

**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 2016**

*This announcement has been prepared by Hosen Group Ltd (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 2016.**

	Group		%
	S\$'000	S\$'000	
	Year ended 31/12/2016	Year ended 31/12/2015	Change
Revenue	72,580	75,767	(4.2)
Cost of sales	(59,387)	(63,207)	(6.0)
<b>Gross profit</b>	<b>13,193</b>	<b>12,560</b>	<b>5.0</b>
Other income	418	222	88.3
Selling and distribution expenses	(3,968)	(4,324)	(8.2)
Administrative expenses	(6,156)	(5,898)	4.4
Other expenses	(2,219)	(2,926)	(24.2)
Finance costs	(372)	(350)	6.3
<b>Profit/(loss) before income tax</b>	<b>896</b>	<b>(716)</b>	<b>(225.1)</b>
Income tax credit/(expense)	173	(230)	(175.2)
<b>Profit/(loss) for the financial year</b>	<b>1,069</b>	<b>(946)</b>	<b>(213.0)</b>

**Consolidated Statement of Comprehensive Income**

	Group		
	S\$'000	S\$'000	%
	Year ended 31/12/2016	Year ended 31/12/2015	Change
<b>Other comprehensive income for the financial year, net of tax</b>			
Exchange differences on translating foreign operations	116	(248)	(146.8)
<b>Total comprehensive income for the financial year attributable to owners of the parent</b>	<b>1,185</b>	<b>(1,194)</b>	<b>(199.2)</b>

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

	Group		
	S\$'000	S\$'000	%
	Year ended 31/12/2016	Year ended 31/12/2015	Change
Depreciation of property, plant and equipment	777	699	11.2
Amortisation of intangible asset	82	82	NM
Allowance for doubtful third party trade receivables	46	125	(63.2)
Allowance for doubtful third party trade receivables written back	(39)	(41)	(4.9)
Bad debts written off – trade	-	34	NM
Foreign exchange (gain)/loss (net)	(90)	594	NM
Gain on disposal of property, plant and equipment	(97)	(11)	781.8
Write down of inventories	365	536	(31.9)
Allowance for inventories obsolescence written back	(79)	-	NM
Interest income	(2)	(4)	(50.0)
Interest expenses	372	350	6.3
Fair value loss/(gain) on financial assets at fair value through profit or loss	1	(1)	(200.0)

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.**

	Group		Company	
	Year ended 31/12/2016	Year ended 31/12/2015	Year ended 31/12/2016	Year ended 31/12/2015
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	12,991	13,257	-	-
Investments in subsidiaries	-	-	9,836	9,836
Intangible asset	57	152	-	-
Other receivables	-	-	12,000	12,000
	13,048	13,409	21,836	21,836
<b>Current assets</b>				
Inventories	15,607	16,732	-	-
Trade and other receivables	14,915	13,054	3,452	3,484
Financial assets at fair value through profit and loss	7	8	-	-
Tax recoverable	131	22	-	-
Fixed deposits	49	49	-	-
Cash and bank balances	3,475	4,389	31	9
	34,184	34,254	3,483	3,493
<b>Less:</b>				
<b>Current liabilities</b>				
Trade and other payables	5,245	6,144	175	248
Provisions	943	901	-	-
Current income tax payable	140	200	17	8
Finance lease payables	50	19	-	-
Bank borrowings	9,005	9,296	-	-
	15,383	16,560	192	256
<b>Net current assets</b>	18,801	17,694	3,291	3,237
<b>Less:</b>				
<b>Non-Current liabilities</b>				
Finance lease payables	167	37	-	-
Bank borrowings	3,350	3,662	-	-
Deferred tax liabilities	267	427	-	-
<b>Total non-current liabilities</b>	3,784	4,126	-	-
<b>Net assets</b>	28,065	26,977	25,127	25,073
<b>Capital and reserves</b>				
Share capital	28,431	28,431	28,431	28,431
Treasury shares	(3,654)	(3,557)	(3,654)	(3,557)
Foreign currency translation account	(419)	(535)	-	-
Accumulated profits	3,707	2,638	350	199
Equity attributable to owners of the parent	28,065	26,977	25,127	25,073

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

	As at 31 Dec 2016		As at 31 Dec 2015	
	S\$'000		S\$'000	
	Secured	Unsecured	Secured	Unsecured
Repayable in one year or less or on demand	331	8,724	298	9,017
Repayable after one year	3,517	-	3,699	-
<b>Total</b>	<b>3,848</b>	<b>8,724</b>	<b>3,997</b>	<b>9,017</b>

**Details of any collateral**

1. The unsecured bank loans and overdrafts of the Group amounting to S\$1.50 million (31 December 2015: S\$2.80 million) and trust receipts amounting to S\$7.22 million (31 December 2015: S\$6.22 million).
2. Term loan amounting to S\$3.63 million (As at 31 December 2015: S\$3.94 million) is secured by legal mortgage over subsidiaries' properties.
3. Finance lease payables are secured by the underlying assets acquired.
4. All the above facilities are covered by corporate guarantees.

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

<b>Consolidated Statement of Cash Flows</b>	<b>Group</b>	
	<b>Year ended 31/12/2016 S\$'000</b>	<b>Year ended 31/12/2015 S\$'000</b>
Operating activities:		
Profit/(Loss) before income tax	896	(716)
<b>Adjustments for:</b>		
Allowance for doubtful third party trade receivables	46	125
Allowance for doubtful trade receivables written back	(39)	(41)
Write down of inventories	365	536
Allowance for inventories obsolescence written back	(79)	-
Depreciation of property, plant and equipment	777	699
Provisions	42	364
Amortisation of intangible asset	82	82
Interest income	(2)	(4)
Interest expenses	372	350
Gain on disposal of property, plant and equipment	(97)	(11)
Fair value loss/(gain) on financial assets at fair value through profit or loss	1	(1)
Property, plant and equipment written off	1	-
<b>Operating cash flows before working capital changes</b>	<b>2,365</b>	<b>1,383</b>
Inventories	703	1,374
Trade and other receivables	(1,984)	2,335
Trade and other payables	(550)	(796)
Cash generated from operations	534	4,296
Interest received	2	4
Income tax paid	(160)	(156)
<b>Net cash generated from operating activities</b>	<b>376</b>	<b>4,144</b>

Consolidated Statement of Cash Flows (Continued)	Group	
	Year ended 31/12/2016 S\$'000	Year ended 31/12/2015 S\$'000
<b>Investing activities</b>		
Proceeds from disposal of property, plant and equipment	157	11
Purchase of property, plant and equipment	(532)	(3,745)
Purchase of intangible asset	(30)	(44)
Proceed from disposal of intangible asset	43	-
<b>Net cash used in investing activities</b>	<b>(362)</b>	<b>(3,778)</b>
<b>Financing activities</b>		
Repayment of finance lease payables	(18)	(31)
Dividends paid	-	(327)
Purchase of treasury shares	(97)	-
Interest paid	(372)	(350)
Proceeds from bank borrowings	24,807	35,650
Repayment of bank borrowings	(25,221)	(37,450)
<b>Net cash used in financing activities</b>	<b>(901)</b>	<b>(2,508)</b>
Net change in cash and cash equivalents	(887)	(2,142)
Cash and cash equivalents at beginning of financial year	4,410	6,695
Net effect of exchange rate changes on cash and cash equivalents	(27)	(143)
<b>Cash and cash equivalents at end of financial year</b>	<b>3,496</b>	<b>4,410</b>
<u>Cash and cash equivalents comprise the following:</u>		
Fixed deposits	49	49
Cash and bank balances	3,475	4,389
	3,524	4,438
Fixed deposits pledged	(28)	(28)
Cash and cash equivalents at end of financial year	3,496	4,410

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
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1 Jan 2016</b>	<b>28,431</b>	<b>(3,557)</b>	<b>(535)</b>	<b>2,638</b>	<b>26,977</b>
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
<b>Distributions to owners of the parent:</b>					
Purchase of Treasury shares	-	(97)	-	-	(97)
Total transactions with owners of the parent	<b>28,431</b>	<b>(3,654)</b>	<b>(419)</b>	<b>3,707</b>	<b>28,065</b>
<b>Balance at 31 Dec 2016</b>					

Group	Equity attributable to owners of the parent				
	Share capital	Treasury shares	Foreign currency translation account	Accumulated profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1 Jan 2015</b>	<b>28,431</b>	<b>(3,557)</b>	<b>(287)</b>	<b>3,911</b>	<b>28,498</b>
Loss for the financial year	-	-	-	(946)	(946)
Exchange differences on translating foreign operations	-	-	(248)	-	(248)
Total comprehensive income for the financial year	-	-	(248)	(946)	(1,194)
<b>Distributions to owners of the parent:</b>					
Dividends	-	-	-	(327)	(327)
Total transactions with owners of the parent	-	-	-	(327)	(327)
<b>Balance at 31 Dec 2015</b>	<b>28,431</b>	<b>(3,557)</b>	<b>(535)</b>	<b>2,638</b>	<b>26,977</b>

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



Company	Equity attributable to owners of the parent			
	Share capital	Treasury shares	Accumulated profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1 Jan 2015</b>	<b>28,431</b>	<b>(3,557)</b>	<b>598</b>	<b>25,472</b>
Loss for the financial year	-	-	(72)	(72)
Total comprehensive income for the financial year	-	-	(72)	(72)
<b>Distributions to owners of the parent:</b>				
Dividends	-	-	(327)	(327)
Total transactions with owners of the parent	-	-	(327)	(327)
<b>Balance at 31 Dec 2015</b>	<b>28,431</b>	<b>(3,557)</b>	<b>199</b>	<b>25,073</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 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 immediately preceding financial year.**

	<u>2016</u>	<u>2015</u>
<b>Number of shares as at 30 June</b>	357,178,846	357,178,846
Less: Treasury shares	(32,278,000)	(29,868,000)
<b>Number of shares as at 31 December</b>	<u>324,900,846</u>	<u>327,310,846</u>
<b>Share Capital as at 31 December (S\$'000)</b>	<u>28,431</u>	<u>28,431</u>

The Company did not have any outstanding options and convertibles as at 31 December 2016 and 31 December 2015.

During the financial year ended 31 December 2016, the Company bought back 2,410,000 shares as treasury shares (31 December 2015: Nil).

Save for the abovementioned, there are no changes in the Company's share capital since the end of the previous period reported on.

**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 2016	As at 31 December 2015
Total number of issued shares	357,178,846	357,178,846
Less: Treasury shares	(32,278,000)	(29,868,000)
Total number of issued shares excluding treasury shares	324,900,846	327,310,846

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

There was no sale, transfer, disposal, cancellation and/or use of treasury shares for the financial year ended 31 December 2016.

**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 2015.

**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 31/12/2016	Year ended 31/12/2015
(Singapore cents)		
(a) Based on the weighted average number of shares	0.33 cents	(0.29) cents
(b) On a fully diluted basis	0.33 cents	(0.29) cents

Basic earnings per share are computed based on the weighted average number of issued shares excluding treasury shares of 327,047,841 and 327,310,846 for the year ended 31 December 2016 and 31 December 2015 respectively.

The basic and dilutive earnings per share are the same as there were no potentially dilutive securities for the year ended 31 December 2016 and 31 December 2015.

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 31/12/2016	As at 31/12/2015	As at 31/12/2016	As at 31/12/2015
Net asset value per ordinary share (Singapore cents) based on total number of issued shares excluding treasury shares at the end of:	8.64	8.24	7.73	7.66

Note: The net asset value per share is calculated based on the total number of issued shares excluding treasury shares of 324,900,846 and 327,310,846 as at 31 December 2016 and 31 December 2015 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 registered a lower revenue of S\$72.58 million for the financial year ended 31 December 2016 ("FY2016") as compared to S\$75.77 million for the financial year ended 31 December 2015 ("FY2015"). The decrease of S\$3.19 million or 4.2% in group revenue was mainly due to the decrease in sales to overseas markets, and lower sales from translation to reporting currency arising from the depreciation of Malaysia Ringgit.

#### **Gross Profit**

Gross profit increased by S\$0.63 million, or 5.0% to S\$13.19 million in FY2016 from S\$12.56 million in FY2015 mainly due to higher gross profit margin achieved by major subsidiaries in Singapore and Malaysia despite lower revenue recorded.

***Other Income***

Other income increased by S\$0.20 million to S\$0.42 million in FY2016 from S\$0.22 million in FY2015. The increase was mainly due to the gain on foreign exchange of S\$0.09 million and gain on disposal of plant and equipment of S\$0.10 million in FY2016, as compared to S\$0.01 million in FY2015.

***Selling and Distribution Expenses***

Selling and distribution expenses decreased by S\$0.35 million to S\$3.97 million in FY2016 from S\$4.32 million in FY2015 mainly due to lesser advertisement and promotion expenses incurred.

***Administrative Expenses***

Administrative expenses increased by S\$0.26 million to S\$6.16 million in FY2016 from S\$5.90 million in FY2015, mainly due to the increase in salary expenses and the presence of profit sharing by directors in FY2016.

***Other Expenses***

Other expenses decreased by S\$0.71 million to S\$2.22 million in FY2016 from S\$2.93 million in FY2015. The decrease was mainly a result of the absence of foreign exchange loss incurred in FY2015 and lesser provision for inventory obsolescence on slow moving stock in FY2016 as compared to that in FY2015.

***Profit for the Financial Year***

As a result of the abovementioned, the Group recorded a net profit of S\$1.07 million for FY2016 as compared to a loss of S\$0.95 million for FY2015.

**Statements of Financial Position**

As at 31 December 2016, the Group's net assets were S\$28.07 million compared to S\$26.98 million as at 31 December 2015. The increase of S\$1.09 million was due to the profit for the current financial year of S\$1.07 million and exchange differences on translating foreign operations of S\$0.12 million, offset by an increase in treasury shares of S\$0.10 million.

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

1. Property, plant and equipment as at 31 December 2016 was recorded at S\$12.99 million, decreased from S\$13.26 million as at 31 December 2015. The decrease of S\$0.27 million was mainly due to the depreciation charged for the year offset by the purchase of property, plant and equipment.
2. Inventories decreased by S\$1.12 million to S\$15.61 million as at 31 December 2016 from S\$16.73 million as at 31 December 2015 mainly due to lower inventory level maintained by the Group.
3. Trade and other receivables increased by S\$1.87 million to S\$14.92 million as at 31 December 2016 from S\$13.05 million as at 31 December 2015 mainly due to more sales towards the year end for the Chinese New Year in FY2016.

4. Trade and other payables decreased by S\$0.90 million to S\$5.24 million as at 31 December 2016, which was in line with the lower inventory level mentioned above.
5. Bank borrowings in current liabilities decreased by S\$0.29 million to S\$9.01 million as at 31 December 2016 from S\$9.30 million as at 31 December 2015 mainly due to the repayment of trade facilities used for working capital during FY2016.
6. Bank borrowings in non-current liabilities decreased by S\$0.31 million to S\$3.35 million as at 31 December 2016 from S\$3.66 million as at 31 December 2015 mainly due to the repayment of term loans for the properties.

### **Consolidated Statement of Cash Flows**

Cash and cash equivalents decreased by S\$0.91 million to S\$3.50 million as at 31 December 2016. Out of the cash and cash equivalents, S\$0.38 million was generated from operating activities, S\$0.36 million used in investing activities and S\$0.90 million used in financing activities.

The net cash generated from operating activities was mainly due to the reduction of both inventories of S\$0.70 million and trade payables of S\$0.55 million, offset by the increase in trade receivables of S\$1.98 million.

The net cash used in investing activities was mainly attributable to the purchase of property, plant and equipment of S\$0.53 million, offset by the sale proceeds from the disposal of plant and equipment of S\$0.16 million.

The net cash used in financing activities was mainly due to net repayment of bank borrowings, interest and purchase of treasury shares in FY2016.

**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 is expected to remain uncertain in FY2017. Political changes and actions in other countries may create more variables to the monetary and economic conditions. This may result in foreign exchange fluctuation and pressure on operating costs on the Group's business.

The Group will be exercising caution in facing such challenging market conditions and will explore new markets to strengthen its distribution network. Meanwhile, the Group will launch more new consumer and industrial chocolate products and the Group expects to improve the awareness of our house brand chocolate products in the market.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

None

Name of Dividend	Not applicable.
Dividend Type	Not applicable.
Dividend Amount per Share (in cents)	Not applicable.
Tax Rate	Not applicable.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

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

None

Name of Dividend	Not applicable.
Dividend Type	Not applicable.
Dividend Amount per Share (in cents)	Not applicable.
Tax Rate	Not applicable.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

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

No dividend has been declared.

**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**

	<b>House Brands S\$'000</b>	<b>Non-House Brands S\$'000</b>	<b>Total S\$'000</b>
<b>2016</b>			
<b>Revenue</b>			
External revenue	52,054	20,526	72,580
Inter-segment revenue	3,964	781	4,745
<b>Total</b>	<b>56,018</b>	<b>21,307</b>	<b>77,325</b>
Interest income	2	-	2
Interest expense	(187)	(185)	(372)
Depreciation	(607)	(170)	(777)
Amortisation	(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
Allowance for inventories obsolescence written back	(51)	(28)	(79)
<b>Segment profit</b>	<b>916</b>	<b>94</b>	<b>1,010</b>
<b>Assets</b>			
Segment assets	35,050	8,644	43,694
Capital expenditure	504	208	712
<b>Liabilities</b>			
Segment liabilities	11,147	2,484	13,631

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

<b>2016</b>	<b>Total</b>
<b>Revenues</b>	<b>S\$'000</b>
Total revenues for reportable segments	77,325
Elimination of inter-segment revenues	(4,745)
Total external revenues	<u>72,580</u>
<b>Profit or loss</b>	
Total segment profit	1,010
Unallocated corporate expenses	(281)
Other income	167
Profit before income tax expense	<u>896</u>
<b>Assets</b>	
Segment assets	43,694
Other unallocated amounts	3,538
Total assets	<u>47,232</u>
<b>Liabilities</b>	
Segment liabilities	13,631
Other unallocated amounts	5,536
Total liabilities	<u>19,167</u>

	<b>House Brands S\$'000</b>	<b>Non-House Brands S\$'000</b>	<b>Total S\$'000</b>
<b>2015</b>			
<b>Revenue</b>			
External revenue	50,864	24,903	75,767
Inter-segment revenue	3,029	1,125	4,154
<b>Total</b>	<b>53,893</b>	<b>26,028</b>	<b>79,921</b>
Interest income	3	1	4
Interest expense	(287)	(63)	(350)
Depreciation of property, plant and equipment	(476)	(223)	(699)
Amortisation of intangible assets	(48)	(34)	(82)
Other non-cash items:			
Allowance for doubtful third party trade receivables	126	(1)	125
Allowance for doubtful third party trade receivables written back	(24)	(17)	(41)
Write down of inventories	436	100	536
Segment profit	(427)	438	11
<b>Assets</b>			
Segment assets	32,640	10,783	43,423
Capital expenditure	3,708	54	3,762
<b>Liabilities</b>			
Segment liabilities	10,015	3,094	13,109

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

<b>2015</b>	<b>Total</b>
<b>Revenues</b>	<b>S\$'000</b>
Total revenues for reportable segments	79,921
Elimination of inter-segment revenues	(4,154)
Total external revenues	<u>75,767</u>
<b>Profit or loss</b>	
Total segment profit	11
Unallocated corporate expenses	23
Other income/other expenses	(750)
Loss before income tax expense	<u>(716)</u>
<b>Assets</b>	
Segment assets	43,423
Other unallocated assets	4,240
Total assets	<u>47,663</u>
<b>Liabilities</b>	
Segment liabilities	13,109
Other unallocated liabilities	7,577
Total liabilities	<u>20,686</u>

## GEOGRAPHICAL SEGMENT

	Total	
	2016	2015
	S\$'000	S\$'000
<b>Revenue</b>		
Singapore	32,546	32,338
Malaysia	17,163	19,957
Others <sup>(Note)</sup>	22,871	23,472
	<u>72,580</u>	<u>75,767</u>
<b>Non-current assets</b>		
Singapore	7,026	7,056
Malaysia	6,020	6,351
Others <sup>(Note)</sup>	2	2
	<u>13,048</u>	<u>13,409</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.**

Revenue from House Brands increased by S\$1.19 million to S\$52.05 million in FY2016 from S\$50.86 million in FY2015 and revenue from Non-House Brands decreased by S\$4.37 million to S\$20.53 million in FY2016 from S\$24.90 million in FY2015, which mainly due to the decrease in export of Non-House Brand products. The decrease in overall revenue was mainly due to decrease in sales to overseas markets and lower sales from translation to reporting currency arising from the depreciation of Malaysia Ringgit.

**17. A breakdown of sales.**

	Group		
	Year ended 31/12/2016	Year ended 31/12/2015	Change
	S\$'000	S\$'000	%
<b>First Half</b>			
Sales reported for the first half year	37,317	37,778	(1.2)
Operating profit after income tax reported for first half year	(488)	17	(2970.6)
<b>Second Half</b>			
Sales reported for the second half year	35,263	37,989	(7.2)
Operating profit after income tax reported for second half year	1,557	(963)	(261.7)

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

	FY2016	FY2015
	S\$'000	S\$'000
<b>Ordinary</b>	Nil	Nil
<b>Preference</b>	Nil	Nil
<b>Total:</b>	Nil	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 Catalyst Rules have been obtained from all its directors and executive officers in the format set out in Appendix 7H of the Catalyst 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.**

<b>Name</b>	<b>Age</b>	<b>Family Relationship with any Director and/or Chief Executive Officer and/or Substantial Shareholder</b>	<b>Current position and duties, and the year position was first held</b>	<b>Details of changes in duties and position held, if any, during the year</b>
Lim Hai Cheok	68	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.  Chairman and Chief Executive Officer, since July 2004.	Nil
Chong Poh Soon	68	Spouse of Lim Hai Cheok, Chairman, 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	64	Sister of Lim Hai Cheok. Chairman, 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	43	Son of Lim Hai Cheok, Chairman, 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  
27 February 2017