

**Unaudited Financial Statements and Dividend Announcement for the Nine-Month Period Ended 31 December 2018**

**PART I – INFORMATION REQUIRED FOR THE THIRD QUARTER ANNOUNCEMENT**

**1(a)(i) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**1(a)(i) Consolidated Statement of Comprehensive Income**

	Group			Group		
	3Q <sup>1</sup> 2018/2019	3Q 2017/2018	Increase/ (Decrease)	9M <sup>2</sup> 2018/2019	9M 2017/2018	Increase/ (Decrease)
	(Unaudited) \$'000	(Unaudited) \$'000	%	(Unaudited) \$'000	(Unaudited) \$'000	%
Revenue	49,474	44,707	10.7%	130,134	130,635	-0.4%
<b>Other items of income</b>						
Interest income	46	33	39.4%	89	164	-45.7%
Other income	434	725	-40.1%	1,280	1,643	-22.1%
<b>Items of expense</b>						
Purchases and consumables used	(20,806)	(20,449)	1.7%	(55,786)	(62,883)	-11.3%
Changes in inventories	440	319	37.9%	517	(20)	N.M. <sup>3</sup>
Delivery expenses	(1,083)	(768)	41.0%	(2,735)	(2,185)	25.2%
Employee benefits expense	(14,591)	(12,235)	19.3%	(40,022)	(35,701)	12.1%
Depreciation and amortisation expenses	(2,341)	(2,258)	3.7%	(6,630)	(6,634)	-0.1%
Advertising expenses	(854)	(833)	2.5%	(2,706)	(2,646)	2.3%
Operating lease expenses	(2,149)	(1,918)	12.0%	(5,851)	(6,857)	-14.7%
Utilities	(1,668)	(1,445)	15.4%	(4,572)	(4,128)	10.8%
Other expenses	(3,602)	(3,066)	17.5%	(9,870)	(8,882)	11.1%
Finance costs	(775)	(649)	19.4%	(2,032)	(1,848)	10.0%
<b>Profit before income tax</b>	<b>2,525</b>	<b>2,163</b>	<b>16.7%</b>	<b>1,816</b>	<b>658</b>	<b>176.0%</b>
Income tax expense	(559)	298	N.M.	(735)	110	N.M.
<b>Profit for the financial period</b>	<b>1,966</b>	<b>2,461</b>	<b>-20.1%</b>	<b>1,081</b>	<b>768</b>	<b>40.8%</b>
<b>Other comprehensive income:</b>						
<b>Items that may be reclassified subsequently to profit or loss</b>						
Exchange differences arising from translation of foreign operation	17	(89)	N.M.	124	(161)	N.M.
Gain/(Loss) on fair value changes of FVOCI	-	112	-100.0%	(117)	180	N.M.
Income tax relating to items that may be reclassified subsequently	-	-	N.M.	-	-	N.M.
<b>Other comprehensive income for the financial period, net of tax</b>	<b>17</b>	<b>23</b>	<b>-26.1%</b>	<b>7</b>	<b>19</b>	<b>-63.2%</b>
<b>Total comprehensive income for the financial period</b>	<b>1,983</b>	<b>2,484</b>	<b>-20.2%</b>	<b>1,088</b>	<b>787</b>	<b>38.2%</b>

<sup>1</sup> "3Q" denotes financial period from 1 October to 31 December

<sup>2</sup> "9M" denotes financial period from 1 April to 31 December

<sup>3</sup> "N.M." denotes not meaningful

**1(a)(i) Consolidated Statement of Comprehensive Income** (continued)

	Group			Group		
	3Q 2018/2019	3Q 2017/2018	Increase/ (Decrease)	9M 2018/2019	9M 2017/2018	Increase/ (Decrease)
	(Unaudited)	(Unaudited)	(Decrease)	(Unaudited)	(Unaudited)	(Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
<b>Profit/(Loss) attributable to:</b>						
Owners of the parent	1,714	2,083	-17.7%	1,478	885	67.0%
Non-controlling interests	252	378	-33.3%	(397)	(117)	239.3%
	<u>1,966</u>	<u>2,461</u>	-20.1%	<u>1,081</u>	<u>768</u>	40.8%
<b>Total comprehensive income attributable to:</b>						
Owners of the parent	1,729	2,145	-19.4%	1,436	975	47.3%
Non-controlling interests	254	339	-25.1%	(348)	(188)	85.1%
	<u>1,983</u>	<u>2,484</u>	-20.2%	<u>1,088</u>	<u>787</u>	38.2%

**1(a)(ii) Notes to Consolidated Statement of Comprehensive Income**

Profit/(Loss) for the financial period is arrived at after crediting/(charging) the following:

	Group			Group		
	3Q 2018/2019	3Q 2017/2018	Increase/ (Decrease)	9M 2018/2019	9M 2017/2018	Increase/ (Decrease)
	(Unaudited)	(Unaudited)	(Decrease)	(Unaudited)	(Unaudited)	(Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Interest income	46	33	39.4%	89	164	-45.7%
Dividend income	-	-	N.M.	34	45	-24.4%
Government grants	202	374	-46.0%	394	620	-36.5%
Rental income	123	122	0.8%	372	375	-0.8%
Bad third parties trade receivables written off	(2)	(4)	-50.0%	(5)	(7)	-28.6%
Reversal of allowance of impairment loss	9	-	N.M.	83	-	N.M.
Depreciation of property, plant and equipment	(2,250)	(2,164)	4.0%	(6,382)	(6,370)	0.2%
Depreciation of investment properties	(12)	(12)	N.M.	(36)	(35)	2.9%
Amortisation of intangible assets	(79)	(82)	-3.7%	(212)	(229)	-7.4%
Foreign exchange loss, net	(32)	(128)	-75.0%	(309)	(239)	29.3%
Inventories written down	(17)	(7)	142.9%	(24)	(7)	242.9%
Loss on disposal of property, plant and equipment	(27)	(10)	170.0%	(25)	(10)	150.0%
Plant and equipment written off	-	(32)	-100.0%	(16)	(58)	-72.4%
Finance costs	(775)	(649)	19.4%	(2,032)	(1,848)	10.0%

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.

1(b)(i) Statements of Financial Position

	Group		Company	
	As at		As at	
	31/12/2018 (Unaudited) \$'000	31/3/2018 (Audited) \$'000	31/12/2018 (Unaudited) \$'000	31/3/2018 (Audited) \$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Inventories	12,580	9,569	-	-
Trade and other receivables	26,040	22,719	3,556	2,765
Prepayments	540	568	12	30
Cash and cash equivalents	19,806	13,733	903	330
<b>Total current assets</b>	<b>58,966</b>	<b>46,589</b>	<b>4,471</b>	<b>3,125</b>
<b>Non-current assets</b>				
Property, plant and equipment	80,872	81,512	4	5
Investment properties	1,166	1,202	-	-
Intangible assets	18,194	14,022	5	8
Investments in subsidiaries	-	-	38,987	29,220
Other receivables	3,227	3,175	1,900	1,851
FVOCI	675	792	675	792
<b>Total non-current assets</b>	<b>104,134</b>	<b>100,703</b>	<b>41,571</b>	<b>31,876</b>
<b>TOTAL ASSETS</b>	<b>163,100</b>	<b>147,292</b>	<b>46,042</b>	<b>35,001</b>
<b>EQUITY</b>				
<b>Capital and reserves</b>				
Share capital	8,756	7,899	8,756	7,899
Merger and capital reserves	(932)	179	-	-
Fair value reserve	45	162	45	162
Foreign currency translation reserve	323	248	-	-
Retained earnings	26,868	26,849	1,065	1,377
<b>Equity attributable to owners of the parent</b>	<b>35,060</b>	<b>35,337</b>	<b>9,866</b>	<b>9,438</b>
Non-controlling interests	2,802	4,076	-	-
<b>TOTAL EQUITY</b>	<b>37,862</b>	<b>39,413</b>	<b>9,866</b>	<b>9,438</b>

1(b)(i) Statements of Financial Position (Continued)

	Group		Company	
	As at		As at	
	31/12/2018 (Unaudited) \$'000	31/3/2018 (Audited) \$'000	31/12/2018 (Unaudited) \$'000	31/3/2018 (Audited) \$'000
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	31,890	23,948	6,856	2,590
Provisions	377	368	-	-
Bank borrowings	35,463	32,164	671	-
Finance lease payables	2,016	1,505	-	-
Income tax payable	1,113	991	-	-
<b>Total current liabilities</b>	<b>70,859</b>	<b>58,976</b>	<b>7,527</b>	<b>2,590</b>
<b>Non-current liabilities</b>				
Other payables	1,855	1,855	25,973	22,973
Bank borrowings	45,221	40,686	2,676	-
Finance lease payables	4,091	3,167	-	-
Deferred tax liabilities	3,212	3,195	-	-
<b>Total non-current liabilities</b>	<b>54,379</b>	<b>48,903</b>	<b>28,649</b>	<b>22,973</b>
<b>TOTAL LIABILITIES</b>	<b>125,238</b>	<b>107,879</b>	<b>36,176</b>	<b>25,563</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>163,100</b>	<b>147,292</b>	<b>46,042</b>	<b>35,001</b>

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

Amount repayable in one year or less, or on demand	As at 31/12/2018 (Unaudited) \$'000		As at 31/3/2018 (Audited) \$'000	
	Secured	Unsecured	Secured	Unsecured
	Bank borrowings	14,588	20,875	15,374
Finance lease payables	2,016	-	1,505	-
Amount repayable after one year	As at 31/12/2018 (Unaudited) \$'000		As at 31/3/2018 (Audited) \$'000	
	Secured	Unsecured	Secured	Unsecured
	Bank borrowings	43,496	1,725	38,611
Finance lease payables	4,091	-	3,167	-

**Details of any collateral:**

As at 31 December 2018, the Group's borrowings comprised of bank borrowings and finance lease payables.

**Bank borrowings**

Bank borrowings of \$14.59 million repayable within one year or less or on demand, and \$43.50 million repayable after one year are both secured by the legal mortgage in favour of the banks over the following properties at:

- (i) 6A Wan Lee Road;
- (ii) 1, 3, 5, 7 & 9 Enterprise Road;
- (iii) 30B Quality Road;
- (iv) 14 Joo Koon Circle;
- (v) 50 Tuas Avenue 11 #02-12;
- (vi) 16 Jalan Kilang Timor #03-07;
- (vii) 22 Senoko Way;
- (viii) 6 & 8 Jalan Istimewa 8, Ulu Tiram, Johor, Malaysia; and
- (ix) 3343 Jalan Pekeliling Tanjung 27, Kulai, Johor, Malaysia.

The remaining bank borrowings of \$20.88 million repayable within one year or less or on demand are unsecured, and \$1.73 million repayable after one year are unsecured.

**Finance lease payables**

The Group's obligations under finance leases of \$2.02 million repayable within one year or less or on demand, and \$4.09 million repayable after one year are secured by 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.

1(c) Consolidated Statement of Cash Flows

	Group		Group	
	3Q 2018/2019	3Q 2017/2018	9M 2018/2019	9M 2017/2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	\$'000	\$'000	\$'000	\$'000
<b>Operating activities</b>				
Profit before income tax	2,525	2,163	1,816	658
Adjustments for:				
Bad third parties trade receivables written off	2	4	5	7
Reversal of allowance for impairment loss	(9)	-	(83)	-
Depreciation and amortisation expenses	2,341	2,258	6,630	6,634
Dividend income	-	-	(34)	(45)
Interest expense	775	649	2,032	1,848
Interest income	(46)	(33)	(89)	(164)
Inventories written down	17	7	24	7
Loss on disposal of property, plant and equipment	27	10	25	10
Plant and equipment written off	-	32	16	58
Operating cash flows before working capital changes	5,632	5,090	10,342	9,013
Working capital changes:				
Inventories	(799)	(704)	(3,037)	719
Trade and other receivables	212	(821)	(1,491)	-
Prepayments	(29)	48	90	(242)
Trade and other payables	3,038	4,077	5,451	2,951
Provisions	3	43	(39)	29
Cash generated from operations	8,057	7,733	11,316	12,470
Income tax refund/(paid)	(328)	496	(615)	208
Net cash from operating activities	7,729	8,229	10,701	12,678
<b>Investing activities</b>				
Acquisition of a subsidiary, net of cash used	(1,295)	-	(2,537)	102
Acquisition of additional equity interest in a subsidiary	(2,000)	-	(2,000)	-
Purchase of property, plant and equipment	(1,151)	(4,275)	(2,362)	(11,806)
Purchase of intangible assets	(109)	(73)	(320)	(260)
Proceeds from disposal of property, plant and equipment	11	1,357	45	1,428
Interest received	46	33	89	164
Dividend received	-	-	34	45
Reversal of advances	3,509	-	-	-
Net cash used in investing activities	(989)	(2,958)	(7,051)	(10,327)

1(c) Consolidated Statement of Cash Flows (Continued)

	Group		Group	
	3Q 2018/2019	3Q 2017/2018	9M 2018/2019	9M 2017/2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	\$'000	\$'000	\$'000	\$'000
<b>Financing activities</b>				
Drawdown of bank borrowings	11,201	11,042	37,371	41,320
Loan from a director	(497)	-	-	997
Loan from a related party	-	-	-	300
Repayment of bank borrowings	(8,931)	(11,113)	(30,547)	(37,622)
Repayment of finance lease payables	(505)	(449)	(1,309)	(1,500)
Dividends paid	-	-	(1,459)	(1,459)
Interest paid	(775)	(649)	(2,032)	(1,848)
Net cash from/(used in) financing activities	493	(1,169)	2,024	188
Net change in cash and cash equivalents	7,233	4,102	5,674	2,539
Effect of foreign exchange rate changes on cash and cash equivalents	(65)	(114)	(58)	(109)
Cash and cash equivalents at beginning of financial period	9,364	7,608	10,916	9,166
<b>Cash and cash equivalents at end of financial period</b>	<b>16,532</b>	<b>11,596</b>	<b>16,532</b>	<b>11,596</b>
<b>Cash and cash equivalents comprise:</b>			<b>Group</b>	
			<b>As at</b>	
			<b>31/12/2018</b>	<b>31/12/2017</b>
			<b>(Unaudited)</b>	<b>(Unaudited)</b>
			<b>\$'000</b>	<b>\$'000</b>
Cash on hand and at bank			19,253	12,751
Fixed deposits			553	377
<b>Cash and cash equivalents as per statement of financial position</b>			<b>19,806</b>	<b>13,128</b>
Less: Fixed deposits pledged			(226)	(226)
Less: Bank overdraft			(3,048)	(1,306)
<b>Cash and cash equivalents as per consolidated statement of cash flows</b>			<b>16,532</b>	<b>11,596</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

1(d)(i) Statements of Changes in Equity

Group	Share capital \$'000	Merger and capital reserves \$'000	Fair value reserve \$'000	Foreign currency translation reserves \$'000	Retained earnings \$'000	Total equity attributable to owners of the parent \$'000	Non-controlling interests \$'000	Total equity \$'000
<b>(Unaudited)</b>								
<b>Balance at 1 April 2018</b>	7,899	179	162	248	26,849	35,337	4,076	39,413
<b>Profit for the financial period</b>	-	-	-	-	1,478	1,478	(397)	1,081
<b>Other comprehensive income:</b>								
Exchange differences arising from translation of foreign operations	-	-	-	75	-	75	49	124
Loss on fair value changes of FVOCI	-	-	(117)	-	-	(117)	-	(117)
<b>Total comprehensive income for the financial period</b>	-	-	(117)	75	1,478	1,436	(348)	1,088
<b>Transactions with non-controlling interests:</b>								
Acquisition of subsidiaries	857	(1,111)	-	-	-	(254)	(926)	(1,180)
<b>Total transactions with non-controlling interests</b>	857	(1,111)	-	-	-	(254)	(926)	(1,180)
<b>Distributions to owners of the parent:</b>								
Dividends	-	-	-	-	(1,459)	(1,459)	-	(1,459)
<b>Total transactions with owners of the parent</b>	-	-	-	-	(1,459)	(1,459)	-	(1,459)
<b>Balance at 31 December 2018</b>	<b>8,756</b>	<b>(932)</b>	<b>45</b>	<b>323</b>	<b>26,868</b>	<b>35,060</b>	<b>2,802</b>	<b>37,862</b>



1(d)(i) Statements of Changes in Equity (Continued)

Group	Share capital \$'000	Merger and capital reserves \$'000	Fair value reserve \$'000	Foreign currency translation reserves \$'000	Retained earnings \$'000	Total equity attributable to owners of the parent \$'000	Non-controlling interests \$'000	Total equity \$'000
<b>(Unaudited)</b>								
Balance at 1 April 2017	7,899	179	-	405	24,678	33,161	4,350	37,511
<b>Profit for the financial period</b>	-	-	-	-	885	885	(117)	768
<b>Other comprehensive income:</b>								
Exchange differences arising from translation of foreign operations	-	-	-	(90)	-	(90)	(71)	(161)
Gain on fair value changes of FVOCI	-	-	180	-	-	180	-	180
<b>Total comprehensive income for the financial period</b>	-	-	180	(90)	885	975	(188)	787
<b>Transactions with non-controlling interests:</b>								
Acquisition of subsidiary	-	-	-	-	-	-	439	439
<b>Total transactions with non-controlling interests</b>	-	-	-	-	-	-	439	439
<b>Distributions to owners of the parent:</b>								
Dividends	-	-	-	-	(1,459)	(1,459)	-	(1,459)
<b>Total transactions with owners of the parent</b>	-	-	-	-	(1,459)	(1,459)	-	(1,459)
<b>Balance at 31 December 2017</b>	<b>7,899</b>	<b>179</b>	<b>180</b>	<b>315</b>	<b>24,104</b>	<b>32,677</b>	<b>4,601</b>	<b>37,278</b>

1(d)(i) Statements of Changes in Equity

Company	Share capital \$'000	Fair value reserve \$'000	Retained earnings \$'000	Total equity attributable to owners \$'000
<b>(Unaudited)</b>				
<b>Balance at 1 April 2018</b>	7,899	162	1,377	9,438
<b>Profit for the financial year</b>	-	-	1,147	1,147
<b>Other comprehensive income:</b>				
Loss on fair value changes of FVOCI	-	(117)	-	(117)
<b>Total comprehensive income for the financial year</b>	-	(117)	1,147	1,030
<b>Transactions with non-controlling interests:</b>				
Acquisition of subsidiaries	857	-	-	857
<b>Total transactions with non-controlling interests</b>	857	-	-	857
<b>Distribution to owners:</b>				
Dividends	-	-	(1,459)	(1,459)
<b>Total transactions with owners</b>	-	-	(1,459)	(1,459)
<b>Balance at 31 December 2018</b>	<b>8,756</b>	<b>45</b>	<b>1,065</b>	<b>9,866</b>
<b>(Unaudited)</b>				
<b>Balance at 1 April 2017</b>	7,899	-	2,519	10,418
<b>Profit for the financial year</b>	-	-	436	436
<b>Other comprehensive income:</b>				
Gain on fair value changes of FVOCI	-	180	-	180
<b>Total comprehensive income for the financial year</b>	-	180	436	616
<b>Distribution to owners:</b>				
Dividends	-	-	(1,459)	(1,459)
<b>Total transactions with owners</b>	-	-	(1,459)	(1,459)
<b>Balance at 31 December 2017</b>	<b>7,899</b>	<b>180</b>	<b>1,496</b>	<b>9,575</b>

**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.**

	Number of Ordinary Shares	Issued and Paid-up \$
Balance as at 1 April 2018	145,907,100	7,899,133
Issue of ordinary shares pursuant to the completion of the acquisition of Lavish Dine Catering Pte Ltd in September 2018	566,666	357,000
Issue of ordinary shares pursuant to the completion of the acquisition of Ye Liang How Catering Service Pte Ltd in October 2018	877,193	500,000
Balance as at 31 December 2018	147,350,959	8,756,133

There were no outstanding convertibles, treasury shares or subsidiary holdings held by the Company as at 31 December 2018 and 31 December 2017.

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

	Company As at	
	31/12/2018	31/3/2018
Total number of issued shares excluding treasury shares	147,350,959	145,907,100

There were no treasury shares as at 31 December 2018 and 31 March 2018.

**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 as the Company did not hold any treasury shares.

**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 the Company did not hold any 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 nor reviewed by the Company's auditors.

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

Not applicable.

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

The financial results for the current period have been prepared using the same accounting policies and methods of computation as presented in the Group's most recently audited financial statements for the financial year ended 31 March 2018.

In preparing this announcement, the management of the Company has assessed the fair value of the net identifiable assets and liabilities of Lavish Dine Catering Pte Ltd and its subsidiary as well as Ye Liang How Catering Service Pte Ltd on a provisional basis and are subject to change. In accordance with SFRS(I) 3 Business Combinations, the Group is required to perform a purchase price allocation exercise within 12 months after completion of the acquisition to assess the fair value of the net identifiable assets and liabilities purchased by the Group, and the excess of the consideration transferred over such fair values will be recorded as actual goodwill in the Group's statement of financial position which is subject to impairment test annually or more frequent if there are indicators of impairment.

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

The Group has adopted SFRS(I) on 1 April 2018 and has prepared its first set of financial information under SFRS(I) for the financial period ended 31 December 2018. The Group has consistently applied the same accounting policies in its opening SFRS(I) statement of financial position as at 1 April 2018 and throughout the comparable periods presented, as if these policies had always been in effect. In adopting SFRS(I), the Group is required to apply all the specific transition requirements in SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International) and new SFRS(I), amendments to and interpretation of SFRS(I) that are effective from 1 April 2018. The transition to SFRS(I) did not have any significant impact to the Group.

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

Earnings per share ("EPS")	Group	
	9M 2018/2019 (Unaudited)	9M 2017/2018 (Unaudited)
Profit attributable to owners of the parent (\$'000)	1,478	885
Weighted average/Actual number of ordinary shares <sup>(1)</sup>	146,433,409	145,907,100
Basic and diluted EPS based on weighted average/actual number of ordinary shares (cents) <sup>(2)</sup>	1.01	0.61

**Notes:**

- (1) Basic EPS is computed by dividing the loss attributable to owners of the parent in each financial period by the weighted average/actual number of issued ordinary shares outstanding during the respective financial periods.
- (2) Fully diluted EPS is the same as the basic EPS for all the periods under review as the Company did not have any outstanding instruments convertible into rights or subscribe for, and options in respect of its ordinary shares during the respective financial periods. (Should we not, although the same, show "Basic" and "Fully diluted" separately in box?)

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of**
- (a) **current period reported on; and**
  - (b) **immediately preceding financial year**

Net asset value ("NAV")	Group		Company	
	As at		As at	
	31/12/2018 (Unaudited)	31/3/2018 (Audited)	31/12/2018 (Unaudited)	31/3/2018 (Audited)
NAV (\$'000)	35,060	35,337	9,866	9,438
Number of ordinary shares	147,350,959	145,907,100	147,350,959	145,907,100
NAV per ordinary share (cents)	23.79	24.22	6.70	6.47

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 period reported on.**

## **Review of Financial Performance**

- (i) For management reporting purposes, the Group is organised into business units based on its services, and has five reportable operating segments as follows: “Food Catering business” – Provides events catering services under thirteen catering brands to corporate, community or private functions. Food Catering business segment also provides daily meal delivery services to families, Halal-certified food as well as catering for last minute events or emergency orders.
- (ii) “Food Retail business” – Operates a chain of food retail outlets specialising in Japanese cuisine.
- (iii) “Food Manufacturing business” – Manufactures, distributes and retails surimi-based seafood products and the “DoDo” brand of fishballs.
- (iv) “Supplies and Trading business” – Supplies food ingredients used in Food Catering business and Food Retail business and the supply of food products for third parties’ catering business. Supplies and Trading business segment also imports, exports and wholesale fruits, vegetables and frozen meat to a wide customer base.
- (v) “Other businesses” – Involves in the design, marketing and distribution of floral arrangements, gifts and hampers and manufacturing of bread, cakes and confectionery.

### **3Q 2018/2019 compared to 3Q 2017/2018**

The Group registered \$49.47 million in revenue for the quarter ended 31 December 2018 (“**3Q 2018/2019**”) as compared to \$44.71 million in the previous corresponding quarter ended 31 December 2017 (“**3Q 2017/2018**”). The increase was approximately \$4.76 million or 10.7%.

Food Catering business revenue increased significantly by \$5.98 million or 33.5% from \$17.85 million in 3Q 2017/2018 to \$23.83 million in 3Q 2018/2019. The increase was mainly due to the strengthening in our recurring income from childcare and elderly market segment by Gourmetz Pte Ltd, and ramping up our “tingkat” business from newly incorporated and newly acquired subsidiaries.

Food Retail business revenue increased by \$0.17 million or 4.0% from \$4.26 million in 3Q 2017/2018 to \$4.43 million in 3Q 2018/2019. This was mainly attributable to the introduction of new concepts and opening of new outlets.

Food Manufacturing business revenue increased by \$0.28 million or 2.2% from \$12.66 million in 3Q 2017/2018 to \$12.94 million in 3Q 2018/2019. The increase was mainly due to an increase in trading activities for its surimi-based products during 3Q 2018/2019.

Supplies and Trading business revenue decreased by \$1.66 million or 17.2% from \$9.67 million in 3Q 2017/2018 to \$8.01 million in 3Q 2018/2019. This was mainly attributable to a reduction in low margin trading transactions as a result of ongoing business review.

Other businesses revenue increased marginally by approximately \$4,000 or 1.5% from approximately \$266,000 in 3Q 2017/2018 to \$270,000 in 3Q 2018/2019.

Other income decreased by \$0.30 million or 40.1% from \$0.43 million in 3Q 2018/2019 to \$0.73 million in 3Q 2017/2018, mainly due to the decrease in grants received from government.

## **Review of Financial Performance** (Continued)

Purchase and consumables increased by \$0.36 million or 1.7% from \$20.45 million in 3Q 2017/2018 to \$20.81 million in 3Q 2018/2019. This increase is in line with the increase in our Group's revenue except for the decline in revenue generated from U-Market Place Enterprise Pte Ltd with a lower gross margin as compared to other business segments.

Delivery expenses increased by \$0.31 million or 41.0% to \$1.08 million in 3Q 2018/2019 as compared to \$0.77 million in 3Q 2017/2018. This was mainly attributable to the increase in our outsourced delivery expenses for our catering business, in particular on our childcare and elderly market segment and "tingkat" business.

Employee benefits expense increased by \$2.35 million or 19.3% to \$14.59 million in 3Q 2018/2019 as compared to \$12.24 million in 3Q 2017/2018. This was mainly due to the consolidation of the additional headcount from the newly incorporated catering subsidiaries and newly acquired catering subsidiaries.

Other expenses increased by \$0.53 million or 17.5% to \$3.60 million in 3Q 2018/2019 as compared to \$3.07 million in 3Q 2017/2018. This was mainly due to increase in professional fees in relation to the professional services rendered for newly incorporated and acquired subsidiaries as well as increase in credit card charges and upkeep of motor vehicles during 3Q 2018/2019.

Profit before income tax increased by \$0.37 million or 16.7% to \$2.53 million in 3Q 2018/2019 as compared to \$2.16 million in 3Q 2017/2018. Income tax expense increased by \$0.86 million from an income tax credit of \$0.30 million in 3Q 2017/2018 to an income tax expense of \$0.56 million in 3Q 2018/2019. This was mainly due to a refund of \$0.65 million from IRAS being over-provision of income tax expense in the prior years in 3Q 2017/2018 which was absent in 3Q 2018/2019.

As a result of the above review, the Group reported a net profit of \$1.97 million in 3Q 2018/2019 as compared to a net profit of \$2.45 million in 3Q 2017/2018. The profit attributable to the owners of the parent and non-controlling interests were recorded at \$1.71 million and \$0.25 million respectively in 3Q 2018/2019.

Our earnings before interest, tax, depreciation and amortisation ("**EBITDA**") increased by \$0.56 million or 11.1% from \$5.04 million in 3Q 2017/2018 to \$5.60 million in 3Q 2018/2019.

### **9M 2018/2019 compared to 9M 2017/2018**

The Group registered \$130.13 million in revenue for the financial period ended 31 December 2018 ("**9M 2018/2019**") as compared to \$130.64 million in the previous corresponding financial period ended 31 December 2017 ("**9M 2017/2018**"). The decrease was approximately \$0.51 million or 0.4%.

Food Catering business revenue increased significantly by \$10.53 million or 23.2% from \$45.32 million in 9M 2017/2018 to \$55.85 million in 9M 2018/2019. The increase was mainly due to the strengthening in our recurring income from childcare and elderly market segment by Gourmetz Pte Ltd, and ramping up our "tingkat" business from newly incorporated as well as from newly acquired subsidiaries.

Food Retail business revenue decreased marginally by \$0.08 million or 0.6% from \$12.68 million in 9M 2017/2018 to \$12.60 million in 9M 2018/2019.

Food Manufacturing business revenue increased by \$1.28 million or 3.6% from \$35.46 million in 9M 2017/2018 to \$36.74 million in 9M 2018/2019. The increase was mainly due to increase in trading activities for its surimi-based products during 9M 2018/2019.

Supplies and Trading business revenue decreased significantly by \$12.3 million or 33.8% from \$36.43 million in 9M 2017/2018 to \$24.13 million in 9M 2018/2019. This was mainly attributable to a reduction in low margin trading transactions as a result of the ongoing business review.

## **Review of Financial Performance** (Continued)

Other businesses revenue increased marginally by \$0.08 million or 10.6% from \$0.74 million in 9M 2017/2018 to \$0.82 million in 9M 2018/2019.

Other income was recorded at \$1.28 million in 9M 2018/2019 as compared to \$1.64 million in 9M 2017/2018. It was decreased by \$0.36 million or 22.1% mainly due to the reduction in grants received from government of \$0.23 million during 9M 2018/2019.

Purchase and consumables decreased by \$7.09 million or 11.3% from \$62.88 million in 9M 2017/2018 to \$55.79 million in 9M 2018/2019. This decrease was mainly attributable to the decline in revenue generated from U-Market Place Enterprise Pte Ltd with a lower gross margin as compared to other business segments.

Delivery expenses increased by \$0.55 million or 25.2% to \$2.74 million in 3Q 2018/2019 as compared to \$2.19 million in 3Q 2017/2018. This was mainly attributable to the increase in our outsourced delivery expenses for our catering business, in particular on our childcare and elderly market segment and “tingkat” business.

Employee benefits expense increased by \$4.32 million or 12.1% to \$40.02 million in 9M 2018/2019 as compared to \$35.70 million in 9M 2017/2018. This was mainly due to the consolidation of the additional headcount from the newly incorporated catering subsidiaries, as well as newly acquired catering subsidiaries.

Operating lease expenses decreased by \$1.01 million or 14.7% to \$5.85 million in 9M 2018/2019 as compared to \$6.86 million in 9M 2017/2018. This was mainly attributable to the reduction in rental of external cold room storage by U-Market Place Enterprise Pte Ltd due to the lower trading activities for frozen meat business.

Other expenses increased by \$0.99 million or 11.1% to \$9.87 million in 9M 2018/2019 as compared to \$8.88 million in 9M 2017/2018. This was mainly due to increase in professional fees in relation to the professional services rendered for newly incorporated and acquired subsidiaries as well as increase in credit card charges and upkeep of motor vehicles during 9M 2018/2019.

Profit before income tax increased by \$1.16 million or 176.0% to \$1.82 million in 9M 2018/2019 as compared to \$0.66 million in 9M 2017/2018. Income tax expense increased by \$0.85 million as the result of an income tax credit of \$0.11 million in 9M 2017/2018 to an income tax expense of \$0.74 million in 9M 2018/2019. This was mainly due to a refund of \$0.65 million from IRAS being over-provision of income tax expense in the prior years in 9M 2017/2018 which was absent in 9M 2018/2019.

As a result of the above, the Group reported a net profit of \$1.08 million in 9M 2018/2019 as compared to a net profit of \$0.77 million in 9M 2017/2018. The increase was approximately \$0.31 million or 40.8%. The profit attributable to the owners of the parent was recorded at \$1.48 million, while the loss attributable to non-controlling interests was recorded at \$0.40 million in 9M 2018/2019.

Our EBITDA increased by \$1.41 million or 15.7% from \$8.98 million in 9M 2017/2018 to \$10.39 million in 9M 2018/2019.

## **Review of Financial Position**

The Group's current assets increased by \$12.38 million from \$46.59 million as at 31 March 2018 to \$58.97 million as at 31 December 2018. The Group's inventories increased by \$3.01 million to maintain a higher inventory level to cope with the festive seasons during second half of the financial year. The Group's trade and other receivables and cash and cash equivalents increased by \$3.32 million and \$6.08 million respectively mainly due to the consolidation of receivables and cash from the acquisitions of Lavish Dine Catering Pte Ltd and Ye Liang How Catering Service Pte Ltd.



## **Review of Financial Position (Continued)**

The Group's non-current assets increased by \$3.43 million from \$100.70 million as at 31 March 2018 to \$104.13 million as at 31 December 2018 primarily due to the Group recognising a provisional goodwill of \$1.59 million and \$2.43 million respectively upon the acquisition of Lavish Dine Catering Pte Ltd and Ye Liang How Catering Service Pte Ltd. This is offset by the decrease in property, plant and equipment of \$0.64 million which was mainly due to the depreciation charged during 9M 2018/2019.

The Group's current liabilities increased by \$11.88 million from \$58.98 million as at 31 March 2018 to \$70.86 million as at 31 December 2018. This was mainly attributable to the increase in trade and other payables and short-term bank borrowings of \$7.94 million and \$3.30 million respectively which was in tandem with the increase in inventories of the Group. The Group's non-current liabilities increased by \$5.48 million from \$48.90 million as at 31 March 2018 to \$54.38 million as at 31 December 2018 mainly due to the acquisition loan of \$3.51 million for Ye Liang How Catering Service Pte Ltd as well as consolidation of existing loans of Ye Liang How Catering Service Pte Ltd.

As at 31 December 2018, the Group was in a net current liability position of \$11.89 million, mainly due to the effects of drawdown of revolving short-term facilities, trade facilities from banks to support the operating activities in Supplies and Trading business and business expansion in Food Manufacturing business. However, the Group's total assets exceeded its total liabilities by approximately \$37.86 million. In assessing whether the Group can meet its debts obligations as and when they fall due, the management had prepared cash flow forecasts which was approved by the Board of Directors of the Company ("**Board**"). The cash flows were derived from the financial budgets and projections which indicate that the Group has sufficient cash and cash equivalents and adequate bank facilities to support the Group's operations and pay its debts as and when they fall due.

Barring unforeseen circumstances, the Board believes that the Group's negative working capital position would be overcome in the longer term as the Group realises the synergistic benefits of the acquisition of the Food Manufacturing business and Supplies and Trading business, as well as the new initiatives implemented to increase efficiency and productivity for the Group.

## **Review of Cash Flows**

The Group's net cash generated from operating activities in 9M 2018/2019 was \$10.70 million, mainly resulting from operating cash flows before working capital changes of \$10.34 million and a reduction in net working capital usage of \$0.97 million. This is offset by a net income tax paid of \$0.62 million.

The reduction in net working capital was mainly due to an increase in trade and other payables of approximately \$5.45 million, which is offset by an increase in inventories and trade and other receivables of approximately \$3.04 million and \$1.49 million respectively.

The Group's net cash used in investing activities of \$7.05 million in 9M 2018/2019 was mainly due to the net of cash used of \$2.54 million for the acquisitions of Lavish Dine Catering Pte Ltd and Ye Liang How Catering Service Pte Ltd, initial payment of \$2.00 million used for the acquisition of additional equity interest in Thong Siek Global Pte Ltd and payment to acquire additional plant and equipment of \$2.36 million.

The Group's net cash from financing activities of \$2.02 million in 9M 2018/2019 was mainly due to the drawdown of bank borrowings of \$37.37 million, which was offset by the repayment of bank borrowings and finance lease payables of \$31.86 million, dividend payment of \$1.46 million and interest payment of \$2.03 million.

As a result of the above, the net increase in cash and cash equivalents in 9M 2018/2019 was \$5.67 million.

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

The Group's profitability for the full financial year ending 31 March 2019, as contained in Paragraph 10 of the Company's results announcement for the six-month period ended 30 September 2018 on 8 November 2018, remain unchanged.

**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.**

The Food Catering business would continue to focus on widening and strengthening its recurring income streams and capturing a larger market share by pursuing more institutional catering, corporate clients and venue partnerships as well as expand the range of cuisines and catering options available to customers via multi brand strategy.

The Food Retail business would continue to perform business review to enhance its performance.

The Food Manufacturing business would continue to tap on the Group's global distribution network to ramp up the export sales as well as perform R&D to develop new and improved products for the Group. Meanwhile, the Supplies and Trading business would continue to contribute to the Group by reviewing the overall costs of the Group.

Barring any unforeseen circumstances, the Company expects the Group's operations to remain profitable for the financial year ending 31 March 2019.

**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?**

None

**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. Books closure date**

Not applicable

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

There is no dividend declared in this quarter.

**13. Interested person transactions**

	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) \$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) \$'000
<b>Neo Kah Kiat</b>		
(i) GUI Solutions Pte Ltd		
- Cost of goods and services purchased	238.6	-
- Rental and utilities income	18.0	-
(ii) Office premise lease expense <sup>1</sup>	73.8	-
<b>Neo Kah Kiat and Liew Oi Peng</b>		
(i) Office premise lease expense <sup>2</sup>	146.3	-
(ii) Rental of hostel for staff welfare	9.0	-
(iii) Twinkle Investment Pte Ltd		
- Rental of yacht	180.0	-
- Office premise lease expense <sup>3</sup>	76.7	-
- Interest expense	41.0	-

**Notes:**

The Group has not obtained any general mandate from shareholders for interested person transactions pursuant to Rule 920 of the SGX-ST Listing Manual.

- (1) The office premise lease expense paid to the Company's director, Neo Kah Kiat, in 9M 2018/2019 relates to #05-04 at Enterprise One amounting to approximately \$73,800. As the terms of the tenancy agreement for the office premise were supported by independent valuations and with lease period of 3 years, the lease thereunder is not required to comply with Catalist Rule 906 in relation to the approval of the shareholders of the Company as exempted under Catalist Rule 916 (1).
- (2) The office premise lease expense paid to the Company's directors, Neo Kah Kiat and Liew Oi Peng, in 9M 2018/2019 relates to lease expense for #05-03 and #05-05 at Enterprise One amounting to approximately \$146,300. As the terms of the tenancy agreements for the office premises were supported by independent valuations and with lease period of 3 years, the leases thereunder are not required to comply with Catalist Rule 906 in relation to the approval of the shareholders of the Company as exempted under Catalist Rule 916 (1).
- (3) The office premise lease expense paid to the Twinkle Investment Pte Ltd, which is jointly owned by Neo Kah Kiat and Liew Oi Peng, in 9M 2018/2019 relates to lease expense for #05-06 at Enterprise One amounting to approximately \$76,700. As the terms of the tenancy agreement for the office premise were supported by independent valuations and with lease period of 3 years, the lease thereunder is not required to comply with Catalist Rule 906 in relation to the approval of the shareholders of the Company as exempted under Catalist Rule 916 (1).

**14. Negative assurance confirmation on interim financial results pursuant to Rule 705 (5) of the Catalist Rules**

We, Neo Kah Kiat, and Liew Oi Peng, being two directors of Neo Group Limited (the “**Company**”), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited consolidated financial statements of the Group for the nine-month period ended 31 December 2018 to be false or misleading in any material aspect.

Neo Kah Kiat  
Chairman and Chief Executive Officer

Liew Oi Peng  
Executive Director

**15. Confirmation that the issuer has procured undertakings from all its directors and executive offices (in the format set out in Appendix 7H) under Rule 720 (1)**

The Company hereby confirms that it has already procured undertakings from all of its Directors and executive officers in the format as set out in Appendix 7H of the Catalist Rules in accordance with Rule 720 (1) of the Catalist Rules.

**BY ORDER OF THE BOARD**

Neo Kah Kiat  
Chairman and Chief Executive Officer  
**13 February 2019**

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This announcement has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, CIMB Bank Berhad, Singapore Branch (the “**Sponsor**”), for compliance with the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr. Yee Chia Hsing, Head, Catalist. The contact particulars are 50 Raffles Place #09-01 Singapore Land Tower Singapore 048623, telephone: +65 6337 5115.