

Challenger Technologies Limited



**FULL YEAR FINANCIAL STATEMENT
AND DIVIDEND ANNOUNCEMENT
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2015**

Co Reg No: 198400182 K

FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

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

Consolidated Statement of Comprehensive Income

	Group					
	3 months ended		Change	12 months ended		Change
	31.12.2015 \$'000	31.12.2014 \$'000	%	31.12.2015 \$'000	31.12.2014 \$'000	%
Revenue	95,588	104,629	(9)	352,245	355,112	(1)
<u>Other Items of Income</u>						
Interest Income	78	93	(16)	372	365	2
Other Gains [note (A)]	306	-	N.M.	1,303	341	282
<u>Other Items of Expense</u>						
Changes in Inventories of Finished Goods	(1,783)	3,739	(148)	3,259	(643)	(607)
Purchase of Goods and Consumables	(71,394)	(87,509)	(18)	(282,133)	(279,615)	1
Other Consumables Used	(64)	(262)	(76)	(530)	(1,200)	(56)
Depreciation Expense	(1,078)	(1,103)	(2)	(4,274)	(4,178)	2
Employee Benefits Expense	(5,845)	(6,145)	(5)	(23,127)	(24,001)	(4)
Other Expenses [Note (B)]	(6,964)	(7,040)	(1)	(25,280)	(26,877)	(6)
Other Losses [Note (A)]	(68)	(213)	(68)	(100)	(874)	(89)
Profit Before Tax from Continuing Operations	8,776	6,189	42	21,735	18,430	18
Income Tax Expense	(1,277)	(1,190)	7	(3,449)	(3,411)	1
Profit from Continuing Operations, Net of Tax	7,499	4,999	50	18,286	15,019	22
Other Comprehensive Income / (Loss):						
Items that May Be Reclassified Subsequently to Profit or Loss:						
Exchange Differences on Translating Foreign Operations,						
Net of tax	(164)	123	(233)	(375)	81	(563)
Fair value loss on Available-for-sale Financial Assets	(118)	28	(521)	(118)	34	(447)
Other Comprehensive Income / (Loss) for the Period, Net of Tax	(282)	151	(287)	(493)	115	(529)
Total Comprehensive Income	7,217	5,150	40	17,793	15,134	18
Profit Attributable to Owners of the Parent, Net of Tax	7,648	4,950	55	18,248	14,778	23
Profit Attributable to Non-Controlling Interests, Net of Tax	(149)	49	(404)	38	241	(84)
	7,499	4,999	50	18,286	15,019	22
Total Comprehensive Income Attributable to Owners of the Parent	7,366	5,101	44	17,755	14,893	19
Total Comprehensive Income Attributable to Non-Controlling Interests	(149)	49	(404)	38	241	(84)
Total Comprehensive Income	7,217	5,150	40	17,793	15,134	18
Note:						
Profit before income tax is arrived after charging/ (crediting) the followings:						
Note (A) - Other (Losses) / Gains						
Foreign exchange adjustment gains / (losses)	146	(14)	(1,143)	447	(26)	(1,819)
Sundry income	153	-	N.M.	849	341	149
Loss on disposal of plant and equipment	-	(147)	(100)	(32)	(777)	(96)
Loss on disposal of available-for-sale financial assets	-	-	N.M.	-	(8)	N.M.
Inventories written off	(68)	(50)	36	(68)	(61)	11
Reversal / (Provision) for inventories	7	(2)	(450)	7	(2)	(450)
	238	(213)	(212)	1,203	(533)	(326)
Presented in profit or loss as:						
Other Gains	306	-	N.M.	1,303	341	282
Other Losses	(68)	(213)	(68)	(100)	(874)	(89)
	238	(213)	(212)	1,203	(533)	(326)
Note (B) - Other Expenses						
Rental expenses	(4,311)	(4,357)	(1)	(16,928)	(17,445)	(3)
Other operating expenses	(1,552)	(1,346)	15	(4,432)	(4,839)	(8)
Selling and distribution costs	(1,101)	(1,337)	(18)	(3,920)	(4,593)	(15)
	(6,964)	(7,040)	(1)	(25,280)	(26,877)	(6)

N.M. = not meaningful

FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

- 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

Statement of Financial Position

	Group		Company	
	31.12.2015 \$'000	31.12.2014 \$'000	31.12.2015 \$'000	31.12.2014 \$'000
<u>ASSETS</u>				
<u>Non-Current Assets</u>				
Investment in Associate	-	-	-	-
Investments in Subsidiaries	-	-	5,153	2,719
Other Financial Assets	8,749	3,651	6,288	3,651
Property, Plant and Equipment	12,834	13,755	12,482	13,513
Total Non-Current Assets	21,583	17,406	23,923	19,883
<u>Current Assets</u>				
Cash and Cash Equivalents	41,653	52,621	33,430	44,297
Trade and Other Receivables	5,780	5,704	6,555	7,246
Other Assets	4,961	5,011	4,799	4,786
Inventories	37,662	34,480	37,597	34,458
Total Current Assets	90,056	97,816	82,381	90,787
Total Assets	111,639	115,222	106,304	110,670
<u>EQUITY AND LIABILITIES</u>				
<u>Equity attributable to Owners of the Parent</u>				
Share Capital	18,775	18,775	18,775	18,775
Retained Earnings	57,430	47,294	58,028	48,433
Other Reserves	(244)	249	(120)	(2)
Equity, Attributable to Owners of the Parent	75,961	66,318	76,683	67,206
Non-Controlling Interests	704	570	-	-
Total Equity	76,665	66,888	76,683	67,206
<u>Non-Current Liabilities</u>				
Deferred Tax Liabilities	22	45	-	22
Provisions	1,892	1,631	1,892	1,631
Other Liabilities, Non-Current	2,805	3,357	992	1,203
Total Non-Current Liabilities	4,719	5,033	2,884	2,856
<u>Current Liabilities</u>				
Trade and Other Payables	18,344	29,814	16,968	28,584
Income Tax Payable	3,395	3,352	3,022	3,266
Other Liabilities, Current	8,516	10,135	6,747	8,758
Total Current Liabilities	30,255	43,301	26,737	40,608
Total Liabilities	34,974	48,334	29,621	43,464
Total Equity and Liabilities	111,639	115,222	106,304	110,670

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

Amount repayable in one year or less, or on demand

Nil.

Amount repayable after one year

Nil.

Details of any collateral

Nil.

FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

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

Consolidated Cash Flow Statement

	3 months ended		12 months ended	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	\$'000	\$'000	\$'000	\$'000
Cash Flows From Operating Activities				
Profit Before Tax	8,776	6,189	21,735	18,430
Adjustments for:				
Depreciation Expense of Property, Plant and Equipment	1,078	1,103	4,274	4,178
Losses / (Gains) on Disposal of Plant and Equipment	-	147	32	777
Losses on Disposal of Available-for-Sale Financial Assets	-	-	-	8
Interest Income	(78)	(93)	(372)	(365)
Net Effect of Exchange Rate Changes in Consolidating Foreign Operations	(164)	123	(374)	81
Operating Cash Flows Before Working Capital Changes	9,612	7,469	25,295	23,109
Trade and Other Receivables	872	(324)	(76)	2,652
Other Assets	314	319	50	1,508
Inventories	1,780	(3,650)	(3,182)	795
Trade and Other Payables	(4,004)	8,548	(11,470)	(620)
Other Liabilities	(2,339)	(480)	(2,171)	(149)
Net Cash Flows From Operations	6,235	11,882	8,446	27,295
Income Taxes Paid	(421)	(408)	(3,429)	(3,617)
Net Cash Flows From Operating Activities	5,814	11,474	5,017	23,678
Cash Flows From Investing Activities				
Interest Received	78	93	372	365
Increase in Available-for-Sale Financial Assets	(2,461)	-	(5,216)	-
Proceeds from Disposal of Plant and Equipment	-	951	-	1,418
Proceeds from Disposal of Available-for-Sale Financial Assets	-	-	-	255
Purchase of Plant and Equipment	(617)	(2,760)	(3,124)	(7,162)
Net Cash Flows Used in Investing Activities	(3,000)	(1,716)	(7,968)	(5,124)
Cash Flows From Financing Activities				
Dividends Paid to Equity Owners	-	-	(8,112)	(8,699)
Dividends Paid to Non-Controlling Interests	-	-	(300)	(180)
Investment in a subsidiary by non-controlling interests	395	-	395	-
Net Cash Flows From / (Used) in Financing Activities	395	-	(8,017)	(8,879)
Net (Decrease) / Increase in Cash and Cash Equivalents	3,209	9,758	(10,968)	9,675
Cash and Cash Equivalents, Consolidated Statement of Cash Flows, Beginning Balance	38,444	42,863	52,621	42,946
Cash and Cash Equivalents, Consolidated Statement of Cash Flows, Ending Balance	41,653	52,621	41,653	52,621

FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

- 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

Statement of Changes in Equity

	Attributable to Equity Holder of the Company					
	Total Equity \$'000	Attributable to Parent sub-total \$'000	Share Capital \$'000	Retained Earnings \$'000	Other Reserve \$'000	Non-controlling Interests \$'000
Group						
Current Period:						
Opening Balance at 1 January 2015	66,888	66,318	18,775	47,294	249	570
Movements in Equity:						
Total Comprehensive Income for the Period	10,577	10,389	-	10,600	(211)	188
Dividends paid	(8,412)	(8,112)	-	(8,112)	-	(300)
Closing Balance at 30 September 2015	69,053	68,595	18,775	49,782	38	458
Total Comprehensive Income for the Period	7,217	7,366	-	7,648	(282)	(149)
Issue of Share Capital to Non-controlling Interests	395	-	-	-	-	395
Closing Balance at 31 December 2015	76,665	75,961	18,775	57,430	(244)	704
Previous Period:						
Opening Balance at 1 January 2014	60,633	60,124	18,775	41,215	134	509
Movements in Equity:						
Total Comprehensive Income for the Period	9,984	9,792	-	9,828	(36)	192
Dividends paid	(8,879)	(8,699)	-	(8,699)	-	(180)
Closing Balance at 30 September 2014	61,738	61,217	18,775	42,344	98	521
Total Comprehensive Income for the Period	5,150	5,101	-	4,950	151	49
Closing Balance at 31 December 2014	66,888	66,318	18,775	47,294	249	570
Company						
Current Period:						
Opening Balance at 1 January 2015	67,206	67,206	18,775	48,433	(2)	-
Movements in Equity:						
Total Comprehensive Income for the Period	12,520	12,520	-	12,520	-	-
Disposal of an interest in a subsidiary without a change in control (Note A)	182	182	-	182	-	-
Dividends paid	(8,112)	(8,112)	-	(8,112)	-	-
Closing Balance at 30 September 2015	71,796	71,796	18,775	53,023	(2)	-
Total Comprehensive Income for the Period	4,887	4,887	-	5,005	(118)	-
Closing Balance at 31 December 2015	76,683	76,683	18,775	58,028	(120)	-
Previous Period:						
Opening Balance at 1 January 2014	60,941	60,941	18,775	42,202	(36)	-
Movements in Equity:						
Total Comprehensive Income for the Period	12,057	12,057	-	12,051	6	-
Dividends paid	(8,699)	(8,699)	-	(8,699)	-	-
Closing Balance at 30 September 2014	64,299	64,299	18,775	45,554	(30)	-
Total Comprehensive Income for the Period	2,907	2,907	-	2,879	28	-
Closing Balance at 31 December 2014	67,206	67,206	18,775	48,433	(2)	-

Note A:

In September 2015, the Company disposed its 70% equity interest in Incall Systems Pte Ltd to another wholly owned subsidiary, Challenge Ventures Pte Ltd for a consideration of \$1,069,198. The disposal has resulted a gain of \$182,076 by the Company. This transaction is considered in substance a disposal of equity interest in a subsidiary without a change in control by the parent company and therefore is accounted for as an equity transaction and the gain of disposal of subsidiary has been credited to the retained earnings of the Company.

FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-back, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares or cash 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**

There were no changes in the share capital of the Company in the fourth quarter of 2015. As at 31 December 2015, the Company's issued and paid up capital comprises 345,207,961 (31 December 2014: 345,207,961) ordinary shares and \$18,775,054 (31 December 2014: \$18,775,054) respectively.

There were no outstanding convertibles issued or treasury shares held by the Company as at 31 December 2015 and 31 December 2014.

- 1(d)(iii) 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.**

	31.12.2015	31.12.2014
Total number of issued shares (excluding treasury shares)	345,207,961	345,207,961

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

Not applicable.

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

The figures have not been audited nor reviewed by the Group 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 financial statements for the current reporting period, which are consistent with those described in the Audited Financial Statements for the year ended 31 December 2014, except for the adoption of the new and revised Financial Reporting Standards, including its consequential amendment and interpretations ("FRS") which became effective for financial years beginning on or after 1 January 2015, if any.

The adoption of the new and revised FRS does not have any material impact to the financial statements for the Group and Company for the period ended 31 December 2015.

FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 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

Not applicable.

- 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

	3 months ended		12 months ended	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	cents	cents	cents	cents
<u>Group</u>				
Earnings per share based on consolidated profit after taxation and non-controlling interests				
- on weighted average number of shares	2.22	1.43	5.29	4.28
- on a fully diluted basis	2.22	1.43	5.29	4.28

Earnings per ordinary share is computed based on the weighted average number of 345,207,961 issued 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 period reported on and (b) immediately preceding financial year

	Group		Company	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	cents	cents	cents	cents
Net asset value per share based on existing issued share capital as at the end of the respective period	22.00	19.21	22.21	19.47

The net asset value per ordinary share of the Group and the Company as at 31 December 2015 is computed based on the total number of issued shares of 345,207,961.

FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

- 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**

Revenue

For the full year ended 31 December 2015 ("FY2015"), the Group's revenue of \$352.2 M was 0.8% lower than \$355.1 M achieved for the full year ended 31 December 2014. This was mainly due to lower contribution from retail revenue in Singapore and absence of revenue arising from closure of retail operations in Malaysia in the second half of last year, partially offset by increase in corporate sales and write back of deferred revenue on membership fees and customer loyalty programme.

The Group achieved revenue of \$95.6 M for the three months ended 31 December 2015 ("4Q2015"), a decrease of 8.62% or \$9.0 M compared to the revenue of \$104.6 M for the three months ended 31 December 2014 ("4Q2014"). The decrease in revenue was mainly due to lower contribution from our IT products and services business segment by \$8.8 M.

Revenue from the IT products and services business segment declined by 8.5% to \$94.2 M in 4Q2015, from \$103.0 M in 4Q2014 mainly attributable to weaker same-store-sales from retail operations, lower corporate sales performance and partially offset by write back of deferred revenue as mentioned above.

Revenue from the electronic signage services business segment fell to \$0.1 M in 4Q2015 from \$0.3 M in 4Q2014 as lesser completed projects in 4Q2015 compared to 4Q2014.

Revenue from the marketing call centre remained stable compared to 4Q2014.

Profit after taxation ("PAT")

For FY2015, net profit increased by about \$3.3 M or 22% to \$18.3 M mainly due to lower operating expenses and receipt of grant from the Government, which were offset by lower gross profit.

The Group registered an higher PAT of \$7.5 M in 4Q2015, as compared to \$5.0 M in 4Q2014.

The increase in PAT of \$2.5 M was mainly due to the following:

- a) Higher gross profit of about \$1.8 M;
- b) lower operating expenses of \$0.5 M;
- c) higher other income of \$0.3 M.

The above items have been offset by:

- d) higher income tax provision of \$0.1 M.

Working capital, assets and liabilities

For the fourth quarter and full year ended 31 December 2015, the Group has cash of approximately \$41.7 M.

The Group recorded an operating cash inflow of about \$5.8 M in 4Q2015. This has resulted mainly from the following:

- a) operating profit derived for 4Q2015 of \$9.6 M;
- b) decrease of trade, other payables and accrued liabilities of \$4.0 M;
- c) decrease of trade, other receivables and other assets of \$1.1 M;
- d) decrease of other liabilities of \$2.3 M;
- e) decrease in inventory of \$1.8 M; and
- f) income tax paid of \$0.4 M.

The net cash outflow for investing activities was mainly due to investment in start-up companies of \$2.5 M and acquisition of equipment and renovations of \$0.6 M. In addition, the Group received interests from fixed deposits and bonds of \$0.1 M as well as fund received from non-controlling interests on issuing of share capital in a subsidiary of \$0.4 M. Consequently, cash and cash equivalents increased by about \$3.2 M for the period ended 31 December 2015.

Other than the above, no significant difference was noted for other working capital, assets and liabilities, except for the investment in financial assets and early settlement of trade payables noted during the period.

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

No specific forecast was previously provided.

10 A commentary at the date of the announcement of the 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

a. IT products and services

In view of the current uncertain economic and business conditions, the Group expects the retail industry to be challenging. With this, we will continue to rationalise under-performing retail stores while continuing to focus on improving productivity through managing inventory levels and enhancing product sales mix.

They Group is also looking at setting up a brand-new online market place in the second quarter of FY2016. This aims to complement our existing brick-and mortar retail businesses as well as to wider customer base. In addition, we will continue to open retail stores at suitable locations so as to boost our Online-to-Offline sales strategy.

Currently, the Group has a total retail network of 48 stores, spread across Singapore. We will open two new stores located at Tiong Bahru and Sengkang in the second and third quarter of 2016 respectively.

b. Electronic signage services

We will continue to explore opportunities to work with strategic partners to continue to grow our business in architectural and commercial lighting projects.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes.

Proposed final dividend to be paid for the year ended 31.12.2015.

Name of Dividend: Final exempt (one-tier) dividend

Dividend type: Cash

Dividend amount per share (in cents): 1.55

Tax rate: Tax-exempt one-tier

Interim dividend for the half year ended 30.06.2015 paid on 31.08.2015 as noted below.

Name of Dividend: Interim exempt (one-tier) dividend

Dividend type: Cash

Dividend amount per share (in cents): 1.10

Tax rate: Tax-exempt one-tier

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Yes.

Name of Dividend: Final exempt (one-tier) dividend

Dividend type: Cash

Dividend amount per share (in cents): 1.25

Tax rate: Tax-exempt one-tier

Name of Dividend: Interim exempt (one-tier) dividend

Dividend type: Cash

Dividend amount per share (in cents): 1.10

Tax rate: Tax-exempt one-tier

(c) Date Payable

18 May 2016.

(d) Books Closure Date

Notice is hereby given that the Share Transfer Books and Register of Members will be closed on 9 May 2016 for the purpose of determining members' entitlements to the tax-exempt one-tier final dividend of 1.55 cents. Duly completed registerable transfers in respect of the shares in the Company received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, by the close of business at 5.00 pm on 6 May 2016 will be registered to determine the members' entitlements to such dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares as at 5.00 pm on 6 May 2016 will be entitled to such dividend.

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.

There is no IPT mandate obtained.

14 Additional Information for Full Year Announcement**Segment Revenue and Results for Business Segment****Group****Financial Year Ended 31 December 2015**

	IT products and services \$'000	Electronic signage \$'000	Telephonic Call Centre and Data Management Services \$'000	Unallocated \$'000	Total \$'000
CONTINUING OPERATIONS 2015					
<u>Revenue by Segment</u>					
Total revenue by segment	346,712	443	5,376	-	352,531
Inter-segment sales and services	(142)	(24)	(120)	-	(286)
Total revenue	346,570	419	5,256	-	352,245
Recurring EBITDA	25,422	(258)	845	-	26,009
Depreciation	(4,171)	(8)	(95)	-	(4,274)
Profit before tax from continuing operations	21,251	(266)	750	-	21,735
Income tax expense					(3,449)
Profit from continuing operations					18,286
<u>ASSETS</u>					
Total assets for reportable segments	84,330	747	6,243	-	91,320
Unallocated:					
Other financial assets				8,749	8,749
Cash and cash equivalent				11,570	11,570
Total Group Assets					111,639
<u>LIABILITIES</u>					
Total liabilities for reportable segments	26,576	360	4,621	-	31,557
Unallocated:					
Deferred and current tax liabilities				3,417	3,417
Total Group Liabilities					34,974
<u>OTHER MATERIAL ITEMS</u>					
Expenditures for non-current assets	2,986	-	138	-	3,124

FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2015**14 Additional Information for Full Year Announcement (cont'd)****Segment Revenue and Results for Business Segment (cont'd)**

Group

Financial Year Ended 31 December 2014

	IT products and services \$'000	Electronic signage \$'000	Telephonic Call Centre and Data Management Services \$'000	Unallocated \$'000	Total \$'000
CONTINUING OPERATIONS 2014					
<u>Revenue by Segment</u>					
Total revenue by segment	348,466	939	5,765	-	355,170
Inter-segment sales and services	(21)	(2)	(35)	-	(58)
Total revenue	348,445	937	5,730	-	355,112
<u>Recurring EBITDA</u>					
Depreciation	21,598	73	937	-	22,608
Profit before tax from continuing operations	(4,106)	(8)	(64)	-	(4,178)
Income tax expense	17,492	65	873	-	18,430
Profit from continuing operations					(3,411)
					15,019
<u>ASSETS</u>					
Total assets for reportable segments	87,199	750	6,528	-	94,477
Unallocated:					
Cash and cash equivalent				17,094	17,094
Other financial assets				3,651	3,651
Total Group Assets					115,222
<u>LIABILITIES</u>					
Total liabilities for reportable segments	39,977	64	4,896	-	44,937
Unallocated:					
Deferred and current tax liabilities				3,397	3,397
Total Group Liabilities					48,334
<u>OTHER MATERIAL ITEMS</u>					
Expenditures for non-current assets	7,082	26	54	-	7,162

Segment Revenue and Results for Geographical Segment

Group

Financial Year Ended 31 December 2015

	Revenue		Non-current Assets	
	31.12.2015 \$'000	31.12.2014 \$'000	31.12.2015 \$'000	31.12.2014 \$'000
Singapore	352,245	351,007	21,487	17,306
Malaysia	-	4,105	-	-
China	-	-	96	100
	352,245	355,112	21,583	17,406

FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2015**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**

As disclosed in paragraph 8 above.

16 A Breakdown of Sales

	FY2015 \$'000	FY2014 \$'000	Increase / (Decrease) %
(a) Sales reported for the first half year	168,464	167,972	0%
(b) Operating profit after taxation before non-controlling interests reported for first half year	7,248	6,333	14%
(c) Sales reported second half year	183,781	187,140	-2%
(d) Operating profit after taxation before non-controlling interests reported for second half year	11,038	8,686	27%

17 A breakdown of the Total Annual Dividend for Latest Full Year and its Previous Full Year

	Latest Full Year \$'000	Previous Full Year \$'000
Ordinary	9,148	8,112
Preference	0	0
Total	9,148	8,112

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(11) 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 and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Mr Ng Kian Teck	48	Brother of Mr Ng Leong Hai, Substantial Shareholder of the Company	General Manager - Operations since 1 February 2015. He is responsible for the retail operations of the Company.	N.A.
Ms Loo Pei Fen	33	Daughter of Mr Loo Leong Thye (Chief Executive Officer and Substantial Shareholder of the Company) and Mdm Ong Sock Hwee (Substantial Shareholder of the Company)	Chief Marketing Officer since 1 June 2015. She is responsible for group marketing, loyalty programme, online activities and public relations.	Previously Head of marketing from 1 January 2015 to 31 May 2015.

19 Confirmation By the Company Pursuant to Rule 720(1) of the SGX Listing Manual

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the SGX Listing Manual.

BY ORDER OF THE BOARD

LOO LEONG THYE
EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER
DATE: 15 February 2016