

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

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

	Group			
	Half Year ended 30/09/2019	Half Year ended 30/09/2018	Increase/ (Decrease) Sept 19 vs Sept 18	
	S\$'000	S\$'000	S\$'000	%
Revenue	13,761	12,820	941	7.34
Cost of sales	(6,988)	(6,894)	(94)	1.36
Gross Profit	6,773	5,926	847	14.29
Other operating income	1,051	1,353	(302)	(22.32)
Administrative expenses	(6,302)	(6,866)	564	(8.21)
Distribution and marketing costs	(1,275)	(1,282)	7	(0.55)
Other operating expenses	(1,195)	(1,007)	(188)	18.67
Finance costs	(566)	(604)	38	(6.29)
(Loss)/ Profit before taxation	(1,514)	(2,480)	966	(38.95)
Taxation	(157)	(53)	(104)	196.23
(Loss)/ Profit after taxation	(1,671)	(2,533)	862	(34.03)
(Loss)/ Profit attributable to: Equity holders of the Company	(1,671)	(2,533)	862	(34.03)

Profit/ (Loss) for the period is arrived after charging / (crediting) the following items:

	Half Year ended 30/09/2019	Half Year ended 30/09/2018	Increase/ (Decrease)	
	S\$'000	S\$'000	S\$'000	%
Interest income	-	-	-	-
Interest expense	555	616	(61)	(9.90)
Depreciation of property, plant & equipment	478	546	(68)	(12.45)
Amortisation of land use rights	12	12	-	-
Foreign exchange (gain)/loss net	423	277	146	52.71
(Gain)/Loss on disposal of property, plant & equipment	(31)	33	(64)	nm
Property, plant & equipment written off	-	-	-	-
Impairment loss on trade receivables	69	-	69	nm
Inventories written off	-	-	-	-

nm – not meaningful

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

	Half Year ended 30/09/2019	Half Year ended 30/09/2018	Increase/ (Decrease) Sept 19 vs Sept 18	
	S\$'000	S\$'000	S\$'000	%
(Loss) for the year	(1,671)	(2,533)	862	(34.03)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss, at nil tax	-	-	-	-
Foreign currency translation differences – foreign operations, at nil tax	298	120	178	148.33
Other comprehensive (loss)/ income for the period/ year	298	120	178	148.33
Total comprehensive (loss)/ income for the year attributable to owners of the Company	(1,373)	(2,413)	1,040	(43.10)

1(c)(i) A balance sheet (for the Issuer and Group), together with a comparative statement as at the end of the immediate preceding financial year

	Group		Company	
	As at 30 Sept 2019	As at 31 Mar 2019	As at 30 Sept 2019	As at 31 Mar 2019
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS:				
Non-Current Assets				
Land use rights	825	869	-	-
Property, plant and equipment	4,387	4,466	12	16
Investment properties	7,569	8,113	-	-
Other receivables	-	-	-	-
Investment in subsidiaries	-	-	-	-
Deferred tax assets	14	14	-	-
	12,795	13,462	12	16
Current Assets:				
Land use rights	24	24	-	-
Inventories, at cost	8,658	8,507	-	-
Amount due from subsidiaries	-	-	1,023	1,058
Trade receivables	2,201	1,573	-	-
Other receivables	2,528	2,843	33	38
Tax recoverable	141	496	-	-
Fixed deposits with banks	49	49	-	-
Cash and cash equivalents	713	875	3	5
	14,314	14,367	1,059	1,101
Total assets	27,109	27,829	1,071	1,117
EQUITY AND LIABILITIES:				
Capital and Reserve				
Share capital	39,949	39,949	39,949	39,949
Reserves	(48,664)	(47,291)	(43,032)	(42,097)
	(8,715)	(7,342)	(3,083)	(2,148)
Non-current liabilities				
Borrowings	290	201	-	-
Deferred tax	164	165	-	-
Deferred income	15	592	-	-
	469	958	-	-
Current Liabilities				
Trade payables	2,419	3,530	-	-
Other payables	13,278	9,841	2,587	1,996
Deferred income	1,312	1,226	-	-
Amount due to a subsidiary	-	-	1,495	1,197
Amount due to directors	75	71	72	72
Provision for taxation	281	282	-	-
Borrowings	17,990	19,263	-	-
	35,355	34,213	4,154	3,265
Total equity and liabilities	27,109	27,829	1,071	1,117

Note:

Balance Sheet as at 31 March 2019 include adjustments for subsidiaries where audit for FY 31 March 2019 had been completed.

1(c)(ii) Aggregate amount of the Group's borrowings and debt securities.

	As at 30 September 2018		As at 31 March 2018	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand	17,990	-	19,263	-
Amount repayable after one year	290	-	201	-

Details of any collateral

All bank facilities are secured and guaranteed by the Company, except those of Malaysia subsidiaries which are secured and guaranteed by one or more of the following:-

- (a) a guarantee given by the Company;
- (b) a guarantee given by a subsidiary;
- (c) first legal mortgage of the Group's leasehold properties;
- (d) debenture over a subsidiary's present and future fixed and floating assets.

1(d) A cash flow statement (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	Half Year ended 30/09/2019	Half Year ended 30/09/2018
	S\$'000	S\$'000
Cash Flows from operating activities		
Loss before taxation	(1,514)	(2,480)
Adjustments for:-		
Amortisation of land use rights	12	12
Depreciation of property, plant and equipment	505	546
(Gain)/ loss on disposal of property, plant & equipment	(31)	33
Interest expense	555	616
Interest income	-	-
Operating profit/(loss) before working capital changes	(473)	(1,273)
Changes in inventories	(151)	(2,123)
Changes in operating receivables	(313)	(1,620)
Changes in operating payables	1,839	(258)
Net cash generated from/(used in) operations	902	(5,274)
Interest expense	(555)	(616)
Income tax (paid)/refunded	194	(183)
Net cash generated from/(used in) operating activities	541	(6,073)
Cash Flows generated from/(used in) investing activities		
Acquisition of property, plant and equipment	(65)	(356)
Proceed from disposal of property, plant and equipment	31	128
Proceed from available-for-sales of financial assets	-	-
Interest received	-	-
Net cash generated from/(used in) investing activities	(34)	(228)
Cash Flows generated from/(used in) financing activities		
Repayment of bank loans	(943)	-
Proceeds from bank loan	-	6,206
Repayment of trust receipts and bills payable	(562)	759
Repayment to directors	-	-
Repayment of finance lease liabilities	(9)	(20)
Net cash generated from/(used in) financing activities	(1,514)	6,945
Net increase/(decrease) in cash & cash equivalents	(1,007)	644
Cash & cash equivalents at beginning of the period	(4,796)	(4,331)
Net effect of exchange rate changes on balance of cash and cash equivalents at beginning of the year	601	519
Cash and cash equivalents at end of the period	(5,202)	(3,168)

Note 1:

Cash and cash equivalents at end of the period

Cash and bank balances

Fixed deposit

Bank overdraft

Group	
Half Year ended 30/09/2019	Half Year ended 30/09/2018
S\$'000	S\$'000
713	1,860
49	49
(5,964)	(5,077)
(5,202)	(3,168)

1(d)(i) A statement (for the issuer and the 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.

	Attributable to equity holders of the Company						
	Exchange Translation Reserves	Statutory Common Reserve	Capital Reserve	Merger Reserve	Fair Value Reserve	Retained earnings	Share Capital
Group	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2019/2020							
Balance as at 1 Apr 2019	(5,161)	-	838	(3,282)	-	(39,686)	39,949
Loss for the period	-	-	-	-	-	(1,671)	-
Other comprehensive income/(loss)	298	-	-	-	-	-	298
Balance at 30 Sept 2019	(4,863)	-	838	(3,282)	-	(41,357)	39,949
2018/2019							
Balance as at 1 Apr 2018	(5,613)	-	838	(3,282)	-	(33,441)	39,949
Loss for the period	-	-	-	-	-	(2,533)	-
Other comprehensive income/(loss)	120	-	-	-	-	-	120
Balance at 30 Sept 2018	(5,493)	-	838	(3,282)	-	(35,974)	39,949

Company

2019/2020

Balance as at 1 Apr 2019

Loss for the period

Balance at 30 Sept 2019

2018/2019

Balance as at 1 Apr 2018

Loss for the period

Balance at 30 Sept 2018

Retained earnings	Share Capital	Total Equity
S\$'000	S\$'000	S\$'000
(42,097)	39,949	(2,148)
(935)	-	(935)
(43,032)	39,949	(3,083)
(39,939)	39,949	10
(1,047)	-	(1,047)
(40,986)	39,949	(1,037)

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

Issue and fully paid

Ordinary
Shares

Balance as at 1 April 2019 and 30 September 2019

439,400,466

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 Company

At 30/09/2019 At 31/03/2019

Total number of issued shares

439,400,466 439,400,466

Total number of issued shares excluding treasury shares

439,400,466 439,400,466

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.

The Company has no treasury shares as at 31 March 2019 and 30 September 2019.

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

The figures have neither been audited nor reviewed by the Company's auditors.

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

Not applicable.

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

Except as disclosed in the paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the Group's financial statements for the current reporting period as compared with its audited financial statements for the period ended 31 March 2019.

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 effect of, the change.

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period compared with the audited annual financial statements for the financial year ended 31 March 2019, except for the adoption of certain new and revised Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") that became effective for the annual period beginning on or after 1 January 2019.

The adoption of these new and revised FRS and INT FRS from the effective date is not expected to result in any material adjustments or substantial impact to the financial statements of the Group for the current financial reporting period reported on.

6. Profit/(Loss) 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.

{Loss}/ Profit per ordinary share:

Based on weighted average number of ordinary shares in issue

- On fully diluted basis

Group	
Half Year ended 30 September 2019	Half Year ended 30 September 2018
(0.38) cents	(0.58) cents
(0.38) cents	(0.58) cents

The loss per share of the Group for the period ended 30 September 2019 was computed based on the weighted average number of shares in issue of 439,400,466 (30 September 2018: 439,400,466)

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.

Net asset value per share for the period based on the number of shares in issue.

Group		Company	
30.09.2019	31.03.2019	30.09.2019	31.03.2019
(1.98) cents	(1.67) cents	(0.70) cents	(0.54) cents

The net asset value per ordinary share is based on the number of shares in issue of 439,400,466 as at 30 September 2019 (31 March 2019: 439,400,466).

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.

Review commentary on income statement for period ended 30 September 2019

Revenue

The Group registered a higher revenue amounting to S\$13.8 million for the six months ended 30 September 2019 ("HY2020") compared to S\$12.8 million in the previous corresponding period ("HY2019"). The increase in revenue of S\$1 million was due to higher revenue generated from both its Furniture segment and Building Materials segment. Revenue for Furniture segment and Building materials segment increased by S\$0.7 million and S\$0.3 million respectively. The increase in revenue was attributable to higher sales generated for its Singapore and Malaysia units offset by lower sales in its Taiwan unit.

Cost of Goods Sold and Gross Profit

Cost of sales increased by S\$0.1 million from S\$6.9 million to S\$7.0 million. The higher cost of sales was mainly due to higher production costs during the six months period. Gross profit increased by 14.3% or S\$0.8 million in HY2020 compared to HY2019 owing to higher profit margin.

Other operating income

Other operating income decreased by S\$0.3 million to S\$1.1 million in HY2020 compared to S\$1.4 million in HY2019. The decrease was due to lower rental income and sundry income.

Administrative expense

Administrative expense decreased by S\$0.6 million or 8.2 percent compared to S\$6.9 million in HY2019. The decrease was mainly due to reduction of salary related expenses.

Distribution and Marketing costs

Distribution and Marketing cost remained flat at S\$1.3 million in HY2020 compared to S\$1.3 million in HY2019.

Other operating expense

Other operating expense increased by S\$0.2 million from S\$1.0 million in HY2019 to S\$1.2 million in HY2020. This was mainly attributable to higher depreciation charges for the six months period under review.

Finance cost

Finance cost remained flat at S\$0.6 million for HY2020 compared to S\$0.6 million in HY2019.

Taxation

Income tax expense of the Group increased by S\$0.1 million from S\$0.01 million in HY2019. This was attributable mainly to withholding taxes paid for royalty income remitted from one of its foreign subsidiaries and tax provision for its Taiwan unit.

Loss for the period

The Group reported a reduced loss of \$1.7 million in HY2020 compared to S\$2.5 million in HY2019. This was due to lower administrative expenses offset by higher other operating expenses and lower other operating income.

Balance Sheet**Non-Current Assets**

Non-current assets of the Group decreased by S\$0.7 million from S\$13.5 million as at 31 March 2019 to S\$12.8 million as at 30 September 2019. This was mainly attributable to depreciation charges of property, plant and equipment, investment properties and amortisation charges of land use rights.

Current Assets

<u>Other receivables</u>	30/09/2019	31/03/2019	Variance
	S\$'000	S\$'000	S\$'000
Other debtors	-	-	-
Deposits	234	841	(607)
Advance to suppliers	1,070	864	206
Prepayments	1,224	1,138	86
	<u>2,528</u>	<u>2,843</u>	<u>(315)</u>

The Group's reported current assets amounted to approximately S\$14.3 million as at 30 September 2019. (31 March 2019: S\$14.4 million). This was mainly due to increase in inventories and trade receivables offset by decrease in other receivables, tax recoverable and cash and cash equivalents.

The increase in trade receivables was mainly attributable to trade debts incurred in September 2019. The higher inventories was due to reduction in provision for slowing moving stocks. The decrease in other receivables were mainly due to lower deposits offset by increase in advance to suppliers and prepayments. Tax recoverable decreased because of tax refund received from its Malaysia units.

Non-Current Liabilities

The Group's non-current liabilities decreased by S\$0.5 million to S\$0.5 million at 30 September 2019 (31 March 2019: S\$1.0 million). The decrease was due to recognition of rental charges paid in advance by its tenant during the financial period under review.

Current Liabilities

<u>Other payables</u>	30/09/2019	31/03/2019	Variance
	S\$'000	S\$'000	S\$'000
Other creditors	5,284	4,576	708
Deposits received	4,315	2,843	1,472
Accruals	3,679	2,422	1,257
	<u>13,278</u>	<u>9,841</u>	<u>3,437</u>

The Group's current liabilities position increased by S\$1.2 million from S\$34.2 million as at 31 March 2019 to S\$35.4 million as at 30 September 2019. The increase was mainly attributable to an increase in other payables amounting to S\$3.4 million offset by decrease in trade payables and bank borrowings amounting to S\$1.0 million and S\$1.2 million respectively.

The decrease in trade payables was attributable to payment to trade creditors while the increase in other payables were due to higher deposit received and slower payments to other creditors and accrued expenses.

Capital and Reserves

As at 30 September 2019, the Group had negative shareholders' equity of S\$8.7 million compared to S\$7.3 million at 31 March 2019. This was due to accumulated losses incurred offset by exchange translation gain for the current half year ended 30 September 2019.

Cash flow Statement

Net cash generated from operating activities amounted to S\$0.5 million in HY2020 compared to net cash used in operating activities of S\$6.1 million in HY2019. This was due to the increase in inventories of S\$0.2 million, trade and other receivables of S\$0.3 million and the increase in trade and other payables of S\$1.8 million offset by income tax refunded and lower interest expense incurred.

Net cash flow used in financing activities was S\$1.5 million compared to net cash generated from financing activities of S\$6.9 million in HY2019. This arose from repayment of bank loans and bills payable amounting to S\$0.9 million and S\$0.6 million respectively.

Cash and cash equivalents decreased by S\$1.0 million mainly as a results of net cash used in financing activities.

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

Not applicable

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 expects the demand for furniture to remain weak due to poor retail outlook in the countries it operate for the next reporting period and the next 12 months.

The Group will continue to reduce its overall cost and expenses and to seek new markets and /or products to improve its revenue stream.

The Company's management is still working hard to realise the real estate asset in Singapore to resolve the going concern issues as well as improve the Group's cash flow

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended 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.

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

No dividend has been declared or recommended for the financial period reported on as the Group currently has no sufficient reserves available for distribution.

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) (iii). If no IPT mandate has been obtained, a statement to that effect.

There is no IPT for the reporting period ended 30 September 2019.

14. Confirmation pursuant to Rule 705(5) of the Listing Manual

The Board of Directors has confirmed that to the best of its knowledge, nothing has come to the attention which may render the Group's unaudited financial statements for the first half ended 30 September 2019 to be false or misleading in any material aspect.

15. Confirmation pursuant to Rule 720(1) of the Listing Manual

The Company has procured undertakings from its Directors and Executive Officers pursuant to Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD
Ding Lei
Executive Director/Chairman
14 November 2019

Lim Pang Hern
Executive Director