



**MERCURIUS CAPITAL  
INVESTMENT LIMITED**

**MERCURIUS CAPITAL INVESTMENT LIMITED**

(Incorporated in the Republic of Singapore)

(Company Registration No.198200473E)

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**Unaudited Financial Statements Announcement for the Fourth Quarter and Full Financial Year Ended 31 December 2018**

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

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

	3 Months Ended			12 Months Ended		
	31/12/2018	31/12/2017	Change	31/12/2018	31/12/2017	Change
	SS'000	SS'000	%	SS'000	SS'000	%
	Unaudited	Unaudited (Restated)#		Unaudited	Audited (Restated)#	
<b>Continuing operations</b>						
Revenue	-	-	-	-	-	-
Cost of sales	-	-	-	-	-	-
Gross profit	-	-	-	-	-	-
Other income, net	6	498	-99	22	1,028	-98
Administrative expenses	(87)	(110)	-21	(341)	(516)	-34
<b>(Loss)/profit before income tax</b>	<b>(81)</b>	<b>388</b>	<b>NM</b>	<b>(319)</b>	<b>512</b>	<b>NM</b>
Income tax expenses	-	-	-	-	-	-
<b>Net (Loss)/profit for the financial period from continuing operation</b>	<b>(81)</b>	<b>388</b>	<b>NM</b>	<b>(319)</b>	<b>512</b>	<b>NM</b>
<b>Discontinued operations</b>						
<b>Net loss for the financial period from discontinued operations, net of tax</b>	<b>-</b>	<b>(1,124)</b>	<b>-</b>	<b>-</b>	<b>(2,078)</b>	<b>-100</b>
<b>Total loss for the financial period</b>	<b>(81)</b>	<b>(736)</b>	<b>NM</b>	<b>(319)</b>	<b>(1,566)</b>	<b>-80</b>
<b>Other comprehensive (loss)/income:</b>						
Items that may be reclassified subsequently to profit or loss:						
Currency translation differences arising from consolidation						
- gains/(losses)	-	(78)	-100	6	3	NM
- Reclassification on disposal and struck off of subsidiary corporations	-	-	-	-	852	-100
<b>Total comprehensive loss</b>	<b>(81)</b>	<b>(814)</b>	<b>NM</b>	<b>(313)</b>	<b>(711)</b>	<b>-56</b>
<b>Total (loss)/profit attributable to:</b>						
Equity holders of the Company-continuing operations	(81)	388	NM	(318)	512	NM
Equity holders of the Company-discontinued operations	-	(1,124)	-	-	(2,078)	-100
Non-controlling interests	*	*	-	(1)	*	NM
Equity holders of the Company	(81)	(736)	NM	(319)	(1,566)	-80
<b>Total comprehensive (loss)/income attributable to:</b>						
Equity holders of the Company-continuing operations	(81)	310	NM	(312)	1,367	NM
Equity holders of the Company-discontinued operations	-	(1,124)	-	-	(2,078)	-100
Non-controlling interests	*	*	-	(1)	*	
Equity holders of the Company	(81)	(814)	NM	(313)	(711)	-56

NM = Not Meaningful

\* Amount less than S\$1000

# A prior year adjustment was made in relation to interest payable to convertible loans holders of S\$63,000 which was inadvertently recorded as finance costs in profit or loss. As the convertible loans were entirely recognised as equity instruments since inception date, the related interest payable to convertible loans holders should have been classified as distribution of earnings in the statement of changes in equity. This accounting error has been rectified in accordance with SFRS(I) 1-8 Accounting Policies, Change in Accounting Estimates and Errors. Please refer to section 1(d)(ii)(bb) for further information on the Convertible Loans (as defined herein).

**1(a)(ii) Notes to Consolidated Statement of Comprehensive Income**

Profit/(loss) before income tax for the financial period was arrived at after crediting/(charging) the following:

	Continuing Operations			Discontinued Operations		
	3 months ended		Change	3 months ended		Change
	31/12/2018	31/12/2017		31/12/2018	31/12/2017	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Over-accrual of prior year audit fees	7	-	NM	-	-	-
Write back of impairment of trade and other receivables	-	(886)	-100	-	-	-
Bad debts written off	(9)	(12)	-25	-	-	-
Depreciation of property, plant and equipment	(1)	(1)	-	-	-	-
Salaries, bonuses and allowances	(22)	(35)	-37	-	-	-
Rental expenses on operating lease	(1)	(1)	-	-	-	-
Currency translation (losses)/gains, net	(13)	1,320	NM	-	(1,124)	-100

	Continuing Operations			Discontinued Operations		
	12 months ended		Change	12 months ended		Change
	31/12/2018	31/12/2017		31/12/2018	31/12/2017	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Over-accrual of prior year audit fees	7	-	NM	-	-	-
Gain on disposal/strike-off of subsidiary corporations	-	848	-100	-	-	-
Waiver from other non-related payables	-	14	-100	-	-	-
Bad debts written off	(13)	(13)	-	-	-	-
Depreciation of property, plant and equipment	(4)	(4)	-	-	(4)	-100
Salaries, bonuses and allowances	(90)	(98)	-8	-	(88)	-100
Rental expenses on operating lease	(3)	(1)	NM	-	(22)	-100
Interest expense	-	-	-	-	(127)	-100
Currency translation gains/(losses), net	(6)	45	NM	-	(1,868)	-100

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.**

	<b>31/12/2018</b> <b>S\$'000</b> <b>(Unaudited)</b>	31/12/2017 S\$'000 (Audited) (Restated)	1/1/2017 S\$'000 (Audited)	<b>31/12/2018</b> <b>S\$'000</b> <b>(Unaudited)</b>	31/12/2017 S\$'000 (Audited) (Restated)	1/1/2017 S\$'000 (Audited)
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents	225	499	165	195	482	145
Trade and other receivables	54	87	69	76	62	24
Income tax recoverable	3	3	18	-	-	
	<b>282</b>	589	252	<b>271</b>	544	169
Assets directly associated with disposal group classified as held-for-sale	-	-	32,008	-	-	18,089
	<b>282</b>	589	32,260	<b>271</b>	544	18,258
<b>Non-current assets</b>						
Investments in subsidiary corporations	-	-	-	*	*	-
Property, plant and equipment	4	8	9	2	5	9
	<b>4</b>	8	9	<b>2</b>	5	9
<b>TOTAL ASSETS</b>	<b>286</b>	597	32,269	<b>273</b>	549	18,267
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Trade and other payables	192	190	2,822	127	126	781
Liabilities directly associated with disposal group classified as held-for-sale	-	-	30,008	-	-	18,089
<b>TOTAL LIABILITIES</b>	<b>192</b>	190	32,830	<b>127</b>	126	18,870
<b>NET ASSETS</b>	<b>94</b>	407	(561)	<b>146</b>	423	(603)
<b>EQUITY</b>						
<b>Capital and reserves attributable to equity holders of the Company</b>						
Share capital	133,182	133,182	49,074	133,182	133,182	132,732
Other reserves	(923)	(1,009)	8,831	1,143	1,063	-
Accumulated losses	(132,172)	(131,774)	(58,245)	(134,179)	(133,822)	(133,335)
	<b>87</b>	399	(340)	<b>146</b>	423	(603)
<b>Non-controlling interests</b>	<b>7</b>	8	(221)	-	-	-
<b>TOTAL EQUITY</b>	<b>94</b>	407	(561)	<b>146</b>	423	(603)

\* Amount less than S\$1,000.

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

**- Amount repayable in one year or less, or on demand**

**- Amount repayable after one year**

NIL.

The Group does not have any borrowings as at 31 December 2018 and 31 December 2017.

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

	<b>12 Months Ended</b>	
	31/12/2018 S\$'000 (Unaudited)	31/12/2017 S\$'000 (Audited) (Restated)
<b>Cash flows from operating activities</b>		
Total loss	(319)	(1,566)
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	4	4
Bad debt written off	13	13
Interest expense	-	127
Interest income on bank deposits	-	(2)
Gain on disposal/strike-off of subsidiary corporations	-	(848)
Unrealised currency translation loss	6	1,833
<b>Operating cash flows before working capital changes</b>	<b>(296)</b>	<b>(439)</b>
<b>Changes in working capital</b>		
Trade and other receivables	20	(38)
Inventories	-	141
Trade and other payables	2	(192)
<b>Cash used in operations</b>	<b>(274)</b>	<b>(528)</b>
Income tax refund	-	13
Income tax paid	-	2
<b>Net cash used in operating activities</b>	<b>(274)</b>	<b>(513)</b>
<b>Cash flows from investing activities</b>		
Additions of property, plant and equipments	-	(3)
Disposal/strike-off of subsidiary corporations, net of cash disposed of	-	(52)
<b>Net cash used in investing activities</b>	<b>-</b>	<b>(55)</b>
<b>Cash flows from financing activities</b>		
Proceeds from convertible loan	-	1,000
Proceeds from borrowings	-	153
Repayment of borrowings	-	(155)
Interest paid	-	(127)
<b>Net cash provided by financing activities</b>	<b>-</b>	<b>871</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(274)</b>	<b>303</b>
<b>Cash and cash equivalents</b>		
Cash and cash equivalents at beginning of financial year	499	196
Cash and cash equivalents at end of financial year	225	499

**1(d)(i) A statement (for the issuer and the 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.**

	<b>Equity attributable to owners of the Company</b>								
	Share capital S\$'000	Statutory surplus reserve S\$'000	Capital reserve S\$'000	Currency translation reserve S\$'000	Equity component of convertible loan S\$'000	Accumulated losses S\$'000	Equity attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total Equity S\$'000
<b>GROUP</b>									
Balance at 31 December 2017 as previously reported	133,182	-	-	(2,144)	1,063	(131,702)	399	8	407
Effect of adopting SFRS(I)	-	-	-	72	-	(72)	-	-	-
Balance at 1 January 2018	133,182	-	-	(2,072)	1,063	(131,774)	399	8	407
Prior year adjustment	-	-	-	-	-	63	63	-	63
Loss for the financial year	-	-	-	-	-	(318)	(318)	(1)	(319)
Other comprehensive income for the financial year	-	-	-	6	-	-	6	-	6
Total comprehensive loss for the financial year (Restated)	-	-	-	6	-	(255)	(249)	(1)	(250)
Interest to convertible loan classified as equity	-	-	-	-	80	(143)	(63)	-	(63)
Balance at 31 December 2018	133,182	-	-	(2,066)	1,143	(132,172)	87	7	94
Balance at 31 December 2016 as previously reported	49,074	1,911	6,992	(72)	-	(58,245)	(340)	(221)	(561)
Effect of adopting SFRS(I)	-	-	-	72	-	(72)	-	-	-
Balance at 1 January 2017	49,074	1,911	6,992	-	-	(58,317)	(340)	(221)	(561)
Loss for the financial year as previously reported	-	-	-	-	-	(1,629)	(1,629)	-	(1,629)
Prior year adjustment	-	-	-	-	-	63	63	-	63
Other comprehensive income for the financial year	-	-	-	855	-	-	855	-	855
Total comprehensive loss for the financial year (Restated)	-	-	-	855	-	(1,566)	(711)	-	(711)
Issuance of new ordinary shares	450	-	-	-	-	-	450	-	450
Derecognized pursuant to disposal of subsidiary corporations	83,658	(1,911)	(6,992)	(2,927)	-	(71,828)	-	229	229
Convertible loans - equity component as previously reported	-	-	-	-	1,063	-	1,063	-	1,063
Interest to convertible loan classified as equity	-	-	-	-	-	(63)	(63)	-	(63)
Convertible loans - equity component (Restated)	-	-	-	-	1,063	(63)	1,000	-	1,000
Balance at 31 December 2017 (Restated)	133,182	-	-	(2,072)	1,063	(131,774)	399	8	407

**Equity attributable to owners of the Company**

	Share capital S\$'000	Statutory surplus reserve S\$'000	Capital reserve S\$'000	Currency translation reserve S\$'000	Equity component of convertible loan S\$'000	Accumulated losses S\$'000	Equity attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total Equity S\$'000
<b>COMPANY</b>									
Balance at 1 January 2018 as previously reported	133,182	-	-	-	1,063	(133,822)	423	-	423
Prior year adjustment	-	-	-	-	-	63	63	-	63
Loss for the financial year	-	-	-	-	-	(277)	(277)	-	(277)
Total comprehensive loss for the financial year (Restated)	133,182	-	-	-	1,063	(134,036)	209	-	209
Interest to convertible loan holders classified as equity	-	-	-	-	80	(143)	(63)	-	(63)
Balance as at 31 December 2018	133,182	-	-	-	1,143	(134,179)	146	-	146
Balance at 1 January 2017 as previously reported	132,732	-	-	-	-	(133,335)	(603)	-	(603)
Issuance of new ordinary shares	450	-	-	-	-	-	450	-	450
Loss for the financial year as previously reported	-	-	-	-	-	(487)	(487)	-	(487)
Prior year adjustment	-	-	-	-	-	63	63	-	63
Loss for the financial year (Restated)	-	-	-	-	-	(424)	(424)	-	(424)
Convertible loans - equity component previously reported	-	-	-	-	1,063	-	1,063	-	1,063
Interest to convertible loan holders classified as equity	-	-	-	-	-	(63)	(63)	-	(63)
Convertible loans - equity component (Restated)	-	-	-	-	1,063	(63)	1,000	-	1,000
Balance as at 31 December 2017 (Restated)	133,182	-	-	-	1,063	(133,822)	423	-	423



**1(d)(ii) (aa) 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.**

	<b>Issued and fully paid-up ordinary shares</b>	<b>Share capital S\$'000</b>
Balance as at 30 September 2018 and 31 December 2018	1,114,008,940	133,182

**(bb) State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares 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.**

On 17 March 2017, the Company entered into a convertible loan agreement with two investors whereby the investors provided redeemable convertible loans of an aggregate principal value of S\$1.0 million (“**Convertible Loans**”) to the Company, which are, together with interest, convertible into up to 10.8 million new ordinary shares in the issued and paid-up share capital of the Company (“**Shares**”). The Company had on 29 March 2018 extended the maturity date of the Convertible Loans to 17 March 2019. Pursuant to the extension, the Convertible Loans (inclusive of interest) may be convertible up to 11.6 million new Shares.

As disclosed in the Company’s annual report for the financial year ended 31 December 2017 (“**2017 AR**”), the management of the Company has performed internal assessment for the recognition of the Convertible Loans and concluded that the entire proceeds of Convertible Loans of \$1,000,000 shall be accounted for as equity of the Company at the inception date. Please refer to the 2017 AR for further details on the above.

As at 31 December 2018, the Convertible Loans, inclusive of interest, are convertible into up to 11.6 million new Shares (31 December 2017: 10.8 million). Save for this, the Company does not have any other convertible securities.

**(cc) 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.**

There were no treasury shares or subsidiary holdings as at 31 December 2018 and 31 December 2017.

- 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 2018 was 1,114,008,940 (31 December 2017: 1,114,008,940). There were no treasury shares as at 31 December 2018 and 31 December 2017.

- 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 2018 was 1,114,008,940 (31 December 2017: 1,114,008,940). There were no treasury shares as at 31 December 2018 and 31 December 2017.

- 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.**

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period/year reported on.

- 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. The Company did not have any subsidiary holdings during and as at the end of the current financial period/year 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 independent auditor.

- 3. Where the figures have been audited or reviewed, the auditor's 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.**

Save as disclosed in Section 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial reporting period as those applied in the preparation of the audited financial statements of the Group for the financial year ended 31 December 2017.

**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 Group had adopted a new financial reporting framework, Singapore Financial Reporting Standards (International) (“SFRS(I)”), which are effective for the financial periods beginning on or after 1 January 2018. The adoption of SFRS(I) have no significant financial impact on the Group's financial statements except as described below:-

The Group elected the optional exemption in SFRS(I) to reset its cumulative currency translation reserves for all foreign operation to zero at the date of transition and reclassify the cumulative currency translation reserves of S\$72,000 as at 1 January 2017 to accumulated losses.

**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.**

	3 Months Ended		12 Months Ended	
	31-12-2018	31-12-2017	31-12-2018	31-12-2017
Weighted average number of ordinary shares for basic earnings per share	1,114,008,940	1,106,255,515	1,114,008,940	1,106,255,515
Weighted average number of ordinary shares for diluted earnings per share	1,116,932,776	1,108,977,707	1,125,608,940	1,117,055,515
<b>Continuing Operations</b>				
Net (loss)/profit for the financial period/year (S\$'000)	(81)	388	(319)	512
Basic (loss)/earnings per share (cents)	(0.01)	0.04	(0.03)	0.05
Diluted (loss)/earnings per share (cents)	(0.01)	0.03	(0.03)	0.05
<b>Discontinued Operations</b>				
Net loss for the financial period/year (S\$'000)	-	(1,124)	-	(2,078)
Basic loss per share (cents)	-	(0.10)	-	(0.19)
Diluted loss per share (cents)	-	(0.10)	-	(0.19)

For the 3 months and 12 months financial period ended 31 December 2018, the weighted average number of shares for diluted loss per share included the 11.6 million new Shares that may be issued and allotted pursuant to the conversion of the Convertible Loans.

7. **Net asset value (for the issuer and the group) per ordinary share based on issued share capital of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.**

	<b>Group</b>			
	31/12/2018		31/12/2017	
<b>Net Assets Value Per Ordinary Share</b>				
- Based on issued share capital at the end of financial year	0.01	cents	0.04	cents
- Number of existing issued shares at the end of financial year	1,114,008,940		1,114,008,940	
	<b>Company</b>			
	31/12/2018		31/12/2017	
<b>Net Assets Value Per Ordinary Share</b>				
- Based on issued share capital at the end of financial year	0.01	cents	0.04	cents
- Number of existing issued shares at the end of financial year	1,114,008,940		1,114,008,940	

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.**
- (A) **Review of consolidated statement of comprehensive income**

#### **Results from continuing operations**

##### Revenue and Gross Profit

Following the completion of the disposal of China Children Fashion Holding Pte Ltd and its subsidiary corporations (the “**CCFHPL Group**”), the Group did not record any revenue for the fourth quarter ended 31 December (“**4Q**”) 2018 and the full financial year ended 31 December (“**FY**”) 2018. The Group’s new business in property development and property investment which was approved by shareholders of the Company on 30 March 2017, is still in early stages and has not generated any revenue for the Group.

##### Other Income, Net

In 4Q2018, net other income of S\$6,000 was derived from licensing fees received of S\$12,000 pursuant to the licensing agreement dated 13 July 2018 (“**Licensing Agreement**”) and reversal of over-accruals of prior year audit fees of S\$7,000, partially offset by currency translation losses of S\$13,000. Pursuant to the Licensing Agreement, the Company granted Clover Lifestyle Sdn Bhd (“**Clover**”) the right to use the Group’s proprietary brands, namely Friven, Allegoria, DS, and Relax at home (the “**Brands**”) for the sale of bedding, bed linen and bath products exclusively

in Singapore and Malaysia for a duration of 12 months ending 31 July 2019. The currency translation losses were due to the appreciation of Singapore Dollar against Malaysian Ringgit.

In 4Q2017, net other income of S\$0.50 million was mainly due to currency translation gain of S\$1.32 million, partially offset by reinstatement of prior quarter's write-back of impairment of trade and other receivables of S\$0.89 million.

In FY2018, net other income of S\$22,000 was mainly derived from licensing fees received pursuant to the Licensing Agreement. In FY2017, net other income of S\$1.03 million was mainly due to net gain on disposal and striking off of subsidiary corporations amounting to S\$0.85 million, waiver of non-related other payables of S\$0.14 million, and currency translation gain of S\$0.04 million.

#### Administrative Expenses

Administrative expenses decreased from S\$0.11 million in 4Q2017 to S\$0.09 million in 4Q2018, and from S\$0.52 million in FY2017 to S\$0.34 million in FY2018, mainly due to decrease in professional fees, travelling expenses and expenses incurred in respect of holding the Company annual general meeting.

#### Net (loss)/profit from continuing operations

As a result of the above, the Group recorded a net loss after tax of S\$0.08 million and S\$0.32 million in 4Q2018 and FY2018 respectively, as compared to a net profit of S\$0.39 million and S\$0.51 million in 4Q2017 and FY2017 respectively.

### **(B) Review of statement of financial position**

#### **Current Assets**

Cash and cash equivalents decreased to S\$0.23 million as at 31 December 2018, from S\$0.50 million as at 31 December 2017 due to cash used for the Group's operating activities.

Trade and other receivables decreased to S\$0.05 million as at 31 December 2018 from S\$0.09 million as at 31 December 2017, mainly due to decrease in prepaid expenses related to professional and listing fees.

The Group's working capital decreased from S\$0.40 million as at 31 December 2017 to S\$0.09 million as at 31 December 2018.

#### **Non-current Assets**

Non-current assets remained relatively stable at approximately S\$0.01 million as at 31 December 2018 and 31 December 2017. The slight decrease in property, plant and equipment as at 31 December 2018 was mainly due to depreciation of property, plant and equipment.

## **Current Liabilities**

Trade and other payables remained relatively stable at approximately S\$0.19 million as at 31 December 2017 and 31 December 2018. Trade and other payables mainly consist of accruals for professional fees and staff cost during the financial year.

## **Equity**

The Group's equity decreased from S\$0.41 million as at 31 December 2017 to S\$0.09 million as at 31 December 2018, mainly due to increase in accumulated losses.

### **(C) Consolidated statement of cash flows**

Net cash used in operating activities amounted to S\$0.27 million for FY2018, mainly due to (i) cash outflow before changes in working capital of S\$0.30 million; and (ii) increase in trade and other receivable of S\$0.02 million.

There was no cash used in or generated from investing activities and the financing activities in FY2018.

As a whole, the Group had a net cash outflow of S\$0.27 million in FY2018. The cash and cash equivalents as at 31 December 2018 amounted to S\$0.23 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 Company had diversified its core business to include property development and property investment (“**New Business**”), as duly approved by the Company's shareholders (“**Shareholders**”) at the Company's extraordinary general meeting on 30 March 2017. Through the joint venture agreement signed with HM Realty Holdings Sdn Bhd to develop a land located at Kempas, Johor Bahru, Malaysia, the Company is currently in the process of converting the Kempas land title from residential use to commercial use. The Board is aware of the prolonged process of conversion, partly due to the changes in Malaysian ministry following the Malaysia General Election in May 2018, which affected the approval process from the respective Government agencies, and the subsequent change in the government of Malaysia.

On 1 February 2019, in response to SGX queries, the Company announced the following information pertaining to the status of the Group's operating business:-

- 1) The Company is currently pending approval from Majlis Bandaraya Johor Bahru ("MBJB") for conversion of the Kempas Land from residential use to commercial use. As at todate, the Company had yet to receive the approval from MBJB.
- 2) The Company began a review of the feasibility of developing another piece of land in Johor, located in Permas Jaya, which is one of the Option Properties signed with our joint venture partner in March 2017. The Company is in the midst of appointing suitable consultant to conduct the feasibility report and will make the necessary announcement as and when there are further development.
- 3) In terms of the licensing agreement entered with Clover, if Clover is able to revive the Friven brand successfully and achieve the projected profit during the licensing period, the Company would consider investing further in the bedlinen business either through acquisition or joint venture with Clover. The Company targets to assess Clover's performance in May 2019, which is 3 months before the end of the licensing period. The Company is currently closely monitoring Clover's progress.
- 4) The Company intend to initiate fund raising exercise by end of March 2019 and has been engaging in discussions with potential investors with the objective to secure new funds for the Company, and exploring other property development and property investment opportunities for the Group. As at the date of this announcement, no terms sheets and/or definitive agreements have been entered into, and the Company will make the announcements as and when necessary. The Company will update the shareholders of the Company from time to time where appropriate or required under the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist ("Catalist Rules").

The Board remains cautious of the change in the government of Malaysia and its implementation of new policies affecting the country. However, the Board remained optimistic of the New Business and believes that it will allow the Group to have better prospects of profitability and improve shareholders' value in the long run.

**11. If a decision regarding dividend has been made:**

**(a) Whether an interim (final) dividend has been declared (recommended); and**

No.

**(b) Amount of dividend per share of the current reporting financial period and of the previous corresponding period.**

Nil (30 September 2018: Nil).

- (c) **Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable.

- (d) **The date the dividend is payable**

Not applicable.

- (e) **The date on which Registrable Transfers received by the company (up to 5:00pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

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

No dividend has been declared or recommended for the financial year ended 31 December 2018, as the Group recorded net loss for the year and has limited cash for its operations.

13. **If the Group has obtained a general mandate from shareholders for interested person transactions (“IPT”) 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.**

No general mandate for IPT has been obtained from shareholders of the Company.

- 14 **Segmented revenue and results for operating 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.**

The Company disposed of the CCFHPL Group in FY2017. The Company’s new business of property development and property investment has not commenced and the Company did not record any revenue for FY2018. Accordingly, no segmental information has been presented.

15. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.**

Please refer to section 14 above.



**16. A breakdown of sales.**

	<b>FY2018</b>	<b>FY2017</b>	<b>% increase/ (decrease)</b>
	<b>SS'000</b>	<b>SS'000</b>	
(a) Sales reported for first half year	-	-	-
(b) Operating loss after tax before deducting minority interests reported for first half year	(182)	(530)	66
(c) Sales reported for second half year	-	-	-
(d) Operating loss after tax before deducting minority interests reported for second half year	(137)	(1,036)	87

*NM = Not meaningful*

No revenue was recorded in FY2018 and FY2017.

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

Not applicable. No dividend was declared and paid for FY2018 and FY2017.

**18. 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.**

There is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

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

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

20. Please disclose the status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use in the offer document or the announcement of the issuer.

Use of net proceeds from the Convertible Loans as at 28 February 2019 is as follows:

<b>Use of Net Proceeds</b>	<b>Amount allocated (S\$'000)</b>	<b>Amount utilised (S\$'000)</b>	<b>Balance as at 28 February 2019 (S\$'000)</b>
Working capital*	985	927	58
Total	985	927	58

*\*Working capital included operating expenses such as professional fees, listing fees, staff cost and office expenses.*

The use of the aforementioned net proceeds is in accordance with the intended use as stated in the Company's announcement dated 29 March 2018. The Company will make periodic announcements as and when the balance of the net proceeds is materially disbursed.

**BY ORDER OF THE BOARD**

**Chang Wei Lu**  
**Executive Chairman and Chief Executive Officer**

**28 February 2019**