

Unaudited Full Year Financial Statement And Dividend Announcement for the Year Ended 30/06/2017

**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 30-Jun-17	Group \$'000 30-Jun-16	+ / (-) %
Revenue	24,185	35,458	-31.8%
Cost of sales	(12,031)	(19,755)	-39.1%
Gross profit	12,154	15,703	-22.6%
Other operating income	497	681	-27.0%
Distribution costs	(3,436)	(3,668)	-6.3%
Administrative expenses	(7,318)	(8,821)	-17.0%
Loss from fair value adjustment of investment properties	(50)	(1,478)	-96.6%
Other operating expenses	(469)	(596)	-21.3%
Finance costs	(1)	(3)	-66.7%
Profit before income tax	1,377	1,818	-24.3%
Income tax expense	-	(284)	-100.0%
Profit for the year	1,377	1,534	-10.2%
Other comprehensive income (loss):			
Items that may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign subsidiaries	16	19	-15.8%
Fair value gain (loss) on available-for-sale investments	41	(22)	-286.4%
Other comprehensive income (loss) for the year	57	(3)	n/m
Total comprehensive income for the year	1,434	1,531	-6.3%

n/m = not meaningful

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

	GROUP \$'000 30-Jun-17	GROUP \$'000 30-Jun-16
Other income including interest income	497	681
Depreciation and amortisation	(599)	(614)
Allowance for doubtful debts - trade receivables	(104)	(106)
Allowance for inventories	(70)	(238)
Foreign exchange loss	(39)	(49)
Overprovision of income tax expense	62	16

- 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 30-Jun-17	GROUP \$'000 30-Jun-16	COMPANY \$'000 30-Jun-17	COMPANY \$'000 30-Jun-16
ASSETS				
Current Assets				
Cash and cash equivalents	13,298	14,893	10,336	12,834
Trade receivables	1,219	1,255	541	621
Amount due from related companies, associates and related parties	-	-	343	92
Other receivables and prepayments	393	301	431	229
Inventories	2,485	2,975	1,621	1,797
Assets classified as held for sale	-	4	-	-
Total Current Assets	17,395	19,428	13,272	15,573
Non - Current Assets				
Subsidiaries	-	-	3,089	3,112
Associates	-	27	-	-
Other Investments	182	145	165	145
Available-for-sale investments	1,728	1,203	1,728	1,203
Quoted investments	500	189	500	189
Plant and equipment	1,722	1,850	1,033	1,308
Deposits	103	-	-	-
Investment properties	14,297	14,347	14,297	14,347
Total Non - Current Assets	18,532	17,761	20,812	20,304
Total Assets	35,927	37,189	34,084	35,877
LIABILITIES AND EQUITY				
Current Liabilities				
Trade payables	559	616	464	449
Amount due to related companies, associates and related parties	-	46	990	1,049
Other payables	2,128	2,862	1,427	2,166
Finance lease	10	-	-	-
Income tax payable	48	375	37	372
Total Current Liabilities	2,745	3,899	2,918	4,036
Non-Current Liability				
Other payables	221	249	167	184
Deferred tax liability	175	152	104	125
Total Non-Current Liabilities	396	401	271	309
Capital and Reserves				
Share capital	10,251	10,251	10,251	10,251
Currency translation deficit	(77)	(93)	-	-
Fair value adjustment	65	24	65	24
Accumulated profits	22,547	22,707	20,579	21,257
Total Equity	32,786	32,889	30,895	31,532
Total Liabilities and Equity	35,927	37,189	34,084	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 30 June 2017	
Secured	Unsecured
S\$'000	S\$'000
0	10

As at 30 June 2016	
Secured	Unsecured
S\$'000	S\$'000
0	0

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 30-Jun-17	GROUP \$'000 30-Jun-16
Operating activities:		
Profit before income tax	1,377	1,818
Adjustments for:		
Loss on disposal of available-for-sale of investment	69	-
(Reversal) Impairment on other investment	(20)	15
Impairment loss on plant and equipment	25	-
Depreciation of plant and equipment	599	614
Plant and equipment written off	-	16
Dividend income	(82)	(58)
Interest income	(109)	(100)
Fair value loss of investment properties	50	1,478
Loss on disposal of associate	27	-
Allowance for doubtful debts - trade receivables	104	106
Allowance for inventories	70	238
Net foreign exchange losses	12	21
Gain on disposal of plant and equipment	(7)	(5)
Operating cash flows before movements in working capital	2,115	4,143
Trade receivables	(68)	34
Other receivables and prepayments	(196)	339
Inventories	420	2,303
Amount due from associates and related parties - net	(46)	(3)
Trade payables	(57)	(696)
Other payables	(762)	305
Cash generated from operations	1,406	6,425
Interest received	109	100
Income tax paid	(303)	(21)
Net cash from operating activities	1,212	6,504
Investing activities		
Dividend income	82	58
Purchase of other investment	(17)	-
Purchase of available-for-sale investments	(752)	(178)
Purchase of quoted investments	(324)	-
Proceeds on disposal of plant and equipment	12	12
Proceeds on disposal of available-for-sale investments	213	-
Purchase of plant and equipment	(464)	(430)
Net cash used in investing activities	(1,250)	(538)
Financing activities		
Dividend paid	(1,537)	(3,074)
Repayment of the hire purchase facility	(20)	(20)
Net cash used in financing activities	(1,557)	(3,094)
Net (decrease) increase in cash and cash equivalents	(1,595)	2,872
Cash and cash equivalents at beginning of year	14,893	12,021
Cash and cash equivalents at end of year	13,298	14,893
Cash and cash equivalents consist of :		
Cash and bank balances	2,577	2,193
Fixed deposits	10,721	12,700
Total	13,298	14,893

- 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

	Share Capital \$'000	Currency Translation Reserve \$'000	Fair Value Adjustment (Deficit) Surplus \$'000	Accumulated Profits \$'000	Total \$'000
Lastest Period					
Balance as at July 1, 2016	10,251	(93)	24	22,707	32,889
Total comprehensive income for the year					
Profit for the year	-	-	-	1,377	1,377
Other comprehensive income for the year	-	16	41	-	57
Total	-	16	41	1,377	1,434
Dividends, representing transaction with owners, recognised directly in equity	-	-	-	(1,537)	(1,537)
Balance as at June 30, 2017	10,251	(77)	65	22,547	32,786

Previous Corresponding Period

Balance as at July 1, 2015	10,251	(112)	46	24,247	34,432
Total comprehensive income for the year					
Profit for the year	-	-	-	1,534	1,534
Other comprehensive income (loss) for the year	-	19	(22)	-	(3)
Total	-	19	(22)	1,534	1,531
Dividends, representing transaction with owners, recognised directly in equity	-	-	-	(3,074)	(3,074)
Balance as at June 30, 2016	10,251	(93)	24	22,707	32,889

Company

	Share Capital \$'000	Fair Value Adjustment (Deficit) Surplus \$'000	Accumulated Profits \$'000	Total \$'000
Lastest Period				
Balance as at July 1, 2016	10,251	24	21,257	31,532
Total comprehensive income for the year				
Profit for the year	-	-	859	859
Other comprehensive income for the year	-	41	-	41
Total	-	41	859	900
Dividends, representing transaction with owners, recognised directly in equity	-	-	(1,537)	(1,537)
Balance as at June 30, 2017	10,251	65	20,579	30,895

Previous Corresponding Period

Balance as at July 1, 2015	10,251	46	22,970	33,267
Total comprehensive income for the year				
Profit for the year	-	-	1,361	1,361
Other comprehensive income for the year	-	(22)	-	(22)
Total	-	(22)	1,361	1,339
Dividends, representing transaction with owners, recognised directly in equity	-	-	(3,074)	(3,074)
Balance as at June 30, 2016	10,251	24	21,257	31,532

- 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 30 June 2016	<u>102,476,024</u>	<u>10,251,458</u>
Balance at 30 June 2017	<u>102,476,024</u>	<u>10,251,458</u>

The Company does not have any share option scheme in place after the expiry of the last share option as at 30 June 2017.

- 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 30/06/2017	As at 30/06/2016
Number of shares in issue	<u>102,476,024</u>	<u>102,476,024</u>

- A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at end of the current financial period reported on.**

The Company has no treasury shares. There were no sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

- 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.

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

Not applicable.

- 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 paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year compared with those of the audited financial statements ended 30 June 2016.

- 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.**

There are no changes to the Group's accounting policies and the adoption of FRS and INT FRS that become effective in the financial period beginning on or after 1 July 2016 has no significant impact on the financial statements.

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 30-Jun-17	Group 30-Jun-16
Earning per ordinary share for the year : -		
(i) Based on weighted average number of ordinary shares in issued	1.34 cents	1.50 cents
(ii) On a fully diluted basis	1.34 cents	1.50 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 30 June 2017.

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 30-Jun-17 Cents	As at 30-Jun-16 Cents
Group	31.99	32.09
Company	30.15	30.77

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 was 31.8% lower at \$24.2 million in FY2017 compared to \$35.5 million in the previous financial year. The group revenue was lower due to the completion of the SG50 projects and the decline in demand for gifts amid the uncertain economic conditions. The lower group revenue was accompanied by a decrease of 22.6% in gross profit to \$12.1 million in FY2017 from \$15.7 million previously. FY2017 achieved an overall higher gross profit margin compared to FY2016 due to lower margins inherent in the sales related to the SG50 projects.

Other operating income comprises mostly interest income and government grants. The movement between current year and prior year is mainly due to the decrease in credits received from IRAS's Wage Credit Scheme.

The Group's total operating expenses, comprising distribution costs, administration expenses and other operating expenses, decreased by \$1.8 million to \$11.2 million from \$13.0 million last year. This was mainly contributed by the decrease of manpower costs/staff benefits.

There is no income tax expense for the year as the current year tax expense of \$62,000 is fully offset by the reversal of overprovision of prior years' tax expense.

Loss from fair value adjustment decreased from \$1.5 million to \$0.05 million.

The Group had fully written off the value in associate amounting to \$27,000, Noel Hampers & Gifts (K.L) Sdn Bhd upon the final liquidation meeting held in February 2017.

The Group recorded a profit after tax of \$1.4 million in FY2017, compared to \$1.5 million recorded in FY2016.

Statement of financial position and cash flows

Significant variances for balance sheets items are explained as follows:

- (a) Inventories decreased by \$0.5 million mainly due to improved inventory management. Correspondingly, a decline in trade payables.
- (b) Deposits classified under non-current asset was the deposit made for assets to be delivered in the early part of FY2018.
- (c) Other payable decreased by \$0.7 million mainly due to lower accruals of operating expenses and manpower cost.

The Group's wholly-owned subsidiary, Noel Gifts Malaysia Sdn Bhd, was placed under Creditors' Voluntarily Winding up on 16 June 2017 (the "Winding Up"). As of date, the Group has not received any updates from the liquidator. The Company will publish further announcements in connection with the Winding Up when necessary.

During the year, the group has invested a total of \$1.1 million in available-for-sales and quoted investments.

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

We refer to the first half result announcement made on 13 Feb 2017. The decrease in demand and the fair value downward adjustments did not materially impact the full year result.

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 is uncertain, the Group expects the operating environment to be challenging. Nevertheless, the Group anticipates a positive contribution from the People's Association contract as announced on 31 Mar 2017.

11 Dividend

(a) Current Financial Period Reported On

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

Name of Dividend	First & Final
Dividend Type	Cash
Dividend Amount per Share (in cents)	0.3 cent per ordinary share
Tax Rate	One-Tier Tax-Exempt
Name of Dividend	Special dividend
Dividend Type	Cash
Dividend Amount per Share (in cents)	0.70 cent per ordinary share
Tax Rate	One-Tier Tax-Exempt

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Name of Dividend	First & Final
Dividend Type	Cash
Dividend Amount per Share (in cents)	0.60 cent per ordinary share
Tax Rate	One-Tier Tax-Exempt
Date of payment	14 November 2016
Name of Dividend	Special dividend
Dividend Type	Cash
Dividend Amount per Share (in cents)	0.90 cent per ordinary share
Tax Rate	One-Tier Tax-Exempt
Date of payment	14 November 2016

(c) Date payable

To be announced later.

(d) Books closure date

To be announced later.

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

Not applicable.

13 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) of the Listing Manual.

The Company confirms that it 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.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14 If the Company has obtained a general mandate from shareholders for interested person transaction (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) in the financial year ended 30 June 2017 that is discloseable under Rule 920(1)(a)(ii) of the SGX-ST Listing Manual.

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.

(a) Business Segments

The Group is organised into two main operating divisions, namely gifts and properties.

	Gifts \$'000		Properties \$'000		Group \$'000	
	30-Jun-17	30-Jun-16	30-Jun-17	30-Jun-16	30-Jun-17	30-Jun-16
SEGMENT REVENUE AND RESULTS						
Revenue	23,686	34,925	499	533	24,185	35,458
Results:						
Segment result	963	2,544	166	205	1,129	2,749
Other operating Income	314	516	-	-	314	516
Loss on fair value adjustment of investment properties	-	-	(50)	(1,478)	(50)	(1,478)
Finance cost	(1)	(3)	-	-	(1)	(3)
Unallocated operating income					183	164
Unallocated expenses					(198)	(130)
Profit before income tax					1,377	1,818
Income tax expense					-	(284)
Profit after income tax					1,377	1,534
Other information:						
Capital expenditure on plant and equipment and investment properties	460	427	4	3	464	430
Depreciation and amortisation	590	608	9	6	599	614

(b) Geographical segments

The Group's two business segments are managed on a regional basis through two main geographical areas, namely Singapore and Asia.

	Revenue		Non-current assets		Capital expenditure	
	2017	2016	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Singapore	23,757	34,709	18,493	17,700	464	411
Malaysia	428	749	39	61	-	19
Total	24,185	35,458	18,532	17,761	464	430

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.

Apart from the comments made under section 8, there are no other factors leading to material changes.

17 A breakdown of sales

	Group \$'000 2017	Group \$'000 2016	% increase/ (decrease)
(a) Sales reported for first half year	9,207	19,284	-52.3%
(b) Operating profit/(loss) after tax before deducting minority interests reported for first half year	(242)	2,332	-110.4%
(c) Sales reported for second half year	14,978	16,174	-7.4%
(d) Operating profit after tax before deducting minority interests reported for second half year	1,619	(797)	-303.1%

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

	Latest Full Year \$'000	Previous Full Year \$'000
Ordinary Shares	1,537	3,074

19 Report of persons occupying managerial positions who are related to a director, CEO or substantial shareholders.

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
Alfred Wong Siu Hong	64	Brother of Wong Phui Hong (non-executive Director) and spouse of Lim Julian (Substantial Shareholder)	Managing Director since 1983	NIL
Wong Lai Kuan, Kim	37	Daughter of Mr Wong Siu Hong (Managing Director & substantial shareholder)	Business Development Manager	NIL
Wong Ho Hon, Keith	33	Son of Mr Wong Siu Hong (Managing Director & substantial shareholder)	General Sales Manager	Oversee day to day several sales channels of the Company.

BY ORDER OF THE BOARD

Wong Phui Hong
Company Secretary

29 August 2017