

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019
PART 1 – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS
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.

	Note	Group		Change %
		Year Ended		
		31 Dec 19 S\$'000	31 Dec 18 S\$'000	
Revenue		365,922	360,928	1.4%
Cost of sales		(288,666)	(278,891)	3.5%
Gross profit		77,256	82,037	-5.8%
Other items of income				
Interest income		570	437	30.4%
Other income	(a)	2,889	3,873	-25.4%
Other items of expense				
Depreciation of property, plant and equipment		(3,216)	(2,356)	36.5%
Employee benefits expense		(58,555)	(57,682)	1.5%
Other expenses		(15,562)	(14,418)	7.9%
Interest expense		(1,506)	(801)	88.0%
Share of result of joint venture		150	(16)	n/m
Share of results of associates		148	26	469.2%
Profit before tax	(b)	2,174	11,100	-80.4%
Income tax expense	(c)	(1,695)	(3,742)	-54.7%
Profit net of tax		479	7,358	-93.5%
Other comprehensive income/(loss):				
Item that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations, net of tax		(763)	(1,326)	-42.5%
		(763)	(1,326)	-42.5%
Items that will not be reclassified to profit or loss:				
Change in fair value of equity instrument at fair value through other comprehensive income		(1,233)	(1,826)	-32.5%
Defined benefit plan actuarial gain, net of tax		2	34	-94.1%
		(1,231)	(1,792)	-31.3%
Other comprehensive loss for the year, net of tax		(1,994)	(3,118)	-36.0%
Total comprehensive (loss)/income		(1,515)	4,240	n/m
Profit/(loss) net of tax attributable to:				
Equity holders of the Company		518	8,154	-93.6%
Non-controlling interests		(39)	(796)	-95.1%
Profit net of tax		479	7,358	-93.5%
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company		(1,590)	5,013	n/m
Non-controlling interests		75	(773)	n/m
Total comprehensive (loss)/income		(1,515)	4,240	n/m

Note :

n/m = not meaningful

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. (Cont'd)

Explanatory notes to consolidated income statement

(a) Other income comprises :-

	Group	
	Year Ended	
	31 Dec 19	31 Dec 18
	S\$'000	S\$'000
Bad trade debts recovered	56	-
Corporate fee income	506	526
Dividend income from equity instrument at fair value through other comprehensive income	105	47
Net foreign exchange gain	-	1,037
Net gain on disposal of property, plant and equipment	19	-
Rental income	1,602	1,566
Service income	-	190
Write-back of impairment loss on doubtful trade receivables	202	230
Miscellaneous income	399	277
	2,889	3,873

(b) The following items have been included in arriving at profit before tax :-

	Group	
	Year Ended	
	31 Dec 19	31 Dec 18
	S\$'000	S\$'000
Amortisation of intangible assets	268	195
Amortisation of land use rights	247	243
Bad trade debts written off	99	769
Depreciation of right-of-use assets	3,865	-
Impairment loss on doubtful trade receivables	743	740
Loss on deemed acquisition of interest in an associate	55	-
Net foreign exchange loss	412	-
Net loss on disposal of property, plant and equipment	-	20
Property, plant and equipment written off	135	38

(c) Included in income tax expense for the current year ended 31 December 2019 is an under-provision of income tax of S\$8,000 (2018: S\$71,000) relating to prior year.

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.

	Note	Group		Company	
		As at 31 Dec 19 S\$'000	As at 31 Dec 18 S\$'000	As at 31 Dec 19 S\$'000	As at 31 Dec 18 S\$'000
ASSETS					
Non-current assets					
Land use rights		7,534	6,495	6,252	6,495
Property, plant and equipment		53,478	48,580	24,696	25,781
Right-of-use assets *		9,066	-	5	-
Intangible assets		9,015	8,539	-	-
Investments in subsidiaries		-	-	31,736	30,819
Investment in joint venture		381	232	-	-
Investments in associates		6,127	6,162	3,430	3,430
Other investments		1,296	2,529	1,296	2,529
Trade and other receivables		-	134	-	-
Deferred tax assets		2,268	722	-	-
		<u>89,165</u>	<u>73,393</u>	<u>67,415</u>	<u>69,054</u>
Current assets					
Inventories		2,482	4,169	-	-
Contract assets	(d)	20,035	25,924	-	-
Trade and other receivables	(e)	105,986	108,748	7,812	6,302
Other assets		3,687	1,962	42	102
Cash and short-term deposits	(f)	65,003	79,757	6,928	10,563
		<u>197,193</u>	<u>220,560</u>	<u>14,782</u>	<u>16,967</u>
Total assets		<u>286,358</u>	<u>293,953</u>	<u>82,197</u>	<u>86,021</u>
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital		29,191	27,984	29,191	27,984
Retained earnings		93,713	98,631	34,409	34,892
Other reserves		(7,815)	(5,393)	(1,496)	(263)
		<u>115,089</u>	<u>121,222</u>	<u>62,104</u>	<u>62,613</u>
Non-controlling interests		(312)	177	-	-
Total equity		<u>114,777</u>	<u>121,399</u>	<u>62,104</u>	<u>62,613</u>
Non-current liabilities					
Trade and other payables		1,171	1,147	-	-
Other financial liabilities		20,156	22,510	17,374	18,425
Lease liabilities *		7,226	-	1	-
Deferred tax liabilities		520	377	41	56
		<u>29,073</u>	<u>24,034</u>	<u>17,416</u>	<u>18,481</u>
Current liabilities					
Contract liabilities	(g)	9,393	10,305	-	-
Trade and other payables	(h)	110,702	119,642	1,380	3,687
Other financial liabilities		13,316	13,165	1,174	1,240
Lease liabilities *		2,560	-	5	-
Other liabilities		3,057	1,670	37	-
Income tax payable		3,480	3,738	81	-
		<u>142,508</u>	<u>148,520</u>	<u>2,677</u>	<u>4,927</u>
Total liabilities		<u>171,581</u>	<u>172,554</u>	<u>20,093</u>	<u>23,408</u>
Total equity and liabilities		<u>286,358</u>	<u>293,953</u>	<u>82,197</u>	<u>86,021</u>

* The right-of-use assets and lease liabilities arose as a result of the adoption of Singapore Financial Reporting Standard (International) 16 Leases on 1 January 2019 as described under paragraph 5 below.

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. (Cont'd)

Explanatory notes to statements of financial position

(d) Contract assets

Contract assets comprise of the contract costs incurred and the profits/losses recognised less the progress billings on our interior fit-out projects and various thematic works across Asia Pacific and the Middle East.

(e) Trade and other receivables

	<u>Group</u>		<u>Company</u>	
	<u>As at 31 Dec 19</u> S\$'000	<u>As at 31 Dec 18</u> S\$'000	<u>As at 31 Dec 19</u> S\$'000	<u>As at 31 Dec 18</u> S\$'000
Trade receivables	90,318	96,078	1,231	1,300
Other receivables	15,668	12,670	6,581	5,002
Total	105,986	108,748	7,812	6,302

(f) Cash and short-term deposits

	<u>Group</u>		<u>Company</u>	
	<u>As at 31 Dec 19</u> S\$'000	<u>As at 31 Dec 18</u> S\$'000	<u>As at 31 Dec 19</u> S\$'000	<u>As at 31 Dec 18</u> S\$'000
Cash at banks and in hand	50,416	59,170	2,155	2,973
Short-term deposits	14,587	20,587	4,773	7,590
Total	65,003	79,757	6,928	10,563

(g) Contract liabilities

Contract liabilities comprise of the progress billings less the contract costs incurred and the profits/losses recognised on our interior fit-out projects and various thematic works across Asia Pacific and the Middle East.

(h) Trade and other payables

	<u>Group</u>		<u>Company</u>	
	<u>As at 31 Dec 19</u> S\$'000	<u>As at 31 Dec 18</u> S\$'000	<u>As at 31 Dec 19</u> S\$'000	<u>As at 31 Dec 18</u> S\$'000
Trade payables	90,634	96,228	-	-
Other payables	20,068	23,414	1,380	3,687
Total	110,702	119,642	1,380	3,687

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.

	Group	
	As at 31 Dec 19	As at 31 Dec 18
	S\$'000	S\$'000
<u>Secured</u>		
- repayable within one year or on demand	13,316	13,165
- repayable after one year	20,156	22,510
	<hr/>	<hr/>
	33,472	35,675
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<u>Unsecured</u>		
- repayable within one year or on demand	-	-
- repayable after one year	-	-
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	-	-
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Details of any collaterals

Bank loans, trust receipts and bank overdrafts are secured by way of legal charges on the Group's four properties in Singapore and Malaysia, corporate guarantees of the Company and a subsidiary in Malaysia, personal guarantees given by certain directors of the subsidiaries in Malaysia and short-term deposits pledged to the banks.

Finance lease liabilities are secured by the right to the 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.**

	Note	Group	
		Year Ended	
		31 Dec 19	31 Dec 18
		S\$'000	S\$'000
Cash flows from operating activities			
Profit before tax		2,174	11,100
Adjustments for:			
Amortisation of intangible assets		268	195
Amortisation of land use rights		247	243
Bad trade debts written off		99	769
Depreciation of property, plant and equipment		4,014	3,233
Depreciation of right-of-use assets		3,865	-
Dividend income from equity instrument at fair value through other comprehensive income		(105)	(47)
Loss on deemed acquisition of interest in an associate		55	-
Net (gain)/loss on disposal of property, plant and equipment		(19)	20
Net impairment loss on doubtful trade receivables		541	510
Performance share scheme expense		279	348
Property, plant and equipment written off		135	38
Interest income		(570)	(437)
Interest expense		1,506	801
Share of result of joint venture		(150)	16
Share of results of associates		(148)	(26)
Currency realignment		211	(680)
Operating cash flows before changes in working capital		12,402	16,083
(Increase)/decrease in:			
Inventories		1,687	(2,586)
Contract assets		5,889	(10,470)
Trade and other receivables		2,256	(15,615)
Other assets		(1,718)	(886)
Increase/(decrease) in:			
Contract liabilities		(912)	2,975
Trade and other payables		(8,541)	22,824
Other liabilities		1,398	(893)
Net cash flows from operations		12,461	11,432
Interest received		570	437
Interest paid		(1,212)	(801)
Income tax paid		(3,480)	(2,194)
Net cash flows from operating activities		8,339	8,874
Cash flows from investing activities			
Purchase of property, plant and equipment		(9,723)	(18,459)
Proceeds from disposal of property, plant and equipment		304	81
Acquisition of intangible assets		(804)	-
Acquisition of land use right		(1,286)	-
Acquisition of non-controlling interest of a subsidiary		(47)	-
Investment in joint venture		-	(246)
Dividend income from equity instrument at fair value through other comprehensive income		105	5
Dividend income from an associate		-	60
Net cash flows used in investing activities		(11,451)	(18,559)
Cash flows from financing activities			
Dividends paid on ordinary shares		(5,049)	(4,989)
Dividends paid to non-controlling interests of subsidiaries		(120)	(176)
Proceeds from draw down of loans and borrowings		13,060	31,301
Repayment of loans and borrowings		(15,315)	(9,616)
Repayment of finance lease liabilities		(10)	(1)
Repayment of lease liabilities		(3,606)	-
Decrease in deposits pledged for bank facilities		1,042	287
Net cash flows (used in)/from financing activities		(9,998)	16,806
Net (decrease)/increase in cash and cash equivalents		(13,110)	7,121
Effect of exchange rate changes on cash and cash equivalents		(747)	(686)
Cash and cash equivalents at beginning of year		77,508	71,073
Cash and cash equivalents at end of year	(i)	63,651	77,508

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. (Cont'd)**

Explanatory note to consolidated cash flow statement

(i) Cash and cash equivalents included in the consolidated cash flow statement comprise the following:-

	Group	
	As at 31 Dec 19	As at 31 Dec 18
	S\$'000	S\$'000
Cash at banks and in hand	50,416	59,170
Short-term deposits	14,587	20,587
	<u>65,003</u>	<u>79,757</u>
Bank overdrafts	(145)	-
Deposits pledged for bank facilities	<u>(1,207)</u>	<u>(2,249)</u>
Cash and cash equivalents	<u>63,651</u>	<u>77,508</u>

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.

Group	Attributable to equity holders of the Company					
	Share capital S\$'000	Retained earnings S\$'000	Other reserves S\$'000	Equity attributable to equity holders of the Company, total S\$'000	Non-controlling interests S\$'000	Equity, total S\$'000
Opening balance at 1 January 2019, as previously reported	27,984	98,631	(5,393)	121,222	177	121,399
Effect of adopting SFRS(I) 16	-	(176)	-	(176)	(3)	(179)
Opening balance at 1 January 2019, as restated	27,984	98,455	(5,393)	121,046	174	121,220
Profit/(loss) for the year	-	518	-	518	(39)	479
<u>Other comprehensive income/(loss)</u>						
Change in fair value of equity instrument at fair value through other comprehensive income	-	-	(1,233)	(1,233)	-	(1,233)
Foreign currency translation	-	-	(877)	(877)	114	(763)
Defined benefit plan actuarial gain	-	2	-	2	- *	2
Other comprehensive income/(loss) for the year, net of tax	-	2	(2,110)	(2,108)	114	(1,994)
Total comprehensive income/(loss) for the year	-	520	(2,110)	(1,590)	75	(1,515)
<u>Contributions by and distributions to equity holders</u>						
Ordinary shares issued pursuant to acquisition of non-controlling interest in a subsidiary	917	-	-	917	-	917
Ordinary shares issued pursuant to performance share scheme	290	-	-	290	-	290
Dividends paid on ordinary shares	-	(5,049)	-	(5,049)	-	(5,049)
Total contributions by and distributions to equity holders	1,207	(5,049)	-	(3,842)	-	(3,842)
<u>Changes in ownership interests in subsidiaries</u>						
Acquisition of non-controlling interest of subsidiaries without a change in control	-	-	(525)	(525)	(441)	(966)
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	(120)	(120)
Total changes in ownership interests in subsidiaries	-	-	(525)	(525)	(561)	(1,086)
Total transactions with equity holders in their capacity as equity holders	1,207	(5,049)	(525)	(4,367)	(561)	(4,928)
<u>Other</u>						
Appropriation to statutory reserve fund	-	(213)	213	-	-	-
Total other	-	(213)	213	-	-	-
Closing balance at 31 December 2019	29,191	93,713	(7,815)	115,089	(312)	114,777

* Amount less than S\$1,000

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. (Cont'd)

Group	Attributable to equity holders of the Company					
	Share capital S\$'000	Retained earnings S\$'000	Other reserves S\$'000	Equity attributable to equity holders of the Company, total S\$'000	Non-controlling interests S\$'000	Equity, total S\$'000
Opening balance at 1 January 2018, as previously reported	27,710	97,507	(4,293)	120,924	1,126	122,050
Effect of adopting SFRS(I)	-	(1,825)	1,825	-	-	-
Opening balance at 1 January 2018, as restated	27,710	95,682	(2,468)	120,924	1,126	122,050
Profit/(loss) for the year	-	8,154	-	8,154	(796)	7,358
<u>Other comprehensive income/(loss)</u>						
Change in fair value of equity instrument at fair value through other comprehensive income	-	-	(1,826)	(1,826)	-	(1,826)
Foreign currency translation	-	-	(1,347)	(1,347)	21	(1,326)
Defined benefit plan actuarial gain	-	32	-	32	2	34
Other comprehensive income/(loss) for the year, net of tax	-	32	(3,173)	(3,141)	23	(3,118)
Total comprehensive income/(loss) for the year	-	8,186	(3,173)	5,013	(773)	4,240
<u>Contributions by and distributions to equity holders</u>						
Ordinary shares issued pursuant to performance share scheme	274	-	-	274	-	274
Dividends paid on ordinary shares	-	(4,989)	-	(4,989)	-	(4,989)
Total contributions by and distributions to equity holders	274	(4,989)	-	(4,715)	-	(4,715)
<u>Changes in ownership interests in subsidiaries</u>						
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	(176)	(176)
Total changes in ownership interests in subsidiaries	-	-	-	-	(176)	(176)
Total transactions with equity holders in their capacity as equity holders	274	(4,989)	-	(4,715)	(176)	(4,891)
<u>Other</u>						
Appropriation to statutory reserve fund	-	(248)	248	-	-	-
Total other	-	(248)	248	-	-	-
Closing balance at 31 December 2018	27,984	98,631	(5,393)	121,222	177	121,399

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. (Cont'd)**

Company	Attributable to equity holders of the Company			
	Share capital S\$'000	Retained earnings S\$'000	Other reserves S\$'000	Equity, total S\$'000
Opening balance at 1 January 2019, as previously reported	27,984	34,892	(263)	62,613
Effect of adopting SFRS(I) 16	-	(6)	-	(6)
Opening balance at 1 January 2019, as restated	27,984	34,886	(263)	62,607
Profit for the year	-	4,572	-	4,572
<u>Other comprehensive loss</u>				
Change in fair value of equity instrument at fair value through other comprehensive income	-	-	(1,233)	(1,233)
Other comprehensive loss for the year, net of tax	-	-	(1,233)	(1,233)
Total comprehensive income/(loss) for the year	-	4,572	(1,233)	3,339
<u>Contributions by and distributions to equity holders</u>				
Ordinary shares issued pursuant to acquisition of non-controlling interest in a subsidiary	917	-	-	917
Ordinary shares issued pursuant to performance share scheme	290	-	-	290
Dividends paid on ordinary shares	-	(5,049)	-	(5,049)
Total contributions by and distributions to equity holders	1,207	(5,049)	-	(3,842)
Total transactions with equity holders in their capacity as equity holders	1,207	(5,049)	-	(3,842)
Closing balance at 31 December 2019	29,191	34,409	(1,496)	62,104
Opening balance at 1 January 2018	27,710	31,993	1,563	61,266
Profit for the year	-	7,888	-	7,888
<u>Other comprehensive loss</u>				
Change in fair value of equity instrument at fair value through other comprehensive income	-	-	(1,826)	(1,826)
Other comprehensive loss for the year, net of tax	-	-	(1,826)	(1,826)
Total comprehensive income/(loss) for the year	-	7,888	(1,826)	6,062
<u>Contributions by and distributions to equity holders</u>				
Ordinary shares issued pursuant to performance share scheme	274	-	-	274
Dividends paid on ordinary shares	-	(4,989)	-	(4,989)
Total contributions by and distributions to equity holders	274	(4,989)	-	(4,715)
Total transactions with equity holders in their capacity as equity holders	274	(4,989)	-	(4,715)
Closing balance at 31 December 2018	27,984	34,892	(263)	62,613

- 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.**

Ordinary shares issued and fully paid-up	Number of shares	Issued and paid-up share capital S\$'000
Balance as at 1 January 2019	199,575,261	27,984
Ordinary shares issued pursuant to acquisition of non-controlling interest in a subsidiary	1,835,468	917
Ordinary shares issued pursuant to performance share scheme	<u>537,570</u>	<u>290</u>
Balance as at 31 December 2019	<u>201,948,299</u>	<u>29,191</u>

There were no outstanding convertibles issued by the Company as at 31 December 2019 and 31 December 2018.

There were no treasury shares held by the Company as at 31 December 2019 and 31 December 2018. There were no subsidiary holdings as at 31 December 2019 and 31 December 2018. The percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of issued shares excluding treasury shares and subsidiary holdings of 201,948,299 and 199,575,261 as at 31 December 2019 and 31 December 2018 were Nil% and Nil% respectively.

- 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.**

	<u>Company</u>	
	<u>As at 31 Dec 19</u>	<u>As at 31 Dec 18</u>
Total number of issued shares excluding treasury shares	<u>201,948,299</u>	<u>199,575,261</u>

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

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial year ended 31 December 2019.

- 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. There were no subsidiary holdings during and as at the end of the current financial year ended 31 December 2019.

- 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 by the Company's auditors.

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:-

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

(a) updates on the efforts taken to resolve each outstanding audit issue; and

Not applicable. The latest audited financial statements for the financial year ended 31 December 2018 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

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

Not applicable. The latest audited financial statements for the financial year ended 31 December 2018 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

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 paragraph 5 below, the accounting policies and methods of computation adopted in the financial statements for the current reporting year are consistent with those disclosed in the audited financial statements for the financial year ended 31 December 2018.

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 and the Company have adopted all the applicable new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for the accounting periods beginning on or after 1 January 2019. Other than the effects of SFRS(I) 16 Leases as described below, the adoption of these new and revised SFRS(I) and INT SFRS(I) did not result in any substantial change to the Group's and the Company's accounting policies and has no significant impact on the financial statements for the current reporting year.

SFRS(I) 16 is effective for annual periods beginning on or after 1 January 2019 and will result in almost all leases being recognised on the statement of financial position as the distinction between operating and finance leases is removed. Under SFRS(I) 16, a lessee will recognise an asset representing the right to use the underlying asset during the lease term (i.e. right-of-use asset) and a liability to make a lease payment (i.e. lease liability). The lessee will be required to separately recognise the depreciation expense on the right-of-use asset and the interest expense on the lease liability.

The Group and the Company adopted SFRS(I) 16 on 1 January 2019, using the modified retrospective approach, with no restatement of comparative information. The cumulative effect of adopting SFRS(I) 16 has been recognised as an adjustment to the opening balance of retained earnings on 1 January 2019.

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	
	Year Ended	
	31 Dec 19	31 Dec 18
Net profit attributable to shareholders (S\$'000)	518	8,154
Weighted average number of ordinary shares in issue	201,527,600	199,413,636
Basic and diluted earnings per share (S\$ cents)	0.26	4.09

The basic and diluted earnings per share are the same as there were no potentially dilutive ordinary shares in issue as at 31 December 2019 and 31 December 2018.

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	
	As at 31 Dec 19	As at 31 Dec 18	As at 31 Dec 19	As at 31 Dec 18
Net asset value, net of non-controlling interests (S\$'000)	115,089	121,222	62,104	62,613
Number of ordinary shares in issue, excluding treasury shares	201,948,299	199,575,261	201,948,299	199,575,261
Net asset value per ordinary share (S\$ cents)	56.99	60.74	30.75	31.37

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

Revenue

	Group			
	Year Ended			
	31 Dec 19	31 Dec 18	+/-	
	S\$'000	S\$'000	S\$'000	%
Exhibitions & Thematic	171,736	160,253	11,483	7.2%
Retail & Corporate Interiors	169,774	171,983	(2,209)	-1.3%
Research & Design	17,370	17,123	247	1.4%
Alternative Marketing	7,042	11,569	(4,527)	-39.1%
	<u>365,922</u>	<u>360,928</u>	<u>4,994</u>	1.4%

For the financial year ended 31 December 2019 ("FY2019"), the Group recorded a revenue of S\$365.9 million, an increase of S\$5.0 million or 1.4% compared to S\$360.9 million for the previous corresponding financial year ended 31 December 2018 ("FY2018"). The increase in revenue was mainly due to the contribution from several key events and projects in FY2019.

(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 (Cont'd)

The **Exhibitions & Thematic division** registered a revenue of S\$171.7 million in FY2019, an increase of S\$11.5 million or 7.2% from S\$160.2 million in FY2018. The key contributors to the division's revenue included major events and projects such as Changi Experience Studio, Formula 1 Singapore Grand Prix, Money 2020 Asia 2019, National Day Parade 2019, Shenzhen Binhai Tencent Exhibition Centre, Singapore Bicentennial Event, Singapore FinTech Festival 2019, SMBC Singapore Open 2019, TFWA Asia Pacific Exhibition & Conference 2019 and thematic projects in the region.

The **Retail & Corporate Interiors division** recorded a revenue of S\$169.8 million in FY2019, a decrease of S\$2.2 million or 1.3% compared to S\$172.0 million in FY2018. The key accounts which contributed to the division's revenue included clients and brand names such as Coach, Don Don Donki, Fendi, Kate Spade, Lululemon, Michael Kors, Mikimoto, Skechers, Tiffany & Co. and Van Cleef & Arpels.

The **Research & Design division** achieved a revenue of S\$17.4 million in FY2019, an increase of S\$0.3 million or 1.4% from S\$17.1 million in FY2018. The key accounts which contributed to the division's revenue included clients and brand names such as Burberry, Gucci, National Heritage Board, Procter & Gamble Co. and TAG Heuer, and thematic projects in the region.

The **Alternative Marketing division** registered a revenue of S\$7.0 million in FY2019, a decrease of S\$4.5 million or 39.1% compared to S\$11.5 million in FY2018. The key contributors to the division's revenue included events and projects from clients such as Automobile Association of Singapore, National Council on Problem Gambling, Robinson and Singapore Cruise Centre.

Gross Profit

	Group		
	Year Ended		+/- %
31 Dec 19 S\$'000	31 Dec 18 S\$'000		
Revenue	365,922	360,928	1.4%
Gross profit	77,256	82,037	-5.8%
Gross profit margin	21.1%	22.7%	

Gross profit in FY2019 decreased by S\$4.8 million or 5.8% to S\$77.2 million compared to S\$82.0 million in FY2018. The gross profit registered was due to higher revenue recorded but at a lower gross profit margin of 21.1% in FY2019 compared to 22.7% in FY2018. The gross profit margin was mainly affected by lower margin achieved for certain events and projects.

Other Items of Income

Interest income relates mainly to interest income earned from short-term deposits and bank balances placed with banks.

Other income comprises items as set out in Note 1(a)(a). Other income decreased by S\$1.0 million or 25.4% from S\$3.9 million in FY2018 to S\$2.9 million in FY2019. The decrease was mainly due to an absence of net foreign exchange gain and service income, which amounted to S\$1.0 million and S\$0.2 million respectively in FY2018, and partially offset by higher miscellaneous income of S\$0.1 million.

- (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 (Cont'd)

Other Items of Expense

	Group		
	Year Ended		+/- %
	31 Dec 19	31 Dec 18	
	S\$'000	S\$'000	
Depreciation of property, plant and equipment	3,216	2,356	36.5%
Employee benefits expense	58,555	57,682	1.5%
Other expenses	15,562	14,418	7.9%
Interest expense	1,506	801	88.0%
	<u>78,839</u>	<u>75,257</u>	4.8%

Higher operating expenses were incurred in FY2019 compared to FY2018. The higher depreciation charge on property, plant and equipment was mainly due to depreciation charge incurred on the new headquarters building and related equipment which commenced use from September 2018. The increase in employee benefits expense was mainly due to higher cost resulting from the new experiential attractions business. Other expenses were higher mainly due to a net foreign exchange loss of S\$0.4 million recorded in FY2019 compared to a net foreign exchange gain of S\$1.0 million recorded in other income in FY2018, recognition of depreciation charge on right-of-use assets (as described under paragraph 5 above) and expenses incurred for the new experiential attractions business, which were partially offset by an absence of operating lease expenses and recognition of lower bad trade debts written off. The net foreign exchange loss arose mainly from the appreciation of the Singapore Dollar against the various currencies that the Group conducted its operations in, in particular the United States Dollar. The increase in interest expense was mainly due to a higher amount of loans and borrowings outstanding in FY2019 compared to FY2018 and recognition of interest expense on lease liabilities (as described under paragraph 5 above).

Share of Result of Joint Venture

Share of result of joint venture changed by S\$166,000 from a loss of S\$16,000 in FY2018 to a profit of S\$150,000 in FY2019. The joint venture company was newly incorporated at end 2018.

Share of Results of Associates

Share of profits of associates increased by S\$122,000 or 469.2% from S\$26,000 in FY2018 to S\$148,000 in FY2019. The increase was mainly due to higher profit contribution from certain associates.

Profit Net of Tax Attributable to Equity Holders of the Company

Based on the above, profit net of tax attributable to equity holders of the Company decreased by S\$7.6 million or 93.6% from S\$8.1 million in FY2018 to S\$0.5 million in FY2019.

- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Cash Flow

Net cash from operating activities of S\$8.3 million in FY2019 arose mainly from profit before tax of S\$2.2 million and adjusted for a net increase in non-cash flow items of S\$10.2 million (largely from depreciation of property, plant and equipment and depreciation of right-of-use assets) and cash inflow from a net decrease in working capital requirements of S\$0.1 million (largely from movements in contract assets, trade and other receivables and trade and other payables), and partially offset by income tax paid of S\$3.5 million. Net cash used in investing activities of S\$11.4 million in FY2019 comprised mainly of purchase of property, plant and equipment of S\$9.7 million and acquisition of land use right of S\$1.3 million. Net cash used in financing activities of S\$10.0 million in FY2019 arose mainly from dividends paid on ordinary shares of S\$5.0 million, net repayment of loans and borrowings of S\$2.3 million and repayment of lease liabilities of S\$3.6 million, and partially offset by a decrease in pledged bank deposits of S\$1.0 million. Based on the above, the Group had a net decrease in cash and cash equivalents of S\$13.1 million in FY2019 and the cash and cash equivalents stood at S\$63.7 million as at 31 December 2019.

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

The FY2019 results are in line with the statement made in the announcement on 7 November 2019 where the Group stated that, barring unforeseen circumstances, it expects FY2019 to be a profitable year.

- 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.**

2020 had looked to be promising until the unravelling of the Covid-19 outbreak and heightened risk alerts that have significantly limited travel and human interaction and led to a decline in business activities. The situation is still evolving, but there has already been an impact to the Group's exhibition, events and experiential attractions businesses. On the positive side, some of these projects have been rescheduled to the later part of the year and not cancelled. In addition, contracts already secured for interiors and corporate fit-out works have continued, and so far, there has been little change in long-term plans for clients. The Group is taking proactive steps to minimise overheads, and reassess its operations and staff structures. For the experiential attractions business, expansion plans for the interim will be focused towards the US and European markets where the Group sees strong interest and demand for its attractions.

The Exhibitions & Thematic division sees a slight disruption of activities in the first half of 2020, mainly attributable to the Covid-19 outbreak as spending plans are postponed to the second half of the year. The division has taken proactive steps to plan and allocate resources for the recovery. The consistent line-up of projects and attractions already secured, and are currently being pursued, ensures the division is well-positioned to weather the short-term volatility and resume growth.

The Retail & Corporate Interiors division is fully focused on gaining traction in the drive to improve its capabilities and provide solutions to increase its market share in what is expected to be a competitive and challenging market environment. More agile and decisive actions across its value chain will be taken to provide greater value to clients and drive long-term business sustainability.

As at 31 January 2020, the Group has secured contracts of S\$140 million, of which, barring unforeseen circumstances, S\$101 million is expected to be recognised in FY2020.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Yes.

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount per Share (in SGD Cents)	1.50
Tax Rate	Tax exempt (one tier)

(c) Date payable

Not applicable.

(d) Record date

Not applicable.

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

No dividend has been declared or recommended for the current financial year ended 31 December 2019 as the Group wishes to retain cash for its business operations.

13 If the group has obtained a general mandate from shareholders for interested person transactions, the aggregate value of such transactions as required under Rule 920(1)(a)(ii) of the Listing Manual of the Singapore Exchange Securities Trading Limited. If no interested person transactions mandate has been obtained, a statement to that effect.

No interested person transaction mandate has been obtained from the shareholders of the Company.

14 Confirmation that the issuer has procured undertakings from its directors and executive officers under Rule 720(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

The Company confirms that it has procured undertakings from 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.

PART 2 – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15 Segmented revenue and results for business or geographical segments (of the group) with comparative information for the immediately preceding year.

2019	Exhibitions and Thematic S\$'000	Retail and Corporate Interiors S\$'000	Research and Design S\$'000	Alternative Marketing S\$'000	Corporate and Others S\$'000	Eliminations S\$'000	Per Consolidated Financial Statements S\$'000
Revenue							
External customers	171,736	169,774	17,370	7,042	-	-	365,922
Inter-segment (Note A)	11,083	12,442	300	8,932	-	(32,757)	-
Total revenue	182,819	182,216	17,670	15,974	-	(32,757)	365,922
Results							
Interest income	133	308	31	8	90	-	570
Interest expense	(269)	(633)	(9)	(4)	(591)	-	(1,506)
Amortisation of intangible assets	(222)	(46)	-	-	-	-	(268)
Amortisation of land use rights	-	(4)	-	-	(243)	-	(247)
Bad trade debts recovered	50	6	-	-	-	-	56
Bad trade debts written off	(28)	(51)	(20)	-	-	-	(99)
Depreciation of property, plant and equipment	(1,187)	(1,284)	(208)	(21)	(1,314)	-	(4,014)
Depreciation of right-of-use assets	(1,557)	(1,217)	(439)	(16)	(636)	-	(3,865)
Dividend income from equity instrument at fair value through other comprehensive income	-	-	-	-	105	-	105
Loss on deemed acquisition of interest in an associate	-	-	-	-	(55)	-	(55)
Net gain/(loss) on disposal of property, plant and equipment	2	18	-	(1)	-	-	19
Net (impairment loss)/write-back of impairment loss on doubtful trade receivables	(513)	187	(18)	(197)	-	-	(541)
Performance share scheme expense	(181)	(59)	(29)	(10)	-	-	(279)
Property, plant and equipment written off	(95)	(2)	-	(4)	(34)	-	(135)
Share of result of joint venture	150	-	-	-	-	-	150
Share of results of associates	130	19	(1)	-	-	-	148
Segment profit/(loss)	2,659	(568)	1,604	333	(1,854)	-	2,174

Segmented revenue and results for business or geographical segments (of the group) with comparative information for the immediately preceding year. (Cont'd)

2018	Exhibitions and Thematic S\$'000	Retail and Corporate Interiors S\$'000	Research and Design S\$'000	Alternative Marketing S\$'000	Corporate and Others S\$'000	Eliminations S\$'000	Per Consolidated Financial Statements S\$'000
Revenue							
External customers	160,253	171,983	17,123	11,569	-	-	360,928
Inter-segment (Note A)	4,219	10,721	-	900	-	(15,840)	-
Total revenue	164,472	182,704	17,123	12,469	-	(15,840)	360,928
Results							
Interest income	175	221	23	3	15	-	437
Interest expense	(70)	(479)	-	-	(252)	-	(801)
Amortisation of intangible assets	(149)	(46)	-	-	-	-	(195)
Amortisation of land use right	-	-	-	-	(243)	-	(243)
Bad trade debts written off	(758)	(11)	-	-	-	-	(769)
Depreciation of property, plant and equipment	(1,308)	(1,214)	(201)	(32)	(478)	-	(3,233)
Dividend income from equity instrument at fair value through other comprehensive income	-	-	-	-	47	-	47
Net gain/(loss) on disposal of property, plant and equipment	7	(2)	-	(25)	-	-	(20)
Net impairment loss on doubtful trade receivables	(307)	(182)	-	(21)	-	-	(510)
Performance share scheme expense	(173)	(114)	(39)	(22)	-	-	(348)
Property, plant and equipment written off	(24)	(8)	(3)	(3)	-	-	(38)
Share of result of joint venture	(16)	-	-	-	-	-	(16)
Share of results of associates	(37)	58	5	-	-	-	26
Segment profit/(loss)	3,491	6,529	1,977	561	(1,458)	-	11,100

Note : Nature of eliminations to arrive at amounts reported in the consolidated financial statements is as follows:

A. Inter-segment revenue are eliminated on consolidation.

15 Segmented revenue and results for business or geographical segments (of the group) with comparative information for the immediately preceding year. (Cont'd)

Segment revenue by geographical region

We have segmented our revenue by geographical region based on the location of our clients.

Revenue	Year Ended 31 Dec 19		Year Ended 31 Dec 18	
	S\$000	%	S\$000	%
North Asia	125,746	34.4%	124,008	34.4%
South Asia	198,425	54.2%	191,567	53.1%
Middle East	8,475	2.3%	11,161	3.1%
United States and Canada	20,368	5.6%	19,986	5.5%
Europe	10,997	3.0%	11,479	3.2%
Others	1,911	0.5%	2,727	0.7%
	365,922	100.0%	360,928	100.0%

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

Please refer to paragraph 8 for review of performance.

17 A breakdown of sales as follows:-

	Group		
	Year ended		% Change + / (-)
	31 Dec 19 S\$'000	31 Dec 18 S\$'000	
Revenue reported for first half year	172,842	146,825	17.7%
Operating profit after tax before deducting non-controlling interests reported for first half year	1,796	2,552	-29.6%
Revenue reported for second half year	193,080	214,103	-9.8%
Operating (loss)/profit after tax before deducting non-controlling interests reported for second half year	(1,317)	4,806	n/m

18 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

	Latest Full Year S\$'000	Previous Full Year S\$'000
Ordinary	5,049	4,989
Preference	-	-
Total	5,049	4,989

19 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(13). If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any Director and/or Substantial Shareholder	Current position and duties, and the year position was first held	Details of changes in duties and position held, if any, during the year
Ong Chin Kwan	62	Brother of Simon Ong Chin Sim (Deputy Executive Chairman and Substantial Shareholder)	<p>Executive Director and Creative Director of Kingsmen Design Pte Ltd.</p> <p>He is responsible for charting the creative direction and developing its design capabilities, ensuring that all designs meet the aesthetic, functional and budgetary requirements of our clients.</p> <p>Position held since January 2000.</p>	Not applicable

BY ORDER OF THE BOARD OF DIRECTORS

Soh Siak Poh Benedict
Executive Chairman

27 February 2020