



SINJIA LAND LIMITED
FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND
ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2017 (UNAUDITED)

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 and 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

	FY2017 S\$'000	FY2016 S\$'000	Change
	(Unaudited)	(Restated)	
<u>Continuing operations</u>			
Revenue	474	118	NM
Cost of sales	(397)	(92)	NM
Gross profit	77	26	NM
Other income	7	384	(98.2%)
Other credits	1,190	211	NM
Expenses			
- Distribution and marketing	(8)	(6)	33.3%
- Administrative	(2,100)	(2,303)	(8.8%)
- Finance	(23)	2	NM
- Other charges	(4,387)	(35)	NM
Loss before tax	(5,244)	(1,721)	NM
Income tax expense	(3)	-	NM
Loss from continuing operations	(5,247)	(1,721)	NM
<u>Discontinued operations</u>			
(Loss)/profit from discontinued operations, net of tax	(3,618)	1,161	NM
Total loss	(8,865)	(560)	NM
Other comprehensive loss, net of tax:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation			
- Losses	3,279	(310)	NM
- Reclassification	(1,701)	157	NM
Reclassification of defined benefit obligation	39	-	NM
Available-for-sale financial assets			
- Fair value losses	(2,232)	(313)	NM
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement of defined benefit obligation	-	(45)	(100.0%)
Other comprehensive loss, net of tax	(615)	(511)	20.4%
Total comprehensive loss	(9,480)	(1,071)	NM
Loss attributable to:			
Equity holders of the Company	(7,662)	(485)	NM
Non-controlling interests	(1,203)	(75)	NM
	(8,865)	(560)	NM
Loss/(profit) attributable to equity holders of the Company relates to:			
Loss from continuing operations	(4,044)	(1,646)	NM
(Loss)/profit from discontinued operations	(3,618)	1,161	NM
	(7,662)	(485)	NM
Total comprehensive loss attributable to:			
Equity holders of the Company	(8,277)	(996)	NM
Non-controlling interests	(1,203)	(75)	NM
	(9,480)	(1,071)	NM
(Loss)/earnings per share for loss attributable to equity holders of the Company (cents per share)			
Cents			
Basic and diluted (loss)/earnings per share			
From continuing operations	(2.42)	(1.17)	NM
From discontinued operations	(2.17)	0.82	NM

NM – not meaningful

Loss, net of income tax is arrived at after (charging)/crediting the following:

	FY2017	FY2016	Change
	S\$'000	S\$'000	
Depreciation of plant and equipment	(93)	(116)	(19.8%)
Foreign exchange adjustment gain	99	182	(45.6%)
Allowance for impairment on trade and other receivables	(780)	(25)	NM
Loss on disposal of plant and equipment	-	(13)	(100.0%)
Fair value loss on financial assets, at fair value through profit or loss	(269)	51	NM
Loss on disposal of subsidiary corporations	(6,343)	(155)	NM
Allowance for impairment on plant and equipment	(2,469)	-	NM
Allowance for impairment on goodwill	(758)	-	NM
Fair value adjustment on long term receivable	(91)	-	NM
Rental income	85	-	NM
Waiver of liabilities	10	-	NM
Gain on receivable	996	-	NM

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

(In S\$'000)

	Group		Company	
	31.12.2017 (Unaudited)	31.12.2016 (Audited)	31.12.2017 (Unaudited)	31.12.2016 (Audited)
ASSETS				
Current assets				
Inventories	-	1,541	-	-
Trade and other receivables	3,038	5,961	3,147	6,944
Other current assets	152	560	65	61
Financial assets, at fair value through profit or loss	1,782	2,051	1,782	2,051
Cash and cash equivalents	5,939	6,550	5,793	1,167
	10,911	16,663	10,787	10,223
Assets of disposal group classified as held for sale	792	3,258	3,268	3,207
	<u>11,703</u>	<u>19,921</u>	<u>14,055</u>	<u>13,430</u>
Non-current assets				
Available-for-sale financial assets	11,506	13,881	11,506	13,881
Investments in subsidiary corporations	-	-	4,896	12,060
Plant and equipment	39	2,326	32	110
Investment property	2,540	-	2,540	-
Goodwill	-	758	-	-
	<u>14,085</u>	<u>16,965</u>	<u>18,974</u>	<u>26,051</u>
Total assets	<u>25,788</u>	<u>36,886</u>	<u>33,029</u>	<u>39,481</u>
LIABILITIES				
Current liabilities				
Trade and other payables	12,280	13,357	10,973	11,176
Current income tax liabilities	-	192	-	-
Borrowings	99	901	4,132	5,891
	12,379	14,450	15,105	17,067
Liabilities directly associated with disposal group classified as held-for-sale	-	1,256	-	-
	<u>12,379</u>	<u>15,706</u>	<u>15,105</u>	<u>17,067</u>
Non-current liabilities				
Borrowings	179	303	179	303
Provisions	-	244	-	-
Deferred income tax liabilities	-	23	-	-
	<u>179</u>	<u>570</u>	<u>179</u>	<u>303</u>
Total liabilities	<u>12,558</u>	<u>16,276</u>	<u>15,284</u>	<u>17,370</u>
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	25,247	23,147	25,247	23,147
Treasury shares	(2,602)	(2,602)	(2,602)	(2,602)
Accumulated losses	(8,193)	(615)	(5,802)	(1,568)
Other reserves	903	1,602	902	3,134
	<u>15,355</u>	<u>21,532</u>	<u>17,745</u>	<u>22,111</u>
Non-controlling interests	<u>(2,125)</u>	<u>(922)</u>	-	-
	<u>13,230</u>	<u>20,610</u>	<u>17,745</u>	<u>22,111</u>
Total equity and liabilities	<u>25,788</u>	<u>36,886</u>	<u>33,029</u>	<u>39,481</u>

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

Amount repayable in one year or less, or on demand (In S\$'000)

	As at 31.12.2017		As at 31.12.2016	
	Secured	Unsecured	Secured	Unsecured
Finance lease liabilities	39	-	35	-
Borrowings	-	60	624	242
Total	39	60	659	242

Amount repayable after one year (In S\$'000)

	As at 31.12.2017		As at 31.12.2016	
	Secured	Unsecured	Secured	Unsecured
Finance lease liabilities	179	-	221	-
Borrowings	-	-	-	82
Total	179	-	221	82

Details of any collateral

Finance lease liabilities are secured over the Group's leased motor vehicles.

Borrowings as at 31 December 2017 amounted to S\$60,000, which consisted of unsecured term loans extended to the Company.

Borrowings as at 31 December 2016 amounted to S\$948,000, which consisted of (i) secured terms loans of S\$624,000 extended to the Disposal Group (as defined herein), which was disposed of on 15 December 2017; and (ii) unsecured terms loans of S\$324,000 extended to the Company. The secured terms loans were secured over certain bank deposits of the Disposal Group.

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**

	FY2017 S\$'000	FY2016 S\$'000
	(Unaudited)	(Restated)
Cash flows from operating activities		
- Loss from continuing operations	(5,247)	(1,721)
- (Loss)/profit from discontinued operations	(3,618)	1,161
Total loss	(8,865)	(560)
Adjustments for :		
- Income tax expenses	1,131	624
- Depreciation of plant and equipment	544	701
- Loss on disposal of plant and equipment	16	13
- Plant and equipment written-off	2	18
- Impairment loss on plant and equipment	2,469	-
- Interest income	(43)	(394)
- Finance expense	98	67
- Allowance for impairment on goodwill	758	-
- Gain on receivable	(996)	-
- Loss on disposal of a subsidiary corporations	6,343	155
- Fair value adjustment on long term receivable	91	-
- Unrealised currency translation losses	(62)	(250)
	1,486	374
Change in working capital, net of effects from disposal of subsidiary corporations:		
- Inventories	(55)	(291)
- Trade and other receivables	(5,488)	(326)
- Other current assets	417	208
- Financial assets, at fair value through profit or loss	269	(2,051)
- Trade and other payables and provisions	5,797	226
Cash generated from/(used in) operations	2,426	(1,860)
Income tax paid	(857)	(848)
Net cash provided by/(used in) operating activities	1,569	(2,708)
Cash flows from investing activities		
Additions to plant and equipment	(159)	(1,001)
Disposal of plant and equipment	2	-
Proceeds from available-for-sale financial assets	142	-
Acquisition of a subsidiary corporation, net of cash acquired	-	(649)
Disposal of a subsidiary corporation, net of cash disposed of	(3,863)	(7)
Interest received	43	394
Net cash used in investing activities	(3,835)	(1,263)
Cash flows from financing activities		
Proceeds from issuance of new shares	2,100	133
Cash restricted in use	-	(702)
Release of cash restricted in use	702	32
Interest paid	(98)	(67)
Repayment of lease liabilities	(38)	(38)
Proceeds from borrowings	1,499	1,549
Repayment of borrowings	(1,765)	(1,172)
Net cash provided by/(used in) financing activities	2,400	(265)
Net increase/(decrease) in cash and cash equivalents	134	(4,236)
Cash and cash equivalents		
Beginning of the period	6,550	10,165
Less: bank deposits pledged	(702)	(32)
Effects of currency translation on cash and cash equivalents	(43)	(49)
End of the period	5,939	5,848
Balance as in statement of financial position	5,939	6,550
Less: bank deposits pledged	-	(702)
Cash and cash equivalent as in consolidated statement of cash flows	5,939	5,848

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

	Attributable to Equity Holders of the Company					Non-Controlling Interest	Total Equity
	Share Capital	Treasury Shares	Accumulated Losses	Other Reserves	Subtotal		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		
Group							
FY2017							
Beginning of financial year	23,147	(2,602)	(615)	1,602	21,532	(922)	20,610
Loss for the financial year	-	-	(7,662)	-	(7,662)	(1,203)	(8,865)
Other comprehensive income/(loss) for the financial year	-	-	39	(654)	(615)	-	(615)
Total comprehensive loss for the financial year	-	-	(7,623)	(654)	(8,277)	(1,203)	(9,480)
Disposal of Subsidiary Corporations	-	-	45	(45)	-	-	-
Issue of new shares	2,100	-	-	-	2,100	-	2,100
Total transactions with owners, recognised directly in equity	2,100	-	45	(45)	2,100	-	2,100
End of financial year	25,247	(2,602)	(8,193)	903	15,355	(2,125)	13,230
FY2016							
Beginning of financial year	23,014	(2,602)	(85)	2,068	22,395	(1,013)	21,382
Loss for the financial year	-	-	(485)	-	(485)	(75)	(560)
Other comprehensive loss for the financial year	-	-	(45)	(466)	(511)	-	(511)
Total comprehensive loss for the financial year	-	-	(530)	(466)	(996)	(75)	(1,071)
Issue of new shares	133	-	-	-	133	-	133
Acquisition of a subsidiary corporation	-	-	-	-	-	166	166
Total transactions with owners, recognised directly in equity	133	-	-	-	133	166	299
End of financial year	23,147	(2,602)	(615)	1,602	21,532	(922)	20,610
Company							
FY2017							
Beginning of financial year	23,147	(2,602)	(1,568)	3,134	22,111	-	22,111
Loss for the financial year	-	-	(4,234)	-	(4,234)	-	(4,234)
Other comprehensive loss for the financial year	-	-	-	(2,232)	(2,232)	-	(2,232)
Total comprehensive loss for the financial year	-	-	(4,234)	(2,232)	(6,466)	-	(6,466)
Issue of new shares	2,100	-	-	-	2,100	-	2,100
Total transactions with owners, recognised directly in equity	2,100	-	-	-	2,100	-	2,100
End of financial year	25,247	(2,602)	(5,802)	902	17,745	-	17,745
FY2016							
Beginning of financial year	23,014	(2,602)	(1,113)	3,447	22,746	-	22,746
Loss for the financial year	-	-	(455)	-	(455)	-	(455)
Other comprehensive loss for the financial year	-	-	-	(313)	(313)	-	(313)
Total comprehensive loss for the financial year	-	-	(455)	(313)	(768)	-	(768)
Issue of new shares	133	-	-	-	133	-	133
Total transactions with owners, recognised directly in equity	133	-	-	-	133	-	133
End of financial year	23,147	(2,602)	(1,568)	3,134	22,111	-	22,111

- 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 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**

	Issued and paid-up ordinary shares	Share capital S\$'000
Balance as at 1 July 2017 and 31 December 2017	177,072,685	25,247
	Number of treasury shares	Number of shares outstanding
As at 31 December 2016	14,978,000	142,072,685
As at 31 December 2017	14,978,000	177,072,685
		Percentage of the aggregate number of treasury shares held against the total number of shares outstanding
		10.54%
		8.46%

There were no outstanding convertibles or subsidiary holdings as at 31 December 2017 and 31 December 2016.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year**

Total number of issued shares excluding treasury shares as at 31 December 2017 was 177,072,685 (31 December 2016: 142,072,685).

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

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

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

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial 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 external 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 applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the financial year ended 31 December 2016. The adoption of the new and amended International Financial Reporting Standards ("IFRS") and Interpretations of IFRS ("INT IFRS") that are mandatory for financial year beginning on or after 1 January 2017 does not result in material changes to the Group's financial statements.

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

In the current financial period reported on, the Group adopted the new/revised IFRS and INT FRS that are effective for annual periods beginning on or after 1 January 2017.

Effective for annual periods beginning on or after 1 January 2017

- Amendments to FRS 7 *Statement of Cash Flows*
- Amendments to FRS 12 *Income Taxes (Recognition of Deferred Tax Assets for Unrealised*
- Amendments to FRS 112 *Disclosure of Interests in Other Entities*

The adoption of the new and amended IFRS and INT FRS that are mandatory for the financial year beginning on or after 1 January 2017 does not result in material changes to the Group's financial statements.

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

	12 months ended 31.12.2017	12 months ended 31.12.2016
Net loss attributable to equity holders of the Company (S\$'000)	(7,662)	(485)
Weighted average number of ordinary shares outstanding	166,908,301	141,008,273
Basic and fully diluted loss per share (S\$ cents)	(4.59)	(0.34)

**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**

	<u>Group</u>		<u>Company</u>	
	As at 31.12.2017	As at 31.12.2016	As at 31.12.2017	As at 31.12.2016
Net asset value per ordinary share (cents)	8.67	15.16	10.02	15.56

Net asset value per share of the Group and the Company is calculated based on 177,072,685 issued shares (excluding treasury shares) as at 31 December 2017 (31 December 2016: 142,072,685 issued shares (excluding treasury shares)).

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**

Income Statement

On 15 December 2017, the Company completed the disposal (“**Disposal**”) of HLN Rubber Products Pte. Ltd. and its subsidiaries (the “**Disposal Group**”). In accordance with the FRS, the results of the Disposal Group have been presented separately as “Discontinued Operations”. “Continuing Operations” relate to the Company’s remaining businesses in (i) hostel management (operating under G4 Stations Pte. Ltd. (“**G4**”) which was acquired by the Company in October 2016); and (ii) investment in fund management.

(i) Continuing Operations

Revenue for both FY2017 and FY2016 were contributed by the Group’s business in hostel management under G4, which was acquired by the Company in October 2016. Revenue increased by S\$356,000, from S\$118,000 in FY2016 to S\$474,000 in FY2017. The increase was due to the full year revenue contribution from G4 in FY2017, as compared to the three months contribution from G4 in FY2016.

Gross profit increased by S\$51,000, from S\$26,000 in FY2016 to S\$77,000 in FY2017 mainly due to the increase in revenue, partially offset by an increase in consultancy fee of S\$9,400 in FY2017. Accordingly, gross profit margin decreased from 22.0% for FY2016 to 16.2% for FY2017.

Other income decreased by S\$377,000, from S\$384,000 in FY2016 to S\$7,000 in FY2017, mainly due to the absence of interest income from a debtor, Barons Vista LLC, in FY2017 as a result of the settlement of convertible loan note issued by Barons Vista LLC. Other income in FY2017 comprised only interest income from bank deposits.

Other credits increased by S\$0.99 million, from S\$0.21 million in FY2016 to S\$1.20 million in FY2017 mainly due to a gain of S\$1.00 million arising from the settlement of convertible loan note issued by Barons Vista LLC.

Administrative expenses decreased by S\$0.20 million, from S\$2.30 million in FY2016 to S\$2.10 million in FY2017, mainly due to the decrease in office rental.

The Group recorded finance costs of S\$23,000 in FY2017, as compared to finance income of S\$2,000 in FY2016 mainly due to interest expense payable on the Group’s borrowings in FY2017.

The Group recorded other charges of S\$4.39 million in FY2017 (FY2016: S\$35,000) mainly due to (i) allowance for impairment on plant and equipment of S\$2.47 million; (ii) allowance for impairment on goodwill of S\$0.76 million arising from the acquisition of G4 in FY2017; (iii) allowance for impairment on trade receivables of S\$0.78 million; and (iv) fair value loss on financial assets (at fair value through profit or loss) of S\$0.27 million (due to a decrease in the fair value of the Company’s investment fund (namely, Fortune Asia Long Short Fund)).

As a result of the above, the Group registered a net loss before tax of S\$5.24 million in FY2017, as compared to S\$1.72 million in FY2016. The Group posted a loss attributable to equity holders of the Company of S\$4.04 million in FY2017, as compared to S\$1.65 million in FY2016.

(ii) Discontinued Operations

Discontinued operations, which relate to the Disposal Group, reported a loss attributable to equity holders of the Company of S\$3.62 million in FY2017, whereas a profit attributable to equity holders of the Company of S\$1.16 million was reported in FY2016.

Financial Position

Current Assets

The Group's current assets decreased by S\$8.22 million to S\$11.70 million as at 31 December 2017, from S\$19.92 million as at 31 December 2016. The Group's current assets as at 31 December 2017 comprised trade and other receivables of S\$3.04 million, other current assets of S\$0.15 million, financial assets (at fair value through profit or loss) of S\$1.78 million, cash and cash equivalents of S\$5.94 million and assets of the disposal group classified as held-for-sale of S\$0.79 million.

Inventories, and trade and other receivables decreased by S\$1.54 million and S\$2.92 million, respectively, mainly due to the Disposal and settlement of convertible loan note issued by Barons Vista LLC.

Financial assets, at fair value through profit or loss decreased by S\$0.27 million, from S\$2.05 million as at 31 December 2016 to S\$1.78 million as at 31 December 2017, due to a decrease in the fair value of the Company's investment fund (namely, Fortune Asia Long Short Fund).

Cash and cash equivalents decreased by S\$0.61 million, from S\$6.55 million as at 31 December 2016 to S\$5.94 million as at 31 December 2017. Please refer to the section on "Consolidated Statement on Cash Flows" below for the reasons on the decrease in cash and cash equivalents.

Assets of the disposal group classified as held-for-sale decreased from S\$3.26 million as at 31 December 2016 to S\$0.79 million as at 31 December 2017, mainly due to the reversal of Sinjia RTE Solutions Pte Ltd from the "Assets of disposal group classified as held for sale" account, as the proposed disposal of the entity did not materialise.

Non-current Assets

The Group's non-current assets decreased by S\$2.88 million to S\$14.09 million as at 31 December 2017, from S\$16.97 million as at 31 December 2016. The Group's non-current assets as at 31 December 2017 comprised available-for-sale financial assets of S\$11.51 million, investment property of S\$2.54 million and plant and equipment of S\$39,000.

Available-for-sale financial assets decreased by S\$2.37 million, from S\$13.88 million as at 31 December 2016 to S\$11.51 million as at 31 December 2017. The available-for-sale financial assets relate to the Company's investment in Tianjin Swan Lake Real Estate Development Co., Ltd. ("TJSL"). Partial consideration for the disposal of TSJL was received by the Company from the prospective buyer in the form of shares in Abterra Ltd, a listed company on the SGX-ST. The decrease was mainly due to a decrease in fair value of these quoted securities in Abterra Ltd of S\$2.23 million and the Company's disposal of 339,000 quoted securities in Abterra Ltd in FY2017.

Plant and equipment decreased by S\$2.29 million, from S\$2.33 million as at 31 December 2016 to S\$39,000 as at 31 December 2017, mainly due to the Disposal.

Investment property of S\$2.54 million as at 31 December 2017 relates to the settlement of convertible loan note issued by Barons Vista LLC pursuant to which certain properties were transferred to the Company. There were no such items as at 31 December 2016. Please refer to the Company's announcement dated 16 June 2017 for further details on the aforementioned settlement.

Goodwill of S\$0.76 million as at 31 December 2016 relate to the Company's acquisition of G4. The amount was fully impaired as at 31 December 2017.

Current Liabilities

The Group's current liabilities decreased by S\$3.33 million, from S\$15.71 million as at 31 December 2016 to S\$12.38 million as at 31 December 2017. The Group's current liabilities as at 31 December 2017 comprised trade and other payables of S\$12.28 million and borrowings of S\$0.10 million.

Trade and other payables decreased by S\$1.08 million, from S\$13.36 million as at 31 December 2016 to S\$12.28 million as at 31 December 2017, mainly due to the Disposal. Trade and other payables comprised mainly an amount of S\$10.47 million which relates to partial consideration received from the prospective buyer in connection with the disposal of available-for-sale financial assets of investment in equity security of TJSL.

Borrowings decreased from S\$0.90 million as at 31 December 2016 to S\$0.10 million as at 31 December 2017, due to repayment of borrowings of S\$1.68 million, partially offset by additional bank borrowings of S\$1.50 million in FY2017.

The Group reported a negative working capital of S\$0.68 million as at 31 December 2017, as compared to a positive working capital of S\$4.22 million as at 31 December 2016. The Group's negative working capital as at 31 December 2017 was largely due to the partial consideration of S\$10.47 million received from the prospective buyer of TJSL which was recorded as a "Current liability – Other Payables", whereas the value of the equity security in TJSL was recorded as a "Non-current asset – Available-for-sale Financial Assets".

Non-current Liabilities

The Group's non-current liabilities decreased by S\$0.39 million, from S\$0.57 million as at 31 December 2016 to S\$0.18 million as at 31 December 2017. The Group's non-current liabilities as at 31 December 2017 comprised borrowings of S\$0.18 million.

Borrowings decreased by S\$0.12 million, from S\$0.30 million as at 31 December 2016 to S\$0.18 million as at 31 December 2017. The decrease was mainly due to the repayment of finance lease liabilities of S\$42,000 and borrowings of S\$82,000 in FY2017. Retirement benefit obligation and deferred tax liabilities of S\$0.24 million and S\$23,000 as at 31 December 2016 relate to the Disposal Group. There were no such items as at 31 December 2017.

Equity

Share capital increased by S\$2.10 million, from S\$23.15 million as at 31 December 2016 to S\$25.25 million as at 31 December 2017, pursuant to a share placement exercise ("**Share Placement**") completed in April 2017 whereby an aggregate of 35,000,000 new ordinary shares in the capital of the Company were issued at S\$0.06 per share.

Accumulated losses increased by S\$7.58 million, from S\$0.61 million as at 31 December 2016 to S\$8.19 million as at 31 December 2017, due to net loss incurred in FY2017.

Other reserves decreased by S\$0.70 million, from S\$1.60 million as at 31 December 2016 to S\$0.90 million as at 31 December 2017, mainly due to the changes in the fair value of available-for-sale financial assets of S\$2.23 million, partially offset by the adjustment in foreign currency translation reserves of S\$1.53 million arising from the Disposal.

Consolidated Statement of Cash Flows

Net cash inflow for operating activities for FY2017 amounted to S\$1.57 million, mainly due to cash from operations of S\$1.49 million and working capital changes of S\$0.94 million, partially offset by income tax paid of S\$0.86 million. Cash from working capital in FY2017 amounted to S\$0.94 million, mainly due to an increase in (i) inventories of S\$0.06 million; (ii) trade and other receivables of S\$5.49 million; and (iii) trade and other payables and provisions of S\$5.80 million; partially offset by the decrease in (i) other current assets of S\$0.42 million; and (ii) financial assets, at fair value through profit or loss of S\$0.27 million.

Net cash outflow from investing activities of S\$3.84 million in FY2017 was mainly due to the (i) disposal of the Disposal Group of S\$3.86 million; (ii) proceeds from available-for-sale financial assets of S\$0.14 million; and (iv) purchase of plant and equipment of S\$0.16 million.

Net cash inflow from financing activities of S\$2.40 million in FY2017 was mainly due to the proceeds received from the Share Placement exercise completed in April 2017 and borrowings of S\$2.10 million and S\$1.50 million respectively and the release of cash restricted for use of S\$0.70 million. The increase was partially offset by repayment of borrowings of S\$1.77 million and interest paid of S\$0.10 million.

As a result of the above, the Group had cash and cash equivalents of S\$5.94 million as at 31 December 2017, representing a decrease of S\$0.61 million as at 31 December 2016.

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

Not applicable. No forecast or prospect statement had been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Notwithstanding a loss attributable to shareholders, the Group is financially strong with cash at bank of \$5.94 million as at 31 December 2017.

In December 2017, the Company completed the disposal of the Disposal Group. The Company will focus its resources on property related business which include property development, property investment and property management (the “**Property Business**”).

The Company does not plan to restrict its Property Business to any specific geographical market as each project and investment will be evaluated and assessed by the Board on its merits. The Group may also explore joint ventures and/or strategic alliances with third parties who have the relevant expertise and resources to carry out the Property Business as and when the opportunity arises.

The Group continues to face challenges arising from uncertain economic conditions and financial environment.

The Group remains focused on streamlining its business structure and maintaining disciplined cost management. The Group has implemented various measures to stay lean and cash flow positive in order to stay competitive in the challenging business environment.

Nevertheless, the Company has, and will continue to explore new business opportunities which can enhance long term shareholder value. These include geographical expansion, mergers and acquisitions, divestment and partnering with long term strategic investor(s) who can add depth and breadth to the Group’s existing business portfolio.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No dividend has been declared for FY2017.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

No dividend was declared for the previous financial year.

(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/recommended for FY2017.

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 Group has not obtained an IPT general mandate from the Company's shareholders. There was no interested person transaction exceeding S\$100,000 entered into during FY2017.

14. **Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7 of the Catalyst Rules) under Rule 720(1) of the Catalyst Rules**

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

15. **NEGATIVE CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5)**

Not applicable for full year results announcement.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

16. **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.**

Management has determined the operating segments based on the reports reviewed by the Executive Committee ("**EXCO**") that used to make strategic decisions. The EXCO comprises the board of directors of the Company and the heads of each business within each primary geographic segment. The EXCO considers the business from both a geographic and business segment perspective.

For management purposes, the Group is organised into controlling business units ("**CBU**") based on their products and services which are further aggregated into five reportable segments as follows:

- 1) The **Office Automation** ("**OA**") segment manufactures and distributes polymeric components, polymeric die-cutting services and precision turned parts for the office automation end products including printers, copiers, electronic devices, computers, note books and peripheral accessories.
- 2) The **Lifestyle Products** ("**LP**") segment manufactures and distributes compound rubber and precision molded rubber parts and components for the consumer and lifestyle products including household electrical appliances, consumer electronic devices, vibration control components and peripheral accessories.
- 3) The **Energy/Power** ("**EP**") segment procures, assembles and installs fuel cell systems in commercial and other buildings for the generation of electricity and production of synthetic diesel in Singapore.
- 4) The **Hospitality Management** ("**HM**") segment manages and operates lodging and boarding houses and backpackers hostels.
- 5) The **Corporate** ("**IH**") segment is involved in Group level corporate services, treasury functions and investments. It derives its income substantially from inter-company transactions.

Management monitors the operating results of its CBU separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects is measured differently from operating profit or loss in the consolidated financial statements. Financing cost (interest expense) and income taxes are managed on a group basis and are not allocated to operating segments. Transfer pricing between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

On 15 December 2017, the Company completed the disposal of HLN Rubber Products Pte. Ltd. and its subsidiaries, and accordingly, the OA, LP and EP segments ceased and are considered discontinued operations of the Group.

Financial Information by Operating Segments from Continuing Operations

	OA S\$'000	EP S\$'000	HM S\$'000	IH S\$'000	Total S\$'000
Year 2017					
Sales:					
Total sales segment	-	-	474	-	474
Adjusted EBITDA	92	11	(205)	(1,691)	(1,793)
Depreciation		(1)	(2)	(90)	(93)
ORBIT	92	10	(207)	(1,781)	(1,886)
Finance costs	-	-	-	(23)	(23)
Other items	(1)	(2,416)	85	(1,003)	(3,335)
Loss before tax from operations					(5,244)
Income tax expense					(3)
Loss from continuing operations					(5,247)
Profit from discontinued operations					(3,618)
					<u>(8,865)</u>
Year 2016					
Sales:					
Total sales segment	-	-	118	-	118
Adjusted EBITDA	103	(92)	(22)	(1,727)	(1,738)
Depreciation		(4)	-	(112)	(116)
ORBIT	103	(96)	(22)	(1,839)	(1,854)
Finance costs	-	-	-	(43)	(43)
Other items	-	-	2	174	176
Loss before tax from operations					(1,721)
Income tax expense					-
Loss from continuing operations					(1,721)
Profit from discontinued operations					1,161
					<u>(560)</u>

Assets and Reconciliations

	OA S\$'000	LP S\$'000	EP S\$'000	HM S\$'000	IH S\$'000	Unallocated S\$'000	Group S\$'000
FY2017							
Segment assets for reportable segments	1	-	15	103	18,938	-	19,057
Unallocated:							
Add: Cash and cash equivalents	-	-	-	-	-	5,939	5,939
	<u>1</u>	<u>-</u>	<u>15</u>	<u>103</u>	<u>18,938</u>	<u>5,939</u>	<u>24,996</u>
FY2016							
Segment assets for reportable segments	1	8,607	-	834	17,636	-	27,078
Unallocated:							
Add: Cash and cash equivalents	-	-	-	-	-	6,550	6,550
	<u>1</u>	<u>8,607</u>	<u>-</u>	<u>834</u>	<u>17,636</u>	<u>6,550</u>	<u>33,628</u>

Liabilities and Reconciliations

	OA S\$'000	LP S\$'000	EP S\$'000	HM S\$'000	IH S\$'000	Unallocated S\$'000	Group S\$'000
FY2017							
Segment liabilities for reportable segments	4	-	1,150	153	10,973	-	12,280
Unallocated:							
Deferred and current tax liabilities	-	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	60	60
Finance lease liabilities	-	-	-	-	-	218	218
	<u>4</u>	<u>-</u>	<u>1,150</u>	<u>153</u>	<u>10,973</u>	<u>278</u>	<u>12,558</u>
FY2016							
Segment liabilities for reportable segments	5	2,411	-	17	11,168	-	13,601
Unallocated:							
Deferred and current tax liabilities	-	-	-	-	-	215	215
Other financial liabilities	-	-	-	-	-	949	949
Finance lease liabilities	-	-	-	-	-	255	255
	<u>5</u>	<u>2,411</u>	<u>-</u>	<u>17</u>	<u>11,168</u>	<u>1,419</u>	<u>15,020</u>

Geographical Information

The Group's operations are located in Singapore. Non-current assets are attributed to countries based on the Group's country of domicile and all foreign countries in total in which the entity holds assets.

The Group's reportable segments are based on differences in products and services, no additional disclosure of revenue information about products and services are required.

	Revenue		Non-Current Assets	
	Yea 2017 S\$'000	Year 2016 S\$'000	Yea 2017 S\$'000	Year 2016 S\$'000
Singapore	474	118	11,545	14,887
United States	-	-	2,540	-
Malaysia	-	-	-	624
China	-	-	-	1,145
Indonesia	-	-	-	309
Total	474	118	14,085	16,965

17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Refer to paragraph 8 - Review of the performance of the Group, found on pages 9 to 10 of this announcement.

18. A breakdown of sales

(In S\$'000)	Group		% Increase/(Decrease)
	FY2017	FY2016	
Sales reported for first half year	212	-	NM
Operating loss after tax before deducting non-controlling interest reported for first half year	(1,186)	(470)	NM
Sales reported for second half year	262	118	NM
Operating loss after tax before deducting non-controlling interest reported for second half year	(4,061)	(1,251)	NM

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

(In S\$'000)	Latest full year	Previous full year
	FY2017	FY2016
Ordinary	NIL	NIL
Preference	NIL	NIL
Total	NIL	NIL

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) of the Catalist Rules in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(10) of the Catalist Rules, 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.

21. Use of Proceeds

The Company received net proceeds of approximately S\$2.05 million from the Share Placement exercise completed in April 2017 (“**Net Proceeds**”). As at the date of this announcement, the Net Proceeds have been partially utilised as set out below:

	S\$’million
Net Proceeds	2.05
Amount utilised for working capital purposes	
- Repayment of bank loan and finance lease	(0.16)
- Payment to suppliers and operating expenses	(1.28)
Balance as at the date of this announcement	<u>0.61</u>

The use of the aforementioned Net Proceeds is in accordance with the intended use as stated in the Company’s announcement dated 14 March 2017. The Company will make periodic announcements as and when the balance of the Net Proceeds is materially disbursed.

BY ORDER OF THE BOARD

Cheong Weixiong
Executive Director
01 March 2018

*This announcement has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, ZICO Capital Pte. Ltd. (the “**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.

The contact person for the Sponsor is Ms. Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte Ltd at 8 Robinson Road, #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.