

HOSEN GROUP LTD
(Incorporated in Singapore)
(Co. Reg. No. 200403029E)

UNAUDITED FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, 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) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group Income Statement and Statement of Comprehensive Income for financial year ended 31 December 2017.

	Group		% Change
	S\$'000	S\$'000	
	Year ended 31/12/2017 (Unaudited)	Year ended 31/12/2016 (Audited)	
Revenue	67,474	72,580	(7.0)
Cost of sales	(54,481)	(59,387)	(8.3)
Gross profit	12,993	13,193	(1.5)
Other income	363	418	(13.2)
Selling and distribution expenses	(3,519)	(3,968)	(11.3)
Administrative expenses	(6,058)	(6,156)	(1.6)
Other expenses	(2,363)	(2,219)	6.4
Finance costs	(345)	(372)	(7.3)
Profit before income tax	1,071	896	19.6
Income tax (expense)/credit	(323)	173	NM
Profit for the financial year	748	1,069	(29.9)

Consolidated Statement of Comprehensive Income

	Group		
	S\$'000	S\$'000	%
	Year ended 31/12/2017 (Unaudited)	Year ended 31/12/2016 (Audited)	Change
Other comprehensive income for the financial year, net of tax			
Exchange differences on translating foreign operations	30	116	(74.1)
Total comprehensive income for the financial year attributable to owners of the parent	778	1,185	(34.3)

Operating profit is arrived at after charging/(crediting) the following:

	Group		
	S\$'000	S\$'000	%
	Year ended 31/12/2017 (Unaudited)	Year ended 31/12/2016 (Audited)	Change
Depreciation of property, plant and equipment	863	777	11.1
Amortisation of intangible asset	69	82	(15.9)
Allowance for doubtful third party trade receivables	320	46	595.7
Allowance for doubtful third party trade receivables written back	(9)	(39)	(76.9)
Bad debts written off	22	-	100.0
Foreign exchange gain (net)	(38)	(90)	(57.8)
Gain on disposal of property, plant and equipment	(72)	(97)	(25.8)
Write down of inventories	345	365	(5.5)
Reversal of inventories written off	(27)	(79)	(65.8)
Interest income	(3)	(2)	50.0
Interest expenses	345	372	(7.3)
Fair value loss on financial assets at fair value through profit or loss	1	1	-

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.

Statements of Financial Position

	Group		Company	
	Year ended 31/12/2017 (Unaudited) S\$'000	Year ended 31/12/2016 (Audited) S\$'000	Year ended 31/12/2017 (Unaudited) S\$'000	Year ended 31/12/2016 (Audited) S\$'000
Non-current assets				
Property, plant and equipment	13,270	12,991	-	-
Investments in subsidiaries	-	-	9,836	9,836
Intangible asset	87	57	-	-
Other receivables	-	-	14,194	12,000
	13,357	13,048	24,030	21,836
Current assets				
Inventories	16,654	15,607	-	-
Trade and other receivables	13,328	14,915	2,156	3,452
Held-for-trading financial assets	6	7	-	-
Income tax recoverable	-	131	-	-
Fixed deposits	30	49	-	-
Cash and bank balances	4,614	3,475	58	31
	34,632	34,184	2,214	3,483
Less:				
Current liabilities				
Trade and other payables	7,963	6,188	163	175
Current income tax payable	161	140	13	17
Finance lease payables	94	50	-	-
Bank borrowings	7,326	9,005	-	-
	15,544	15,383	176	192
Net current assets	19,088	18,801	2,038	3,291
Less:				
Non-Current liabilities				
Finance lease payables	243	167	-	-
Bank borrowings	3,092	3,350	-	-
Deferred tax liabilities	267	267	-	-
Total non-current liabilities	3,602	3,784	-	-
Net assets	28,843	28,065	26,068	25,127
Capital and reserves				
Share capital	28,431	28,431	28,431	28,431
Treasury shares	(3,654)	(3,654)	(3,654)	(3,654)
Foreign currency translation account	(389)	(419)	-	-
Accumulated profits	4,455	3,707	1,291	350
Equity attributable to owners of the parent	28,843	28,065	26,068	25,127

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

	As at 31 Dec 2017		As at 31 Dec 2016	
	S\$'000		S\$'000	
	Secured	Unsecured	Secured	Unsecured
Repayable in one year or less or on demand	385	7,035	331	8,724
Repayable after one year	3,335	-	3,517	-
Total	3,720	7,035	3,848	8,724

Details of any collateral

1. The unsecured bank loans of the Group amounting to S\$0.50 million (31 December 2016: S\$1.50 million) and bills payable amounting to S\$6.53 million (31 December 2016: S\$7.22 million).
2. Term loan amounting to S\$3.38 million (As at 31 December 2016: S\$3.63 million) is secured by legal mortgage over subsidiaries' properties.
3. All the above facilities are covered by corporate guarantees.
4. Finance lease payables are secured by the underlying assets acquired.

- (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	Group	
	Year ended 31/12/2017 S\$'000 (Unaudited)	Year ended 31/12/2016 S\$'000 (Audited)
Operating activities:		
Profit before income tax	1,071	896
Adjustments for:		
Allowance for doubtful third party trade receivables	320	46
Allowance for doubtful trade receivables written back	(9)	(39)
Bad debts written off	22	-
Write down inventories	345	444
Reversal of inventories written off	(27)	(79)
Depreciation of property, plant and equipment	863	785
Amortisation of intangible asset	69	82
Interest income	(3)	(2)
Interest expenses	345	372
Gain on disposal of property, plant and equipment	(72)	(97)
Held-for-trading financial assets	1	1
Property, plant and equipment written off	-	1
Operating cash flows before working capital changes	2,925	2,410
Inventories	(1,276)	624
Trade and other receivables	1,308	(1,984)
Trade and other payables	1,777	(508)
Cash generated from operations	4,734	542
Interest received	3	2
Income tax paid	(171)	(160)
Net cash generated from operating activities	4,566	384

Consolidated Statement of Cash Flows (Continued)	Group	
	Year ended 31/12/2017 S\$'000 (Unaudited)	Year ended 31/12/2016 S\$'000 (Audited)
Investing activities		
Proceeds from disposal of property, plant and equipment	78	157
Purchase of property, plant and equipment	(823)	(525)
Purchase of intangible asset	(99)	(30)
Proceed from disposal of intangible asset	-	44
Net cash used in investing activities	(844)	(354)
Financing activities		
Repayment of finance lease payables	(80)	(25)
Purchase of treasury shares	-	(97)
Fixed Deposit	19	-
Interest paid	(345)	(372)
Proceeds from bank borrowings	19,672	24,807
Repayment of bank borrowings	(21,727)	(25,221)
Net cash used in financing activities	(2,461)	(908)
Net change in cash and cash equivalents	1,261	(878)
Cash and cash equivalents at beginning of financial year	3,475	4,389
Net effect of exchange rate changes on cash and cash equivalents	(122)	(36)
Cash and cash equivalents at end of financial year	4,614	3,475

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.

Consolidated Statement of Changes in Equity

Group	Equity attributable to owners of the parent				
	Share capital	Treasury shares	Foreign currency translation account	Accumulated profits	Total
(Unaudited)	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 Jan 2017	28,431	(3,654)	(419)	3,707	28,065
Profit for the financial year	-	-	-	748	748
Exchange differences on translating foreign operations	-	-	30	-	30
Total comprehensive income for the financial year	-	-	30	748	778
Transactions with owners:					
Purchase of Treasury shares	-	-	-	-	-
Total transactions with owners of the parent	-	-	-	-	-
Balance at 31 Dec 2017	28,431	(3,654)	(389)	4,455	28,843

Group	Equity attributable to owners of the parent				
	Share capital	Treasury shares	Foreign currency translation account	Accumulated profits	Total
(Audited)	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 Jan 2016	28,431	(3,557)	(535)	2,638	26,977
Profit for the financial year	-	-	-	1,069	1,069
Exchange differences on translating foreign operations	-	-	116	-	116
Total comprehensive income for the financial year	-	-	116	1,069	1,185
Transaction with owners:					
Purchase of Treasury shares	-	(97)	-	-	(97)
Total transactions with owners of the parent	-	(97)	-	-	(97)
Balance at 31 Dec 2016	28,431	(3,654)	(419)	3,707	28,065

Company	Equity attributable to owners of the parent			
	Share capital	Treasury shares	Accumulated profits	Total
(Unaudited)	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 Jan 2017	28,431	(3,654)	350	25,127
Profit for the financial year	-	-	941	941
Total comprehensive income for the financial year	-	-	941	941
Transactions with owners:				
Purchase of Treasury shares	-	-	-	-
Total transactions with owners of the parent	-	-	-	-
Balance at 31 Dec 2017	28,431	(3,654)	1,291	26,068

Company	Equity attributable to owners of the parent			
	Share capital	Treasury shares	Accumulated profits	Total
(Audited)	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 Jan 2016	28,431	(3,557)	199	25,073
Profit for the financial year	-	-	151	151
Total comprehensive income for the financial year	-	-	151	151
Transactions with owners:				
Purchase of Treasury shares	-	(97)	-	(97)
Total transactions with owners of the parent	-	(97)	-	(97)
Balance at 31 Dec 2016	28,431	(3,654)	350	25,127

1(d)(ii) Details of any changes in the company's share capital arising from right 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 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.

	<u>2017</u>	<u>2016</u>
Number of shares as at 01 January	357,178,846	357,178,846
Less: Treasury shares	(32,278,000)	(32,278,000)
Number of shares as at 31 December	<u>324,900,846</u>	<u>324,900,846</u>
Share Capital as at 31 December (S\$'000)	<u>28,431</u>	<u>28,431</u>

There are no changes in the Company's share capital since the end of the previous period reported on.

The Company did not have any outstanding options and convertibles as at 31 December 2017 and 31 December 2016.

The Company did not have any subsidiary holdings as at 31 December 2017 and 31 December 2016. The percentage of treasury shares held against the total number of shares is 9.0% 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 total number of issued shares excluding treasury shares:

	As at 31 December 2017	As at 31 December 2016
Total number of issued shares	357,178,846	357,178,846
Less: Treasury shares	(32,278,000)	(32,278,000)
Total number of issued shares excluding treasury shares	324,900,846	324,900,846

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.

There was no sale, transfer, cancellation and/or use of treasury shares for the financial year ended 31 December 2017.

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.

Not applicable, as the Company did not have any subsidiary holdings as at the end of the financial period reported on.

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 Company's auditors.

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

Not applicable.

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

The Group has adopted all the Singapore Financial Reporting Standards (“**FRSs**”) and Interpretations of FRS (“**INT FRS**”) that are effective for the current financial year. The adoption of new/revised FRS and INT FRS does not have any material impact on the financial statements of the Group.

Save for the abovementioned, the Group has adopted the same accounting policies and methods of computation which are consistent with those used in the most recent audited financial statements for the financial year ended 31 December 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.

Save as disclosed in Note 4 above, there was no other change in the accounting policies and methods of computation for the current financial year reported on.

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/(Loss) per ordinary share of the Group for the period on the net profit after income tax:	Group	
	Year ended 31/12/2017 (Unaudited)	Year ended 31/12/2016 (Audited)
(Singapore cents)		
(a) Based on the weighted average number of shares	0.23 cents	0.33 cents
(b) On a fully diluted basis	0.23 cents	0.33 cents

Basic earnings per share are computed based on the weighted average number of issued shares excluding treasury shares of 324,900,846 and 327,047,841 for the year ended 31 December 2017 and 31 December 2016 respectively.

The basic and dilutive earnings per share are the same as there were no potentially dilutive securities for the year ended 31 December 2017 and 31 December 2016.

7. **Net asset value (for the issuer and group) per ordinary share based on 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 31/12/2017 (Unaudited)	As at 31/12/2016 (Audited)	As at 31/12/2017 (Unaudited)	As at 31/12/2016 (Audited)
Net asset value per ordinary share (Singapore cents) based on total number of issued shares excluding treasury shares at the end of:	8.88	8.64	8.02	7.73

Note: The net asset value per share is calculated based on the total number of issued shares excluding treasury shares of 324,900,846 as at 31 December 2017 and 31 December 2016 respectively.

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.**

Consolidated Statement of Comprehensive Income

Revenue

The Group recorded a lower revenue of S\$67.47 million for the financial year ended 31 December 2017 ("FY2017") as compared to S\$72.58 million for the financial year ended 31 December 2016 ("FY2016"). The decrease of S\$5.11 million or 7.0% in group revenue was mainly due to lower sales generated from the markets of Singapore and Malaysia.

Gross Profit

Gross profit decreased by S\$0.20 million, or 1.5% to S\$12.99 million in FY2017 from S\$13.19 million in FY2016 mainly due to lower revenue for FY2017 despite marginally higher gross profit margin achieved by the Group.

Other Income

Other income decreased by S\$0.06 million to S\$0.36 million in FY2017 from S\$0.42 million in FY2016. The decrease was a result of reduced gains on both foreign exchange and disposal of property, plant and equipment and lesser provision for doubtful debts being written back in FY2017.

Selling and Distribution Expenses

Selling and distribution expenses decreased by S\$0.45 million to S\$3.52 million in FY2017 from S\$3.97 million in FY2016 mainly due to lesser advertisement and promotion expenses incurred.

Administrative Expenses

Administrative expenses decreased by S\$0.10 million to S\$6.06 million in FY2017 from S\$6.16 million in FY2016, mainly due to lower salary expenses which was partially offset by an increase in directors' profit sharing in FY2017.

Other Expenses

Other expenses increased by S\$0.14 million to S\$2.36 million in FY2017 from S\$2.22 million in FY2016 mainly due to higher provision for doubtful debts in FY2017.

Profit for the Financial Year

As a result of the abovementioned, the Group recorded a net profit of S\$0.75 million for FY2017 as compared to a net profit of S\$1.07 million for FY2016.

Statements of Financial Position

As at 31 December 2017, the Group's net assets were S\$28.84 million compared to S\$28.07 million as at 31 December 2016. The increase of S\$0.77 million was mainly due to the profit for the current financial year of S\$0.75 million and exchange differences on translating foreign operations of S\$0.03 million.

The other significant changes to the Statements of Financial Position were as follows:-

1. Property, plant and equipment as at 31 December 2017 was recorded at S\$13.27 million, increased from S\$12.99 million as at 31 December 2016. The increase of S\$0.28 million was mainly due to the purchase of machineries and equipment.
2. Inventories increased by S\$1.04 million to S\$16.65 million as at 31 December 2017 from S\$15.61 million as at 31 December 2016 mainly due to higher inventory level maintained by the Group for festive sales.
3. Trade and other receivables decreased by S\$1.59 million to S\$13.33 million as at 31 December 2017 from S\$14.92 million as at 31 December 2016 due to lower sales revenue and higher provision made for doubtful debts in FY2017.
4. Trade and other payables increased by S\$1.77 million to S\$7.96 million as at 31 December 2017 from S\$6.19 million as at 31 December 2016, which commensurate with the higher inventory level mentioned above.
5. Bank borrowings in current liabilities decreased by S\$1.68 million to S\$7.33 million as at 31 December 2017 from S\$9.01 million as at 31 December 2016 mainly due to lower utilization of trade facilities and short-term loan.
6. Bank borrowings in non-current liabilities decreased by S\$0.26 million to S\$3.09 million as at 31 December 2017 from S\$3.35 million as at 31 December 2016 mainly due to the repayment of term loans for the properties in Malaysia.

Consolidated Statement of Cash Flows

Cash and cash equivalents increased by S\$1.14 million to S\$4.61 million as at 31 December 2017. Out of the cash and cash equivalents, S\$4.57 million was generated from operating activities, S\$0.84 million used in investing activities and S\$2.46 million used in financing activities.

The net cash generated from operating activities was mainly due to the reduction of trade and other receivables of S\$1.31 million, increase in trade and other payables of S\$1.78 million, partially offset by the increase in inventories of S\$1.28 million.

The net cash used in investing activities was mainly attributable to the purchase of property, plant and equipment of S\$0.82 million, offset by the sale proceeds from the disposal of plant and equipment of S\$0.08 million.

The net cash used in financing activities was mainly due to net repayment of bank borrowings in FY2017.

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.

Notwithstanding the improving economic condition, the Group will still face the volatility of the foreign exchange and the increase in the operating cost. The Group will continue to look for opportunities to explore new markets and promote our house brand canned foods and chocolate products.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes

Name of Dividend	First and final 1-tier tax exempt dividend.
Dividend Type	Cash
Dividend Amount per Share (in cents)	0.1 cent
Tax Rate	Nil

(b) Corresponding Period of the Immediately Preceding Financial Year

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

There were no dividends declared for the corresponding period of the immediately preceding financial year.

(c) Date payable

The proposed first and final dividend, if approved at the forthcoming Annual General Meeting of the Company, will be paid on 25 May 2018.

(d) Books closure date

Books closure date will be on 15 May 2018.

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

Not applicable.

13. Interested Persons Transactions (“IPTs”)

The Company does not have a general mandate for IPT from shareholders.

There was no IPT with value of more than S\$100,000 entered into during the financial year.

14. Use of Proceeds from Share Placement.

Not applicable.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

- 15. 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.**

OPERATING SEGMENT

	House Brands S\$'000	Non-House Brands S\$'000	Total S\$'000
2017			
Revenue			
External revenue	48,818	18,656	67,474
Inter-segment revenue	4,260	54	4,314
Total	53,078	18,710	71,788
Interest income	2	1	3
Interest expense	(176)	(169)	(345)
Depreciation	(684)	(179)	(863)
Amortisation	(48)	(21)	(69)
Other non-cash items:			
Allowance for doubtful third party trade receivables written back	8	1	9
Allowance for doubtful third party trade receivables	(242)	(78)	(320)
Bad debts written off	(15)	(7)	(22)
Write down of inventories	(262)	(83)	(345)
Reversal of inventories written off	27	-	27
Segment profit	2,167	(302)	1,865
Assets			
Segment assets	34,184	9,148	43,332
Capital expenditure	752	212	964
Liabilities			
Segment liabilities	11,140	3,811	14,951

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities.

2017	Total
Revenues	S\$'000
Total revenues for reportable segments	71,788
Elimination of inter-segment revenues	(4,314)
Total external revenues	<u>67,474</u>
Profit or loss	
Total segment profit	1,865
Unallocated corporate expenses	(500)
Other income/Other expenses	(294)
Profit before income tax expense	<u>1,071</u>
Assets	
Segment assets	43,332
Other unallocated amounts	4,657
Total assets	<u>47,989</u>
Liabilities	
Segment liabilities	14,957
Other unallocated amounts	4,189
Total liabilities	<u>19,146</u>

	House Brands	Non-House Brands	Total
	S\$'000	S\$'000	S\$'000
2016			
Revenue			
External revenue	52,054	20,526	72,580
Inter-segment revenue	3,964	781	4,745
Total	<u>56,018</u>	<u>21,307</u>	<u>77,325</u>
Interest income	2	-	2
Interest expense	(187)	(185)	(372)
Depreciation of property, plant and equipment	(615)	(170)	(785)
Amortisation of intangible assets	(54)	(28)	(82)
Other non-cash items:			
Allowance for doubtful third party trade receivables written back	25	14	39
Allowance for doubtful third party trade receivables	(42)	(4)	(46)
Write down of inventories	(326)	(39)	(365)
Segment profit	1,222	94	1,316
Assets			
Segment assets	35,050	8,644	43,694
Capital expenditure	504	208	712
Liabilities			
Segment liabilities	11,147	2,484	13,631

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities.

2016	Total
Revenues	S\$'000
Total revenues for reportable segments	77,325
Elimination of inter-segment revenues	(4,745)
Total external revenues	<u>72,580</u>
Profit or loss	
Total segment profit	1,316
Unallocated corporate expenses	(281)
Other income/Other expenses	(139)
Loss before income tax expense	<u>896</u>
Assets	
Segment assets	43,694
Other unallocated assets	3,538
Total assets	<u>47,232</u>
Liabilities	
Segment liabilities	13,631
Other unallocated liabilities	5,536
Total liabilities	<u>19,167</u>

GEOGRAPHICAL SEGMENT

	Total	
	2017	2016
	S\$'000	S\$'000
Revenue		
Singapore	30,031	32,546
Malaysia	14,551	17,163
Others ^(Note)	22,892	22,871
	<u>67,474</u>	<u>72,580</u>
Non-current assets		
Singapore	7,169	7,026
Malaysia	6,187	6,020
Others ^(Note)	1	2
	<u>13,357</u>	<u>13,048</u>

Note: Including countries other than Singapore and Malaysia.

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.

External revenue from House Brands decreased by S\$3.21 million to S\$48.84 million in FY2017 from S\$52.05 million in FY2016 and external revenue from Non-House Brands decreased by S\$1.87 million to S\$18.66 million in FY2017 from S\$20.53 million in FY2016. The overall decrease in revenue was mainly due to the decrease in exports of both House Brand and Non-House Brand products in the markets of Singapore and Malaysia.

17. A breakdown of sales.

	Group		
	Year ended 31/12/2017	Year ended 31/12/2016	Change
	S\$'000	S\$'000	%
First Half			
Sales reported for the first half year	33,180	37,317	(11.0)
Operating profit after income tax reported for first half year	52	(488)	NM
Second Half			
Sales reported for the second half year	34,294	35,263	(2.75)
Operating profit after income tax reported for second half year	696	1,557	(55.3)

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

	FY2017	FY2016
	S\$'000	S\$'000
Ordinary	325	Nil
Preference	Nil	Nil
Total:	325	Nil

19. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

The Company confirms that all the required undertakings under Rule 720(1) of the Catalist Rules have been obtained from all its directors and executive officers in the format set out in Appendix 7H of the Catalist Rules.

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

Name	Age	Family Relationship with any Director and/or Chief Executive Officer and/or Substantial Shareholder	Current position and duties, and the year position was first held	Details of changes in duties and position held, if any, during the year
Lim Hai Cheok	69	Spouse of Chong Poh Soon, Director and Substantial Shareholder. Father of Lim Hock Chye Daniel, Director. Brother of Lim Kim Eng, Director and Substantial Shareholder.	Director, since March 2004. Chief Executive Officer, since July 2004.	Nil
Chong Poh Soon	69	Spouse of Lim Hai Cheok, Chief Executive Officer, Director and Substantial Shareholder. Mother of Lim Hock Chye Daniel, Director. Sister-in-law of Lim Kim Eng, Director and Substantial Shareholder.	Director, since July 2004.	Nil
Lim Kim Eng	65	Sister of Lim Hai Cheok. Chief Executive Officer, Director and Substantial Shareholder. Sister-in-law of Chong Poh Soon, Director and Substantial Shareholder. Aunt of Lim Hock Chye Daniel, Director.	Director, since July 2004.	Nil
Lim Hock Chye Daniel	44	Son of Lim Hai Cheok, Chief Executive Officer, Director and Substantial Shareholder; and Chong Poh Soon, Director and Substantial Shareholder. Nephew of Lim Kim Eng, Director and Substantial Shareholder.	Director, since March 2004.	Nil

BY ORDER OF THE BOARD

Lim Hai Cheok
Chief Executive Officer
28 February 2018