



**Unaudited Half Year Financial Statement And Dividend Announcement for the Period Ended 31/12/2020**

**PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR RESULTS**

1(a) **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.**

(a)(i) **CONSOLIDATED INCOME STATEMENT**

	<b>1H FY2021</b>	<b>1H FY2020</b>	
	<b>31 Dec 20</b>	<b>31 Dec 19</b>	
	<b>\$'000</b>	<b>\$'000</b>	<b>Change</b>
			<b>%</b>
<b>Revenue</b>	7,325	8,777	(16.5)
Cost of sales	(3,517)	(4,152)	(15.3)
<b>Gross profit</b>	<u>3,808</u>	<u>4,625</u>	(17.7)
Other operating income	829	156	431.4
Distribution costs	(1,278)	(1,778)	(28.1)
Administrative expenses	(2,934)	(3,164)	(7.3)
Other operating expenses	(127)	(163)	(22.1)
Finance costs	(27)	(25)	8.0
<b>Profit (Loss) before income tax</b>	<u>271</u>	<u>(349)</u>	(177.7)
Income tax expense	(48)	-	n/m
<b>Profit (Loss) for the period</b>	<u>223</u>	<u>(349)</u>	(163.9)
<b>Other comprehensive income (loss):</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Net fair value gain (loss) in equity instruments designated as at FVTOCI <sup>(1)</sup> arising during the year	38	(16)	(337.5)
<i>Items that may be reclassified subsequently to profit or loss</i>			
Net fair value gain in debt instruments designated as at FVTOCI <sup>(1)</sup> arising during the year	18	25	(28.0)
Exchange differences arising on translation of foreign subsidiaries	(2)	(5)	(60.0)
<b>Other comprehensive income for the period</b>	<u>54</u>	<u>4</u>	1,250.0
<b>Total comprehensive income (loss) for the period</b>	<u>277</u>	<u>(345)</u>	(180.3)

n.m - denotes not meaningful

(1) fair value through other comprehensive income

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

	<b>1H FY2021</b>	<b>1H FY2020</b>
	<b>31 Dec 20</b>	<b>31 Dec 19</b>
	<b>\$'000</b>	<b>\$'000</b>
Other operating income:		
Government grants		
- Jobs Support Scheme ("JSS")	637	-
- Rental rebate	81	-
- Others	39	14
Dividend income	57	49
Interest income	12	93
Others	3	-
	<u>829</u>	<u>156</u>
Foreign exchange loss	-	(2)
Depreciation of plant and equipment	(217)	(237)
Amortisation on right-of-use assets	(468)	(652)
Allowance for doubtful debts	(22)	(22)

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>GROUP 31 Dec 20 \$'000</b>	<b>GROUP 31 Dec 19 \$'000</b>	<b>GROUP 30 Jun 20 \$'000</b>	<b>COMPANY 31 Dec 20 \$'000</b>	<b>COMPANY 31 Dec 19 \$'000</b>	<b>COMPANY 30 Jun 20 \$'000</b>
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents	11,263	9,805	12,929	8,952	7,724	10,687
Trade receivables	1,664	1,832	942	1,133	1,214	494
Amount due from related companies, associates and related parties	-	-	-	314	1,141	215
Deposits, other receivables and prepayments	661	778	735	532	625	624
Income tax refundable	1	-	2	-	-	-
Inventories	2,747	4,609	2,009	1,903	3,006	1,444
<b>Total current assets</b>	<b>16,336</b>	<b>17,024</b>	<b>16,617</b>	<b>12,834</b>	<b>13,710</b>	<b>13,464</b>
<b>Non - current assets</b>						
Subsidiaries	-	-	-	3,099	3,099	3,099
Club membership	192	190	192	192	190	192
Financial assets at FVTOCI <sup>(1)</sup>	2,570	2,468	2,441	2,570	2,468	2,441
Plant and equipments	851	1,182	939	644	832	667
Right-of-use assets	1,521	1,810	1,989	1,521	1,614	1,944
Investment properties	15,054	14,633	15,054	15,054	14,633	15,054
<b>Total non - current assets</b>	<b>20,188</b>	<b>20,283</b>	<b>20,615</b>	<b>23,080</b>	<b>22,836</b>	<b>23,397</b>
<b>Total assets</b>	<b>36,524</b>	<b>37,307</b>	<b>37,232</b>	<b>35,914</b>	<b>36,546</b>	<b>36,861</b>
<b>LIABILITIES AND EQUITY</b>						
<b>Current liabilities</b>						
Trade payables	1,489	2,260	379	1,040	1,431	295
Amount due from related companies, associates and related parties	-	-	-	988	988	988
Other payables	1,537	1,377	1,804	1,021	1,152	1,294
Contract liabilities	297	429	181	186	230	112
Lease liabilities	759	993	805	759	796	759
Income tax payable	43	106	10	13	74	5
<b>Total current liabilities</b>	<b>4,125</b>	<b>5,165</b>	<b>3,179</b>	<b>4,007</b>	<b>4,671</b>	<b>3,453</b>
<b>Non-current liabilities</b>						
Other payables	163	186	164	163	150	164
Lease liabilities	831	835	1,224	831	834	1,224
Deferred tax liability	106	103	106	66	49	66
<b>Total non-current liabilities</b>	<b>1,100</b>	<b>1,124</b>	<b>1,494</b>	<b>1,060</b>	<b>1,033</b>	<b>1,454</b>
<b>Capital and reserves</b>						
Share capital	10,251	10,251	10,251	10,251	10,251	10,251
Currency translation deficit	(87)	(90)	(86)	-	-	-
Fair value adjustment surplus	82	147	26	82	102	26
Retained earnings	21,053	20,710	22,368	20,514	20,489	21,677
<b>Total equity</b>	<b>31,299</b>	<b>31,018</b>	<b>32,559</b>	<b>30,847</b>	<b>30,842</b>	<b>31,954</b>
<b>Total liabilities and equity</b>	<b>36,524</b>	<b>37,307</b>	<b>37,232</b>	<b>35,914</b>	<b>36,546</b>	<b>36,861</b>

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

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

Not applicable

**Amount repayable after one year**

Not applicable

**Detail of any collaterals**

Not applicable

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

	<b>1H FY2021</b>	<b>1H FY2020</b>
	<b>31 Dec 20</b>	<b>31 Dec 19</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Operating activities:</b>		
Profit (Loss) before income tax	271	(349)
<u>Adjustments for:</u>		
Depreciation of plant and equipment	216	237
Amortisation on right-of-use assets	468	652
Dividend income	(57)	(49)
Interest income	(12)	(95)
Finance expense	27	22
Loss allowance on trade receivables	22	22
Net foreign exchange gain	(2)	(8)
Operating cash flows before movements in working capital	933	432
Trade receivables	(744)	(657)
Deposit, other receivables and prepayments	74	(264)
Inventories	(738)	(2,701)
Trade payables	1,110	1,630
Other payables	(313)	(188)
Contract liabilities	116	-
Cash generated from operations	438	(1,748)
Interest received	12	95
Interest paid	(27)	(22)
Income tax paid	(16)	(44)
Net cash from (used in) operating activities	<b>407</b>	<b>(1,719)</b>
<b>Investing activities</b>		
Dividend income	57	49
Proceeds on disposal of financial assets at FVTOCI	24	481
Purchase of plant and equipment	(129)	(131)
Purchase of financial assets at FVTOCI	(95)	(514)
Net cash used in investing activities	<b>(143)</b>	<b>(115)</b>
<b>Financing activities</b>		
Dividend paid	(1,537)	(2,049)
Repayment of lease liabilities	(393)	(677)
Net cash used in financing activities	<b>(1,930)</b>	<b>(2,726)</b>
Net decrease in cash and cash equivalents	(1,666)	(4,560)
Cash and cash equivalents at beginning of year	12,929	14,365
<b>Cash and cash equivalents at end of period</b>	<b>11,263</b>	<b>9,805</b>

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.**

<b>Group</b>	Share capital \$'000	Currency translation deficit \$'000	Fair value adjustment (deficit) surplus \$'000	Retained earnings \$'000	Total \$'000
<b>Latest Period</b>					
<b>Balance as at July 1, 2020</b>	10,251	(86)	26	22,368	32,559
<i>Total comprehensive income for the period</i>					
Profit for the period	-	-	-	223	223
Other comprehensive (loss) income for the period	-	(2)	56	-	54
Total	-	(2)	56	223	277
Dividends, representing transaction with owners, recognised directly in equity				(1,537)	(1,537)
<b>Balance as at December 31, 2020</b>	<b>10,251</b>	<b>(88)</b>	<b>82</b>	<b>21,054</b>	<b>31,299</b>
<b>Previous Corresponding Period</b>					
<b>Balance as at July 1, 2019</b>	10,251	(85)	138	23,108	33,412
<i>Total comprehensive loss for the period</i>					
Loss for the period	-	-	-	(349)	(349)
Other comprehensive (loss) income for the period	-	(5)	9	-	4
Total	-	(5)	9	(349)	(345)
Dividends, representing transaction with owners, recognised directly in equity	-	-	-	(2,049)	(2,049)
<b>Balance as at December 31, 2019</b>	<b>10,251</b>	<b>(90)</b>	<b>147</b>	<b>20,710</b>	<b>31,018</b>

<b>Company</b>	Share capital \$'000	Fair value adjustment (deficit) surplus \$'000	Retained earnings \$'000	Total \$'000
<b>Latest Period</b>				
<b>Balance as at July 1, 2020</b>	10,251	26	21,677	31,954
<i>Total comprehensive income for the period</i>				
Profit for the period	-	-	374	374
Other comprehensive income for the period	-	56	-	56
Total	-	56	374	430
Dividends, representing transaction with owners, recognised directly in equity			(1,537)	(1,537)
<b>Balance as at December 31, 2020</b>	<b>10,251</b>	<b>82</b>	<b>20,514</b>	<b>30,847</b>
<b>Previous Corresponding Period</b>				
<b>Balance as at July 1, 2019</b>	10,251	138	21,667	32,056
<i>Total comprehensive loss for the period</i>				
Loss for the period	-	-	826	826
Other comprehensive loss for the period	-	9	-	9
Total	-	9	826	835
Dividends, representing transaction with owners, recognised directly in equity	-	-	(2,049)	(2,049)
<b>Balance as at December 31, 2019</b>	<b>10,251</b>	<b>147</b>	<b>20,444</b>	<b>30,842</b>

1(d)(ii) **Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 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. 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**

	Number of shares	Paid-up Capital S\$
Balance at 31 December 2020	<u>102,476,024</u>	<u>10,251,458</u>

There was no change in the Company's number of shares since 30 June 2020.

The Company has no treasury shares or convertible instruments as at 31 December 2020 and as at 31 December 2019.

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.**

	Company 31 Dec 20	Company 30 Jun 20
Ordinary shares (excluding treasury shares)	<u>102,476,024</u>	<u>102,476,024</u>

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

Not applicable.

1(d)(v) **A statement showing all sales, transfer, disposal, cancellation and/or use of subsidiary holdings as at end of the current financial period reported on.**

Not applicable.

2 **Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed.

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

Not applicable.

3A **Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:—**

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

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 applied consistent accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with those of the audited financial statements for the financial year ended 30 June 2020.

- 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.**

Not applicable.

- 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:-**

	Group 31 Dec 20	Group 31 Dec 19
	cents	cents
Earning / (loss) per share for the period : -		
(a) Based on weighted average number of ordinary shares on issue	0.22	-0.34
(b) On a fully diluted basis	0.22	-0.34

Note to item (6i) :

Earnings per share is calculated based on the weighted average number of 102,476,024 (31 Dec 19: 102,476,024) ordinary shares in issue.

The basic and fully diluted earnings per ordinary share are the same as the Group did not have any potential dilutive ordinary share outstanding as at 31 December 2020.

- 7 **Net asset value (for the issuer and group) per ordinary share based on the 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	
	31 Dec 20	30 Jun 20	31 Dec 20	30 Jun 20
Net asset value per ordinary share (cents)	30.54	31.77	30.10	31.18

- 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 recorded revenue of \$7.3 million in 1H FY2021, which is \$1.5 million lower as compared to \$8.8 million in 1H FY2020. The decrease is mainly attributable to the lower gift revenue due the impact of COVID-19 pandemic.

The decrease in cost of sales was largely in line with the decrease in revenue. Accordingly, gross profit decreased by \$0.8 million from \$4.6 million in 1HFY2020 to \$3.8 million in 1H FY2021.

Other operating income increased by \$0.7 million mainly due to the government grants received under the Job Support Scheme and rental rebates.

Total operating expenses decreased by \$0.8 million from \$5.1 million to \$4.3 million. The decrease was mainly due to lower marketing and distribution costs and rental expense.

The income tax expense of \$0.05 million relates mainly to under-provision of tax expense for prior year.

As a result, the Group recorded a net profit of \$0.22 million, as compared to loss of \$0.35 million in 1H FY2020.

Statement of financial position and statement of cash flows

Trade receivables increased by \$0.7 million as at 31 Dec 20 as compared to 30 Jun 20 due mainly to Christmas sales.

Inventory increased by \$0.7 million as at 31 Dec 20 as compared to 30 Jun 20 due mainly to the stocking up for the coming Chinese New Year sales. This resulted in a corresponding increase in the trade payables.

Statement of cash flows

Net cash generated from operating activities was \$0.4 million.

Net cash used in investing activities of \$0.1 million was mainly due to purchase of fixed assets and financial assets, which was partially offset by dividend income and proceeds from disposal of financial assets.

Net cash used in financing activities of \$1.9 million was due to the dividend payment and repayment of the lease liabilities.

As a result, cash and cash equivalents decreased by \$1.6 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 challenges faced by the Group due to the COVID-19 pandemic as announced at the last reporting are still unabated. The Group is concerned that any reduction in Job Support Scheme would have a negative impact on the Group's financials.

The Group will continue to focus on cost management and explore new business opportunities. We remain cautious and would take necessary action to safeguard the Group's interests.

11 **Dividend**

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

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

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

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

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

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

No interim dividend has been declared or recommended for the current reporting period on grounds of prudence.

- 13 **If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Company has not obtained an IPT mandate from shareholders. It does not have any interested person transaction (excluding transaction less than \$100,000) during the period under review.

- 14 **Negative assurance on interim financial statement pursuant to Rule 705(5).**

The Board of Directors, hereby confirmed that, to the best of its knowledge, nothing has come to its attention which may render the unaudited half year financial results of the Group to be false or misleading in any material respect.

- 15 **Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1).**

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

**BY ORDER OF THE BOARD**

Alfred Wong Siu Hong  
Managing Director

Wong Phui Hong  
Executive Director

4 February 2021