



**TRAVELITE HOLDINGS LTD.**  
(Registration No. 200511089K)

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**Full Year Financial Statement Announcement For The Year Ended 31 March 2018**

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**PART I – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR ANNOUNCEMENT**

**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.**

	<b>Group</b>		
	<u>2018</u>	<u>2017</u>	+ / (-)
	\$'000	\$'000	%
<b>Revenue</b>	40,262	43,802	(8.1)
Cost of Sales	<u>(22,914)</u>	<u>(24,773)</u>	(7.5)
<b>Gross Profit</b>	17,348	19,029	(8.8)
<b><u>Other Items of Income</u></b>			
Interest Income	225	94	139.4
Other Gains	752	773	(2.7)
<b><u>Other Items of Expense</u></b>			
Marketing and Distribution Costs	(11,084)	(12,314)	(10.0)
Administrative Expenses	(7,651)	(6,747)	13.4
Finance Costs	(565)	(168)	236.3
Other Losses	(318)	(741)	(57.1)
Share of Loss from Equity-Accounted Joint Venture	<u>(23)</u>	<u>(20)</u>	15.0
<b>Loss Before Tax From Continuing Operations</b>	(1,316)	(94)	n.m.
Income Tax Income (Expense)	88	(104)	n.m.
<b>Loss From Continuing Operations, Net of Tax</b>	<u>(1,228)</u>	<u>(198)</u>	n.m.
Profit From Discontinued Operations, Net of Tax	–	609	(100.0)
<b>(Loss) Profit Net of Tax</b>	<u>(1,228)</u>	<u>411</u>	n.m.
<b><u>Other Comprehensive Income:</u></b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange Differences on Translating Foreign Operations, Net of Tax	(442)	306	n.m.
<b>Total Comprehensive (Loss) Income</b>	<u>(1,670)</u>	<u>717</u>	n.m.

	<b>Group</b>		
	<u>2018</u> \$'000	<u>2017</u> \$'000	+ / (-) %
<u>Loss From Continuing Operations, Net of Tax Attributable To:</u>			
Owners of the Parent	(966)	(185)	n.m.
Non-Controlling Interests	(262)	(13)	n.m.
	<u>(1,228)</u>	<u>(198)</u>	n.m.
<u>Profit From Discontinued Operations, Net of Tax Attributable To:</u>			
Owners of the Parent	-	609	(100.0)
Non-Controlling Interests	-	-	n.m.
	<u>-</u>	<u>609</u>	(100.0)
<u>(Loss) Profit Net of Tax Attributable To:</u>			
Owners of the Parent	(966)	424	n.m.
Non-Controlling Interests	(262)	(13)	n.m.
	<u>(1,228)</u>	<u>411</u>	n.m.
<u>Total Comprehensive (Loss) Income Attributable To:</u>			
Owners of the Parent	(1,408)	730	n.m.
Non-Controlling Interests	(262)	(13)	n.m.
	<u>(1,670)</u>	<u>717</u>	n.m.

n.m. denotes not meaningful

### **Notes on Statement of Comprehensive Income**

#### **Other Gains (Losses)**

(Allowance for) Reversal of Impairment on Inventories	(154)	372
Allowance for Impairment on Other Receivables	(37)	-
Amortisation of Other Intangible Assets	(35)	(34)
Impairment of Plant and Equipment	(36)	-
Inventories Written Back (Written Off)	1	(30)
Foreign Exchange Adjustment Losses	(34)	(535)
Gain on Disposal of Plant and Equipment	6	7
Gain on Disposal of Subsidiary	398	-
Government Grants Received	300	394
Plant and Equipment Written Off	(22)	(4)
Reversal of (Allowance for) Impairment on Trade Receivables	47	(138)
Net	<u>434</u>	<u>32</u>
Presented in profit or loss as:		
Other Gains	752	773
Other Losses	(318)	(741)
Net	<u>434</u>	<u>32</u>

#### **Finance Costs**

Interest Expense	<u>565</u>	<u>168</u>
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**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.**

	Group			Company		
	<u>2018</u> \$'000	<u>2017</u> \$'000	+ / (-) %	<u>2018</u> \$'000	<u>2017</u> \$'000	+ / (-) %
<b>ASSETS</b>						
<b><u>Non-Current Assets</u></b>						
Property, Plant and Equipment	22,270	23,800	(6.4)	20,393	20,075	1.6
Investment Property	1,791	–	n.m.	–	–	n.m.
Intangible Assets	277	312	(11.2)	–	–	n.m.
Investments in Subsidiaries	–	–	n.m.	12,734	12,734	0.0
Investment in Associates	105	–	n.m.	–	–	n.m.
Investment in Joint Arrangement	–	23	(100.0)	–	–	n.m.
Deferred Tax Assets	1	4	(75.0)	–	–	n.m.
Other Receivables	278	335	(17.0)	–	–	n.m.
<b>Total Non-Current Assets</b>	<b>24,722</b>	<b>24,474</b>	<b>1.0</b>	<b>33,127</b>	<b>32,809</b>	<b>1.0</b>
<b><u>Current Assets</u></b>						
Assets Held For Sale	–	2,146	(100.0)	–	–	n.m.
Inventories	11,726	11,124	5.4	–	–	n.m.
Trade and Other Receivables	13,710	16,452	(16.7)	2,207	2,583	(14.6)
Other Assets	423	814	(48.0)	18	43	(58.1)
Cash and Cash Equivalents	6,279	6,029	4.1	1,836	1,494	22.9
<b>Total Current Assets</b>	<b>32,138</b>	<b>36,565</b>	<b>(12.1)</b>	<b>4,061</b>	<b>4,120</b>	<b>(1.4)</b>
<b>Total Assets</b>	<b>56,860</b>	<b>61,039</b>	<b>(6.8)</b>	<b>37,188</b>	<b>36,929</b>	<b>0.7</b>
<b>EQUITY AND LIABILITIES</b>						
<b><u>Equity, Attributable To Owners of The Parent</u></b>						
Share Capital	21,831	21,831	0.0	21,831	21,831	0.0
Treasury Shares	(2)	(2)	0.0	(2)	(2)	0.0
Retained Earnings (Accumulated Losses)	2,298	3,264	(29.6)	(5,016)	(5,335)	(6.0)
Other Reserves	321	763	(57.9)	(82)	(82)	0.0
<b>Equity, Attributable To Owners of The Parent, Total</b>	<b>24,448</b>	<b>25,856</b>	<b>(5.4)</b>	<b>16,731</b>	<b>16,412</b>	<b>1.9</b>
<b>Non-Controlling Interests</b>	<b>3,509</b>	<b>3,771</b>	<b>(6.9)</b>	<b>–</b>	<b>–</b>	<b>n.m.</b>
<b>Total Equity</b>	<b>27,957</b>	<b>29,627</b>	<b>(5.6)</b>	<b>16,731</b>	<b>16,412</b>	<b>1.9</b>

	Group			Company		
	<u>2018</u> \$'000	<u>2017</u> \$'000	+ / (-) %	<u>2018</u> \$'000	<u>2017</u> \$'000	+ / (-) %
<b><u>Non-Current Liabilities</u></b>						
Provisions	180	139	29.5	–	–	n.m.
Deferred Tax Liabilities	150	123	22.0	36	–	n.m.
Finance Leases	58	136	(57.4)	–	–	n.m.
Other Financial Liabilities	11,170	10,837	3.1	11,170	10,837	3.1
<b>Total Non-Current Liabilities</b>	<b>11,558</b>	<b>11,235</b>	<b>2.9</b>	<b>11,206</b>	<b>10,837</b>	<b>3.4</b>
<b><u>Current Liabilities</u></b>						
Income Tax Payable	114	330	(65.5)	–	–	n.m.
Trade and Other Payables	4,863	5,593	(13.1)	1,085	987	9.9
Finance Leases	90	158	(43.0)	–	32	(100.0)
Other Financial Liabilities	12,278	14,096	(12.9)	8,166	8,661	(5.7)
<b>Total Current Liabilities</b>	<b>17,345</b>	<b>20,177</b>	<b>(14.0)</b>	<b>9,251</b>	<b>9,680</b>	<b>(4.4)</b>
<b>Total Liabilities</b>	<b>28,903</b>	<b>31,412</b>	<b>(8.0)</b>	<b>20,457</b>	<b>20,517</b>	<b>(0.3)</b>
<b>Total Equity and Liabilities</b>	<b>56,860</b>	<b>61,039</b>	<b>(6.8)</b>	<b>37,188</b>	<b>36,929</b>	<b>0.7</b>

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

	Group			
	2018		2017	
	<u>Secured</u> \$'000	<u>Unsecured</u> \$'000	<u>Secured</u> \$'000	<u>Unsecured</u> \$'000
a) Amount repayable in one year or less, or on demand	8,256	4,112	8,819	5,435
b) Amount payable after one year	11,228	–	10,973	–

The facilities are secured or covered by:

- 1) First legal mortgages on leasehold properties held by the Company and a subsidiary.
- 2) Assignment of rental proceeds from the leasehold properties held by the Company and a subsidiary.
- 3) Corporate guarantee from certain subsidiaries in favour of the lender of the Company.
- 4) Corporate guarantee from the Company in favour of lenders of certain subsidiaries.
- 5) Negative pledge on the assets of a subsidiary.
- 6) The obligation under finance leases are secured over the leased assets.

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.

	Group	
	<u>2018</u>	<u>2017</u>
	\$'000	\$'000
<b><u>Cash Flows From Operating Activities</u></b>		
Loss Before Tax from Continuing Operations	(1,316)	(94)
Adjustments for:		
Interest Income	(225)	(94)
Interest Expense	565	168
Share of the Loss of Equity-Accounted Joint Venture	23	20
Depreciation of Property, Plant and Equipment	1,339	853
Depreciation of Investment Property	144	–
Amortisation of Other Intangible Assets	35	34
Plant and Equipment Written Off	22	4
Impairment of Plant and Equipment	36	–
Gain on Disposal of Plant and Equipment	(6)	(7)
Gain on Disposal of Subsidiary	(398)	–
Provisions	75	24
Cash Flows From Discontinued Operating Activities	–	868
<b>Operating Cash Flows Before Changes in Working Capital</b>	<u>294</u>	<u>1,776</u>
Inventories	(1,513)	85
Trade and Other Receivables	2,571	(2,549)
Other Assets	377	(270)
Trade and Other Payables	517	(2,122)
Provisions	(26)	(47)
<b>Net Cash Flows From (Used in) Operations Before Interest and Tax</b>	<u>2,220</u>	<u>(3,127)</u>
Income Tax Paid	(105)	(208)
<b>Net Cash Flows From (Used in) Operating Activities</b>	<u>2,115</u>	<u>(3,335)</u>
<b><u>Cash Flows From Investing Activities</u></b>		
Disposal of Plant and Equipment	96	46
Purchase of Property, Plant and Equipment (see Note A)	(1,900)	(21,131)
Capital Expenditure on Investment Property	(28)	–
Disposal of Subsidiary (Net of Cash Disposed of) (see Note B)	(30)	–
Acquisition of Associate	(105)	–
Disposal of Assets Held For Sale	2,146	–
Cash Restricted in Use	–	969
Interest Received	225	94
<b>Net Cash Flows From (Used in) Investing Activities</b>	<u>404</u>	<u>(20,022)</u>
<b><u>Cash Flows From Financing Activities</u></b>		
Finance Lease Repayment	(146)	(173)
Increase in Borrowings	1,000	19,579
Decrease in Other Financial Liabilities	(2,673)	(219)
Interest Paid	(565)	(168)
<b>Net Cash Flows (Used in) From Financing Activities</b>	<u>(2,384)</u>	<u>19,019</u>

	<u>2018</u>	<u>2017</u>
	\$'000	\$'000
		<b>Group</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	135	(4,338)
Cash and Cash Equivalents, Consolidated Statement of Cash Flows, Beginning Balance	6,003	10,331
Net Effect of Exchange Rate Changes on Cash and Cash Equivalents	(73)	10
<b>Cash and Cash Equivalents, Consolidated Statement of Cash Flows, Ending Balance</b>	<u>6,065</u>	<u>6,003</u>
<u>Analysis of Cash and Cash Equivalents for Consolidated Statement of Cash</u>		
<u>Flows:</u>		
Cash and Cash Equivalents	6,279	6,029
Overdraft	(214)	(26)
Cash and Cash Equivalents for Consolidated Statement of Cash Flows	<u>6,065</u>	<u>6,003</u>

**NOTES:**

- A. Non-cash transactions:  
During the financial year, there were acquisitions of plant and equipment with a total cost of nil (2017: \$207,000) by means of finance leases.
- B. During the financial year, the Group disposed of its entire shareholding interests in a wholly-owned subsidiary, Yangtzekiang Industries Sdn. Bhd. ("YI") to an outside party for RM50,000 (approximately \$17,000), with effect from 31 October 2017.

The results for the reporting year from the disposal of the subsidiary and the results for the previous reporting year and for the period from the beginning of the reporting year to 31 October 2017, which have been included in the consolidated financial statements, were as follows:

	<b>Group</b>	
	<u>Period ended</u>	<u>Year ended</u>
	<u>31.10.2017</u>	<u>31.3.2017</u>
	\$'000	\$'000
Revenue	955	1,344
Expenses	(1,384)	(2,025)
Loss Before Tax	(429)	(681)
Income Tax Expense	-	-
Loss After Tax Before Gain on Disposal	(429)	(681)

The following table is a summary of the carrying amounts of the assets and liabilities of the subsidiary:

	<b>Group</b>	
	<u>At 31.10.2017</u>	<u>At 31.3.2017</u>
	\$'000	\$'000
Plant and Equipment	40	65
Inventories	911	740
Trade and Other Receivables	215	162
Other Assets	14	25
Cash and Cash Equivalents	47	108
Trade and Other Payables	(1,424)	(3,928)
Finance Leases	-	(3)
Provisions	(8)	(5)
Net Liabilities Disposed Of	(205)	(2,836)
Foreign Exchange Translation Reserve Reclassified to Profit or Loss	(176)	
Gain on Disposal of Subsidiary	398	
Cash Consideration	17	
Less: Cash and Cash Equivalents Disposed Of	(47)	
Net Cash Outflow on Disposal	(30)	

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.

	Total <u>Equity</u> \$'000	Attributable To Parent <u>Sub-Total</u> \$'000	Share <u>Capital</u> \$'000	Retained <u>Earnings</u> \$'000	Treasury <u>Shares</u> \$'000	Other Reserves			
						Foreign Currency <u>Translation</u> <u>Reserve</u> \$'000	Capital <u>Reserve</u> \$'000	Loss on Reissuance of Treasury <u>Shares</u> \$'000	Non- Controlling <u>Interests</u> \$'000
<b><u>The Group</u></b>									
Balance at 1 April 2017	29,627	25,856	21,831	3,264	(2)	597	248	(82)	3,771
<b>Movements in Equity:</b>									
Total Comprehensive Loss for the Year	(1,670)	(1,408)	–	(966)	–	(442)	–	–	(262)
<b>Balance at 8</b>	<b>27,957</b>	<b>24,448</b>	<b>21,831</b>	<b>2,298</b>	<b>(2)</b>	<b>155</b>	<b>248</b>	<b>(82)</b>	<b>3,509</b>
Balance at 1 April 2016	28,910	25,126	21,831	2,840	(2)	291	248	(82)	3,784
<b>Movements in Equity:</b>									
Total Comprehensive Income (Loss) for the Year	717	730	–	424	–	306	–	–	(13)
<b>Balance at 2017</b>	<b>29,627</b>	<b>25,856</b>	<b>21,831</b>	<b>3,264</b>	<b>(2)</b>	<b>597</b>	<b>248</b>	<b>(82)</b>	<b>3,771</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.

	<u>Total Equity</u> \$'000	<u>Share Capital</u> \$'000	<u>Accumulated Losses</u> \$'000	<u>Treasury Shares</u> \$'000	<u>Other Reserve</u> \$'000
<b><u>The Company</u></b>					
Balance at 1 April 2017	16,412	21,831	(5,335)	(2)	(82)
<b>Movements in Equity:</b>					
Total Comprehensive Income for the Year	319	–	319	–	–
<b>Balance at 2018</b>	<u>16,731</u>	<u>21,831</u>	<u>(5,016)</u>	<u>(2)</u>	<u>(82)</u>
Balance at 1 April 2016	16,271	21,831	(5,476)	(2)	(82)
<b>Movements in Equity:</b>					
Total Comprehensive Income for the Year	141	–	141	–	–
<b>Balance at 7</b>	<u>16,412</u>	<u>21,831</u>	<u>(5,335)</u>	<u>(2)</u>	<u>(82)</u>

- 1 (d) (ii) Details of any changes in the company's share capital arising from right 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 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.**

There was no change in the Company's share capital since the end of the previous period reported on, being 30 September 2017 up till 31 March 2018.

The number of shares held as treasury shares as at 31 March 2018 was 7,800 (0.01%) (31 March 2017: 7,800 (0.01%)).

There were no outstanding convertibles or subsidiary holdings as at 31 March 2018 and 31 March 2017.

- 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 excluding treasury shares as at the end of current financial year was 63,098,409 (31 March 2017: 63,098,409).

- 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.**

No treasury shares were sold, transferred, cancelled or used during the financial year ended 31 March 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 as there were no subsidiary holdings.

- 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.

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

Not applicable.

**4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the Group's financial statements for the current financial year compared with the audited financial statements as at 31 March 2017 except for the adoption of the applicable new and revised Financial Reporting Standards (FRS) and INT FRS that were mandatory for the financial year beginning 1 April 2017. The adoption of these FRS and INT FRS has no significant impact on the financial statements.

**5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not applicable.

**6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	<u>2018</u>	<u>Group</u> <u>2017</u>
Earnings per share (in cents)		
Continuing Operations:		
- Basic and diluted	(1.53)	(0.29)
Discontinued Operations:		
- Basic and diluted	—	0.97
Total	<u>(1.53)</u>	<u>0.68</u>

**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 end of the current financial period reported on and immediately preceding financial year.**

	<u>Group</u>		<u>Company</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Net asset value per share (in cents)	44.3	47.0	26.5	26.0
Net assets (including non-controlling interest) (\$'000)	27,957	29,627	16,731	16,412
Number of shares used in calculating net asset value per share ('000)	63,098	63,098	63,098	63,098

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.**

**(A) Commentary on The Statement of Comprehensive Income of The Group**

**(i) Revenue**

Revenue fell from \$43.8 million to \$40.3 million as a result of lower revenue from wholesale distribution and departmental stores, partly offset by higher revenue from specialty stores.

**(ii) Gross Profit**

The gross profit margin maintained in the region of 43%.

**(iii) Other Gains**

The other gains of \$0.8 million include a gain on disposal of a subsidiary (see Note B on page 7) of \$0.4 million and government grants received of \$0.3 million. Those of FY2017 included government grants received of \$0.4 million and reversal of impairment on inventories of \$0.4 million.

**(iv) Marketing and Distribution Costs, Administrative Expenses**

The Group pared \$1.2 million of marketing and distribution costs, notably \$0.5 million in rental expenses following the consolidation of Singapore operating units at the new location last year. Manpower was downsized by \$0.6 million in response to the difficult operating environment. As a result, marketing and distribution costs remained at approximately 28% of revenue.

The Group incurred higher administrative expenses by \$0.9 million due to the full year impact of the Company's leasehold property acquired in early year 2017, partly offset by reduction in staff costs and other expenses. Depreciation of property, plant and equipment doubled in FY2018 to \$1.2 million.

Total operating expenses were \$0.3 million lower than FY2017.

**(v) Finance Costs**

The sharp increase in finance costs was primarily attributable to the loans taken out by the Company to finance its acquisition of the leasehold property.

**(vi) Other Losses**

The other losses of \$0.3 million included allowance for impairment on inventories of \$0.2 million. Those in FY2017 included foreign exchange adjustment losses of \$0.5 million and allowance for impairment on trade receivables of \$0.1 million.

**(vii) Income Tax Income (Expense)**

The Group's income tax income of \$0.1 million in FY2018 wholly arose from reversal of over provision made in previous years.

(viii) **Profit from Discontinued Operations, Net of Tax**

In FY2017, the Group entered into an agreement in relation to the forming of a joint venture company (“JVC”) to undertake the business of distribution, wholesale and retails of luggage and travel accessory products bearing the "Delsey" trademark in Singapore, Malaysia and Indonesia, as well as the disposal by the Group of certain assets to the JVC. The transaction was completed on 28 June 2017.

(ix) **Other Comprehensive (Loss) Income**

Exchange losses on translating foreign operations, net of tax of \$0.4 million included foreign currency translation deficit reclassified to profit or loss of \$0.2 million pursuant to the disposal of a subsidiary (see Note B on page 7).

(x) **Loss Attributable to Non-Controlling Interests, Net of Tax**

Non-controlling interests shared a larger amount of loss in FY2018 in line with higher losses incurred by the subsidiaries in the menswear division.

**(B) Commentary on The Consolidated Statements of Financial Position and The Statement of Cash Flows**

- (i) A total of \$1.9 million was reclassified from property, plant and equipment to investment property following the change in use of the leasehold property owned by a subsidiary since the beginning of FY2018. Depreciation charged on the investment property during the year amounted to \$0.1 million.
- (ii) (a) During the year, the Group injected \$0.1 million into an associate incorporated in Thailand to penetrate the menswear market.  
  
(b) The Group acquired 35% equity stake in Delsey Singapore Pte Ltd, the JVC, which was completed in June 2017. As at 31 March 2018, the carrying amount of the associate is not material to the Group.
- (iii) Assets held for sale in March 2017 comprised inventories, plant and equipment and deposits disposed of to the JVC in Q1 FY2018.
- (iv) Inventories were \$0.6 million more than March 2017, turnover days stretched slightly from 5.5 to 6 months.
- (v) Debtors' turnover days remained in the region of 4 months. Other receivables shrank by \$1.1 million following completion of renovations at the new property at the beginning of FY2018.
- (vi) Creditors' turnover days maintained at just under 40 days. Other payables reduced by \$0.5 million due to payments made during FY2018.
- (vii) Other financial liabilities (current and non-current) declined by \$1.6 million as a result of repayments totalling \$1.3 million and lower utilisation of bills payable by \$1.5 million, partly offset by new borrowing of \$1.0 million and higher overdraft facility used by \$0.2 million.
- (viii) Out of the \$1.9 million acquisitions of plant and equipment in FY2018, \$1.5 million was spent on the Company's new property.
- (ix) The cash balance of \$6.3 million was sufficient for the Group's ongoing operations.

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

On 16 May 2018, the Group issued a profit warning that the Group expected to register a net loss for FY2018. This is mainly due to lower demand for the Group's products, resulting in lower revenue. As such, despite operating expenses reduced by \$0.3 million, operating expenses as a percentage of revenue has increased by 3%. The net loss suffered for FY2018 is consistent with the above announcement released.

The Group entered into a sale and purchase agreement on 20 December 2017 to dispose of its entire shareholding interest in Y1, which carries on menswear business in Malaysia. The financial results of Y1 from 1 November 2017 have been deconsolidated from the Group.

**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.**

Singapore's 2018 GDP growth forecast continued to be subdued at between 1.5% and 3.5%. Following the historic defeat of the governing party for the past six decades, Malaysia's outlook now appears uncertain after taking into account the impact of post-election policy changes and fiscal reforms. On the other hand, Indonesia is still a good potential for our export with its 2018 GDP growth forecast at 5.3%.

In November 2017, the Group established an associate with 20% equity interest in Thailand to manufacture and distribute mainly our menswear.

We are also starting to work with online platforms for e-commerce sales.

The Group will continue to focus on its core business, improve operational efficiency and seek new opportunities in overseas markets.

**11 If a decision regarding dividend has been made:**

**(a) Whether an interim (final) ordinary dividend has been declared (recommended).**

No dividend has been declared (recommended) for the current financial year ended 31 March 2018.

**(b)**

Type of dividend	2018	2017
First and Final Dividend	Nil	Nil
Tax rate	Not applicable	Not applicable

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable.

**(d) The date the dividend is payable.**

Not applicable.

**(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

**12 If no dividend has been declared (recommended), a statement to that effect.**

No dividend has been declared (recommended) for the current financial year ended 31 March 2018.

**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.

**PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

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

<u>2018</u>	<u>Departmental stores</u> \$'000	<u>Specialty stores</u> \$'000	<u>Third party retailers</u> \$'000	<u>Gifts &amp; corporate sales</u> \$'000	<u>Wholesale distribution</u> \$'000	<u>Group total</u> \$'000
Revenue	24,157	6,316	2,556	640	6,593	40,262
Operating Profit (Loss)	2,107	(881)	260	88	(27)	1,547
Interest Income						91
Other Gains						702
Other Losses						(241)
Finance Costs						(565)
Share of Loss from Equity-Accounted Joint Venture						(23)
Unallocated Operating Expenses						(2,827)
Income Tax Income						88
Loss from Continuing Operations, Net of Tax						(1,228)
Profit from Discontinued Operations, Net of Tax						-
Loss Net of Tax						(1,228)

<u>2017</u>	<u>Departmental stores</u> \$'000	<u>Specialty stores</u> \$'000	<u>Third party retailers</u> \$'000	<u>Gifts &amp; corporate sales</u> \$'000	<u>Wholesale distribution</u> \$'000	<u>Group total</u> \$'000
Revenue	25,704	4,792	3,186	352	9,768	43,802
Operating Profit (Loss)	1,272	(1,000)	325	108	728	1,433
Interest Income						94
Other Gains						773
Other Losses						(603)
Finance Costs						(168)
Share of Loss from Equity-Accounted Joint Venture						(20)
Unallocated Operating Expenses						(1,603)
Income Tax Expense						(104)
Loss from Continuing Operations, Net of Tax						(198)
Profit from Discontinued Operations, Net of Tax						609
Profit Net of Tax						411

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

Kindly refer to paragraphs 8 and 14.

**16 A breakdown of sales**

	<b>Group</b>		% increase/ (decrease)
	<u>2018</u> \$'000	<u>2017</u> \$'000	
(a) Sales reported for first half year	18,765	21,366	(12.2)
(b) Operating loss after tax before deducting minority interests reported for first half year	(2,355)	(1,017)	131.6
(c) Sales reported for second half year	21,497	22,436	(4.2)
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	1,127	1,428	(21.1)



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

	<u>2018</u> S\$'000	<u>2017</u> S\$'000
(a) Ordinary	-	-
(b) Preference	-	-
(c) Total	-	-

**18 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) 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
Hoe Kee Kok	69	Brother of Thang Teck Jong (Executive Chairman and substantial shareholder)	Director of Demarco Pte Ltd, a wholly-owned subsidiary of the Company. Responsible for overseeing the overall strategic business plans and directions for the subsidiary. Position held since 2017.	Ceased to be the Company's Executive Director with effect from 5 May 2017.
Kong Ling Ting @ Kang Ling Ting	47	Spouse of Thang Teck Jong (Executive Chairman and substantial shareholder)	Assistant General Manager Human Resource and Administration. Responsible for the development of systems and procedures for all human resource and administrative functions of the Group. Position held since 2011.	Not applicable.
Ho Hee Tong	68	Brother of Thang Teck Jong (Executive Chairman and substantial shareholder)	Information Technology Manager. Responsible for the maintenance of the information technology system and facilities of the Group. Position held since 2014.	Not applicable.

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

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720 (1) of the SGX-ST Listing Manual.

BY ORDER OF THE BOARD

YEO TOON WEE  
Executive Director  
28 May 2018