

**SITRA HOLDINGS (INTERNATIONAL) LIMITED**  
(Co. Regn. No: 197901237E)

**FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016**

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS**

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

Group Income Statement for full Year ended 31 December 2016. These figures have not been audited.

|                                        | Group                         |                               |                         |
|----------------------------------------|-------------------------------|-------------------------------|-------------------------|
|                                        | S\$'000                       |                               | %                       |
|                                        | 12 Months ended<br>31/12/2016 | 12 Months ended<br>31/12/2015 | Increase/<br>(Decrease) |
| <b>Revenue</b>                         | <b>17,654</b>                 | <b>15,346</b>                 | 15.0%                   |
| Cost of sales                          | (15,300)                      | (14,389)                      | 6.3%                    |
| <b>Gross Profit</b>                    | <b>2,354</b>                  | <b>957</b>                    | N.M.*                   |
| Other income                           | 172                           | 290                           | -40.7%                  |
| Selling and distribution expenses      | (434)                         | (571)                         | -24.0%                  |
| Administrative expenses                | (2,216)                       | (2,198)                       | 0.8%                    |
| Other gains/(losses) - net             | 160                           | (870)                         | N.M                     |
| Finance expenses                       | (3)                           | -                             | N.M                     |
| <b>Profit/(loss) before income tax</b> | <b>33</b>                     | <b>(2,392)</b>                | N.M.                    |
| Income tax credit                      | 1,700                         | 54                            | NM*                     |
| <b>Net profit/(loss)</b>               | <b>1,733</b>                  | <b>(2,338)</b>                | N.M.                    |
| <b>Attributable to:</b>                |                               |                               |                         |
| Equity holders of the Company          | 1,718                         | (2,269)                       | N.M                     |
| Non-controlling interests              | 15                            | (69)                          | N.M.                    |
|                                        | <b>1,733</b>                  | <b>(2,338)</b>                | N.M.                    |
|                                        |                               |                               |                         |

N.M. : not meaningful  
\*: in excess of 100%

**FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016**

**Note:**

Profit/(loss) before taxation is arrived at after charging / (crediting) the following:

|                                                                           | <b>Group</b>                          |                                       |
|---------------------------------------------------------------------------|---------------------------------------|---------------------------------------|
|                                                                           | <b>S\$'000</b>                        |                                       |
|                                                                           | <b>12 Months ended<br/>31/12/2016</b> | <b>12 Months ended<br/>31/12/2015</b> |
| Allowance for impairment – other receivables                              | 3                                     | 20                                    |
| Allowance for impairment – trade receivables                              | 5                                     | 100                                   |
| Bad debts written-off                                                     | -                                     | 14                                    |
| Commission income                                                         | 2                                     | (33)                                  |
| Defined contribution included in staff costs                              | 75                                    | 64                                    |
| Depreciation of property, plant and equipment                             | 203                                   | 213                                   |
| Directors' fees                                                           | 105                                   | 105                                   |
| Directors' remuneration                                                   | 408                                   | 476                                   |
| Exchange loss/(gain)                                                      | (668)                                 | 612                                   |
| Fair value loss on financial assets, at fair value through profit or loss | 500                                   | -                                     |
| Gain on reversal of impairment loss on investment of subsidiary           | -                                     | (27)                                  |
| Wavier of liabilities upon strike off of subsidiary                       | -                                     | (175)                                 |
| Inventory written down                                                    | -                                     | 156                                   |
| Rental expenses                                                           | 99                                    | 208                                   |
| Staff costs                                                               | 832                                   | 890                                   |

**FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016**

**1(a) (ii) A statement of comprehensive income for the corresponding period of the immediately preceding financial year.**

Group Consolidated Statement of Comprehensive Income for Full Year ended 31 December 2016.

|                                                             | S\$'000                       |                               |
|-------------------------------------------------------------|-------------------------------|-------------------------------|
|                                                             | 12 Months ended<br>31/12/2016 | 12 Months ended<br>31/12/2015 |
| Profit/(loss) for the year                                  | 1,733                         | (2,338)                       |
| Other comprehensive (loss)/income:                          |                               |                               |
| Currency translation differences arising from consolidation | (555)                         | 324                           |
| Other comprehensive (loss)/income, net of tax               | (555)                         | 324                           |
| Total comprehensive income/(loss)                           | 1,178                         | (2,014)                       |
| Total comprehensive income/(loss) attributable to:          |                               |                               |
| Equity holders of the Company                               | 1,159                         | (1,923)                       |
| Non-controlling interests                                   | 19                            | (91)                          |
|                                                             | 1,178                         | (2,014)                       |

**FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016**

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

|                                                                           | Group    |          | Company  |          |
|---------------------------------------------------------------------------|----------|----------|----------|----------|
|                                                                           | 31/12/16 | 31/12/15 | 31/12/16 | 31/12/15 |
|                                                                           | S\$'000  | \$'000   | S\$'000  | S\$'000  |
| <b>Current assets</b>                                                     |          |          |          |          |
| Cash and bank balances                                                    | 203      | 176      | 85       | 90       |
| Financial assets, at fair value through profit or loss                    | 9,500    | 10,000   | -        | -        |
| Trade and other receivables                                               | 1,294    | 898      | 6,503    | 6,104    |
| Inventories                                                               | 2,276    | 2,472    | 12       | 12       |
| Other current assets                                                      | 273      | 263      | 26       | 27       |
|                                                                           | 13,546   | 13,809   | 6,626    | 6,233    |
| <b>Non-current assets</b>                                                 |          |          |          |          |
| Investments in associated companies                                       | -*       | -        | -        | -        |
| Investments in subsidiaries                                               | -        | -        | 227      | 227      |
| Property, plant and equipment                                             | 4,117    | 4,149    | 132      | 39       |
| Deferred income tax assets                                                | 65       | 62       | -        | -        |
|                                                                           | 4,182    | 4,211    | 359      | 266      |
| <b>Total assets</b>                                                       | 17,728   | 18,020   | 6,985    | 6,499    |
| <b>Current liabilities</b>                                                |          |          |          |          |
| Trade and other payables                                                  | 2,851    | 2,599    | 2,909    | 1,833    |
| Borrowings                                                                | 36       | 117      | 31       | -        |
|                                                                           | 2,887    | 2,716    | 2,940    | 1,833    |
| <b>Non-current liabilities</b>                                            |          |          |          |          |
| Borrowings                                                                | 56       | -        | 56       | -        |
| Deferred tax liabilities                                                  | 244      | 1,942    | -        | -        |
| <b>Total liabilities</b>                                                  | 3,187    | 4,658    | 2,996    | 1,833    |
| <b>Net assets</b>                                                         | 14,541   | 13,362   | 3,989    | 4,666    |
| <b>Capital and reserves attributable to equity holders of the Company</b> |          |          |          |          |
| Share capital                                                             | 17,817   | 17,817   | 17,817   | 17,817   |
| Other reserves                                                            | 3,367    | 3,926    | (22)     | (22)     |
| Accumulated losses                                                        | (6,356)  | (8,074)  | (13,806) | (13,129) |
|                                                                           | 14,828   | 13,669   | 3,989    | 4,666    |
| Non-controlling interests                                                 | (287)    | (307)    | -        | -        |
|                                                                           | 14,541   | 13,362   | 3,989    | 4,666    |

\* Denotes amount less than S\$1,000

**FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED  
31 DECEMBER 2016**

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

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

|                           | Group               |                     |
|---------------------------|---------------------|---------------------|
|                           | S\$'000             |                     |
|                           | As at<br>31/12/2016 | As at<br>31/12/2015 |
| Bank overdrafts           | 5                   | 79                  |
| Finance lease liabilities | 31                  | 38                  |

**Amount repayable after one year**

|                                                             | Group               |                     |
|-------------------------------------------------------------|---------------------|---------------------|
|                                                             | S\$'000             |                     |
|                                                             | As at<br>31/12/2016 | As at<br>31/12/2015 |
| Finance lease liabilities<br>- due within two to five years | 56                  | -                   |

**FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016**

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.

|                                                                                          | <b>Group</b>                          |                                       |
|------------------------------------------------------------------------------------------|---------------------------------------|---------------------------------------|
|                                                                                          | <b>S\$'000</b>                        |                                       |
|                                                                                          | <b>12 Months ended<br/>31/12/2016</b> | <b>12 Months ended<br/>31/12/2015</b> |
| <b>Cash flow from operating activities</b>                                               |                                       |                                       |
| Profit/(loss) after income tax                                                           | 1,733                                 | (2,338)                               |
| Adjustments for:                                                                         |                                       |                                       |
| - Income tax expense                                                                     | (1,700)                               | (54)                                  |
| - Depreciation                                                                           | 203                                   | 214                                   |
| - Interest expense                                                                       | 3                                     | -                                     |
| - Wavier of liabilities upon strike off of subsidiary corporation                        | -                                     | (175)                                 |
| - Write off long aged payables                                                           | -                                     | (45)                                  |
| - Allowance for impairment on trade and other receivables                                | 8                                     | 119                                   |
| - Bad debt written off                                                                   | -*                                    | 14                                    |
| - Inventory write-down                                                                   | -                                     | 156                                   |
| - Fair value loss of financial assets designated as at fair value through profit or loss | 500                                   | -                                     |
| - Currency translation losses / (gains)                                                  | (607)                                 | 375                                   |
|                                                                                          | <b>140</b>                            | <b>(1,734)</b>                        |
| <b>Changes in working capital</b>                                                        |                                       |                                       |
| - Inventories                                                                            | 166                                   | (608)                                 |
| - Trade and other receivables                                                            | (402)                                 | 1,280                                 |
| - Other current assets                                                                   | (15)                                  | 34                                    |
| - Trade and other payables                                                               | 275                                   | 974                                   |
| <b>Cash provided by / (used in) operations</b>                                           | <b>164</b>                            | <b>(54)</b>                           |
| Income tax paid                                                                          | --                                    | (14)                                  |
| <b>Net cash provided by / (used in) operating activities</b>                             | <b>164</b>                            | <b>(68)</b>                           |
| <b>Cash flow from investing activities</b>                                               |                                       |                                       |
| Purchase of property, plant and equipment                                                | (5)                                   | (6)                                   |
| <b>Net cash used in investing activities</b>                                             | <b>(5)</b>                            | <b>(6)</b>                            |

\* Denotes amount less than S\$1,000

**FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED  
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|                                                                     | <b>Group</b>                              |                                           |
|---------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
|                                                                     | <b>S\$'000</b>                            |                                           |
|                                                                     | <b>12 Months<br/>ended<br/>31/12/2016</b> | <b>12 Months<br/>ended<br/>31/12/2015</b> |
| <b>Cash flow from financing activities</b>                          |                                           |                                           |
| Repayment of bank borrowings                                        | (61)                                      | (370)                                     |
| Repayment of finance lease liabilities                              | (74)                                      | (1)                                       |
| Interest paid                                                       | (3)                                       | -                                         |
| <b>Net cash used in financing activities</b>                        | <b>(138)</b>                              | <b>(371)</b>                              |
| <b>Net increase / (decrease) in cash and cash equivalents</b>       | <b>21</b>                                 | <b>(445)</b>                              |
| <b>Cash and cash equivalents at beginning of financial year</b>     | <b>177</b>                                | <b>545</b>                                |
| <b>Effects of currency translation on cash and cash equivalents</b> | <b>-</b>                                  | <b>(2)</b>                                |
| <b>Cash and cash equivalents at end of financial year</b>           | <b>198</b>                                | <b>98</b>                                 |
|                                                                     |                                           |                                           |

Note

Cash and cash equivalents include cash and bank balances less bank overdraft.

**FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016**

**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 | Other reserves | Retained profits / (Accumulated losses) | Total Attributable to Equity Holders of the Company | Non-controlling interests | Total         |
|--------------------------------------------------|---------------|----------------|-----------------------------------------|-----------------------------------------------------|---------------------------|---------------|
|                                                  | S\$'000       | S\$'000        | S\$'000                                 | S\$'000                                             | S\$'000                   | S\$'000       |
| Balance at 1 January 2016                        | 17,817        | 3,926          | (8,074)                                 | 13,669                                              | (306)                     | 13,363        |
| Total comprehensive income / (loss) for the year | -             | (559)          | 1,718                                   | 1,159                                               | 19                        | 1,178         |
| <b>Balance at 31 December 2016</b>               | <b>17,817</b> | <b>3,367</b>   | <b>(6,356)</b>                          | <b>14,828</b>                                       | <b>(287)</b>              | <b>14,541</b> |
|                                                  |               |                |                                         |                                                     |                           |               |
| Balance at 1 January 2015                        | 17,817        | 3,579          | (5,804)                                 | 15,592                                              | (215)                     | 15,377        |
| Total comprehensive income / (loss) for the year | -             | 347            | (2,270)                                 | (1,923)                                             | (91)                      | (2,014)       |
| <b>Balance at 31 December 2015</b>               | <b>17,817</b> | <b>3,926</b>   | <b>(8,074)</b>                          | <b>13,669</b>                                       | <b>(306)</b>              | <b>13,363</b> |

| Company                               | Share capital | Other reserves | Retained profits / (Accumulated losses) | Total        |
|---------------------------------------|---------------|----------------|-----------------------------------------|--------------|
|                                       | S\$'000       | S\$'000        | S\$'000                                 | S\$'000      |
| Balance at 1 January 2016             | 17,817        | (22)           | (13,129)                                | 4,666        |
| Total comprehensive loss for the year | -             | -              | (677)                                   | (677)        |
| <b>Balance at 31 December 2016</b>    | <b>17,817</b> | <b>(22)</b>    | <b>(13,806)</b>                         | <b>3,989</b> |
|                                       |               |                |                                         |              |
| Balance at 1 January 2015             | 17,817        | (22)           | (13,082)                                | 4,713        |
| Total comprehensive loss for the year | -             | -              | (47)                                    | (47)         |
| <b>Balance at 31 December 2015</b>    | <b>17,817</b> | <b>(22)</b>    | <b>(13,129)</b>                         | <b>4,666</b> |

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- 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 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.**

The total number of issued shares were 751,200,000 as at 31 December 2016 and 31 December 2015.

- 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 shares excluding treasury shares was 751,200,000 as at 31 December 2016 and as at 31 December 2015.

- 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. The Company does not have any treasury shares.

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

These figures have not been audited or reviewed by the auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current reporting period as compared to the audited financial statements 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.**

In FY2016, the Group has adopted all the applicable new/revised Financial Reporting Standards ("FRS") which became effective during the year. There is no material impact on the Group's financial statements upon adoption of these FRS.

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- 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 Months ended<br>31/12/2016 | 12 Months ended<br>31/12/2015 |
| Profit/(loss) per ordinary share of the group, after deducting any provision for preference dividends (cents): |                               |                               |
| (a) Based on weighted average number of ordinary shares on issue; and                                          | 0.23                          | (0.30)                        |
| (b) On a fully diluted basis                                                                                   | 0.23                          | (0.30)                        |

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

|                                                                                         | Group      |            | Company    |            |
|-----------------------------------------------------------------------------------------|------------|------------|------------|------------|
|                                                                                         | 31/12/2016 | 31/12/2015 | 31/12/2016 | 31/12/2015 |
| Net asset value per ordinary share based on issued share capital at the end of (cents): | 1.94       | 1.78       | 0.53       | 0.62       |

- 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.**

**Revenue**

The Group's revenue for financial year 2016 posted an increase of 15% to S\$17.7 million in FY16, mainly due to the launch of new interior wood products to the European market and also the expansion of income stream of the Indonesian subsidiary to capture the local market.

Revenue of wood-based products increased by S\$2.4 million or 16% to S\$17.4 million in FY16 while revenue of our lifestyle outdoor furniture products remained the same at approximately S\$300K.

In terms of business by geographical regions, both the European market and Asian/Others market registered an increase of revenues of 25.5% to S\$12.8 million and 344% to S\$1.9 million respectively. The Australia/New Zealand market declined by 36.8% to S\$3.0 million in FY16.

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**Cost of sales and gross profit margin**

Gross margin rose by 146% or S\$1.4 million on the back of higher revenues and higher gross margin. Gross margin percentage increased by 7.1% percentage points to 13.3% in FY16 compared to 6.2% in FY15. While the cost of sales increased by S\$0.9 million or 6.3% to S\$15.3 million, the cost of sales as a percentage of revenue decreased from 93.8% in FY15 to 86.7% in FY16, thus resulting in higher gross margin of 13.3% in FY16 compared to 6.2% gross margin for FY15. This was mainly due to the launching of high margin products and also better utilization of our Indonesia production subsidiary in FY16.

**Other income**

Other income decreased by S\$0.1 million to S\$0.2 million. This was mainly due to lower commission income this year and also because last year's other income included a one-time gain of S\$0.2 million from the waiver of liabilities. This was partially offset by higher government grant received.

**Selling and distribution expenses**

Selling and distribution expenses decreased by S\$0.14 million to S\$0.43 million, mainly due to lower staff salaries and lower rentals incurred for the year. The lower staff salaries were entirely due to voluntary reduction in salaries of the executive directors and our Senior Vice-President. The lower rental was the result of closing down the Singapore furniture Showroom and the saving of rental expense by relocating the Indonesian furniture warehouse to our own Indonesian subsidiary company.

**Administrative expenses**

Administrative expenses remained approximately the same at S\$2.2 million in FY16.

**Other gains/(losses) - net**

Other gains and losses changed by S\$1.0 million from other losses of S\$0.9 million in last FY to other gains of S\$0.2 million in this FY. This was mainly attributed to the change of foreign exchange loss position of S\$0.6 million in FY15 to the foreign exchange gain position of S\$0.7 million in FY16, as a result of the appreciation of United State Dollars at reporting year-end. This gain was partially offset by the fair value loss on the financial assets relating to the Group's 10% equity interest in World Furnishing Hub Pte Ltd. The fair value loss arose due to the fall in the fair value of the property at 18 Sungei Kadut Street 2 at year end.

**Finance expenses**

Finance cost increased from nil to S\$3K in FY16 mainly due to hire purchase interest.

**Income Tax**

The Group has an income tax credit of S\$1.7 million in FY16 compared to a credit of S\$54K in prior year. This was due to the reversal of the deferred tax provision which was recorded in FY14 relating to the fair value gain upon disposal of the property at 18 Sungei Kadut Street 2. The fair value gain and the disposal of the property are considered as capital gains and therefore no tax is considered payable.

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**BALANCE SHEET**

**Current assets**

Current assets decreased by S\$0.3 million to S\$13.5 million, accounting for 76.4% of the total assets. The decrease was due to lower inventory of S\$0.2 million and lower financial assets, at fair value through profit or loss of S\$0.5 million, offset by increase in trade and other receivables of S\$0.4 million.

**Non-current assets**

Non-current assets remained almost the same at S\$4.2 million in FY16.

**Current liabilities**

Current liabilities increased by S\$0.17 million to S\$2.9 million, mainly due to the increase in trade and other payables of S\$0.25 million, offset by decrease in borrowing of S\$0.08 million.

**Non-current liabilities**

Non-current liabilities decreased by S\$1.7 million due to the reversal of deferred tax liabilities previously accrued for the fair value gain arising from the 10% equity investment in World Furnishing Hub Pte Ltd ("WFHPL"), derived from the disposal of long term investment property at 18 Sungei Kadut Street 2 in FY14. The company tax consultant has advised that this value should represent part of the capital gain derived at the time of sale of the long term held property, and therefore it should not be subject to income tax.

**Capital and reserves**

Share capital and reserves increased by S\$1.1 million due to the profit attributable to shareholders of S\$1.7 million, offset by a decrease in currency translation reserve of S\$0.6 million.

**Cash Flows**

Net cash generated by operating activities before working capital changes was S\$0.14 million. Net cash provided by working capital was S\$0.02 million, arising from an increase in trade and other payables of S\$0.28 million and decrease in inventories of S\$0.17 million, which was offset by increase in trade and other receivables of S\$0.40 million and other current assets of S\$0.02 million respectively. Net cash provided by the operating activities stood at S\$0.16 million after interest received and payment of interest.

The net cash used in investing activities of S\$5K was for the purchase of plant, property and equipment.

Net cash used in financing activities was S\$0.14 million and this was mainly used to repay the borrowing of S\$0.06 million, hire purchase creditors of S\$0.07 million and interest cost of S\$3K.

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

Not applicable.

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**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 Group's main market which is Europe has shown continued revenue improvement for the past few financial years. This was attributed to the Group's effort to launch new higher margin interior wood products to the European market. The European economy has also shown some recovery and we will continue this effort in 2017 to further increase our sales revenue and margin as well as the market share for this important market.

Our Asia market is also showing signs of being a good potential to be the next key market to grow. Revenue for this market has shown huge percentage growth in this current financial year and we will continue to actively market and launch more new product ranges that suit this growing emerging market.

We have also started to introduce new products into the Australia/New Zealand market towards the early Feb 17. With the launch of these new products as well as the plan to market our existing range of products, we are cautiously optimistic that we will be able to address the declining revenue for this market.

Our Indonesian subsidiary has also started to generate profit during 2HFY16, and barring any unforeseen circumstances, management expects this to continue in 2017. The management is currently exploring options in order to enhance the value of this Indonesian assets.

For the Group's 10% equity investment in World Furnishing Hub Pte Ltd ("WFHPL"), which was designated a financial asset at fair value through profit or loss, WFHPL has completed the 7-storey warehouse building with commercial use on the 1<sup>st</sup> storey. The said property is located at 18 Sungei Kadut Street 2, Singapore 729236 and has already obtained the Temporary Occupation Permit on 25 August 2016.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

No dividend has been declared for FY2016.

**(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.**

Not applicable.

**FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016**

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

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

- 13. 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.**

**BREAKDOWN OF GROUP REVENUE BY PRODUCT SEGMENTS**

**Revenue**

|                             | FY2016  |       | FY2015  |       |
|-----------------------------|---------|-------|---------|-------|
|                             | S\$'000 | %     | S\$'000 | %     |
| Wood-based products         | 17,379  | 98.5  | 14,976  | 97.6  |
| Lifestyle outdoor furniture | 251     | 1.4   | 370     | 2.4   |
| Others                      | 24      | 0.1   | -       | -     |
| Total                       | 17,654  | 100.0 | 15,346  | 100.0 |

The Group has not identified profit before tax by product segment as the allocation of costs cannot be done in a similar manner with reasonable accuracy. This is because the selling and distribution expenses, administrative expenses and other operating expenses incurred for our wood-based products and outdoor lifestyle furniture segments such as marketing expenses, management and administrative expenses and office-related expenses are general costs which are accounted for on a group-wide basis. It is not meaningful to track our selling and distribution expenses, administrative expenses and other operating expenses by product segment. We therefore do not show our profit before tax on a segmental basis.

**BREAKDOWN OF GROUP REVENUE BY GEOGRAPHICAL REGIONS**

|                       | FY2016  |       | FY2015  |       |
|-----------------------|---------|-------|---------|-------|
|                       | S\$'000 | %     | S\$'000 | %     |
| Australia/New Zealand | 3,001   | 17.0  | 4,747   | 30.9  |
| Europe                | 12,764  | 72.3  | 10,174  | 66.3  |
| Asia/Others           | 1,889   | 10.7  | 425     | 2.8   |
| Total                 | 17,654  | 100.0 | 15,346  | 100.0 |

Notes:-

- (1) Others include Middle East, Africa and North America.

While it is possible to segment our revenue by geographical regions, the allocation of costs cannot be done in a similar manner with reasonable accuracy. We do not track the allocation of our cost of sales by geographical region and any attempt to match these expenses to the revenue derived from the various geographical regions is not meaningful. As a result, we are not able to present profit after tax by product or geographical regions.

**FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED  
31 DECEMBER 2016**

**14. 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 the section on "Review of results of Operations" paragraph 8 of this announcement for details.

**15. Confirmation that the issuer has procured undertakings from all its Directors and executive officers (in the format set out in Appendix 7H under Rule 720(10).**

The Company confirms that it has already procured undertakings from all its Directors and executive officers in the format set out in Appendix 7H of the Catalyst Rules in accordance with Rule 720(1) of the Catalyst Rules.

**16. A breakdown of sales.**

|                                                  | <b>FY2016</b>  | <b>FY2015</b>  | <b>Change</b> |
|--------------------------------------------------|----------------|----------------|---------------|
|                                                  | <b>S\$'000</b> | <b>S\$'000</b> | <b>%</b>      |
| (a) Sales reported for first half year           | 9,283          | 7,488          | 23.97         |
| (b) Loss after tax for first half year           | (245)          | (1,562)        | -84.31        |
| (c) Sales reported for second half year          | 8,371          | 7,858          | 6.53          |
| (b) Profit/(loss) after tax for second half year | 1,978          | (776)          | N.M.          |

Note: Sales reported for second half year compared to sales reported for first half year was lower due to the shortage of shipping space to our European destinations and also high freight rate resulting in the delay of shipments during the month of Nov and Dec 2016.

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

Not applicable.

**18. 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 has not obtained a general mandate for the IPTs from the shareholders.

**19. Utilization of Rights Issue proceeds from the issue of new ordinary shares.**

Not applicable.

**FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016**

**20. 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 as shown, if there is no such person, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(10) of the Listing Manual, Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, the details of persons occupying managerial positions in the Company or any of its principal subsidiaries who are related to a director or chief executive officer or substantial shareholder of the Company or any of its principal subsidiaries are as follows:

| Name                 | Age | Family Relationship with any Director and/or Chief Executive Officer and/or Substantial Shareholder                                                                                                                                                                        | Current position and duties, and the year position was first held                                                                                                                                         | Details of changes in duties and position held, if any, during the year |
|----------------------|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| Tan Teresa           | 69  | Wife of Chew Ah Ba, George, Executive Chairman and Chief Executive Officer<br><br>Mother of Chew Chiew Siang, Steven, Deputy CEO, Executive Director and Chief Operating Officer                                                                                           | Senior Vice-President (Group Administration and Human Resources), responsible for the overall management of the Company's administration, information technology, training and human resources functions. | No change.                                                              |
| Lim Sook Hwa Jacinta | 46  | Wife of Chew Chiew Siang, Steven, Deputy CEO, Executive Director and Chief Operating Officer<br><br>Daughter-in-law of Chew Ah Ba, George, Executive Chairman and Chief Executive Officer and Tan Teresa, Senior Vice-president (Group Administration and Human Resources) | Vice-President (Group Operations) since September 2006, responsible for the sales, marketing, logistics shipping and warehousing functions of lifestyle outdoor furniture and wood based business units.  | No change.                                                              |

Chew Ah Ba, George and Tan Teresa are substantial shareholders of the Company. Chew Ah Ba, George (Executive Chairman and Chief Executive Officer) and Tan Teresa (Senior Vice-President (Group Administration and Human Resources)) are husband and wife. Chew Ah Ba, George is the father of Chew Chiew Siang, Steven (Deputy CEO, Executive Director and Chief Operating Officer). Tan Teresa is the mother of Chew Chiew Siang, Steven.

Save as disclosed above, there are no other persons holding managerial position in the Group who are related to the Directors, Chief Executive Officer or substantial shareholders of the Company or of any of its principal subsidiaries.

**FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED  
31 DECEMBER 2016**

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BY ORDER OF THE BOARD

George Chew  
Executive Chairman  
28 February 2017

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*This announcement has been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Company's 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.*

*The details of the contact person for the Sponsor are:  
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