

IPC CORPORATION LTD
(Company Registration No. 198501057M)
Full Year Financial Statement

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

1(a) An income statement and statement of comprehensive income or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

	2019	Group 2018 Audited	Increase/ (decrease) %
	S\$'000	S\$'000	
Sales	3,565	9,019	(60.5)
Cost of sales	(3,419)	(8,341)	(59.0)
Gross profit/(loss)	146	678	(78.5)
Other income	682	607	12.4
Other gains/(losses), net	(11,760)	29,893	NM
Expenses			
Distribution and marketing	(342)	(318)	7.5
Administrative	(4,603)	(5,222)	(11.9)
Finance	(588)	(579)	1.6
Other	–	(20)	(100)
	(5,533)	(6,139)	(9.9)
Profit/(loss) before income tax	(16,465)	25,039	NM
Income tax credit/(expense) (ii)	(242)	(71)	NM
Total profit/(loss)	(16,707)	24,968	NM
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss:			
Financial assets, at FVOCI			
- Fair value gain/(loss) – debt investments	–	(42)	(100)
- Reclassification upon redemption	(8)	–	NA
Currency translation gain/(loss) arising from consolidation	(1,937)	(1,721)	12.6
Items that will not be reclassified subsequently to profit or loss:			
Financial assets, at FVOCI			
- Fair value gain/(loss) – equity investments	39	(2,396)	NM
Other comprehensive income/(loss), net of tax	(1,906)	(4,159)	(54.2)
Total comprehensive income/(loss)	(18,613)	20,809	NM

(i) Profit/(loss) is arrived at after charging/(crediting) the following:

	2019	Group 2018	Increase/ (decrease)
	S\$'000	Audited S\$'000	%
Amortisation of prepaid leasehold land	454	473	(4.0)
Depreciation (Note 6)	1,792	1,539	16.4
Foreign exchange losses/(gains), net (Note 7)	198	(24)	NM
Write-down on land held for development (Note 4)	–	1,452	(100)
Gain on redemption of financial assets, at FVOCI	(62)	–	NA
Reclassification from OCI upon redemption of financial assets, at FVOCI	(8)	–	NA
Fair value loss/(gain) on financial assets, at FVPL (Note 4)	11,631	(31,340)	NM
Write-off of other receivables	1	19	(94.7)
Interest income	(139)	(143)	(2.8)
Interest expenses	588	579	1.6
(ii) Income tax expense/(credit)			
Foreign taxes			
- Land appreciation tax expenses	11	26	(57.7)
Under/(over) provision in prior financial years:			
- Current income tax	-	45	(100)
- Foreign taxes	(319)	-	NA
- Accrued sales tax	(62)	-	NA
Written-off of tax recoverable	612	-	NA
	242	71	NM

Notes

1. Sales

The significant decrease for the financial year under review compared to the previous financial year was mainly due to a one off sales in FY2018 of S\$4.970 million being the entire 24% interest in the land held for development, Ju Ren Da Sha, located at Xiang Zhou Yin Hua Lu, Zhuhai, China (“JU REN DA SHA”) and the decrease of revenue from Grand nest HOTEL, zhuhai in China due to primarily to the rooms upgrading program which started in FY2019.

2. Gross profit/(loss)

The decrease in gross profit for the financial year under review was in tandem with the decrease in revenue of Grand nest HOTEL zhuhai in China.

3. Other income

The increase in Other income was mainly due to higher rental income from Zhuhai in China

4. Other gains/(losses), net

The losses in FY2019 were mainly due to fair value loss on financial assets, at FVPL which relates to the Group's preference shares investment in Nest Hotel Japan Corporation (“NHJC”), a company incorporated in Japan, whereas the gains in FY2018 were mainly contributed by the fair value gain on the same financial assets, at FVPL offset against the write-down on the 24% interest in land held for development, JU REN DA SHA.

5. Administrative expense

The decrease was mainly due to the lesser administrative expenses incurred in Singapore.

6. Depreciation

The increase was mainly due to the adoption of SFRS(I) 16.

7. The movement in the exchange rates of United States Dollar, Hong Kong Dollar and Renminbi against the Singapore Dollar was mainly unrealised, due to recorded monetary balances denominated in foreign currencies that were adjusted to reflect the Singapore Dollars equivalent at the end of the reporting period.

NM: Not meaningful (change more than 100%)

NA: Not applicable

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

STATEMENTS OF FINANCIAL POSITION

	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	S\$'000	Audited S\$'000	S\$'000	Audited S\$'000
ASSETS				
Current assets				
Cash and cash equivalents (i)	7,440	9,974	3,339	5,996
Trade and other receivables	643	590	155	158
Tax recoverable (ii)	–	612	–	–
Properties developed for sale	18,349	18,958	–	–
Properties held for sale	2,986	3,071	–	–
Other assets	39	37	–	–
	<u>29,457</u>	<u>33,242</u>	<u>3,494</u>	<u>6,154</u>
Non-current assets				
Financial assets, at FVPL (iii)	22,920	34,551	22,920	34,551
Financial assets, at FVOCI (iv)	463	1,320	–	896
Prepayment (v)	73	95	–	–
Investment in associated companies	–	–	–	–
Investment in subsidiaries	–	–	87,411	94,062
Prepaid leasehold land	18,457	19,719	–	–
Property, plant and equipment	27,393	28,881	1,438	990
	<u>69,306</u>	<u>84,566</u>	<u>111,769</u>	<u>130,499</u>
Total assets	<u>98,763</u>	<u>117,808</u>	<u>115,263</u>	<u>136,653</u>
LIABILITIES				
Current liabilities				
Borrowings (vi)	1,051	3,774	277	–
Trade and other payables (vii)	2,153	2,824	200	949
Current income tax liabilities (viii)	11	319	–	–
	<u>3,215</u>	<u>6,917</u>	<u>477</u>	<u>949</u>
Non-current liabilities				
Borrowings (vi)	7,638	4,368	301	–
	<u>7,638</u>	<u>4,368</u>	<u>301</u>	<u>–</u>
Total liabilities	<u>10,853</u>	<u>11,285</u>	<u>778</u>	<u>949</u>
NET ASSETS	<u>87,910</u>	<u>106,523</u>	<u>114,485</u>	<u>135,704</u>
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	33,190	33,190	33,190	33,190
Currency translation reserve	(5,608)	(3,671)	–	–
Fair value reserve	(2,357)	(2,388)	–	8
Retained earnings	62,685	79,392	81,295	102,506
Total equity	<u>87,910</u>	<u>106,523</u>	<u>114,485</u>	<u>135,704</u>

Notes

- (i) The decrease in cash and cash equivalents was mainly used in operating activities.
- (ii) The decrease in tax recoverable was due to write-off.
- (iii) The decrease in financial assets, at FVPL of our preference share investment in NHJC, Japan was due to the fair value loss.
- (iv) The decrease in financial assets, at FVOCI was mainly due to the redemption of one of the investments.
- (v) The decrease was mainly due to the utilisation of the prepayment for the operations in Zhuhai, China.
- (vi) The decrease of the borrowings in current liabilities was mainly due to the reclassification to non-current liabilities.
- (vii) The decrease was due to the lesser accrued expenses for the operations in Singapore.
- (viii) The decrease in current income tax liabilities was due to the overprovision in prior years.

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

Amount repayable in one year or less, or on demand

Group		Group	
As at 31 December 2019		As at 31 December 2018	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
774	277	3,774	Nil

Amount repayable after one year

Group		Group	
As at 31 December 2019		As at 31 December 2018	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
7,337	301	4,368	Nil

Details of any collateral

The Group's borrowings were secured by pledge of certain prepaid leasehold land and certain buildings in Zhuhai, China.

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.

CONSOLIDATED STATEMENT OF CASH FLOWS

	2019	Group 2018 Audited
	\$'000	\$'000
Cash flows from operating activities		
Total profit/(loss)	(16,707)	24,968
Adjustments for		
- Income tax expense/(credit)	242	71
- Amortisation of prepaid leasehold land	454	473
- Depreciation of property, plant and equipment	1,792	1,539
- Unrealised currency translation losses/(gains)	198	(71)
- Gain on redemption of financial assets, at FVOCI	(62)	-
- Write-down on land held for development	-	1,452
- Fair value loss/(gain) on financial assets, at FVPL	11,631	(31,340)
- Write-off of other receivables	1	19
- Interest income	(139)	(143)
- Interest expense	588	579
	<u>(2,002)</u>	<u>(2,453)</u>
Change in working capital		
- Other assets	(2)	3
- Properties	37	5,066
- Trade and other receivables	(32)	165
- Trade and other payables	(608)	861
	<u>(2,607)</u>	<u>3,642</u>
Cash generated from/(used in) operations	(2,607)	3,642
Interest received	139	113
Income tax paid, net	-	(71)
Net cash provided by/(used in) operating activities (i)	<u>(2,468)</u>	<u>3,684</u>
Cash flows from investing activities		
Purchases of property, plant and equipment	(167)	(360)
Redemption of financial assets, at FVOCI	877	-
Net cash provided by/(used in) investing activities	<u>710</u>	<u>(360)</u>
Cash flows from financing activities		
Interest paid	(588)	(579)
Proceeds from borrowings	3,948	3,652
Repayment of borrowings	(3,751)	(3,855)
Principal payment of lease liabilities	(305)	-
Net cash provided by/(used in) financing activities	<u>(696)</u>	<u>(782)</u>
Net increase/(decrease) in cash and cash equivalents	<u>(2,454)</u>	<u>2,542</u>
Cash and cash equivalents at beginning of financial year	9,974	7,334
Effects of currency translation on cash and cash equivalents	(80)	98
Cash and cash equivalents at end of financial year	<u>7,440</u>	<u>9,974</u>

Notes:

- (i) The net cash used in operating activities was mainly related to the loss from operations.

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.

STATEMENT OF CHANGES IN EQUITY – GROUP	Attributable to Equity Holders of the Company				
	Share capital S\$'000	Currency translation reserve S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total S\$'000
2019					
As at 1 January	33,190	(3,671)	(2,388)	79,392	106,523
Total comprehensive income/(loss) for the year					
Profit/(loss) for the year	–	–	–	(16,707)	(16,707)
Other comprehensive income/(loss) for the year	–	(1,937)	31	–	(1,906)
	–	(1,937)	31	(16,707)	(18,613)
As at 31 December	33,190	(5,608)	(2,357)	62,685	87,910

STATEMENT OF CHANGES IN EQUITY – GROUP	Attributable to Equity Holders of the Company				
	Share capital S\$'000	Currency translation reserve S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total S\$'000
2018					
As at 31 December 2017	33,190	(1,950)	50	51,360	82,650
Adoption of SFRS(I) 9	–	–	–	3,064	3,064
As at 1 January 2018	33,190	(1,950)	50	54,424	85,714
Total comprehensive income/(loss) for the year					
Profit/(loss) for the year	–	–	–	24,968	24,968
Other comprehensive income/(loss) for the year	–	(1,721)	(2,438)	–	(4,159)
	–	(1,721)	(2,438)	24,968	20,809
As at 31 December 2018	33,190	(3,671)	(2,388)	79,392	106,523

STATEMENT OF CHANGES IN EQUITY – COMPANY

	Share capital S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total Equity S\$'000
2019				
As at 1 January	33,190	8	102,506	135,704
Total comprehensive income/(loss) for the year				
Profit/(loss) for the year	–	–	(21,211)	(21,211)
Other comprehensive income/(loss) for the year	–	(8)	–	(8)
	–	(8)	(21,211)	(21,219)
As at 31 December	33,190	–	81,295	114,485

STATEMENT OF CHANGES IN EQUITY – COMPANY

	Share capital S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total Equity S\$'000
2018				
As at 31 December 2017	33,190	50	74,512	107,752
Adoption of SFRS(I) 9	–	–	3,064	3,064
As at 1 January 2018	33,190	50	77,576	110,816
Total comprehensive income/(loss) for the year				
Profit/(loss) for the year	–	–	24,930	24,930
Other comprehensive income/(loss) for the year	–	(42)	–	(42)
	–	(42)	24,930	24,888
As at 31 December 2018	33,190	8	102,506	135,704

- 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.**

Not applicable.

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

The total number of issued shares as at 31 December 2019 was 85,291,885 (31 December 2018: 85,291,885). There is no treasury share for both periods.

- 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 is no treasury share as at the end of the current financial period.

- 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.**

There is no subsidiary holding as at the end of the current financial period.

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

The figures have not been audited or reviewed by the Company's auditor.

- 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 accounting policies and methods of computations applied by the Group are consistent with those used in its audited financial statements as at 31 December 2018, except for those as disclosed under item 5 below.

- 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.**

(a) SFRS(I) 16 Leases (effective for annual periods beginning on or after 1 January 2019)

SFRS(I) 16 has resulted in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The Group and the Company has recognised \$883,000 under property, plant and equipment and lease liabilities upon adoption SFRS(I) 16 as at 1 January 2019.

(b) SFRS(I) INT 23 Uncertainty Over Income Tax Treatments (effective for annual periods beginning on or after 1 January 2019)

The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment.

The Group does not expect additional tax liability to be recognised arising from the uncertain tax positions on the adoption of the interpretation 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.**

	<u>Group</u>	
	2019	2018 Audited
Earning/(loss) per ordinary share of the Group for the year, after deducting any provision for preference dividends:-		
(i) Based on the weighted average number of ordinary shares on issue (in cents)	(19.59)	29.27
(ii) On a fully diluted basis (in cents)	(19.59)	29.27

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>	
	31 Dec 2019	31 Dec 2018 Audited	31 Dec 2019	31 Dec 2018 Audited
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares at the end of the financial year:-	S\$1.03	S\$1.25	S\$1.34	S\$1.59
Number of existing issued shares excluding treasury shares at end of the financial year:	85,291,885	85,291,885	85,291,885	85,291,885

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.**

The Group recorded sales of S\$3.565 million for the financial year ended 31 December 2019 compared to S\$9.019 million for the previous financial year. The significant decrease in sales was mainly due to a one off sales in FY2018 of S\$4.970 million being the entire 24% interest in the land held for development, Ju Ren Da Sha, located at Xiang Zhou Yin Hua Lu, Zhuhai, China ("JU REN DA SHA") and the decrease of revenue from Grand nest HOTEL Zhuhai in China, which was primarily impacted from the rooms upgrading program that started in FY2019.

Gross profit decreased by 78.5% to S\$0.146 million compared to S\$0.678 million in FY2018 was in tandem with the decrease in the revenue of Grand nest HOTEL, Zhuhai, China

The other losses of S\$11.760 million in FY2019 was mainly due to the fair value loss on financial assets, at FVPL from the Group's preference shares investment in NHJC, Japan. The following factors contributed to a lower valuation of NHJC, hence a fair value loss:

External Factor:

In 2019, the foreign tourists' growth rate of 2.2% was the smallest since 2012 according to Nikkei Asian Review on 10 Jan 2020, as compared with 8.7% growth in 2018 according to Nikkei Asian Review on 16 Jan 2019:

- (a) Japan's inbound visitor growth slowed in 2019 due partly from a significant drop in South Korean tourists amid bilateral tensions. The number of South Korean visitors declined 7.6% for July and dropped further to more than 60% by November.
- (b) The pace of growth has slowed down from the number of visitors from China to Japan (Nikkei Asian Review 1st Jan 2020).

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:- (continued)

- (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.**

Internal factor:

There was a delay in the opening of 2 hotels from 2020 to 2021 and coupled with the external factors as mentioned, a lower revenue growth was projected.

The valuation of NHJC for FY2019 was undertaken by the same independent international valuer from Japan who did the valuation for FY2018. The methodology and bases for the FY2019 valuation were the same as those of the FY2018 valuation. Fair value measurement was derived using the Option Pricing Models to determine the valuation of the NHJC preference shares. Part of the preference shares valuation was the equity valuation which was determined based on the income approach and market approach. Key assumptions included the projected revenue growth, discount rate, terminal growth rate, discount for lack of control, discount for lack of marketability, and market multiples of comparable companies.

The Group recorded a loss before tax of S\$16.465 million and a loss after tax of S\$16.707 million for the financial year ended 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 actual results are in line with the commentary under paragraph 10 of the Group's previous results announcement (Q3 FY2019) and the profit warning announcement on 16 January 2020.

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.

In FY2019, NHJC secured 2 new hotels in Japan under its management upon completion in 2021/2022, which results in a total of 6 new hotels in the pipeline to be opened by end 2022.

In Jan 2020, NHJC secured a hotel that is due for opening in FY2020, resulting in a total of 7 new hotels to be opened and managed by NHJC by end 2022. The new hotels will be using the Group and NHJC brand names of Nest, bespoke and Tissage. By the end of 2022, the Group would have 21 hotels under NHJC management.

The continuing bilateral tensions between Japan and South Korea, the prolonged protest in Hong Kong and the Wuhan coronavirus if not contained could potentially dampen Japan's inbound visitor growth. Coupled with the progressive addition of new hotels in many cities in Japan, the pressure is already being felt by many hotels on their ADR and RevPAR, in particular in Kyoto and Osaka. However, the Japanese government aims to attract 40 million foreign tourists by 2020, in comparison with around 31million achieved in 2019. The Tokyo Olympics and Paralympics (2020) are major events that could potentially be positives for the hospitality industry.

The expected completion of the rooms upgrading program of Grand nest HOTEL Zhuhai, China is scheduled to be in or about Q1 FY2020.

The Group will continue to focus on its hospitality business expansion & development going forward.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

11. Dividend (continued)

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend is declared/recommended for the current financial period. The Company is preserving its cash resources to pursue strategic business opportunities.

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

The Company does not have any general mandate from shareholders pursuant to Rule 920.

14. Confirmation Pursuant to Rule 720(1) of the Listing Manual.

IPC Corporation Ltd confirms that undertakings under Rule 720(1) have been obtained from all its directors and executive officers in the format set out in Appendix 7.7.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

15. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recent audited annual financial statements, with comparative information for the immediately preceding year.**

	<u>Properties</u>	<u>Hotel management</u>	<u>Investment</u>	<u>Other</u>	<u>Total</u>
	<u>People's Republic of China</u>	<u>People's Republic of China</u>	<u>Japan</u>	<u>Singapore</u>	
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<u>Group</u>					
2019					
Revenue and other income					
- external sales	43	3,522	-	-	3,565
- other income	477	45	-	160	682
- inter-segment income	256	-	-	-	256
	776	3,567	-	160	4,503
Cost of revenue and operating expenses					
	(296)	(3,257)	-	(3,153)	(6,706)
Inter-segment expense	-	(256)	-	-	(256)
Depreciation and amortisation	(1,663)	(427)	-	(156)	(2,246)
Other gains/(losses), net	-	(45)	(11,631)	(84)	(11,760)
Profit/(loss) before income tax	(1,183)	(418)	(11,631)	(3,233)	(16,465)
Total assets	63,324	4,151	22,920	8,368	98,763
Total assets include:					
Additions to:					
- property, plant and equipment	105	62	-	-	167
Total liabilities	8,505	759	-	1,578	10,842
2018					
Revenue and other income					
- external sales	5,084	3,935	-	-	9,019
- other income	409	26	-	172	607
- inter-segment income	260	-	-	-	260
	5,753	3,961	-	172	9,886
Cost of revenue and operating expenses					
	(5,608)	(3,135)	-	(3,725)	(12,468)
Inter-segment expense	-	(260)	-	-	(260)
Depreciation and amortisation	(1,435)	(421)	-	(156)	(2,012)
Other gains/(losses), net	(1,452)	(98)	31,340	103	29,893
Profit/(loss) before income tax	(2,742)	47	31,340	(3,606)	25,039
Total assets	66,486	4,733	34,551	11,426	117,196
Total assets include:					
Additions to:					
- property, plant and equipment	-	360	-	-	360
Total liabilities	8,554	646	-	1,766	10,966
<u>Group</u>					
			2019	2018	
			Audited	Audited	
			S\$'000	S\$'000	
Segment assets for reportable segments			98,763	117,196	
Other segment assets					
Unallocated					
- tax recoverable			-	612	
			98,763	117,808	

15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recent audited annual financial statements, with comparative information for the immediately preceding year. (continued)

	<u>Group</u>	
	2019 S\$'000	2018 Audited S\$'000
Segment liabilities for reportable segments	10,842	10,966
Other segment assets		
Unallocated:		
- Current income tax liabilities	11	319
	10,853	11,285
Revenue from major products and services		
Properties	43	5,084
Hotel management	3,522	3,935
	3,565	9,019

Geographical information

	<u>Sales</u>	
	2019 S\$'000	2018 Audited S\$'000
China	3,565	9,019
<u>Non-current Assets</u>		
	2019 S\$'000	2018 Audited S\$'000
Singapore	1,438	990
China	44,485	47,705
	45,923	48,695

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.

This has been explained in item 8 and item 10 above.

17. A breakdown of sales.

	<u>Group</u>		Increase/ (Decrease) %
	2019 S\$'000	2018 S\$'000	
Sales reported for the first half year	1,542	2,028	(24.0)
Operating profit/(loss) after tax before deducting non-controlling interests for first half year	(2,476)	(1,948)	27.1
Sales reported for second half year	2,023	6,991	(71.1)
Operating profit/(loss) after tax before deducting non-controlling interests for second half year	(14,231)	26,916	NM

NM: Not meaningful (change more than 100%)

NA: Not applicable

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

Not applicable.

19. Disclosure of person occupying a managerial position in the issuer of 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) in the format below. 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 the position was held	Details of changes in duties and position held, if any, during the year
Ngiam Mia Je Patrick	65	Please see notes below	Chairman and Chief Executive Officer. Responsible for the overall management of the Group. The positions were held since 1992.	No change
Ngiam Mia Kiat Benjamin	63	Please see notes below	Managing Director. Responsible for the operations of the Group. The position was held since 1992.	No change
Lauw Hui Kian	63	Please see notes below	Executive Director (Finance & Administration) Controlling the administration and finance activities of the Group. The position was held since 1985.	No change
Ngiam Mia Hai Bernard	59	Please see notes below	Executive Director (Marketing & Corporate Communications, Business Development) Managing the marketing activities and corporate communications of the Group and engaging in business development/investment activities. The position was held since 1985.	No change
Ngiam Mia Hong Alfred	56	Please see notes below	Executive Director (Business Development & IT Solutions) Responsible for all aspects of the IT solutions of the Group and engage in business development/investment activities. The position was held since 1991.	No change

Notes:

- Ms Lauw Hui Kian is the spouse of Mr Ngiam Mia Je Patrick.
- Messrs Ngiam Mia Je Patrick, Ngiam Mia Kiat Benjamin, Ngiam Mia Hai Bernard and Ngiam Mia Hong Alfred are brothers.
- Mr Ngiam Mia Je Patrick, Mr Ngiam Mia Kiat Benjamin and Ms Lauw Hui Kian are also substantial shareholders of the Company.

BY ORDER OF THE BOARD

Lauw Hui Kian
Director
24 January 2020