

Third Quarter Financial Statement And Dividend Announcement for the Period Ended 30 Sep 2016

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.

Consolidated income statement for the financial period ended 30-Sep-16

	GROUP				GROUP		
	3 months ended				9 months ended		
	30-Sep-16	30-Sep-15	Variance		30-Sep-16	30-Sep-15	Variance
	S\$'000	S\$'000	%		S\$'000	S\$'000	%
Revenue	23,071	22,578	2%		64,206	61,030	5%
Cost of sales	(15,363)	(14,680)	5%		(41,578)	(38,962)	7%
Gross profit	7,708	7,898			22,628	22,068	
Other income	2,628	2,311	14%		6,317	6,929	-9%
Expenses							
- Distribution and marketing	(3,422)	(3,331)	3%		(10,238)	(9,279)	10%
- Administrative	(6,747)	(5,709)	18%		(17,272)	(16,149)	7%
- Finance	(24)	(45)	-47%		(85)	(140)	-39%
Share of profit of joint ventures-net of tax	1,372	3,035	-55%		15,085	9,377	61%
Profit before income tax	1,515	4,159			16,435	12,806	
Income tax expense	(152)	(65)	134%		(278)	(245)	13%
Net profit	1,363	4,094			16,157	12,561	
Profit attributable to:							
Equity holders of the Company	895	3,682			14,827	11,406	
Non-controlling interests	468	412			1,330	1,155	
	1,363	4,094			16,157	12,561	

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

Consolidated Statement of Comprehensive income for the financial period ended 30-Sep-16

	GROUP				GROUP		
	3 months ended				9 months ended		
	30-Sep-16	30-Sep-15	Variance		30-Sep-16	30-Sep-15	Variance
	S\$'000	S\$'000	%		S\$'000	S\$'000	%
Net profit	1,363	4,094	-67%		16,157	12,561	29%
Other comprehensive income							
<i>Items that may be reclassified subsequently to profit or loss:</i>							
Currency translation differences arising from consolidation – (losses)/ gains	245	1,223			(708)	1,518	
Other comprehensive (loss)/income, net of tax	245	1,223			(708)	1,518	
Total comprehensive income	1,608	5,317			15,449	14,079	
Total comprehensive income attributable to:							
Equity holders of the Company	1,075	4,579			14,310	12,521	
Non-controlling interests	533	738			1,139	1,558	
	1,608	5,317			15,449	14,079	

Additional information to the income statement:

	GROUP			GROUP	
	3 months ended			9 months ended	
	30-Sep-16	30-Sep-15		30-Sep-16	30-Sep-15
	S\$'000	S\$'000		S\$'000	S\$'000
1. Other income					
Commission income	6	1		11	6
Fixed deposit interest income	538	372		1,489	913
Interest income	3	6		10	58
Management fee from joint ventures	27	14		54	41
Parking fee income	9	21		24	65
Rental income	412	932		1,099	2,797
Amortisation of deferred income	812	812		2,437	2,437
Bad debts recovered	-	14		107	177
Gain on disposal of property, plant and equipment	87	-		86	36
Write back of unclaimed trade payables more than 7 years old	669	-		669	25
Miscellaneous income	65	139		331	374
	2,628	2,311		6,317	6,929

Note:

Rental income decrease is mainly due to the loss of a major tenant.

Additional information to the income statement (continued):**2. Distribution and marketing expenses**

The increase in distribution and marketing expenses was mainly due to increase in rental of showroom, staff cost and marketing cost.

	GROUP		GROUP	
	3 months ended		9 months ended	
	30-Sep-16	30-Sep-15	30-Sep-16	30-Sep-15
	S\$'000	S\$'000	S\$'000	S\$'000
3. Finance Expenses				
Bank loan interest	13	25	62	79
Finance lease interest	1	-	2	3
Trust receipts interest	10	20	21	58
	24	45	85	140

	GROUP		GROUP	
	3 months ended		9 months ended	
	30-Sep-16	30-Sep-15	30-Sep-16	30-Sep-15
	S\$'000	S\$'000	S\$'000	S\$'000
4. Profit before income tax				
Profit before income tax is determined after charging/(crediting):-				
Advertising and promotion	713	765	2,170	1,907
Bank charges	198	47	266	149
Depreciation of property, plant and equipment	230	147	660	463
Allowance for impairment of trade and other receivables	843	33	1,086	168
Property tax	181	297	542	829
Sales commission	478	459	1,366	1,340
Foreign Exchange loss/(gain) - net	(56)	450	28	465
Legal and professional fee	34	83	124	272
Allowance for stock obsolescence	451	33	475	92
Rental expense on operating leases	2,551	2,443	7,504	7,225
Utilities	72	96	251	313

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

	GROUP		COMPANY	
	30-Sep-16	31-Dec-15	30-Sep-16	31-Dec-15
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and bank balances	125,415	108,247	108,902	95,944
Available-for-sale financial assets	1	19	1	19
Trade and other receivables	10,987	11,125	4,375	4,949
Loan to associated companies	7,457	8,923	4,919	5,612
Inventories	19,192	19,773	-	-
Gross amount due from customers for contract work-in-progress	112	164	-	-
	163,164	148,251	118,197	106,524
Non-current assets				
Trade and other receivables	135	337	-	-
Investments in associated companies	-	-	-	-
Investments in joint ventures	38,936	38,401	1,138	1,138
Investments in subsidiaries	-	-	3,936	3,936
Property, plant and equipment	2,013	1,970	705	530
Intangible assets	161	161	161	161
	41,245	40,869	5,940	5,765
Total assets	204,409	189,120	124,137	112,289
LIABILITIES				
Current liabilities				
Trade and other payables	17,805	18,517	3,572	4,218
Advances from joint ventures	6,938	2,565	6,938	2,565
Borrowings	9,829	9,897	8,454	9,636
Obligations under finance leases	40	31	-	-
Gross amount due to customers for contract work-in-progress	2,889	2,658	-	-
Current income tax liabilities	258	420	-	-
Deferred income	3,250	3,250	3,250	3,250
	41,009	37,338	22,214	19,669
Non-current liabilities				
Deferred income	2,167	4,604	2,167	4,604
Obligations under finance leases	60	8	-	-
Deferred income tax liabilities	25	25	-	-
	2,252	4,637	2,167	4,604
Total liabilities	43,261	41,975	24,381	24,273
NET ASSETS	161,148	147,145	99,756	88,016
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	33,745	33,745	33,745	33,745
Other reserves	1,693	2,149	1,487	1,426
Retained earnings	120,720	107,085	64,524	52,845
	156,158	142,979	99,756	88,016
Non-controlling interests	4,990	4,166	-	-
Total equity	161,148	147,145	99,756	88,016

Additional Information to the Statement of financial position:**Current Assets**

- Cash and bank balances increased by \$17.17 million as compared to 31 Dec 2015. The increase is mainly due to dividend and funds received from joint venture companies.
- Inventories decreased by \$0.58 million as compared to 31 Dec 2015. The decrease is mainly due to a decrease in inventory in the supply chain division and interior and furniture division.

Current and Non-Current Liabilities

- Advances from joint ventures increased by \$4.37 million as compared to 31 Dec 2015. The increase is mainly due to advances from joint venture companies.
- Total borrowings decreased by \$0.01 million as compared to 31 Dec 2015. The decrease is mainly due to decrease in bill payable.

1(b)(ii) Aggregate amount of group's borrowings and debt securities.**Amount repayable in one year or less, or on demand**

As at 30-Sep-16		As at 31-Dec-15	
Secured	Unsecured	Secured	Unsecured
S\$9,657,876	S\$211,914	S\$9,667,349	S\$260,726

Amount repayable after one year

As at 30-Sep-16		As at 31-Dec-15	
Secured	Unsecured	Secured	Unsecured
S\$59,954	Nil	S\$8,391	Nil

Details of any collateral

The Group's bank loans are secured by a charge on certain fixed deposit(s) in Singapore Dollar/other acceptable currencies placed/to be placed from time to time with the bank. The Group's bills payable are secured, except for an amount of \$211,914 (31 Dec 2015: \$260,726) which is unsecured. The bills payable is secured by a pledge over fixed deposits of a subsidiary amounting to about \$Nil (31 Dec 2015: \$603,393); a deed of debenture by way of fixed and floating charge over the subsidiary's present and future undertakings; and a deed of assignment of credit insurance policies of a subsidiary and proportionate corporate guarantee by the Company.

Finance leases of \$100,413 (31 Dec 2015: \$39,539) are secured over some of the Group's motor vehicles.

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.

	GROUP		GROUP	
	3 months ended		9 months ended	
	30-Sep-16	30-Sep-15	30-Sep-16	30-Sep-15
	S\$'000	S\$'000	S\$'000	S\$'000
<i>Cash flows from operating activities</i>				
Net profit	1,363	4,094	16,157	12,561
Adjustments for:				
- Income tax expense	152	65	278	245
- Employee share option expense	13	58	61	173
- Amortisation of deferred income	(812)	(812)	(2,437)	(2,437)
- Allowance for impairment of trade and other receivables	843	33	1,086	168
- Bad debts recovered	-	(14)	(107)	(177)
- Depreciation	230	147	660	463
- Allowance for stock obsolescence	451	33	475	92
- Gain on disposal of property, plant and equipment	(87)	-	(86)	(36)
- Loss on disposal of investment	-	-	1	-
- Loss on disposal of available-for-sale financial assets	-	5	-	5
- Reversal of impairment Loss of available-for-sale financial assets	-	(2)	2	-
- Interest income	(541)	(378)	(1,499)	(971)
- Finance expenses	24	45	85	140
- Share of profit of joint ventures-net of tax	(1,372)	(3,035)	(15,085)	(9,377)
- Unrealised exchange differences	258	1,205	(544)	1,493
	522	1,444	(953)	2,342
<i>Change in working capital:</i>				
- Trade and other receivables	(2,026)	(254)	146	71
- Inventories	(1,074)	1,082	105	(953)
- Contract work-in-progress	200	(918)	283	(1,034)
- Trade and other payables	637	(2,888)	(711)	(2,981)
Cash used in operations	(1,741)	(1,534)	(1,130)	(2,555)
- Income tax paid	(181)	(136)	(440)	(361)
Net cash used in operating activities	(1,922)	(1,670)	(1,570)	(2,916)
<i>Cash flows from investing activities</i>				
Dividend income received from joint ventures	12,750	1,125	14,550	4,894
Proceeds from disposal of investment	-	-	15	-
Disposal of property, plant and equipment	87	-	112	42
Additions to property, plant and equipment	(471)	(55)	(659)	(142)
Fixed deposits with maturity of more than three months	498	(3,548)	(19,164)	(14,346)
Interest received	1,036	689	1,607	985
Repayment of loan by joint ventures	4,373	2,450	4,373	16,460
Repayment of loan by/(loan to) associated companies	352	(1,895)	572	(2,141)
Net cash provided by/(used in) investing activities	18,625	(1,234)	1,406	5,752
<i>Cash flows from financing activities</i>				
Advances from joint ventures	(17,123)	-	-	-
Proceeds from bank borrowings	3,949	14,267	6,986	33,354
Repayment of bank borrowings	(4,291)	(14,251)	(7,053)	(34,270)
Net proceeds from issuance of shares	-	-	-	773
Fixed deposits pledged	604	1	455	(2,038)
Repayment of finance leases	(9)	(6)	(29)	(47)
Interest paid	(24)	(45)	(85)	(140)
Dividends paid to equity holders of the Company	-	-	(1,192)	(1,381)
Dividends paid to non-controlling interests	(330)	-	(330)	(48)
Cash contribution from non-controlling interest	-	-	15	-
Net cash used in financing activities	(17,224)	(34)	(1,233)	(3,797)
Net decrease in cash and cash equivalents	(521)	(2,938)	(1,397)	(961)
Cash and cash equivalents				
Beginning of financial year	9,366	12,256	10,368	10,279
Effect of currency translation on cash and cash equivalents	(18)	(12)	(144)	(12)
End of the financial year	8,827	9,306	8,827	9,306

Notes to Cash Flow Statement

For the purpose of presenting in the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	GROUP			GROUP	
	3 months ended			9 months ended	
	30-Sep-16	30-Sep-15		30-Sep-16	30-Sep-15
	S\$'000	S\$'000		S\$'000	S\$'000
Cash and bank balances	125,415	107,640		125,415	107,640
Less: Bank deposits pledged	(13,424)	(13,877)		(13,424)	(13,877)
Less: Bank deposits with maturity more than 3 months but less than 12 months	(103,164)	(84,457)		(103,164)	(84,457)
Cash and cash equivalents per consolidated statement of cash flows	8,827	9,306		8,827	9,306

For the 9 months ended 30 Sep 2016, the Group used \$0.95 million in operating activities before taking into account working capital changes as compared to cash generated from operations of \$2.34 million for the 9 months ended 30 Sep 2015. After taking into account changes in working capital and income tax paid, the Group used \$1.57 million in its operating activities as compared to \$2.92 million used for the 9 months ended 30 Sep 2015.

The Group recorded a net cash outflow of \$1.40 million for the 9 months ended 30 Sep 2016 as compared to a net cash outflow of \$0.96 million for the 9 months ended 30 Sep 2015. The net decrease in cash and cash equivalents was due to net cash used in by the operating activities and financing activities of \$1.57 million and \$1.23 million respectively, which was partially offset by net cash provided by investing activities of \$1.41 million.

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.

Consolidated statement of changes in equity for the financial period ended 30-Sep-16

	Attributable to equity holders of the Company						
GROUP	Share capital	Employee share option reserve	Currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1-Jan-16	33,745	1,426	723	107,085	142,979	4,166	147,145
Employee share option scheme	-	34	-	-	34	-	34
Issue of new shares	-	-	-	-	-	-	-
Total comprehensive (loss)/income for the period	-	-	(715)	867	152	162	314
Balance as at 31-Mar-16	33,745	1,460	8	107,952	143,165	4,328	147,493
Balance as at 1-Apr-16	33,745	1,460	8	107,952	143,165	4,328	147,493
Employee share option scheme	-	14	-	-	14	-	14
Issue of new shares	-	-	-	-	-	-	-
Dividend paid	-	-	-	(1,192)	(1,192)	-	(1,192)
Contribution from Non-controlling interests	-	-	-	-	-	15	15
Total comprehensive income for the period	-	-	18	13,065	13,083	444	13,527
Balance as at 30-Jun-16	33,745	1,474	26	119,825	155,070	4,787	159,857
Balance as at 1-Jul-16	33,745	1,474	26	119,825	155,070	4,787	159,857
Employee share option scheme	-	13	-	-	13	-	13
Issue of new shares	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	(330)	(330)
Contribution from Non-controlling interests	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	180	895	1,075	533	1,608
Balance as at 30-Sep-16	33,745	1,487	206	120,720	156,158	4,990	161,148

Consolidated statement of changes in equity for the financial period ended 30-Sep-15

	Attributable to equity holders of the Company						
GROUP	Share capital	Employee share option reserve	Currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1-Jan-15	32,460	1,656	(220)	91,791	125,687	2,710	128,397
Employee share option scheme	-	58	-	-	58	-	58
Issue of new shares	948	(320)	-	-	628	-	628
Total comprehensive income for the period	-	-	443	3,638	4,081	462	4,543
Balance as at 31-Mar-15	33,408	1,394	223	95,429	130,454	3,172	133,626
Balance as at 1-Apr-15	33,408	1,394	223	95,429	130,454	3,172	133,626
Employee share option scheme	-	57	-	-	57	-	57
Issue of new shares	243	(98)	-	-	145	-	145
Dividend paid	-	-	-	(1,381)	(1,381)	(48)	(1,429)
Contribution from Non-controlling interests	-	-	-	-	-	-	-
Total comprehensive (loss)/income for the period	-	-	(225)	4,086	3,861	358	4,219
Balance as at 30-Jun-15	33,651	1,353	(2)	98,134	133,136	3,482	136,618
Balance as at 1-Jul-15	33,651	1,353	(2)	98,134	133,136	3,482	136,618
Employee share option scheme	-	58	-	-	58	-	58
Issue of new shares	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-
Contribution from Non-controlling interests	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	897	3,682	4,579	738	5,317
Balance as at 30-Sep-15	33,651	1,411	895	101,816	137,773	4,220	141,993

Statement of changes in equity for the financial period ended 30-Sep-16

<u>COMPANY</u>	Share capital	Employee share option reserve	Retained earnings	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1-Jan-16	33,745	1,426	52,845	88,016
Employee share option scheme	-	34	-	34
Issue of new shares	-	-	-	-
Total comprehensive income for the period	-	-	1,102	1,102
Balance as at 31-Mar-16	33,745	1,460	53,947	89,152
Balance as at 1-Apr-16	33,745	1,460	53,947	89,152
Employee share option scheme	-	14	-	14
Issue of new shares	-	-	-	-
Dividend paid	-	-	(1,192)	(1,192)
Total comprehensive loss for the period	-	-	(901)	(901)
Balance as at 30-Jun-16	33,745	1,474	51,854	87,073
Balance as at 1-Jul-16	33,745	1,474	51,854	87,073
Employee share option scheme	-	13	-	13
Issue of new shares	-	-	-	-
Dividend paid	-	-	-	-
Total comprehensive income for the period	-	-	12,670	12,670
Balance as at 30-Sep-16	33,745	1,487	64,524	99,756

Statement of changes in equity for the financial period ended 30-Sep-15

<u>COMPANY</u>	Share capital	Employee share option reserve	Retained earnings	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1-Jan-15	32,460	1,656	48,341	82,457
Employee share option scheme	-	58	-	58
Issue of new shares	948	(320)	-	628
Total comprehensive income for the period	-	-	3,582	3,582
Balance as at 31-Mar-15	33,408	1,394	51,923	86,725
Balance as at 1-Apr-15	33,408	1,394	51,923	86,725
Employee share option scheme	-	57	-	57
Issue of new shares	243	(98)	-	145
Dividend paid	-	-	(1,381)	(1,381)
Total comprehensive loss for the period	-	-	(556)	(556)
Balance as at 30-Jun-15	33,651	1,353	49,986	84,990
Balance as at 1-Jul-15	33,651	1,353	49,986	84,990
Employee share option scheme	-	58	-	58
Issue of new shares	-	-	-	-
Dividend paid	-	-	-	-
Total comprehensive income for the period	-	-	565	565
Balance as at 30-Sep-15	33,651	1,411	50,551	85,613

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

	GROUP AND COMPANY	
	30-Sep-16	31-Dec-15
	S\$'000	S\$'000
Issued and paid up capital		
At the end of the financial period/year	33,745	33,745

Note:

The number of share options outstanding as at 30 Sep 16 is 9,764,000 (31 Dec 2015: 9,764,000)

- 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 preceding year.**

	GROUP AND COMPANY	
	30-Sep-16	31-Dec-15
No of issued shares at the beginning of the period/year	212,722,686	209,531,686
Issue of new shares:		
- exercised of share option by employees and directors	-	3,191,000
No of issued shares at the end of the period/year	212,722,686	212,722,686

- 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 auditing standard or practice.**

The financial statements have not been audited nor reviewed by the Company's 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 method of computation in the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 Dec 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.

The Group has adopted the new and revised Singapore Financial Reporting Standards ("FRSs") that are mandatory for financial years beginning on and after 1 Jan 2016, where applicable. The adoption of these standards did not result in substantial changes to the Group's accounting policies, and there is no material impact on the retained earnings of the Group as at 1 Jan 2016.

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.

	<u>GROUP</u>			<u>GROUP</u>	
	3 months ended			9 months ended	
	30-Sep-16	30-Sep-15		30-Sep-16	30-Sep-15
Earnings per share based on consolidated profit after taxation and Non-controlling interests					
Based on existing issued share capital (cents)	0.42	1.74		6.97	5.39
On a fully diluted basis (cents)	0.41	1.70		6.83	5.26

Note:

- a) The Earnings per share is calculated based on the weighted average number of shares in issue during the period amounting to 212,722,686 and 211,596,382 shares as at 30 Sep 2016 and 30 Sep 2015 respectively.
- b) In calculating Earnings per share on a fully diluted basis, the weighted average number of shares in issue during the period is adjusted to take into account the employee share options on a deemed exercised basis, being 216,945,730 and 216,945,731 shares as at 30 Sep 2016 and 30 Sep 2015 respectively.

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	
	30-Sep-16	31-Dec-15	30-Sep-16	31-Dec-15
Net asset value per share based on the existing issued share capital as at the respective period	73.41 cents	67.21 cents	46.89 cents	41.38 cents

Note:

The net assets value per ordinary shares are calculated based on the issued share capital of the Company of 212,722,686 shares as at 30 Sep 2016 and 31 Dec 2015 .

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.

Group revenue for the 9 months ended 30 Sep 2016 increased by 5% to \$64.21 million as compared to \$61.03 million for the 9 months ended 30 Sep 2015. Group revenue for the 3 months ended 30 Sep 2016 increased by 2% to \$23.07 million as compared to \$22.58 million for the 3 months ended 30 Sep 2015.

This increase is mainly attributable to the Group's supply chain division under Buylateral Group which sells to the USA market, which achieved a sales increase of 15% from \$35.77 million for the 9 months ended 30 Sep 2015 to \$41.18 million for the 9 months ended 30 Sep 2016. On the other hand, within the interior and furniture segment, the Group's European imported luxury furniture business recorded lower sales, in line with the slow-down in the Singapore economy and residential property market segment.

The Group's net profit for the 9 months ended 30 Sep 2016 increased to \$16.16 million as compared to a net profit of \$12.56 million for the 9 months ended 30 Sep 2015. Development profit from the Group's property investments division has contributed substantially to this increase. This was offset by start-up losses of the now opened Ibis Styles Hotel at Macpherson and the loss of rental from an anchor tenant at Tai Seng and impairment provisions for the UK development site at Covent Garden.

The Group's net profit for the 3 months ended 30 Sep 2016 decreased to \$1.36 million as compared to a net profit of \$4.09 million for the 3 months ended 30 Sep 2015. The decrease is mainly due to higher development profit recognised in previous year's quarter and also impairment provisions for the UK development site at Covent Garden.

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 interior and furniture segment continues to slow down as a result of stagnation in the Singapore economy. Parallel import competition in the digital space circumventing traditional retail channels continue to put margin pressure on our retail models. We are reviewing retail business operations with a view to streamline as part of a consolidation plan.

The property development business in Singapore continues to be challenging and opportunities remain limited. The Group will continue to seek and explore opportunities in property development both locally and in overseas markets such as the USA and United Kingdom.

The Group's USA distribution and supply chain company, Buylateral Group Pte Ltd, has performed positively for the 9 months ended 30 Sep 2016. The Group is optimistic about the growth in the USA market and expects Buylateral to continue to grow its sales and increase its market share in the USA furniture market by riding on the growth of e-commerce retailers.

In the light of weak economic growth and property related government policy measures in Singapore which have affected the affordability and spending power of potential customers, the Group is cautious about its prospects for the rest of 2016 and anticipates challenging conditions in the interior and furniture segment ahead. The Group has already substantially recognised its profit arising from its existing end-of-cycle property development investments in previous quarters and may have to make further provisions for its remaining property development projects in the last quarter. Consequently it is not inconceivable that the Group may incur a loss in the remaining quarter of 2016.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared/recommendeded for the current financial period ended 30 Sep 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.

Not applicable.

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.

Not applicable.

15. A breakdown of sales.

Not applicable.

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

Total Annual Dividend (*Refer to Para 16 of Appendix 7.2 for the required details*)

	Latest Full Year (S\$)	Previous Full Year (S\$)
Ordinary	0	0
Preference	0	0
Total:	0	0

17. Interest Person Transaction

Name of Interested Person	Aggregate value of all Interested Persons Transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' Mandate pursuant to Rule 920)	Aggregate value of all Interested Persons Transactions conducted during the financial year under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
	Nil	Nil

18. Confirmation of Directors' and Executive Officers' Undertakings

The Company confirms that it has procured undertakings from all its Directors and Executive Officers in compliance with Rule 720(1) of the Listing Manual.

19. Confirmation by the Board Pursuant to Rule 705(5) of the Listing Manual

The board of directors have confirmed that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of which may render the unaudited financial statements for the financial period ended 30 Sep 2016 to be false or misleading in any material aspect.

On behalf of the Board of Directors,

Goon Eu Jin Terence
Director

Wee Ai Quey
Director

BY ORDER OF THE BOARD

Goon Eu Jin Terence
Group Chief Executive Officer and Managing Director

9 November 2016