



SMJ INTERNATIONAL HOLDINGS LTD.
(Company Registration No: 201334844E)

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FULL YEAR ENDED 31 DECEMBER 2017

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Hong Leong Finance Limited (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst. The Sponsor has not independently verified the contents of this announcement.

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

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

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

	The Group		Change %
	S\$'000		
	FY 2017	FY 2016	
Continuing operations			
Revenue	1,118	-	NM
Other income	3	25	(88.0)
Other gains and losses	231	-	NM
Depreciation	*	-	NM
Employee compensation	(341)	(4)	NM
Other operating expenses	(520)	(399)	30.3
Total expenses	(861)	(403)	113.6
Profit/(loss) before income tax	491	(378)	NM
Income tax expense	(188)	-	NM
Profit/(loss) from continuing operations	303	(378)	180.2
Discontinued operations			
Loss from discontinued operations	(215)	(40)	NM
Total profit/(loss)	88	(418)	121.1
Other comprehensive losses:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation – losses	(53)	-	NM
Other comprehensive loss, net of tax	(53)	-	NM
Total comprehensive income/(loss)	35	(418)	108.4
Profit/(loss) attributable to equity holders of the Company relates to:			
Profit/(loss) from continuing operations	303	(378)	180.2
Loss from discontinued operations	(215)	(40)	NM
	88	(418)	121.1
Total comprehensive income/(loss) attributable to equity holders of the Company	35	(418)	108.4

* Denotes amount less than S\$1,000



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1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year:

	The Group		
	FY 2017	FY 2016	Change
	S\$'000	S\$'000	%
<u>Other income</u>			
Interest income – bank deposits	3	25	(88.0)
Sundry income	*	-	NM
	3	25	(88.0)
<u>Other gains and losses</u>			
Currency exchange gains – net	56	-	NM
Gain on disposal of a subsidiary corporation	175	-	NM
	231	-	NM

* Denotes amount less than S\$1,000

NM – Not Meaningful

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

		Group		Company	
		31 Dec 17 S\$'000	31 Dec 16 S\$'000	31 Dec 17 S\$'000	31 Dec 16 S\$'000
BALANCE SHEETS					
ASSETS					
Current assets					
Cash and bank balances	A	1,606	6,192	102	1,462
Trade and other receivables		15,203	5,400	15,996	1,177
Inventories		-	4,569	-	-
		16,809	16,161	16,098	2,639
Non-current assets					
Investment in a joint venture		-	359	-	-
Investments in subsidiary corporations		-	-	*	3,500
Investment property		-	3,000	-	-
Property, plant and equipment		1	818	-	-
		1	4,177	*	3,500
Total assets		16,810	20,338	16,098	6,139
LIABILITIES					
Current liabilities					
Trade and other payables	B	208	1,890	119	89
Current income tax liabilities		189	9	-	-
Borrowings - trust receipts		-	2,031	-	-
Deferred government grant		-	29	-	-
		397	3,959	119	89
Non-current liability					
Deferred income tax liabilities		-	1	-	-
Total liabilities		397	3,960	119	89
NET ASSETS		16,413	16,378	15,979	6,050
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital		6,365	6,365	6,365	6,365
Currency translation reserve		(53)	-	-	-
Retained profits/(accumulated losses)		10,101	10,013	9,614	(315)
Total equity		16,413	16,378	15,979	6,050

* Denotes amount less than S\$1,000



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Note A: Cash and bank balances

Cash at bank
Fixed deposit
Cash on hand

Group		Company	
31 Dec 17 S\$'000	31 Dec 16 S\$'000	31 Dec 17 S\$'000	31 Dec 16 S\$'000
1,606	1,892	102	462
-	4,300	-	1,000
-	*	-	*
1,606	6,192	102	1,462

* Denotes amount less than S\$1,000

Note B: Trade and other payables

Trade payables
Other payables:
- non- related parties
- joint venture
Accrued operating expenses
Advance rental income received
Goods and services tax payable

Group		Company	
31 Dec 17 S\$'000	31 Dec 16 S\$'000	31 Dec 17 S\$'000	31 Dec 16 S\$'000
-	864	-	-
69	49	64	29
-	358	-	-
110	443	55	60
-	6	-	-
29	170	-	-
208	1,890	119	89

1(b)(ii) In relation to the aggregate amount of group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

Amount repayable in one year or less, or on demand

As at 31 Dec 2017		As at 31 Dec 2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	2,031*	-

*Trust receipts

Details of any collateral

The Group issued corporate guarantees of S\$7.13 million to secure the existing borrowings of the subsidiary corporation – SMJ Furnishings (S) Pte Ltd. The corporate guarantees have been discharged on 16 January 2018 following the disposal of the subsidiary corporation.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Cash flows from operating activities:

Total profit /(loss)

Adjustments for:

Income tax expense

Depreciation of property, plant and equipment

Depreciation of investment property

Impairment loss on investment property

Gain on disposal of property, plant and equipment

Property, plant and equipment written-off

Gain on disposal of a subsidiary corporation

Interest income

Interest expense

Unrealised currency translation losses

Change in working capital, net of effects from disposal of a subsidiary:

Inventories

Trade and other receivables

Trade and other payables

Deferred government grant

Cash generated from operations

Income tax paid

Net cash provided by operating activities

Cash flows from investing activities:

Additions to property, plant and equipment

Additions to investment property

Disposal of property, plant and equipment

Disposal of a subsidiary corporation, net of cash disposed of

Interest received

Net cash used in investing activities

Cash flows from financing activities:

Proceeds from borrowings

Repayment of borrowings

Interest paid

Dividends paid to equity holders of the Company

Fixed deposits with maturity more than three months

Net cash provided by/(used in) financing activities

Note	FY2017	FY2016
	S\$'000	S\$'000
	88	(418)
	195	17
	271	214
	66	55
	45	224
	(10)	(7)
	3	3
	(175)	-
	(3)	(72)
	-	76
	(52)	-
	428	92
	111	(124)
	(1,586)	2,117
	1,551	(1,120)
	(28)	(28)
	476	937
	(10)	(99)
	466	838
	(278)	(740)
	-	(478)
	10	7
A	(1,406)	-
	6	76
	(1,668)	(1,135)
	6,932	8,077
	(6,803)	(8,613)
	-	(76)
	-	(257)
	387	(400)
	516	(1,269)



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

CONSOLIDATED STATEMENT OF CASH FLOWS

Net decrease in cash and bank balances

Cash and bank balances:

Beginning of financial year

End of financial year

FY2017	FY2016
S\$'000	S\$'000
(686)	(1,566)
2,292	3,858
1,606	2,292

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

Cash and bank balances

Less: Bank deposits with maturity more than three months

Cash and cash equivalents per consolidated statement of cash flows

FY2017	FY2016
S\$'000	S\$'000
1,606	6,192
-	(3,900)
1,606	2,292

Note A:

The aggregate cash outflows arising from the disposal of SMJ Furnishings (S) Pte Ltd were:

Group
2017
S\$'000

Net assets disposed of

13,625

Gain on disposal

175

Cash proceeds from disposal

13,800

Less: cash and bank balances in subsidiary corporation disposed of

(1,406)

Less: Consideration receivable

(13,800)

Net cash outflow on disposal

(1,406)

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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

The Group	Share Capital	Currency Translation Reserve	Retained Profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2017	6,365	-	10,013	16,378
Profit for the year	-	-	88	88
Other comprehensive loss for the year	-	(53)	-	(53)
Total comprehensive income for the year	-	(53)	88	35
At 31 December 2017	6,365	(53)	10,101	16,413
At 1 January 2016	6,365	-	10,688	17,053
Dividend paid	-	-	(257)	(257)
Total comprehensive loss for the year	-	-	(418)	(418)
At 31 December 2016	6,365	-	10,013	16,378

The Company	Share Capital	Retained Profits/ (Accumulated Losses)	Total
	S\$'000	S\$'000	S\$'000
At 1 January 2017	6,365	(315)	6,050
Total comprehensive income for the year	-	9,929	9,929
At 31 December 2017	6,365	9,614	15,979
At 1 January 2016	6,365	8	6,373
Dividend paid	-	(257)	(257)
Total comprehensive loss for the year	-	(66)	(66)
At 31 December 2016	6,365	(315)	6,050



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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 purposes since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.

Ordinary shares of the Company	Number of shares	Share capital S\$
	78,000,000	6,364,807
As at 31 December 2017 and 2016		

The Company did not have any outstanding options, convertible, treasury shares and subsidiary holdings as at 31 December 2017 and 31 December 2016.

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's total number of issued and paid up share capital as at 31 December 2017 was 78,000,000 ordinary shares (31 December 2016: 78,000,000 ordinary shares).

There were no treasury shares as at the end of the current financial year and as at the end of the immediately preceding financial year.

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

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

There were no sales, transfers, cancellation and/or use of subsidiary holdings as at 31 December 2017.



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

The figures have not been audited or reviewed by the auditors of the Company.

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

Not applicable.

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

Save as disclosed in Section 5 below, the Group has applied the same accounting policies and methods of computation in the Group's financial statements for the current financial period compared to the audited financial statements for the financial year ended 31 December 2016 except for the adoption of the new and revised Financial Reporting Standards which became effective for the financial period beginning on or after 1 January 2017. The adoption of these new and revised accounting standards did not give rise to any significant impact on the financial statements for the financial year ended 31 December 2017.

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 all new and revised Singapore Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for the financial period on or after 1 January 2017, where applicable. The adoption of these new and revised standards from the effective date is not expected to result in any material adjustments to the financial statements of the Group for the current financial reporting year.

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.

Earnings per share ("EPS")	The Group	
	FY 2017	FY 2016
Profit/(loss) attributable to equity holders of the Company (S\$'000)		
- Continuing operations	303	(378)
- Discontinued operations	(215)	(40)
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share ('000)	78,000	78,000
Basic and diluted EPS shares (cents) ⁽¹⁾		
- Continuing operations	0.39	(0.49)
- Discontinued operations	(0.28)	(0.05)

⁽¹⁾ The basic and diluted EPS were the same as the Company and the Group did not have any potentially dilutive instruments for the respective financial periods.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued share excluding treasury shares of the issuer at the end of the:

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

	Group		Company	
Net asset value ("NAV") per ordinary share	31 Dec 17	31 Dec 16	31 Dec 17	31 Dec 16
NAV (S\$'000)	16,413	16,378	15,979	6,050
Number of ordinary shares	78,000,000	78,000,000	78,000,000	78,000,000
Net asset value per ordinary share based on issued share capital (cents)	21.04	21.00	20.49	7.76



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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 OF FINANCIAL PERFORMANCE

On 26 December 2017 the Company had obtained shareholders' approval for the disposal of the entire 100% equity interest in SMJ Furnishings (S) Pte Ltd ("SMJ Furnishings") for the core carpet furnishing business to fully focus its resources and attention on developing the new business scope including but not limited to the provision of management and consultancy services in the tourism and hospitality industry, including hotels, resorts and other facilities.

As announced on 7 February 2018, the risk and rewards associated with the Sale Shares and control over SMJ Furnishings shall be transferred with effect from 31 December 2017. The Company has presented separately the financial result of SMJ Furnishings in the consolidated income statement as discontinued operations as at 31 December 2017.

Revenue from continuing operations

Following the diversification of business to include the Property Related Business, the Group has expand its new business division in providing the consultancy services to hotel or resorts through it's wholly-owned indirect subsidiary corporation, Beijing Zhuoyue Tiancheng Business Management Co. Ltd ("Zhuoyue Tiancheng"), incorporated in January 2017. The new consultancy business has recorded S\$1.1 million in FY 2017 by securing agreements to provide consultancy services for resorts located in People's Republic of China.

Other income from continuing operations

The Group's interest income relates to the interest earned from the fixed deposit placed with a financial institution.

Other gains and losses from continuing operations

The foreign currency exchange translation gains result from the fluctuations of the other currencies against the Singapore dollar.

The Group recorded a gain on disposal of a subsidiary of S\$0.2 million for FY 2017.

Employee compensation from continuing operations

The employee compensation increased significantly from S\$4,000 to S\$0.3 million due to increased headcount for Zhuoyue Tiancheng, incorporated in January 2017.



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Other operating expense from continuing operations

The increase in other operating expenses of approximately S\$0.1 million or 30.3% was mainly due to the following:

- (i) Professional fees incurred for the disposal of the subsidiary, SMJ Furnishings of S\$97,000; and
- (ii) General expenses of S\$16,000 for service charge on registered address for Zhuoyue Tiancheng of S\$10,000 and other miscellaneous expenses.

Income tax expense from continuing operations

The increase in the income tax expense was in line with the increased in the profit before income tax in FY2017.

Profit after tax from continuing operations

Profit/(loss) after tax increased by approximately S\$0.7 million or 180.2% in FY2017 as compared to FY2016 mainly due to increase in revenue.

Loss from discontinued operations

The discontinued operations refer to subsidiary corporation, SMJ Furnishings, engaged in carpet furnishings business.

The loss from discontinued operations increased from S\$40,000 in FY2016 to S\$0.2 million in FY2017 mainly due to increase in exchange loss resulting from foreign currency translation, rising cost of employees and other business costs.

REVIEW OF FINANCIAL POSITION

Current assets

The Group's current assets increased by approximately S\$0.6 million or 4.0% mainly due to the increase in trade and other receivables of S\$9.8 million which was offset with the decrease in cash and bank balances and inventories of S\$4.6 million each.

The increase in trade and other receivables was mainly due to the receivables of sales proceeds from the disposal of SMJ Furnishings of S\$13.8 million, offset by the trade and other receivables of SMJ Furnishings which have been disposed of. The Group had S\$nil inventories as at 31 December 2017 as it ceased to hold any carpet furnishings inventory following the disposal of SMJ Furnishings.

Non-current assets

The Group's non-current assets decreased significantly from S\$4.2 million to S\$1,000 mainly due to disposal of SMJ Furnishings.

Current liabilities

The decrease in current liabilities of approximately S\$3.6 million or 90.0% was due to reduction in trade and other payables and borrowings (trust receipts) of approximately S\$1.7 million and S\$2.0 million respectively. The reductions were due to disposal of SMJ Furnishings.



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Working capital

The Group had a positive working capital of S\$16.4 million as at 31 December 2017 as compared to S\$12.2 million as at 31 December 2016.

Shareholders' equity

The Group's shareholders' equity increased by approximately S\$35,000 or 0.2% due to total comprehensive income of S\$35,000 for the year.

REVIEW OF CASH POSITION

Net cash provided by operating activities of the Group amounted to S\$0.5 million for FY 2017 as compared to S\$0.8 million in FY 2016 representing a decrease of S\$0.3 million. In FY 2017, the cash flow provided by operating activities of S\$0.5 million was mainly contributed by the increase in trade and other payables of S\$1.6 million which was offset by the decrease in trade and other receivables of S\$1.6 million. As explained earlier, the increase in trade and receivables, and trade and other payables were mainly due to the disposal of SMJ Furnishings.

Net cash used in investing activities were mainly due to the disposal of SMJ Furnishings.

Net cash provided by financing activities of approximately S\$0.5 million was mainly due to the realisation of S\$0.3 million of fixed deposit with maturity of more than three months to cash equivalents.

Overall, the Group recorded a net cash decrease of approximately S\$0.7 million as compared to the net cash decrease of approximately S\$1.6 million in FY 2016.

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

Not applicable. The Group has not issued any forecast or prospect statement to the shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Following the disposal of the carpet furnishing business, the Group intends to focus on the Property Related Business particularly in the tourism industry.

According to statistics from China National Tourism Administrator, the domestic tourism market grew rapidly. In 2017, the number of domestic tourists was 5.01 billion, an increase of 12.8% over the same period of last year ^(a). As the hotel or resort is an indispensable part of the tourism industry, this provides a good opportunity for the development of the hotel or resort industry. The Group has identified this as a great opportunity to provide consultancy services for overall planning including design and construction of buildings and other infrastructure for hotel or resorts. The Group will continue to focus and grow this consultancy services business division.

The Group will identify suitable target to invest or acquire and, actively explore the future development tendency of cultural tourism and source for other business opportunities to expand and enhance the performance and net asset value of the Group.

(a) Source: China National Tourism Administrator 2017 annual tourism market and comprehensive contribution data report release on 6 February 2018



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11. If a decision regarding dividend has been made:-

(a) Whether an interim (final) dividend has been declared (recommended); and

None.

(b) (i) Amount per share in cents

Not applicable

(ii) Previous corresponding period in cents

None.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

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

No dividend has been declared or recommended.

13. If the Group has obtained a general mandate from shareholders for interested persons transactions ("IPT"), 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 from shareholders for IPT.

14. 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 statement, with comparative information for the immediately preceding year.

Business Segments

Business Segments	Discontinued operations		Continuing operations				Total	
	Carpet Division		Consultancy Services Division		HQ and other investing activities			
	FY 2017 S\$'000	FY 2016 S\$'000	FY 2017 S\$'000	FY 2016 S\$'000	FY 2017 S\$'000	FY 2016 S\$'000	FY 2017 S\$'000	FY 2016 S\$'000
Segment Revenue	16,743	16,294	1,118	-	-	-	17,861	16,294
Adjusted EBITDA	1,252	952	754	(12)	(265)	(391)	1,741	549
Allowance for impairment of trade and other receivables	584	160	-	-	-	-	584	160
Depreciation	337	269	-	-	-	-	337	269
Income tax expense	7	17	188	-	-	-	195	17
Finance costs	68	76	-	-	-	-	68	76
Interest income	(38)	(47)	-	-	(3)	(25)	(41)	(72)
Bad debts written off/(recovered)	19	(24)	-	-	-	-	19	(24)
Inventories written off	79	199	-	-	-	-	79	199
Inventories written down	366	119	-	-	-	-	366	119
Impairment loss on investment property	45	224	-	-	-	-	45	224

14. **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 statement, with comparative information for the immediately preceding year (continued).**

Business Segments (continued)

	Discontinued operations		Continuing operations				Total	
	Carpet Division		Consultancy Services Division		HQ and other investing activities			
	FY 2017 S\$'000	FY 2016 S\$'000	FY 2017 S\$'000	FY 2016 S\$'000	FY 2017 S\$'000	FY 2016 S\$'000	FY 2017 S\$'000	FY 2016 S\$'000
Segment assets	-	18,800	1,774	19	15,036	1,519	16,810	20,338
Segment assets includes: Investment in joint venture	-	359	-	-	-	-	-	359
Additions to:								
- property, plant and equipment	-	740	1	-	-	-	1	740
- investment property	-	478	-	-	-	-	-	478
Segment liabilities	-	3,863	278	8	119	89	397	3,960

Geographical Segments

Geographical Segments

	Discontinued operations		Continuing operations				Total	
	Carpet Division		Consultancy Services Division		HQ and other investing activities			
	FY 2017 S\$'000	FY 2016 S\$'000	FY 2017 S\$'000	FY 2016 S\$'000	FY 2017 S\$'000	FY 2016 S\$'000	FY 2017 S\$'000	FY 2016 S\$'000
Revenue								
China	-	-	1,118	-	-	-	1,118	-
Singapore	11,179	9,765	-	-	-	-	11,179	9,765
Philippines	3,046	3,594	-	-	-	-	3,046	3,594
Malaysia	574	457	-	-	-	-	574	457
Indonesia	1,289	1,477	-	-	-	-	1,289	1,477
Others	655	1,001	-	-	-	-	655	1,001
	16,743	16,294	1,118	-	-	-	17,861	16,294
Non-current assets								
China	-	-	882	-	-	-	882	-
Singapore	-	18,800	892	19	15,036	1,519	15,928	20,338
	-	18,800	1,774	19	15,036	1,519	16,810	20,338



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

Please refer to paragraph 8.

16. A breakdown of sales

	Discontinued operations		Continuing operations				Total	
	Carpet Division		Consultancy Services Division		HQ and other investing activities			
	FY 2017 S\$'000	FY 2016 S\$'000	FY 2017 S\$'000	FY 2016 S\$'000	FY 2017 S\$'000	FY 2016 S\$'000	FY 2017 S\$'000	FY 2016 S\$'000
<u>First Half</u>								
(a) Sales reported for first half year	6,651	7,629	77	-	-	-	6,728	7,629
(b) Total comprehensive (loss)/income	(88)	103	95	-	(204)	(162)	(197)	(59)
<u>Second Half</u>								
(c) Sales reported for second half year	10,092	8,665	1,041	-	-	-	11,133	8,665
(d) Total comprehensive (loss)/income	(127)	(143)	471	(12)	(112)	(204)	232	(359)

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. Use of IPO Proceeds

The Company received the gross IPO proceeds of \$3.92 million and the utilisation of the IPO proceeds as at the date of this announcement is as follows:

Use of IPO proceeds	Amount allocated S\$'000	Amount utilised S\$'000	Amount unused S\$'000
Business expansion through acquisitions, joint ventures and/or strategic alliances	1,500	(177)	1,323
Improving inventory management system and logistics support ⁽¹⁾	340	(340)	-
Marketing and business development	250	(250)	-
General working capital ⁽²⁾	329	(329)	-
IPO expenses borne by the Company	1,501	(1,501)	-
	3,920	(2,597)	1,323



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18. Use of IPO Proceeds (continued)

Notes:

(1) Out of S\$340,000 allocated for improving inventory management system and logistics support, S\$112,774 has been utilised to purchase a new delivery truck, S\$71,235 has been utilised to purchase a new forklift and S\$155,991 has been utilised to purchase SAP inventory cum accounting system.

(2) The breakdown of the use of the IPO proceeds on general working capital is as follows:

	S\$
Professional fees	182,765
Directors' fees	74,999
Compliance/Listing fees	6,873
Administrative expenses	27,497
Other operating expenses	36,866
Total	<u>329,000</u>

The Company will make periodic announcements on the use of the proceeds as and when the funds are materially disbursed. The IPO proceeds are placed in short-term deposits with financial institutions and/or used to invest in short term money market instruments, as our Directors may deem appropriate.

19. 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 (1).

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720 (1).



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20. Disclosure of persons occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there is no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Tay Twan Lee	39	Spouse of Nellie Ho Wan Jing (Non-executive director) Brother-in-law to Rena Ho Pei Yuen (Non-executive director)	Business director since 2014. He is responsible for business development of the Group's export and local sales departments for carpet furnishings business, under SMJ Furnishings (S) Pte Ltd which have been disposed of on 31 December 2017.	Not applicable

On behalf of the Board

Peng Fei
Executive Director and Chief Executive Officer
23 February 2018

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