



**SINJIA LAND LIMITED**  
**HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND**  
**ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE**  
**2018 (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**

S\$'000	6 month ended 30.06.2018 (Unaudited)	6 month ended 30.06.2017 (Unaudited)	Change
<b><u>Continuing operations</u></b>			
Revenue	258	212	21.7%
Cost of sales	(267)	(193)	38.3%
Gross (loss)/profit	(9)	19	NM
Other income	17	2	NM
Other credits	65	218	(70.2%)
Expenses			
- Distribution and marketing	(4)	(3)	33.3%
- Administrative	(1,111)	(1,212)	(8.3%)
- Finance	(4)	(14)	(71.4%)
- Other charges	(167)	(758)	(78.0%)
Loss before tax	(1,213)	(1,748)	(30.6%)
Income tax expense	(5)	(60)	(91.7%)
<b>Loss from continuing operations</b>	<b>(1,218)</b>	<b>(1,808)</b>	<b>(32.6%)</b>
<b><u>Discontinued operations</u></b>			
Profit from discontinued operations, net of tax	-	1,320	(100.0%)
<b>Total loss</b>	<b>(1,218)</b>	<b>(488)</b>	<b>NM</b>
<b>Other comprehensive loss, net of tax:</b>			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation			
- Losses	-	(219)	(100.0%)
Financial assets at fair value through other comprehensive income			
- Fair value losses	(262)	(810)	(67.7%)
<b>Other comprehensive loss, net of tax</b>	<b>(262)</b>	<b>(1,029)</b>	<b>(74.5%)</b>
<b>Total comprehensive loss</b>	<b>(1,480)</b>	<b>(1,517)</b>	<b>(2.4%)</b>
<b>(Loss)/profit attributable to:</b>			
Equity holders of the Company	(1,221)	(443)	NM
Non-controlling interests	3	(45)	NM
	<b>(1,218)</b>	<b>(488)</b>	<b>NM</b>
<b>(Loss)/profit attributable to equity holders of the Company relates to:</b>			
Loss from continuing operations	(1,221)	(1,763)	(30.7%)
Profit from discontinued operations	-	1,320	(100.0%)
	<b>(1,221)</b>	<b>(443)</b>	<b>NM</b>
<b>Total comprehensive (loss)/income attributable to:</b>			
Equity holders of the Company	(1,483)	(1,472)	0.7%
Non-controlling interests	3	(45)	NM
	<b>(1,480)</b>	<b>(1,517)</b>	<b>(2.4%)</b>
<b>(Loss)/earnings per share for loss attributable to equity holders of the Company</b>			
	<b>Cents</b>		
<b>Basic and diluted (loss)/earnings per share</b>			
From continuing operations	(0.69)	(1.12)	(38.5%)
From discontinued operations	-	0.84	(100.0%)

NM – not meaningful

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

S\$'000	6 month ended 30.06.18 <u>(Unaudited)</u>	6 month ended 30.06.17 <u>(Unaudited)</u>	Change
Depreciation of plant and equipment	(20)	(46)	(56.5%)
Foreign exchange gain	23	155	(85.2%)
Fair value (loss)/gain on financial assets, at fair value through profit or loss	(167)	87	NM
Allowance for impairment on goodwill	-	(758)	(100.0%)
Rental income	40	43	(7.0%)

NM – not meaningful

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year**

(In S\$'000)	<u>Group</u>		<u>Company</u>	
	<u>30.06.2018</u> <u>(Unaudited)</u>	<u>31.12.2017</u> <u>(Audited)</u>	<u>30.06.2018</u> <u>(Unaudited)</u>	<u>31.12.2017</u> <u>(Audited)</u>
<b>ASSETS</b>				
<b>Current assets</b>				
Trade and other receivables	577	682	701	686
Other current assets	151	152	71	65
Financial assets, at fair value through profit or loss	1,616	1,782	1,616	1,782
Cash and cash equivalents	4,746	5,939	4,584	5,793
	<u>7,090</u>	<u>8,555</u>	<u>6,972</u>	<u>8,326</u>
Assets of disposal group classified as held-for-sale	811	792	872	853
	<u>7,901</u>	<u>9,347</u>	<u>7,844</u>	<u>9,179</u>
<b>Non-current assets</b>				
Financial assets at fair value through other comprehensive income	11,245	11,507	11,245	11,507
Other receivables	2,356	2,356	2,356	2,356
Investments in subsidiary corporations	-	-	4,091	4,091
Plant and equipment	20	39	13	32
Investment property	2,540	2,540	2,540	2,540
	<u>16,161</u>	<u>16,442</u>	<u>20,245</u>	<u>20,526</u>
<b>Total assets</b>	<b><u>24,062</u></b>	<b><u>25,789</u></b>	<b><u>28,089</u></b>	<b><u>29,705</u></b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	12,111	12,281	10,924	10,973
Current income tax liabilities	2	-	-	-
Borrowings	43	99	4,101	4,132
	<u>12,156</u>	<u>12,380</u>	<u>15,025</u>	<u>15,105</u>
<b>Non-current liabilities</b>				
Borrowings	156	179	156	179
	<u>156</u>	<u>179</u>	<u>156</u>	<u>179</u>
<b>Total liabilities</b>	<b><u>12,312</u></b>	<b><u>12,559</u></b>	<b><u>15,181</u></b>	<b><u>15,284</u></b>
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	25,247	25,247	25,247	25,247
Treasury shares	(2,602)	(2,602)	(2,602)	(2,602)
Accumulated losses	(9,413)	(8,192)	(10,377)	(9,126)
Other reserves	640	902	640	902
	<u>13,872</u>	<u>15,355</u>	<u>12,908</u>	<u>14,421</u>
<b>Non-controlling interests</b>	<u>(2,122)</u>	<u>(2,125)</u>	-	-
<b>Total equity</b>	<u>11,750</u>	<u>13,230</u>	<u>12,908</u>	<u>14,421</u>
<b>Total equity and liabilities</b>	<b><u>24,062</u></b>	<b><u>25,789</u></b>	<b><u>28,089</u></b>	<b><u>29,705</u></b>

## 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 30.06.2018		As at 31.12.2017	
	Secured	Unsecured	Secured	Unsecured
Finance lease liabilities	43	-	39	-
Borrowings	-	-	-	60
Total	<u>43</u>	<u>-</u>	<u>39</u>	<u>60</u>

### Amount repayable after one year

(In S\$'000)

	As at 30.06.2018		As at 31.12.2017	
	Secured	Unsecured	Secured	Unsecured
Finance lease liabilities	156	-	179	-
Borrowings	-	-	-	-
Total	<u>156</u>	<u>-</u>	<u>179</u>	<u>-</u>

### Details of any collateral

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

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**

(In \$'000)

	<b>6 months ended 30.06.2018 (Unaudited)</b>	<b>6 months ended 30.06.2017 (Unaudited)</b>
<b>Cash flows from operating activities</b>		
- Loss from continuing operations	(1,218)	(1,808)
- Profit from discontinued operations	-	1,320
<b>Total loss</b>	<b>(1,218)</b>	<b>(488)</b>
<b>Adjustments for :</b>		
- Income tax expenses	5	556
- Depreciation of plant and equipment	20	311
- Loss on disposal of plant and equipment	-	10
- Interest income	(17)	(15)
- Finance expense	4	16
- Allowance for impairment on goodwill	-	758
- Unrealised currency translation gains	-	(120)
	<b>(1,206)</b>	<b>1,028</b>
<b>Change in working capital, net of effects from disposal of subsidiary corporations:</b>		
- Inventories	-	(237)
- Trade and other receivables	86	(966)
- Other current assets	1	(40)
- Financial assets, at fair value through profit or loss	166	(87)
- Trade and other payables	(170)	43
<b>Cash used in operations</b>	<b>(1,123)</b>	<b>(259)</b>
Income tax paid	(3)	(358)
<b>Net cash used in operating activities</b>	<b>(1,126)</b>	<b>(617)</b>
<b>Cash flows from investing activities</b>		
Additions to plant and equipment	(2)	(47)
Disposal of plant and equipment	1	3
Proceeds from available-for-sale financial assets	-	142
Interest received	17	15
<b>Net cash provided by investing activities</b>	<b>16</b>	<b>113</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of new shares	-	2,100
Interest paid	(4)	(16)
Repayment of finance lease liabilities	(19)	(19)
Proceeds from borrowings	-	680
Repayment of borrowings	(60)	(810)
<b>Net cash (used in)/provided by financing activities</b>	<b>(83)</b>	<b>1,935</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,193)</b>	<b>1,431</b>
<b>Cash and cash equivalents</b>		
Beginning of the period	5,939	6,550
Less: bank deposits pledged	-	(702)
Effects of currency translation on cash and cash equivalents	-	(48)
<b>End of the period</b>	<b>4,746</b>	<b>7,231</b>
<b>Balance as in statement of financial position</b>	<b>4,746</b>	<b>7,910</b>
Less: bank deposits pledged	-	(679)
<b>Cash and cash equivalent as in consolidated statement of cash flows</b>	<b>4,746</b>	<b>7,231</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**

	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	S\$'000	S\$'000
<b>Group</b>							
<b>2018</b>							
<b>As at 1 January</b>	25,247	(2,602)	(8,192)	902	15,355	(2,125)	13,230
(Loss)/profit for the period	-	-	(1,221)	-	(1,221)	3	(1,218)
Other comprehensive loss for the period	-	-	-	(262)	(262)	-	(262)
Total comprehensive (loss)/income for the period	-	-	(1,221)	(262)	(1,483)	3	(1,480)
<b>As at 30 June</b>	25,247	(2,602)	(9,413)	640	13,872	(2,122)	11,750
<b>2017</b>							
<b>As at 1 January</b>	23,147	(2,602)	(615)	1,602	21,532	(922)	20,610
Loss for the period	-	-	(443)	-	(443)	(45)	(488)
Other comprehensive loss for the period	-	-	-	(1,029)	(1,029)	-	(1,029)
Total comprehensive loss for the period	-	-	(443)	(1,029)	(1,472)	(45)	(1,517)
Issue of new shares	2,100	-	-	-	2,100	-	2,100
Total transactions with owners, recognised directly in equity	2,100	-	-	-	2,100	-	2,100
<b>As at 30 June</b>	25,247	(2,602)	(1,058)	573	22,160	(967)	21,193
<b>Company</b>							
<b>2018</b>							
<b>As at 1 January</b>	25,247	(2,602)	(9,126)	902	14,421	-	14,421
(Loss)/profit for the period	-	-	(1,251)	-	(1,251)	-	(1,251)
Other comprehensive loss for the period	-	-	-	(262)	(262)	-	(262)
Total comprehensive loss for the period	-	-	(1,251)	(262)	(1,513)	-	(1,513)
<b>As at 30 June</b>	25,247	(2,602)	(10,377)	640	12,908	-	12,908
<b>2017</b>							
<b>As at 1 January</b>	23,147	(2,602)	(1,568)	3,134	22,111	-	22,111
Loss for the period	-	-	(274)	-	(274)	-	(274)
Other comprehensive loss for the period	-	-	-	(810)	(810)	-	(810)
Total comprehensive loss for the period	-	-	(274)	(810)	(1,084)	-	(1,084)
Issue of new shares	2,100	-	-	-	2,100	-	2,100
Total transactions with owners, recognised directly in equity	2,100	-	-	-	2,100	-	2,100
<b>As at 30 June</b>	25,247	(2,602)	(1,842)	2,324	23,127	-	23,127

- 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**

	<b>Issued and paid-up ordinary shares</b>		<b>Share capital S\$'000</b>
Balance as at 31 December 2017 and 30 June 2018	177,072,685		25,247
	<b>Number of treasury shares</b>	<b>Number of shares outstanding</b>	<b>Percentage of the aggregate number of treasury shares held against the total number of shares outstanding</b>
As at 30 June 2017 and 30 June 2018	14,978,000	177,072,685	8.46%

There were no outstanding convertibles or subsidiary holdings as at 30 June 2017 and 30 June 2018.

- 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 30 June 2018 was 177,072,685 (31 December 2017: 177,072,685 ).

- 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 period ended 30 June 2018.

- 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 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**

Except as disclosed in Section 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those used in the audited financial statements 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 has adopted the Singapore Financial Reporting Standards (International) (“SFRS(I)”), that is identical to the International Financial Reporting Standards with effect from 1 January 2018. The adoption of SFRS(I) for the first time for the financial year ending 31 December 2018 does not result in any changes to the Group’s and the Company’s current accounting policies and no material adjustments are required on transition to this new framework.

Specifically, the Group has adopted SFRS(I) 9 Financial Instruments and SFRS(I) 15 Revenue from Contracts with Customers that are effective for annual periods beginning on or after 1 January 2018 and are relevant to the Group’s operations. The adoption of SFRS(I) 9 has resulted in the reclassification of certain equity investments as financial assets measured at fair value through profit or loss (FVTPL) and financial assets at fair value through other comprehensive income (FVOCI). Apart from this, the adoption of these new SFRS(I)s did not result in any changes to the Group’s and the Company’s accounting policies and has no material effect on the amounts reported for the current financial period or prior financial years.

**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**

	<b>6 months ended 30.06.2018</b>	<b>6 months ended 30.06.2017</b>
Net loss attributable to equity holders of the Company (S\$’000)	(1,221)	(443)
Weighted average number of ordinary shares outstanding	177,072,685	156,575,447
Basic and fully diluted loss per share (S\$ cents)	(0.69)	(0.28)

**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**

	<b>Group</b>		<b>Company</b>	
	<b>As at 30.06.2018</b>	<b>As at 31.12.2017</b>	<b>As at 30.06.2018</b>	<b>As at 31.12.2017</b>
Net asset value per ordinary share (cents)	7.83	8.67	7.29	8.14

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 30 June 2018 (31 December 2017: 177,072,685 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**

"Discontinued operations" relate to the Company's investments in HLN Rubber Products Pte. Ltd. and its subsidiaries (the "**Disposal Group**"). The Company completed the disposal of the Disposal Group on 15 December 2017. Accordingly, 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 Station Pte. Ltd. ("**G4**")); and (ii) investment in fund management.

Revenue increased by 21.7% from S\$212,000 in 1H2017 to S\$258,000 in 1H2018. The increase was primarily due to the growth in visitor arrivals in 1H2018. Despite the increase in revenue, the Group reported a gross loss of S\$9,000 in 1H2018 whereas a gross profit of S\$19,000 was reported in 1H2017. This was mainly due to the increase in labour cost as the Ministry of Manpower of Singapore increased the qualifying salary criteria for work pass holders to qualify for dependant privileges from 1 January 2018.

Other income relates to interest income from bank deposits which increased by S\$15,000, from S\$2,000 in 1H2017 to S\$17,000 in 1H2018, mainly due to placement of fixed deposit in 1H2018.

Other credits decreased from S\$218,000 in 1H2017 to S\$65,000 in 1H2018, mainly due to decrease in foreign exchange gain of S\$132,000, as a result of the appreciation of Ringgit Malaysia and Renmibi against Singapore Dollars, and the Group recorded a fair value gain on financial assets (at fair value through profit or loss) of S\$87,000 in 1H2017, and there was no such gain recorded in 1H2018.

Administrative expenses decreased by S\$0.10 million, from S\$1.21 million in 1H2017 to S\$1.11 million in 1H2018, mainly due to the decrease in legal fee of S\$0.16 million, office rental of S\$0.05 million and depreciation of plant and equipment of S\$0.03 million, and partly offset by increase of staff costs in 1H2018 as a result of increment to the annual salary of the existing staffs. Decrease in depreciation of plant and equipment in 1H2018 was mainly due to the full depreciation of certain plant and equipment in FY2017.

Finance costs decreased from S\$14,000 in 1H2017 to S\$4,000 in 1H2018, mainly due to the settlement of the borrowings in 1H2018, which resulted in lower interest expense payable in 1H2018 as compared to 1H2017.

Other charges of S\$167,000 in 1H2018 relate to the fair value loss on financial assets (at fair value through profit or loss) in the Company's investment fund (namely, Fortune Asia Long Short Fund). Other charges of S\$758,000 in 1H2017 relate mainly to the allowance for impairment on goodwill of S\$760,000 arising from the acquisition of G4.

As a result of the above, the Group registered a net loss before tax of S\$1.21 million in 1H2018, as compared to S\$1.75 million in 1H2017. The Group posted a loss attributable to equity holders of the Company of S\$1.22 million in 1H2018, as compared to S\$1.76 million in 1H2017.



## **Financial Position**

### **Current Assets**

The Group's current assets decreased by S\$1.45 million to S\$7.90 million as at 30 June 2018, from S\$9.35 million as at 31 December 2017. The Group's current assets as at 30 June 2018 comprised trade and other receivables of S\$0.58 million, other current assets of S\$0.15 million, financial assets (at fair value through profit or loss) of S\$1.61 million, cash and cash equivalents of S\$4.75 million and assets of the disposal group classified as held-for-sale of S\$0.81 million.

Trade and other receivables decreased by S\$0.10 million to S\$0.58 million as at 30 June 2018, from S\$0.68 million, mainly due to lower GST input tax to be claimed from Government in 2018.

Financial assets, at fair value through profit or loss decreased by S\$0.17 million, from S\$1.78 million as at 31 December 2017 to S\$1.61 million as at 30 June 2018, 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\$1.19 million, from S\$5.94 million as at 31 December 2017 to S\$4.75 million as at 30 June 2018. 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, which relate to the carrying amount of investment in associated company, Ace Empire Capital Sdn. Bhd., increased from S\$0.79 million as at 31 December 2017 to S\$0.81 million as at 30 June 2018, due to the appreciation of Ringgit Malaysia against Singapore Dollars.

### **Non-current Assets**

The Group's non-current assets decreased by S\$0.28 million to S\$16.16 million as at 30 June 2018, from S\$16.44 million as at 31 December 2017. The Group's non-current assets as at 30 June 2018 comprised financial assets at fair value through other comprehensive income of S\$11.24 million, other receivables of S\$2.36 million, investment property of S\$2.54 million and plant and equipment of S\$20,000.

Financial assets at fair value through other comprehensive income decreased by S\$0.27 million, from S\$11.51 million as at 31 December 2017 to S\$11.24 million as at 30 June 2018. The financial assets at fair value through other comprehensive income relate to the Company's investment in Tianjin Swan Lake Real Estate Development Co., Ltd. ("TJSL"). Partial consideration for the disposal of TJSL 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\$0.26 million in 1H2018.

Other receivables of S\$2.36 million as at 30 June 2018 and 31 December 2017 relate to the proceeds receivable from the sale of the Disposal Group.

Plant and equipment decreased by S\$19,000 from S\$39,000 as at 31 December 2017 to S\$20,000 as at 30 June 2018, mainly due to the depreciation charges recognised in 1H2018.

Investment property of S\$2.54 million as at 30 June 2018 and 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.

### **Current Liabilities**

The Group's current liabilities decreased by S\$22,000, from S\$12.38 million as at 31 December 2017 to S\$12.16 million as at 30 June 2018. The Group's current liabilities as at 30 June 2018 comprised mainly trade and other payables of S\$12.11 million and borrowings of S\$0.04 million.

Trade and other payables decreased by S\$0.17 million, from S\$12.28 million as at 31 December 2017 to S\$12.11 million as at 30 June 2018, mainly due to the payment of amount due to suppliers of G4 in 1H2018. Trade and other payables comprised mainly an amount of S\$10.49 million which relates to partial consideration received from the prospective buyer in connection with the disposal of financial assets at fair value through other comprehensive income of investment in equity security of TJSL.

Borrowings decreased from S\$0.10 million as at 31 December 2017 to S\$0.04 million as at 30 June 2018, due to the repayment of finance lease liabilities of S\$19,000 and borrowings of S\$60,000 in 1H2018, partly offset by a reclassification of borrowings from “Non-current Liabilities” to “Current Liabilities”.

The Group reported a negative working capital of S\$4.26 million as at 30 June 2018, as compared to a negative working capital of S\$3.03 million as at 31 December 2017. The Group’s negative working capital as at 30 June 2018 and 31 December 2017 were largely due to the partial consideration of S\$10.49 million and S\$10.47 million respectively 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 – Financial assets at fair value through other comprehensive income”. In addition, the partial proceeds receivable from the Disposal Group of S\$2.36 million as at 30 June 2018 and 31 December 2018 was recorded as a “Non-current asset – Other Receivables” due to the agreed manner of payment with the vendor pursuant to the sale and purchase agreement.

### **Non-current Liabilities**

The Group’s non-current liabilities comprised borrowings, which decreased by S\$0.02 million, from S\$0.18 million as at 31 December 2017 to S\$0.16 million as at 30 June 2018. The decrease was due to the reclassification of borrowings from “Non-current Liabilities” to “Current Liabilities”.

### **Equity**

Total equity decreased by S\$1.48 million, from S\$13.23 million as at 31 December 2017 to S\$11.75 million as at 30 June 2018, mainly due to (i) an increase in accumulated losses of S\$1.22 million as at 30 June 2018, as a result of net loss incurred in 1H2018; and (ii) decrease in other reserves of S\$0.26 million as at 30 June 2018, as a result of changes in the financial assets at fair value through other comprehensive income in 1H2018.

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

Net cash outflow for operating activities for 1H2018 amounted to S\$1.13 million, mainly due to cash used in operations of S\$1.21 million and working capital changes of S\$83,000. Cash from working capital in 1H2018 amounted to S\$83,000, mainly due to decrease in (i) trade and other receivables of S\$86,000; (ii) financial assets, at fair value through profit or loss of S\$166,000; and partially offset by decrease in trade and other payables of S\$170,000.

Net cash inflow from investing activities of S\$16,000 in 1H2018 was mainly due interest received of S\$17,000, partially offset by purchase of plant and equipment of S\$2,000.

Net cash outflow from financing activities of S\$83,000 in 1H2018 was mainly due to the repayment of borrowings and lease liabilities of S\$79,000 and interest paid of S\$4,000.

As a result of the above, the Group had cash and cash equivalents of S\$4.75 million as at 30 June 2018, representing a decrease of S\$1.19 million as at 31 December 2017.

**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 \$4.75 million as at 30 June 2018.

As the global economy is on steady growth track, South-east Asia's hostel market experienced growth in year 2017. The Singapore Tourism Board has forecasted the growth in tourism receipts to be in the range of 1% to 3% and growth in international visitor arrivals to be in the range of 1% to 4% in year 2018<sup>(1)</sup>. The Group is generally optimistic about tourism prospects for the year ahead.

The Company will focus its resources on property related business which include property development, property investment and property management.

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.

Note:

(1) Please refer to the website of Singapore Tourism Board:  
<https://www.stb.gov.sg/news-and-publications/lists/newsroom/dispform.aspx?ID=744>

**11. Dividend**

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

Any dividend declared for the current financial period reported on?

No dividend has been declared for the current financial period.

**(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 period.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

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

No dividend has been declared/recommendeded for the current financial period.

**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 1H2018.

**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 Catalist Rules) under Rule 720(1) of the Catalist Rules**

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

**15. Negative confirmation by the Board pursuant to Rule 705(5)**

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and Company for the six-month ended 30 June 2018 to be false or misleading in any material aspect.

**16. 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 fully utilised as set out below:

	<b>S\$'million</b>
Net Proceeds	2.05
Amount utilised for working capital purposes	
- Repayment of bank loan and finance lease	(0.19)
- Payment to suppliers and operating expenses	(1.86)
Balance as at the date of this announcement	<u>-</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.

**BY ORDER OF THE BOARD**

Cheong Weixiong  
Executive Director  
14 August 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. (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.*