



Unaudited Half Year Financial Statement And Dividend Announcement for the Period Ended 31/12/2016

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.**

	Group \$'000 31-Dec-16	Group \$'000 31-Dec-15	+ / (-) %
Revenue	9,207	19,284	-52.3%
Cost of sales	(4,375)	(11,034)	-60.3%
Gross profit	4,832	8,250	-41.4%
Other operating income	176	179	-1.7%
Distribution costs	(1,734)	(1,923)	-9.8%
Administrative expenses	(3,299)	(3,546)	-7.0%
Other operating expenses	(217)	(260)	-16.5%
Finance costs	-	(1)	-100.0%
(Loss) Profit before income tax	(242)	2,699	-109.0%
Income tax expense	-	(367)	-100.0%
(Loss) Profit for the period	(242)	2,332	-110.4%
Other comprehensive loss:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences arising on translation of foreign subsidiaries	15	31	42.9%
Fair value loss on available-for-sale investments:			
Loss arising during the period	(29)	(55)	47.3%
Reclassification to profit or loss from equity on disposal of available-for sale investments	19	-	n/m
Other comprehensive income for the period	5	(24)	120.8%
Total comprehensive income for the period	(237)	2,308	-110.3%

Note: n/m - Not meaningful

(a)(ii) **Notes to the
Other disclosure items included in the above statement**

	GROUP \$'000 31-Dec-16	GROUP \$'000 31-Dec-15
Other income including interest income	176	179
Foreign exchange loss	(18)	(48)
Depreciation and amortisation	(307)	(321)
Allowance for doubtful debts and bad debts written off	-	(17)
Gain on disposal of plant and equipment	7	-

- 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-16	GROUP \$'000 31-Dec-15	GROUP \$'000 30-Jun-16	COMPANY \$'000 31-Dec-16	COMPANY \$'000 31-Dec-15	COMPANY \$'000 30-Jun-16
ASSETS						
Current Assets						
Cash and cash equivalents	9,092	9,050	14,893	7,852	8,369	12,834
Trade receivables	2,248	3,061	1,255	1,488	2,232	621
Amount due from related companies, associates and related parties	-	-	-	472	551	92
Other receivables and prepayments	650	636	301	425	480	229
Inventories	5,991	6,557	2,975	3,664	4,061	1,797
Assets classified as held for sale	4	-	4	-	-	-
Total Current Assets	17,985	19,304	19,428	13,901	15,693	15,573
Non - Current Assets						
Subsidiaries	-	-	-	3,112	3,091	3,112
Associates	26	33	27	-	-	-
Club membership	145	160	145	145	160	145
Available-for-sale investments	1,331	1,181	1,392	1,331	1,181	1,392
Plant and equipments	1,747	1,935	1,850	1,182	1,330	1,308
Investment properties	14,347	15,825	14,347	14,347	15,825	14,347
Total Non - Current Assets	17,596	19,134	17,761	20,117	21,587	20,304
Total Assets	35,581	38,438	37,189	34,018	37,280	35,877
LIABILITIES AND EQUITY						
Current Liabilities						
Trade payables	2,238	2,475	616	1,493	1,715	449
Amount due to related companies, associates and related parties	44	45	46	1,001	992	1,049
Other payables	1,570	1,402	2,862	1,142	864	2,166
Finance lease	25	5	-	-	5	-
Income tax payable	205	422	375	203	408	372
Total Current Liabilities	4,082	4,349	3,899	3,839	3,984	4,036
Non-Current Liability						
Other payables	232	241	249	172	173	184
Deferred tax liability	152	182	152	125	138	125
Total Non-Current Liabilities	384	423	401	297	311	309
Capital and Reserves						
Share capital	10,251	10,251	10,251	10,251	10,251	10,251
Currency translation deficit	(78)	(81)	(93)	-	-	-
Fair value adjustment (deficit) surplus	14	(9)	24	14	(9)	24
Accumulated profits	20,928	23,505	22,707	19,617	22,743	21,257
Total Equity	31,115	33,666	32,889	29,882	32,985	31,532
Total Liabilities and Equity	35,581	38,438	37,189	34,018	37,280	35,877

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

Amount repayable in one year or less, or on demand.

As at 31 Dec 2016	
Secured	Unsecured
S\$'000	S\$'000
-	25

As at 31 Dec 2015	
Secured	Unsecured
S\$'000	S\$'000
-	5

Detail of any collateral
- Not applicable

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

	GROUP \$'000 31-Dec-16	GROUP \$'000 31-Dec-15
Operating activities:		
(Loss) Profit before income tax	(242)	2,699
Adjustments for:		
Depreciation of plant and equipment	307	321
Dividend income	(26)	(29)
Interest income	(59)	(47)
Loss on disposal of available-for-sale investment	66	-
Allowance for doubtful debts - trade receivables	-	17
Net foreign exchange losses	17	25
Gain on disposal of plant and equipment	(7)	-
Operating cash flows before movements in working capital	56	2,986
Trade receivables	(993)	(1,683)
Other receivables and prepayments	(349)	4
Inventories	(3,016)	(1,041)
Amount due from associates and related parties - net	(2)	(4)
Trade payables	1,622	1,163
Other payables	(1,279)	(1,163)
Cash (used in) generated from operations	(3,961)	262
Interest received	59	47
Income tax paid	(170)	(26)
Net cash (used in) from operating activities	(4,072)	283
Investing activities		
Purchase of available-for-sale investments	(199)	-
Dividend income	26	29
Proceeds on disposal of available-for-sale investments	184	-
Proceeds on disposal of plant and equipment	13	-
Purchase of plant and equipment	(211)	(194)
Net cash used in investing activities	(187)	(165)
Financing activities		
Dividend paid	(1,537)	(3,074)
Repayment of the hire purchase facility	(5)	(15)
Cash used in financing activities	(1,542)	(3,089)
Net decrease in cash and cash equivalents	(5,801)	(2,971)
Cash and cash equivalents at beginning of year	14,893	12,021
Cash and cash equivalents at end of period	9,092	9,050

- 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, 2016

Total comprehensive income for the period

Loss for the period

Other comprehensive income/ (loss) for the period

Total

Dividends, representing transaction with owners, recognised directly in equity

Balance as at December 31, 2016

Share Capital	Currency Translation Deficit	Fair Value Adjustment (Deficit) Surplus	Accumulated Profits	Total
\$'000	\$'000	\$'000	\$'000	\$'000
10,251	(93)	24	22,707	32,889
-	-	-	(242)	(242)
-	15	(10)	-	5
-	15	(10)	(242)	(237)
-	-	-	(1,537)	(1,537)
10,251	(78)	14	20,928	31,115

10,251	(112)	46	24,247	34,432
-	-	-	2,332	2,332
-	31	(55)	-	(24)
-	31	(55)	2,332	2,308
-	-	-	(3,074)	(3,074)
10,251	(81)	(9)	23,505	33,666

Previous Corresponding Period

Balance as at July 1, 2015

Total comprehensive income for the period

Profit for the period

Other comprehensive income/ (loss) for the period

Total

Dividends, representing transaction with owners, recognised directly in equity

Balance as at December 31, 2015

Company

Latest Period

Balance as at July 1, 2016

Total comprehensive income for the period

Profit for the year

Other comprehensive loss for the period

Total

Dividends, representing transaction with owners, recognised directly in equity

Balance as at December 31, 2016

Share Capital	Fair Value Adjustment (Deficit) Surplus	Accumulated Profits	Total
\$'000	\$'000	\$'000	\$'000
10,251	24	21,257	31,532
-	-	(103)	(103)
-	(10)	-	(10)
-	(10)	(103)	(113)
-	-	(1,537)	(1,537)
10,251	14	19,617	29,882

10,251	46	22,970	33,267
-	-	2,847	2,847
-	(55)	-	(55)
-	(55)	2,847	2,792
-	-	(3,074)	(3,074)
10,251	(9)	22,743	32,985

Previous Corresponding Period

Balance as at July 1, 2015

Total comprehensive income for the period

Profit for the period

Other comprehensive loss for the period

Total

Dividends, representing transaction with owners, recognised directly in equity

Balance as at December 31, 2015

- 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 immediate preceding financial year.**

	Number of shares	Paid-up Capital S\$
Balance at 31 December 2016	<u>102,476,024</u>	<u>10,251,458</u>

- 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 total number of issued ordinary shares excluding treasury shares as at 31 December 2016 was 102,476,024.
(30 June 2016: 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 and 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.**

Other than the adoption of the new and revised Financial Reporting Standards ("FRS") which come into effect for the financial year ending 30 June 2017, there were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited statements for the financial year ended 30 June 2016.

- 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 adoption of new or revised standards effective in the current financial period is not expected to result in material adjustments to the financial position, financial performance, or cash flows of the Group for the financial year ending 30 June 2017.

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-16	Group 30-Jun-16
Earning per ordinary share for the period : -		
(i) Based on weighted average number of ordinary shares in issued	-0.24 cents	2.28 cents
(ii) On a fully diluted basis	-0.24 cents	2.28 cents

Note to item (6i) :

Earnings per share is calculated based on the weighted average number of 102,476,024 (30 Jun 16: 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 2016.

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 period reported on; and
(b) immediately preceding financial year

	As at 31-Dec-16 Cents	As at 30-Jun-16 Cents
Group	30.36	32.85
Company	29.16	32.19

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's revenue for the six months ended 31 December 2016 ("1H FY2017") was \$9.2 million, 52.3% lower than the \$19.3 million generated for the corresponding period in the last financial year ("1H FY2016"). Last 1H FY2016, the revenue was higher due to the sales contribution from SG50 Projects.

Following the lower revenue described above, the Group's gross profit decreased by 39.6% from \$8.3 million to \$4.8 million. Gross profit margin increased from 42.8% in 1H FY2016 to 52.5% in 1H FY2017; this was attributed to higher cost of sales attached to the SG50 Projects in 1H FY2016.

Items included in other operating income comprise mainly dividend income from investment, interest income and income from government agencies.

The Group's total operating expenses comprise distribution costs, administration expenses and other operating expenses. These operating expenses for 1H FY2017 were \$0.5 million lower as compared to 1H FY2016. This was mainly due to the inclusion of marketing expenditures incurred for the SG50 projects in 1H FY2016, recorded in distribution costs. The decrease in administrative expenses was mainly due to the cessation of operations of the subsidiary in Kuala Lumpur.

Overall, the Group recorded a loss of \$0.2 million in 1H FY2017, compared with a profit after tax of \$2.3 million in 1H FY2016.

Statement of financial position and statement of cash flows

Cash and cash equivalents decreased as at 31 Dec 2016 compared to 30 June 2016 due to a high build up of inventories between the two dates to cater for Chinese New Year sales. Correspondingly, the Group's inventories and trade payables increased.

The cash flows used in financing activities during the six months ended 31 Dec 2016 resulted mainly from the dividend payout of \$1.5 million.

Cash flows used in investing activities in the same period were mainly due to purchase of quoted investments of \$0.2 million and plant and equipment of \$0.2 million offsetted partially by the proceeds from disposal of available-for-sale investment of \$0.2 million.

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 global economic outlook continues to remain volatile. Going forward the outlook for the market environment in flowers and gifts is expected to continue to be subdued. The Group expects the operating environment to remain difficult and challenging for the next 12 months. In view of this and the depressed property market, we expect a downward adjustment in the fair values of our investment properties in the next six months. This could result in a loss for the full-year.

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.**

Not applicable.

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

Wong Phui Hong
Company Secretary
13 February 2017