

# PAVILLON HOLDINGS LTD

## Full-Year Results Financial Statement And Dividend Announcement

### PART I - INFORMATION REQUIRED FOR FULL YEAR RESULTS ANNOUNCEMENTS

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

Financial statements for the final year ended 31 December 2018

	Group		
	S\$'000	S\$'000	%
	Jan 2018 - Dec 2018	Jan 2017 - Dec 2017	Increase/ (Decrease)
<b>Revenue (Note 1)</b>	14,384	16,463	-12.6%
<b>Other items of income</b>			
Interest income	124	136	-8.8%
Other income	541	209	158.9%
<b>Items of expenses</b>			
Raw materials and changes in inventories	(4,648)	(4,684)	-0.8%
Employee compensation	(7,341)	(6,814)	7.7%
Depreciation expense	(788)	(507)	55.4%
Finance expenses	(34)	(161)	-78.9%
Currency exchange (loss)/gain	(53)	(40)	NM
Other operating expenses	(16,100)	(4,925)	226.9%
<b>Total expenses</b>	<b>(28,962)</b>	<b>(17,131)</b>	<b>69.1%</b>
Share of loss of associated companies	-	(521)	NM
<b>Loss before income tax (Note 2)</b>	<b>(13,913)</b>	<b>(844)</b>	<b>1548.5%</b>
Income tax expense (Note 3)	(249)	(589)	-57.7%
<b>Net Loss (Note 4)</b>	<b>(14,162)</b>	<b>(1,433)</b>	<b>888.3%</b>
<b>Other comprehensive income</b>			
Foreign currency translation gain	(674)	(417)	NM
<b>Total comprehensive income/(Loss) for the period</b>	<b>(14,836)</b>	<b>(1,850)</b>	<b>701.9%</b>
<b>Net Loss attributable to:</b>			
Owners of the parent	(11,189)	(1,653)	576.9%
Non-controlling interests	(2,973)	220	
	<b>(14,162)</b>	<b>(1,433)</b>	<b>888.3%</b>
<b>Total comprehensive income for the period</b>			
<b>Attributable to :</b>			
Owners of the company	(11,708)	(2,122)	451.7%
Non-controlling interests	(3,128)	272	
	<b>(14,836)</b>	<b>(1,850)</b>	<b>701.9%</b>
<b>Earnings per share attributable to owners of the Company</b>	<b>Cts</b>	<b>Cts</b>	
Basic	(2.89)	(0.43)	
Diluted	(2.89)	(0.43)	

**Note 1: Revenue and Profit Before Taxation**

	Restaurant	Corporate and franchising	Leasing	Properties	Eliminations	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>2018 Jan to Dec</b>						
Revenue	12,618	1,376	1,494	1,633	(2,737)	14,384
(Loss)/profit before taxation	375	(1,313)	(10,152)	(3,003)	178	(13,915)
<b>2017 Jan to Dec</b>						
Revenue	13,121	1,688	3,146	3	(1,495)	16,463
(Loss)/profit before taxation	973	(3,499)	1,948	(44)	(222)	(844)

**Note 2: Profit before taxation is stated after charging/(crediting) the following:-**

Depreciation of property, plant and equipment
Interest income
Impairment loss on associated company
Impairment loss on receivable

Group		
S\$'000	S\$'000	%
Jan 2018 - Dec 2018	Jan 2017 - Dec 2017	Increase/(Decrease)
788	506	55.7%
(124)	(136)	-8.8%
-	484	NM
11,828	-	NM

**Note 3: Taxation**

Current period
Under/ Over provision in respect of prior years
Total

Group		
S\$'000	S\$'000	%
Jan 2018 - Dec 2018	Jan 2017 - Dec 2017	Increase/(Decrease)
249	(33)	-854.5%
-	622	NM
249	589	-57.7%

**Note 4: Profit/(loss) after taxation**

Restaurant operation
Leasing and financing operation
Franchising and corporate
Properties
Share of gain/(loss) of associated companies
Total

Group		
S\$'000	S\$'000	%
Jan 2018 - Dec 2018	Jan 2017 - Dec 2017	Increase/(Decrease)
225	456	-50.7%
(10,061)	(2,460)	309.0%
(1,312)	1,445	-190.8%
(3,014)	(651)	NM
-	(521)	NM
(14,163)	(1,731)	718.2%

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.**

	<b>Group</b>		
	<b>31-12-18</b>	<b>31-12-17</b>	<b>01-01-17</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	20,980	12,112	11,325
Trade and other receivables	19,456	29,513	21,396
Inventories	992	1,508	1,173
	<u>41,428</u>	<u>43,133</u>	<u>33,894</u>
<b>Non-current assets</b>			
Trade and other receivables	320	454	4,624
Investments in associated companies	-	4,663	5,670
Property, plant and equipment	2,963	1,562	1,676
Land-use rights	12,376	9,136	-
	<u>15,659</u>	<u>15,815</u>	<u>11,970</u>
<b>TOTAL ASSETS</b>	<u>57,088</u>	<u>58,948</u>	<u>45,864</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	13,802	3,660	5,072
Current income tax liabilities	444	645	206
Borrowings	40	4,090	-
Provisions	-	-	95
	<u>14,286</u>	<u>8,395</u>	<u>5,373</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities	80	115	138
Trade and other payables	80	110	100
Provisions	99	180	90
	<u>259</u>	<u>405</u>	<u>328</u>
Total liabilities	<u>14,545</u>	<u>8,800</u>	<u>5,701</u>
<b>NET ASSETS</b>	<u>42,543</u>	<u>50,148</u>	<u>40,163</u>
<b>EQUITY</b>			
Capital and reserves attributable to equity holders of the Company			
Share capital	39,433	39,433	39,433
Other reserves	4,280	2,469	(812)
(Accumulated losses)/Retained profits	(11,300)	(383)	1,542
	<u>32,413</u>	<u>41,519</u>	<u>40,163</u>
Non-controlling interests	<u>10,130</u>	<u>8,629</u>	<u>-</u>
<b>TOTAL EQUITY</b>	<u>42,543</u>	<u>50,148</u>	<u>40,163</u>

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.

	<b>Company</b>		
	<b>31-12-18</b>	<b>31-12-17</b>	<b>01-01-17</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	1,119	3,026	4,482
Trade and other receivables	3,337	2,155	2,380
	<u>4,456</u>	<u>5,181</u>	<u>6,862</u>
<b>Non-current assets</b>			
Trade and other receivables	15	26	47
Investments in associated companies	-	3,829	4,319
Investments in subsidiary corporations	33,331	29,650	29,682
Property, plant and equipment	-	-	1
	<u>33,346</u>	<u>33,505</u>	<u>34,049</u>
<b>TOTAL ASSETS</b>	<u><u>37,802</u></u>	<u><u>38,686</u></u>	<u><u>40,911</u></u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	1,245	791	566
	<u>1,245</u>	<u>791</u>	<u>566</u>
<b>Non-current liabilities</b>			
Trade and other payables	80	110	100
	<u>80</u>	<u>110</u>	<u>100</u>
Total liabilities	<u>1,325</u>	<u>901</u>	<u>666</u>
<b>NET ASSETS</b>	<u><u>36,477</u></u>	<u><u>37,785</u></u>	<u><u>40,245</u></u>
<b>EQUITY</b>			
Capital and reserves attributable to equity holders of the Company			
Share capital	39,433	39,433	39,433
(Accumulated losses)/Retained profits	(2,956)	(1,648)	812
	<u>36,477</u>	<u>37,785</u>	<u>40,245</u>
<b>TOTAL EQUITY</b>	<u><u>36,477</u></u>	<u><u>37,785</u></u>	<u><u>40,245</u></u>

## 1(b)(ii) Aggregate amount of group's borrowings

As at 31/12/2018, the group has a net borrowing of S\$40,000

## 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.

	Group	
	Jan 2018 - Dec 2018 S\$'000	Jan 2017 - Dec 2017 S\$'000
<b>Cash flows from operating activities :</b>		
Profit/(loss)	(13,913)	(844)
<b>Adjustments for :</b>		
Depreciation of property, plant and equipment	788	507
Income tax expense	(249)	-
Impairment loss on investments in associated companies	-	484
Gain on disposal of property, plant and equipment	(116)	(1)
Interest expense	30	161
PPE written off	12	-
Interest income	(124)	(136)
Share of loss/(profit) of associate	-	521
Unrealised currency translation difference	(714)	(372)
<b>Operating profit/loss before working capital changes</b>	<b>(14,286)</b>	<b>320</b>
<b>Cash flows from operating activities</b>		
Inventories	516	(334)
Trade and other receivables	12,598	(3,952)
Trade and other creditors	9,107	(1,406)
<b>Cash flows from/(used in) operations</b>	<b>7,935</b>	<b>(5,372)</b>
Income taxes paid	(460)	(167)
<b>Net cash flows from/(used in) operating activities</b>	<b>7,475</b>	<b>(5,539)</b>
<b>Cash flows from investing activities</b>		
Additions of property, plant and equipment	(2,000)	(334)
Proceeds from disposal of fixed assets	116	-
Disposal of subsidiary corporations, net of cash disposed of	-	(9,136)
Interest received	124	138
<b>Net cash provided/(used) by investing activities</b>	<b>(1,760)</b>	<b>(9,331)</b>
<b>Cash flows from financing activities</b>		
Short term loan	(4,050)	4,090
Investment by NCI	7,233	11,836
(Placement)/withdrawal of bank deposits	3,498	(1,467)
Interest paid	(30)	(162)
<b>Net cash provided/(used) by financing activities</b>	<b>6,651</b>	<b>14,297</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>12,366</b>	<b>(573)</b>
Beginning of the financial year	7,614	8,294
Effect of currency translation on cash and cash equivalents	-	(107)
<b>Cash and cash equivalents at end of the financial year</b>	<b>19,980</b>	<b>7,614</b>

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	Attributable to owners of the Company						
	Share capital	Foreign currency translation reserve	Capital reserve	(Accumulated losses)/Retained profits	Total	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>2018</b>							
Balance as at 1 January 2018	39,433	(1,281)	3,478	(111)	41,519	8,629	50,148
Loss for the period	-	-	-	(11,191)	(11,191)	(2,973)	(14,164)
<u>Other comprehensive income</u>	-	-	-	-	-	-	-
Foreign currency translation	-	(674)	-	-	(674)	-	(674)
<b>Total other comprehensive income for the period, net of tax</b>	-	(674)	-	-	(674)	-	(674)
<b>Total comprehensive income for the period</b>	-	(674)	-	(11,191)	(11,865)	(2,973)	(14,838)
<u>Changes in ownership interest in subsidiaries</u>	-	-	-	-	-	-	-
Acquisition of non-controlling interests	-	-	2,605	-	2,605	4,629	7,234
Share of translation reserve of non-controlling interests	-	155	-	-	155	(155)	-
<b>Total contributions by and distributions to owners</b>	-	155	-	-	155	4,474	4,629
<b>Balance as at 31 Dec 2018</b>	<b>39,433</b>	<b>(1,800)</b>	<b>6,083</b>	<b>(11,302)</b>	<b>32,414</b>	<b>10,130</b>	<b>42,543</b>
<b>2017</b>							
Balance as at 1 January 2017	39,433	(812)	-	1,542	40,163	-	40,163
Loss for the period	-	-	-	(1,653)	(1,653)	220	(1,433)
<u>Other comprehensive income</u>	-	-	-	-	-	-	-
Foreign currency translation	-	(417)	-	-	(417)	-	(417)
<b>Total other comprehensive income for the period, net of tax</b>	-	(417)	-	-	(417)	-	(417)
<b>Total comprehensive income for the period</b>	-	(417)	-	(1,653)	(2,070)	220	(1,850)
<u>Changes in ownership interest in subsidiaries</u>	-	-	-	-	-	-	-
Acquisition of non-controlling interests	-	(52)	-	-	(52)	52	-
<b>Total contributions by and distributions to owners</b>	-	(52)	3,478	-	3,426	8,409	11,835
<b>Balance as at 31 Dec 2017</b>	<b>39,433</b>	<b>(1,281)</b>	<b>3,478</b>	<b>(111)</b>	<b>41,519</b>	<b>8,629</b>	<b>50,148</b>

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.

COMPANY	Share capital	Revenue reserve	Total equity
	S\$'000	S\$'000	S\$'000
<b>2018</b>			
Balance as at 1 January 2018	39,433	(1,649)	37,784
<b>Loss for the period, representing total comprehensive income for the period</b>	-	(1,307)	(1,307)
<b>Balance as at 31 Dec 2018</b>	<b>39,433</b>	<b>(2,956)</b>	<b>36,477</b>
<b>2017</b>			
Balance as at 1 January 2017	39,433	812	40,245
<b>Loss for the period, representing total comprehensive income for the period</b>	-	(2,460)	(2,460)
<b>Balance as at 31 Dec 2017</b>	<b>39,433</b>	<b>(1,648)</b>	<b>37,785</b>

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 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.

	31-12-18		31-12-17	
	No. of shares	Capital S\$	No. of shares	Capital S\$
Issued Share Capital				
Balance as at beginning of the period	387,748,700	39,433,461	387,748,700	39,433,461
Balance as at end of the period	387,748,700	39,433,461	387,748,700	39,433,461

There is no outstanding convertible treasury shares and subsidiary holdings 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.

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

	31-12-18	31-12-17
Balance as at beginning of the period	387,748,700	387,748,700
Balance as at end of the period	387,748,700	387,748,700

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

	31-12-18	31-12-17
Balance as at beginning and end of the period	-	-

1(d)(v) A statement showing all sales, transfers, cancellations and/or use of subsidiary holdings 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 figures have neither been audited nor reviewed by our auditors.

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

Not applicable.

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

The Group and the Company have applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial reporting period as compared to the audited financial statements as at 31 December 2017, except that the Group has adopted new Financial Reporting Standards (FRS) which became effective for periods beginning on or after 1 January 2018.

**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.**

Please refer to item 4 above.

**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	
	Jan 2018 - Dec 2018	Jan 2017 - Dec 2017
Profit per ordinary share for the period after deducting any provision for preference dividends:-		
(i) Based on the weighted average number of ordinary shares on issue	-2.89 cts	-0.17 cts
(ii) On a fully diluted basis	-2.89 cts	-0.17 cts

(To disclose the basis used in arriving at the weighted average number of shares for the purposes of (6)(i) above and to provide details of any adjustments made for the purpose of (6)(ii) above)

Note to 6(i) and 6(ii)

Basic and fully diluted earnings per share is calculated by dividing the Group's net loss attributable to equity holders of the Company amounting to S\$11.2m (2017: net loss S\$1.6m) by the weighted average number of ordinary shares in issue as at 31 Dec 2018 of 387,748,700 (2017: 387,748,700) shares.

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares, excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.**

	Group		Company	
	As at 31/12/2018	As at 31/12/2017	As at 31/12/2018	As at 31/12/2017
	Cts	Cts	Cts	Cts
Net asset value per ordinary share based on existing issued share capital as at the end of the financial year reported on.	8.36	10.71	9.41	9.74

**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 (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**

Total revenue of the Group decreased by approximately S\$2m as compared to the period ended 31/12/2017 mainly due to the following reasons :

- i) Revenue from Singapore restaurant operations decreased by approximately S\$500K as compared to 31/12/2017 due to closure of Jurong restaurant in April 2017 and slower market for Food and Beverages business in 2018.
- ii) Revenue from China operations decreased by approximately S\$1.5m due to a slower market in 2018.

#### **Interest income**

Interest income decreased by approximately S\$12k due to lesser short term funds placed in fixed deposit.

#### **Other income**

Other income increased by approximately S\$300k mainly due to acquisition adjustment of acquired balance share of associate company.

#### **Raw materials and changes in inventories**

Raw materials consumption reduced due to closure of Jurong outlet offset by new F & B outlets.

#### **Employee compensation**

Employee compensation cost increased from S\$6.814m to S\$7.341m mainly due to the ramping up in China operations.

#### **Depreciation expenses**

Increase of S\$200K due to depreciation of leasehold land.

#### **Finance expenses**

Finance expenses reduced by S\$127K due to reduce borrowing cost.

#### **Other operating expenses**

Other operating expenses increased by S\$11m mainly due to :

- i) Increased in office rental incurred by China subsidiaries.
- ii) New F & B outlets in Singapore.
- iii) Impairment of receivable.

#### **Share of results of associated companies**

As compared to the corresponding period last year, there is no share of profit as we have completed the acquisition.

#### **Review of Financial Position as at 31 Dec 2018**

##### **Property, plant and equipment**

Increment of fixed assets net book value from S\$1.56m to S\$2.96m mainly due to capitalisation of preliminary construction cost for the Tianjin logistics hub project

##### **Inventories**

Reduction in inventories holding is due to closure of Jurong outlet

##### **Trade and other receivables - Current**

Reduction of receivable mainly due to impairment of trade and other debtors.

##### **Land-use Rights**

Increment of fixed assets net book value mainly due to land related cost incurred in 2018.



## **Liabilities**

### **Trade and other payables - Current**

Trade and other payable increased by S\$10m as compared to 31/12/2017 due to :

- i) VAT payable from China operation
- ii) Payable for the acquisition of the balance share of an associate company.
- iii) Payable for land related cost.
- iv) Payable of finance leasing deposit.

## **Borrowings**

Repayment of short term loan of S\$4m in March 2018 and offset by a drawdown of a new bank loan of S\$40k as at December 2018.

## **Tax liability**

Payment of 2017 China corporation tax of S\$460k by our subsidiary company resulting a reduction of current income tax liability.

## **Review of Consolidated Cash Flows**

Net cashflow from operating activities mainly due to the following :

- i) Reduction of trade and other debtors.
- ii) Increment of trade and other creditors

Net cashflow used in investing activities mainly due to acquisition of new fixed assets

Net cashflow from financing activities mainly due to the following :

- i) Minority capital investment of S\$7.2m
  - ii) Reduction of S\$3.5m due to reduce placement of fixed deposit
- offset by :
- i) Reduction of S\$4m short term loan
  - ii) Reduction of S\$30k due to payment of interest

Cash and cash equivalent as at 31 Dec 2018 was S\$19.9m as compared to S\$7.6m as at Dec 2017.

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

No forecast or prospect statement were made previously.

### **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 F&B industry in Singapore is expected to remain competitive and challenging. Due to the uncertainty and fallout from the trade war between China and USA, management is working towards streamlining its financial leasing business and focus on developing its logistic business in China, and seeking other business opportunities in the region.

### **11. Dividend**

(a) Whether an interim dividend has been declared (recommended).

No dividends declared during the year.

(b) (i) Amount per share: Not applicable  
(ii) Previous corresponding period: 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 the shareholders, this must be stated.)

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which the 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.**

The company is not profitable therefore the company will not be declaring any dividend.

**13. If the Group has obtained a general mandate from shareholders for Interested Party Transaction ("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 Company and the Group do not have any general mandate from shareholders pursuant to Rule 920.

**14. Negative confirmation pursuant to Rule 705(5).**

The Board of Directors has confirmed that, to the best of their knowledge, nothing has come to their attention which may render the financial statements for the year ended 31 December 2018 of the Group and the Company to be false or misleading in any material aspects.

**15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in appendix 7.7) under Rule 720(1).**

The issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

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

**16. 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.**

2018	Restaurant operations	Corporate and franchising services	Leasing operations	Properties	Eliminations	Notes	Group S\$'000
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		
Turnover							
-external sales	12,585	176	1,494	128			14,384
-inter-segment sales	33	1,199	-	1,505	(2,737)	A	-
	<u>12,618</u>	<u>1,375</u>	<u>1,494</u>	<u>1,633</u>	<u>(2,737)</u>		<u>14,384</u>
Interest income		34	65	25	-		124
Property, plant and equipment written off	(12)						(12)
Depreciation of property, plant and equipment	(380)	(76)	(2)	(330)	-		(788)
Share of results of joint ventures	-	-	-	-	-		-
Impairment loss		(1)	(10,718)	(1,110)	-	B	(11,829)
Segment (loss)/profit	<u>225</u>	<u>(1,396)</u>	<u>(10,240)</u>	<u>(2,930)</u>	<u>178</u>	C	<u>(14,162)</u>
Investment in joint ventures	-	-	-	-	-		-
Additions to non-current assets	500	-	-	1,500	-	D	2,000
Segment assets	5,930	40,007	44,742	27,858	(61,450)	E	57,087
Segment liabilities	2,713	3,337	8,295	6,003	(5,804)	F	14,544
2017	Restaurant operations	Corporate and franchising services	Leasing operations	Properties	Eliminations	Notes	Group S\$'000
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		
Turnover							
-external sales	12,547	767	3,146	3	-		16,463
-inter-segment sales	-	1,495	-	-	(1,495)	A	-
	<u>12,547</u>	<u>2,262</u>	<u>3,146</u>	<u>3</u>	<u>(1,495)</u>		<u>16,463</u>
Interest income	-	26	69	41	-		136
Property, plant and equipment written off	-	-	-	-	-		-
Depreciation of property, plant and equipment	(426)	(3)	(78)	-	-		(507)
Share of results of joint ventures	-	(521)	-	-	-		(521)
Impairment loss	-	(883)	-	-	399	B	(484)
Segment (loss)/profit	<u>540</u>	<u>(2,981)</u>	<u>1,863</u>	<u>-44</u>	<u>(222)</u>	C	<u>(844)</u>
Investment in joint ventures	-	4,663	-	-	-		4,663
Additions to non-current assets	119	212	1	2	-	D	334
Segment assets	4,770	39,320	47,620	9,750	(42,511)	E	58,949
Segment liabilities	1,656	3,022	7,599	160	(3,636)	F	8,801
Geographical information	Revenue		Non-current assets				
	2018	2017	2018	2017			
	S\$'000	S\$'000	S\$'000	S\$'000			
Singapore	12,756	12,547	1,530	1,114			
People's Republic of China	1,628	3,343	14,129	448			
Others	-	574	-	-			
	<u>14,384</u>	<u>16,464</u>	<u>15,659</u>	<u>1,562</u>			

Non-current assets information presented above consists of property, plant and equipment as presented in the consolidated balance sheet.

Note A  
Inter-segment revenues are eliminated on consolidation.

Note B  
Impairment loss on investment in subsidiaries are eliminated on consolidation.

Note C  
The following items are deducted from segment profit to arrive at profit before tax presented in the consolidated income statement:

	2018 S\$'000	2017 S\$'000
Fair value gain on remeasurement of investment	142	-
Exchange loss on translation of intercompany loan	35	12
Impairment loss on receivable	1	287
Share of losses from joint ventures	-	(521)
	<u>178</u>	<u>(222)</u>

Note D  
Additions to non-current assets consists of additions to property, plant and equipment.

Note E  
The following items are added to / (deducted from) segment assets to arrive at total assets reported in the consolidated balance sheet:

	2018 S\$'000	2017 S\$'000
Unallocated corporate assets	-	4,498
Inter-segment assets	(61,450)	(47,009)
	<u>(61,450)</u>	<u>(42,511)</u>

Note F  
The following items are added to / (deducted from) segment liabilities to arrive at total liabilities reported in the consolidated balance sheet:

	2018 S\$'000	2017 S\$'000
Income tax payables	444	645
Deferred tax liabilities	80	115
Inter-segment liabilities	(6,328)	(4,396)
	<u>(5,804)</u>	<u>(3,636)</u>

**16. 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 note 8 for commentary.

**17. A breakdown of sales as follows:-**

	Group		
	2018 S\$'000	2017 S\$'000	Changes %
a) Sales reported for first half-year	8,249	8,053	2
b) Operating profit/(loss) after tax before deducting minority interests reported for first half-year	(1,104)	(649)	NM
c) Sales reported for second half-year	6,135	8,410	(27)
d) Operating loss after tax before deducting minority interests reported for second half-year	(13,059)	(784)	>100

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

	2018 S\$	2017 S\$
Ordinary	-	-
Preference	-	-
Total:	-	-

Note 1 : No dividends declared during the year.  
Please refer to para 11 on dividends.

**19. 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(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

There is no relative of a director or chief executive officer or substantial shareholder of the Company or the Group who is occupying a managerial position in the Company or any of its principal subsidiaries.

BY ORDER OF THE BOARD  
Lee Tong Soon  
Managing Director  
22-Feb-19