



Unaudited Half Year Financial Statement And Dividend Announcement for the Period Ended 31/12/2018

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

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

(a)(i)

	Group \$'000 31-Dec-18	Group \$'000 31-Dec-17	+ / (-) %
Revenue	8,392	10,196	(17.7)
Cost of sales	(4,032)	(4,858)	(17.0)
Gross profit	4,360	5,338	(18.3)
Other operating income	178	149	19.5
Distribution costs	(1,779)	(1,693)	5.1
Administrative expenses	(3,321)	(3,213)	3.4
Other operating expenses	(174)	(214)	(18.7)
(Loss) Profit before income tax	(736)	367	n.m
Income tax expense	(1)	(88)	(98.9)
(Loss) Profit for the period	(737)	279	n.m

Other comprehensive income (loss):

Items that may be reclassified subsequently to profit or loss

Exchange differences arising on translation of foreign subsidiaries	11	(14)	n.m
Available-for-sale investments:			
Gain arising during the period	7	6	16.7
Reclassification to profit or loss from equity on disposal of available-for sale investments	(7)	-	n.m
Other comprehensive income (loss) for the period	11	(8)	n.m
Total comprehensive (loss) income for the period	(726)	271	n.m

n.m - denotes not meaningful

(a)(ii)

**Notes to the
Other disclosure items included in the above statement**

	GROUP \$'000 31-Dec-18	GROUP \$'000 31-Dec-17
Other operating income:		
Government grants	27	30
Dividend income from available-for-sales investments	61	61
Interest income	72	53
Gain on disposal of plant and equipment	12	-
Others	6	5
	178	149
Foreign exchange loss	(13)	(3)
Depreciation and amortisation	(254)	(310)
Allowance for investment write off	-	(17)
Allowance for doubtful debts	(13)	(17)
Plant and equipment written off	(50)	-

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 \$'000 31-Dec-18	GROUP \$'000 31-Dec-17	GROUP \$'000 30-Jun-18	COMPANY \$'000 31-Dec-18	COMPANY \$'000 31-Dec-17	COMPANY \$'000 30-Jun-18
ASSETS						
Current assets						
Cash and cash equivalents	10,341	9,835	14,459	8,464	7,559	11,931
Trade receivables	1,855	2,170	1,035	1,284	1,508	451
Amount due from related companies, associates and related parties	-	-	-	454	606	295
Deposits, other receivables and prepayments	726	787	484	569	489	422
Inventories	4,955	4,702	2,112	2,972	2,972	1,298
Total current assets	17,877	17,494	18,090	13,743	13,134	14,397
Non - current assets						
Subsidiaries	-	-	-	3,089	3,089	3,089
Associates	-	-	-	-	-	-
Club membership	165	165	165	165	165	165
Available-for-sale investments	2,276	2,485	3,152	2,276	2,485	3,152
Plant and equipments	1,466	1,712	1,518	1,036	1,066	953
Investment properties	15,827	14,297	15,827	15,827	14,297	15,827
Total non - current assets	19,734	18,659	20,662	22,393	21,102	23,186
Total assets	37,611	36,153	38,752	36,136	34,236	37,583
LIABILITIES AND EQUITY						
Current liabilities						
Trade payables	2,183	2,073	528	1,340	1,397	395
Amount due to related companies, associates and related parties	-	-	-	989	990	989
Other payables	1,857	1,564	2,714	1,429	1,129	2,011
Finance lease	-	-	-	-	-	-
Income tax payable	189	105	357	158	101	297
Total current liabilities	4,229	3,742	3,599	3,916	3,617	3,692
Non-current liability						
Other payables	205	204	226	159	155	175
Deferred tax liability	152	175	151	84	104	84
Total non-current liabilities	357	379	377	243	259	259
Capital and reserves						
Share capital	10,251	10,251	10,251	10,251	10,251	10,251
Currency translation deficit	(86)	(91)	(97)	-	-	-
Fair value adjustment (deficit) surplus	(12)	71	(12)	(12)	71	(12)
Accumulated profits	22,872	21,801	24,634	21,738	20,038	23,393
Total equity	33,025	32,032	34,776	31,977	30,360	33,632
Total Liabilities and Equity	37,611	36,153	38,752	36,136	34,236	37,583

1(b)(ii) **In relation to the aggregate amount of the 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

Not applicable

Amount repayable after one year

Not applicable

Detail of any collateral

Not applicable

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 \$'000 31-Dec-18	GROUP \$'000 31-Dec-17
Operating activities:		
(Loss) Profit before income tax	(736)	367
<u>Adjustments for:</u>		
Depreciation of plant and equipment	254	310
Plant and equipment written off	50	-
Dividend income	(61)	(61)
Interest income	(72)	(54)
Loss on disposal of available-for-sale investment	1	-
Allowance for investment write off	-	17
Allowance for doubtful debts - trade receivables	23	17
Allowance for inventories	-	-
Net foreign exchange losses (gain)	12	(14)
Gain on disposal of plant and equipment	(12)	-
Operating cash flows before movements in working capital	(541)	582
Trade receivables	(843)	(968)
Deposit, other receivables and prepayments	(242)	(258)
Inventories	(2,843)	(2,217)
Trade payables	1,655	1,498
Other payables	(878)	(598)
Cash used in operations	(3,692)	(1,961)
Interest received	72	54
Income tax paid	(168)	(32)
Net cash used in operating activities	(3,788)	(1,939)
Investing activities		
Dividend income	61	61
Purchase of available-for-sale investments	(126)	(251)
Proceeds on disposal of available-for-sale investments	1,002	-
Proceeds on disposal of plant and equipment	17	-
Purchase of plant and equipment	(259)	(299)
Net cash generated (used in) investing activities	695	(489)
Financing activities		
Dividend paid	(1,025)	(1,025)
Repayment of the hire purchase facility	-	(10)
Cash used in financing activities	(1,025)	(1,035)
Net decrease in cash and cash equivalents	(4,118)	(3,463)
Cash and cash equivalents at beginning of year	14,459	13,298
Cash and cash equivalents at end of period	10,341	9,835

- 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

Latest Period

Balance as at July 1, 2018

	Share Capital \$'000	Currency Translation Deficit \$'000	Fair Value Adjustment Surplus \$'000	Accumulated Profits \$'000	Total \$'000
Total comprehensive income for the period	10,251	(97)	(12)	24,634	34,776
Loss for the period	-	-	-	(737)	(737)
Other comprehensive income for the period	-	11	-	-	11
Total	-	11	-	(737)	(726)
Dividends, representing transaction with owners, recognised directly in equity	-	-	-	(1,025)	(1,025)
Balance as at December 31, 2018	10,251	(86)	(12)	22,872	33,025

Previous Corresponding Period

Balance as at July 1, 2017

Total comprehensive loss for the period	10,251	(77)	65	22,547	32,786
Loss for the period	-	-	-	279	279
Other comprehensive income (loss) for the period	-	(14)	6	-	(8)
Total	-	(14)	6	279	271
Dividends, representing transaction with owners, recognised directly in equity	-	-	-	(1,025)	(1,025)
Balance as at December 31, 2017	10,251	(91)	71	21,801	32,032

Company

Latest Period

Balance as at July 1, 2018

	Share Capital \$'000	Fair Value Adjustment Surplus \$'000	Accumulated Profits \$'000	Total \$'000
Total comprehensive income for the period	10,251	(12)	23,393	33,632
Loss for the period	-	-	(630)	(630)
Other comprehensive profit for the period	-	-	-	-
Total	-	-	(630)	(630)
Dividends, representing transaction with owners, recognised directly in equity	-	-	(1,025)	(1,025)
Balance as at December 31, 2018	10,251	(12)	21,738	31,977

Previous Corresponding Period

Balance as at July 1, 2017

Total comprehensive loss for the period	10,251	65	20,579	30,895
Profit for the period	-	-	484	484
Other comprehensive loss for the period	-	6	-	6
Total	-	6	484	490
Dividends, representing transaction with owners, recognised directly in equity	-	-	(1,025)	(1,025)
Balance as at December 31, 2017	10,251	71	20,038	30,360

- 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, 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 immediate preceding financial year.**

	Number of shares	Paid-up Capital S\$
Balance at 31 December 2018	<u>102,476,024</u>	<u>10,251,458</u>

There was no change in the Company's number of shares since 30 June 2018.

- 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.**

	As at 31 Dec 18	As at 30 Jun 18
The total number of issued ordinary shares excluding treasury shares	102,476,024	102,476,024

- 1(d)(iv) **A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at 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 not been audited nor reviewed.

- 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.**

Except as disclosed in Note 5 below, the Group has adopted the same accounting policies and methods of computation in the financial statements for the current financial period compared with those used in the recent audited financial statements of the Group for the financial year ended 30 June 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.**

As required by the listing requirements of the Singapore Exchange, the Group has adopted Singapore Financial Reporting Standards (International) ("SFRS(I)") with effect 1 July 2018. The adoption of SFRS(I) did not result in any material impact on the financial position or financial performance of the Group.

6 Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-

	Group 31-Dec-18	Group 31-Dec-17
Earning per ordinary share for the period : -		
(i) Based on weighted average number of ordinary shares on issue	(0.72 cents)	0.27 cents
(ii) On a fully diluted basis	(0.72 cents)	0.27 cents

Note to item (6i) :

Earnings per share is calculated based on the weighted average number of 102,476,024 (31 Dec 17: 102,476,024) ordinary shares in issue.

The basic and fully diluted earnings per ordinary share are the same as the Group did not have any potential dilutive ordinary share outstanding as at 31 December 2018.

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

	As at 31-Dec-18 Cents	As at 30-Jun-18 Cents
Group	32.23	33.94
Company	31.20	32.82

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.

Statement of comprehensive income

The Group recorded revenue of \$8.4 million for the six months ended 31 Dec 2018 ("1H FY2019), a decrease of 17.7% from \$10.2 million in the previous corresponding period ended 31 Dec 2017 ("1H FY2018). The decrease was mainly from Gifts division; primarily attributable to the completion of contract in last financial year and decline in sales. The gross profit decrease was largely in line with the decrease in revenue.

Total distribution, administrative and other operating expenses increased by \$0.1 million to \$5.3 million due mainly to higher manpower cost and increase in rental from retail outlets.

Overall, the Group recorded a loss of \$0.7 million in 1H FY2019, as compared with a profit after tax of \$0.3 million in 1H FY2018.

Statement of financial position and statement of cash flows

Cash and cash equivalents decreased as at 31 Dec 2018 compared to 30 June 2018 largely due to a high build up of inventories to cater for Chinese New Year sales this year. Correspondingly, the Group's trade payables increased.

The cash flows used in financing activities during the six months ended 31 Dec 2018 resulted mainly from the dividend payout of \$1.0 million.

Net cash generated from investing activities was \$0.7 million, resulted from the redemption of the quoted investments and dividend from available-for-sale investments, less the purchase of the plant and equipment.

- 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 economic outlook remains challenging.

- 11 **Dividend**

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Nil

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Nil

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

- 12 **If no dividend has been declared/recommended, a statement to that effect and the reasons(s) for the decision.**

No interim dividend has been declared or recommended for the current reporting period on grounds of prudence.

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

The Company has not obtained an IPT mandate from shareholders. It does not have any interested person transaction (excluding transaction less than \$100,000) during the period under review.

14 Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1).

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

15 Negative assurance on interim financial statement.

The Board of Directors, hereby confirmed that, to the best of its knowledge, nothing has come to its attention which may render the unaudited half year financial results of the Group to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Alfred Wong Siu Hong
Managing Director

11 February 2019