-	-
Amount due from a related party (trade)	2	143	-	-
Amounts due from subsidiaries (trade)	-	-	1,303	1,799
Trade receivables	121	400	-	-
Deposits and other receivables	1,268	1,655	-	-
Prepayments	154	340	-	29
Cash and cash equivalents	2,730	4,066	1,167	2,302
	5,196	8,049	2,470	4,130
Current liabilities				
Trade and other payables	4,433	4,058	463	235
Amounts due to related parties (non-trade)	119	50	-	-
Bank borrowings	-	1,306	-	-
Current portion of finance leases	2	252	-	-
Shareholders' loan	620	620	620	620
Provision for reinstatement costs	27	335	-	-
Income tax payable	95	136	-	56
	5,296	6,757	1,083	911
Net current (liabilities)/assets	(100)	1,292	1,387	3,219
Non-current liabilities				
Other payables	1,135	1,089	-	-
Finance leases	-	2	-	-
Deferred taxation	-	11	-	-
Provision for reinstatement costs	941	581	-	-
Net assets	1,349	7,268	1,559	12,320
Equity attributable to equity holders of the Company				
Share capital	27,803	27,803	63,995	63,995
Reserves	(26,722)	(20,678)	(62,436)	(51,675)
	1,081	7,125	1,559	12,320
Non-controlling interests	268	143	-	-
Total equity	1,349	7,268	1,559	12,320

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

Amount repayable in one year or less, or on demand

As at 30 June 2014		As at 30 June 2013	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
-	622	1,306	872

Amount repayable after one year

As at 30 June 2014		As at 30 June 2013	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
-	-	-	2

Details of any collateral

The Group's secured borrowings as at 30 June 2013 amounting to S\$1,306,000 related to a subsidiary's banking facilities which was secured by way of a legal corporate guarantee from the Company.

The bank borrowings were fully repaid as at 30 June 2014.

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 30.6.2014 S\$'000	GROUP 30.6.2013 S\$'000
Cash flow from operating activities		
Loss before taxation	(5,971)	(4,166)
Adjustments for :		
Depreciation	1,957	2,829
Bad debts written-off	9	-
Inventories written-off	26	-
Impairment of plant and equipment	570	-
Share of loss of joint venture	221	139
Provision for impairment in investment in joint venture	106	-
Finance cost on provision for reinstatement costs	52	50
Loss/(gain) on write-off/disposal of plant and equipment	2,126	(5)
Provision for doubtful receivables - joint venture	218	-
Finance revenue on rental deposits	(32)	(51)
Interest income from banks	(5)	(1)
Interest expense on bank borrowings	32	98
Operating loss before working capital changes	(691)	(1,107)
Changes in working capital :		
Inventories	498	53
Amount due from a related party (trade)	(17)	16
Trade and other receivables	(176)	33
Prepayments	186	(50)
Trade and other payables	361	295
Net cash generated from/(used in) operations	161	(760)
Interest paid	(32)	(92)
Interest received	5	1
Net cash generated from/(used in) operating activities	134	(851)
Cash flow from investing activities		
Purchase of plant and equipment	(241)	(725)
Proceeds from disposal of plant and equipment	260	24
Net cash generated from/(used in) investing activities	19	(701)
Cash flow from financing activities		
Repayment of bank borrowings	(1,306)	(1,321)
Proceeds from bank borrowings	-	800
Repayment of finance leases	(252)	(312)
Amounts due to related parties (non-trade)	69	50
Net proceeds from issuance of shares	-	2,227
Dividends paid to non-controlling shareholder of a subsidiary	-	(189)
Net cash (used in)/generated from financing activities	(1,489)	1,255
Net decrease in cash and cash equivalents	(1,336)	(297)
Cash and cash equivalents at beginning of year	4,066	4,363
Cash and cash equivalents at end of year	2,730	4,066

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 S\$'000	Share option reserve S\$'000	Accumulated losses S\$'000	Premium on disposal of non-controlling interest S\$'000	Total attributable to equity holders of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
Group							
At 30 June 2012	25,576	215	(17,011)	36	8,816	127	8,943
(Loss)/profit for the year, representing total comprehensive income for the year	-	-	(3,918)	-	(3,918)	205	(3,713)
<u>Contributions by and distributions to owners</u>							
New shares issued							
- share placement in June 2013	2,430	-	-	-	2,430	-	2,430
Share issuance expenses	(203)	-	-	-	(203)	-	(203)
Dividends to non-controlling shareholder of a subsidiary	-	-	-	-	-	(189)	(189)
At 30 June 2013	27,803	215	(20,929)	36	7,125	143	7,268
(Loss)/profit for the year, representing total comprehensive income for the year	-	-	(6,044)	-	(6,044)	125	(5,919)
At 30 June 2014	27,803	215	(26,973)	36	1,081	268	1,349
	Share capital S\$'000	Share option reserve S\$'000	Accumulated losses S\$'000	Premium on disposal of non-controlling interest S\$'000	Total attributable to equity holders of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
Company							
At 30 June 2012	61,768	215	(44,100)	-	17,883	-	17,883
Loss for the year, representing total comprehensive income for the year	-	-	(7,790)	-	(7,790)	-	(7,790)
<u>Other comprehensive income</u>							
New shares issued							
- share placement in June 2013	2,430	-	-	-	2,430	-	2,430
Share issuance expenses	(203)	-	-	-	(203)	-	(203)
At 30 June 2013	63,995	215	(51,890)	-	12,320	-	12,320
Loss for the year, representing total comprehensive income for the year	-	-	(10,761)	-	(10,761)	-	(10,761)
At 30 June 2014	63,995	215	(62,651)	-	1,559	-	1,559

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.

(a) Issuance of shares

There was no change in the Company's share capital during the current financial year reported on since the end of the previous financial year reported on.

(b) Convertibles

As at 30 June 2014, there were 360,000 ordinary shares (as at 30 June 2013: 385,000 ordinary shares) that may be issued upon the exercise of outstanding share options pursuant to the St James Share Option Scheme.

(c) Treasury shares

The Company did not have any treasury shares as at 30 June 2014 and 30 June 2013.

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

	30.6.2014	30.6.2013
Total number of issued shares excluding treasury shares	<u>382,871,170</u>	<u>382,871,170</u>

There were no treasury shares as at 30 June 2014 and 30 June 2013.

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. There were no treasury shares during and as at the end of the current financial year reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard) or practice

The figures have not been audited or reviewed by the Company's auditor.

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

Save as disclosed in paragraph 5 below, the financial statements have been prepared using the same accounting policies and methods of computation as presented in the most recently audited financial statements for the financial year ended 30 June 2013.

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

The Group has adopted the new and revised Singapore Financial Reporting Standards ("FRSs") and interpretation of FRSs ("INT FRSs") that are relevant to its operations and effective for the financial periods beginning on or after 1 July 2013.

The adoption of these new/revised FRSs and INT FRSs did not result in any substantial changes in the Group's accounting policies and has no material impact on the Group's financial statements for the financial year ended 30 June 2014.

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

	GROUP	
	12 mths ended 30.6.2014	12 mths ended 30.6.2013
Loss per ordinary share for the year based on net loss attributable to equity holders of the Company :-		
i) Based on weighted average number of ordinary shares (cents)	(1.58)	(1.21)
ii) Based on fully diluted basis (cents)	<u>(1.58)</u>	<u>(1.21)</u>
Weighted average number of ordinary shares in issue used for the calculation of basic earnings per share	382,871,170	325,008,156
Weighted average number of ordinary shares in issue used for the calculation of diluted earnings per share	382,871,170	325,008,156

Note :

Basic loss per share for the financial years ended 30 June 2014 and 30 June 2013 were the same as the diluted loss per share for the financial years ended 30 June 2014 and 30 June 2013 respectively, as the outstanding share options have not been included in the calculation of diluted loss per share because they were anti-dilutive as at 30 June 2014 and 30 June 2013.

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	
	30.6.2014	30.6.2013	30.6.2014	30.6.2013
Net asset value per ordinary share based on issued share capital as at the end of the financial year (cents)	<u>0.35</u>	<u>1.90</u>	<u>0.41</u>	<u>3.22</u>
Number of shares in issue as at the end of the financial year	382,871,170	382,871,170	382,871,170	382,871,170

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Income Statement

For the financial year ended 30 June 2014 ("FY2014"), the Group's revenue fell 33% compared to the financial year ended 30 June 2013 ("FY2013"). This was mainly due to lower sales in St. James Power Station and 50% proportionate accounting for the lower revenue of four outlets which are jointly managed with third parties starting from October 2012. The lower sales in St James Power Station was attributed to the closure of four outlets for lease to third-party operators.

Our Group's gross profit margin remained relatively constant at 67.2% in FY2014 compared to 66.6% in FY2013.

The rental income received for the lease of outlets at St James Power Station resulted in the increase in other operating income in FY2014.

Generally expenses fell in line with the decrease in business volume and also as a result of the 50% proportionate accounting for the decreased expenses of the jointly managed outlets.

Other operating expenses increased because the Group recorded an impairment loss on plant and equipment of S\$0.57 million and write-off of plant and equipment of S\$2.13 million, a provision for an impairment loss on the investment in a joint venture, Food Republic Beer Garden, of S\$0.11 million and an allowance for doubtful receivables from the joint venture of S\$0.22 million. The write-off of plant and equipment related mainly to the disposal of renovations and furniture and fittings of outlets in St James Power Station when these outlets were leased to third-party operators.

Depreciation of plant and equipment decreased because of the write-off of plant and equipment.

Overall, we recorded a loss after tax of S\$5.92 million for FY2014 mainly as a result of the decrease in revenue and the increase in other operating expenses.

Balance Sheet

Plant and equipment decreased mainly as a result of plant and equipment written-off and impairment losses as well as depreciation of fixed assets.

Investment in joint venture decreased due to an impairment loss recorded on investment in joint venture in addition to the share of losses for FY2014.

Non-current deposits and other receivables increased primarily because a security deposit for the lease of an outlet was reclassified as a long-term asset, in line with the renewal of the lease, resulting in a corresponding decrease in current deposits and other receivables. Similarly, there was a decrease in the current provision for reinstatement costs and an increase in non-current provision for reinstatement costs.

Current other receivables decreased as a result of the aforementioned reclassification of the security deposit as well as the collection of sponsorship income outstanding as at 30 June 2013.

The repayment of bank borrowings and finance leases resulted in the decrease in bank borrowings and finance lease obligations.

Long term other payables relates mainly to deposits received for the lease of outlets in St James Power Station from third-party tenants and jointly managed outlets, and the increase was in line with the increase in the number of outlets leased out.

As at 30 June 2014, our Group was in a negative working capital position of S\$0.10 million.

The shareholders had confirmed and undertaken that they will not demand repayment of the outstanding shareholders' loans of S\$0.62 million up till such time when the Company has sufficient working capital to repay the outstanding loans.

Cashflow

Net cash generated from operating activities was S\$0.13 million in FY2014 compared to S\$0.85 million used in FY2013 mainly because of lower inventories, lower receivables and higher payables balance outstanding as at 30 June 2014.

Main cash outflows for FY2014 were for the purchase of plant and equipment, repayment of finance leases and the full repayment of bank borrowings.

Cash and cash equivalents decreased by S\$1.34 million from S\$4.07 million as at 30 June 2013 to S\$2.73 million as at 30 June 2014.

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

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

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 business environment in the nightlife industry remains very challenging. The labour crunch coupled with higher operating costs and intense competition will continue to make the market a difficult one.

The Group will increase its efforts to streamline its operations and explore opportunities for restructuring which may include entering into joint ventures and divestments of existing business units.

As previously disclosed, the Company has entered into various conditional acquisition agreements to acquire from Perennial Real Estate Holdings Pte Ltd and other vendors equity interests in certain real estate assets and businesses for a consideration of approximately S\$1.56 billion to be satisfied by the issuance of new shares in the Company, which will result in the reverse takeover (“**RTO**”) of the Company. The existing leisure and entertainment businesses will be returned to all shareholders on a pro rata basis, via a distribution *in specie*. The Board will update shareholders on material developments in this matter in due course.

As at 30 June 2014, in relation to the RTO, there are contingent fees payable to financial advisor of S\$1.275 million and this will be satisfied via the issue of shares of the Company upon the successful completion of the RTO.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None.

(c) Date 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 declared/recommendeded for the financial year ended 30 June 2014.

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 Group does not have a general mandate for interested person transactions.

There were no interested person transactions of S\$100,000 or more during the financial year ended 30 June 2014.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

14. Segmented revenue and results for operating 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

Segmented financial information is not applicable as the Group only has one business segment and operates only in Singapore.

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

Not applicable.

16. A breakdown of sales

	GROUP Year ended 30.6.2014 S\$'000	GROUP Year ended 30.6.2013 S\$'000	Increase/ (Decrease) %
(a) Sales reported for first half year	10,046	17,164	(41)
(b) Operating loss after tax before deducting non-controlling interest reported for first half year	(2,061)	(1,540)	34
(c) Sales reported for second half year	9,270	11,812	(22)
(d) Operating loss after tax before deducting non-controlling interest reported for second half year	(3,858)	(2,173)	78

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

Total Annual Dividend

	Latest FullYear (S\$'000)	Previous FullYear (S\$'000)
Ordinary	0	0
Preference	0	0
Total:	0	0

18. 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(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director or chief executive officer or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Gordon Foo Chuan Wei	32	Son of Dennis Foo Jong Long, Chief Executive Officer, Executive Director and substantial shareholder of the Company	Coordinating Director, Operations of St. James Holdings Limited, in charge of coordinating the day-to-day operations and identifying and generating new business opportunities and developing existing business of the Group since 2012.	Not applicable

19. Update on use of Proceeds from the June 2013 Placement

As at the date of this announcement, the Company has utilised S\$1.59 million or 71% of the net proceeds of approximately S\$2.23 million from the placement of 60 million new ordinary shares which was completed on 18 June 2013 (the "June 2013 Placement") for general corporate and working capital purposes, such as payment to suppliers and payment of operating expenses of the Company.

The above utilisation is in accordance with the intended use of the proceeds of the June 2013 Placement as stated in the announcement on 9 June 2013.

The Company will make further announcements via SGXNET when the remaining proceeds of the June 2013 Placement are materially disbursed.

BY ORDER OF THE BOARD

Dennis Foo Jong Long
Chief Executive Officer
27 August 2014