

JAPAN FOODS HOLDING LTD

JAPAN FOODS HOLDING LTD.

(Incorporated in the Republic of Singapore on 3 December 2007)
(Company Registration No. 200722314M)

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE THREE-MONTH PERIOD ENDED 30 JUNE 2016

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

- 1(a)(i) 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.

Consolidated statement of comprehensive income

| | <----- Group -----> | | |
|---|------------------------------------|---------------|--------------------------|
| | Three months ended 30 June 2016 | 2015 | Increase / (Decrease) |
| | (S\$'000) | (S\$'000) | (%) |
| Revenue | 16,824 | 15,818 | 6.4 |
| Cost of sales | (2,605) | (2,595) | 0.4 |
| Gross profit | 14,219 | 13,223 | 7.5 |
| Other income | 249 | 271 | (8.1) |
| Selling and distribution expenses | (11,676) | (11,228) | 4.0 |
| Administrative expenses | (840) | (723) | 16.2 |
| Other operating expenses | (418) | (364) | 14.8 |
| Profit from operations | 1,534 | 1,179 | 30.1 |
| Share of results of associated companies | 54 | 86 | (37.2) |
| Profit before income tax | 1,588 | 1,265 | 25.5 |
| Income tax expenses | (284) | (214) | 32.7 |
| Total comprehensive income, representing net profit for the period | 1,304 | 1,051 | 24.1 |

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1(a)(ii) Notes to the income statements

The profit before tax of the Company and its subsidiaries (the “Group”) is arrived at after charging / (crediting) the following:

| | <----- Group -----> | | |
|-------------------------------------|----------------------------|-----------|---------------------|
| | Three months ended 30 June | 2015 | Increase / |
| | 2016 | (S\$'000) | (Decrease) |
| | (S\$'000) | | (%) |
| Interest income | (19) | (19) | - |
| Royalty and franchise income | (181) | (205) | (11.7) |
| Membership card sales | (9) | (10) | (10.0) |
| Insurance claims | (13) | (4) | 225.0 |
| Amortisation of intangible assets | (16) | (25) | 30.8 |
| Other income ⁽¹⁾ | (11) | (8) | (18.2) |
| Depreciation of plant and equipment | 1,306 | 1,312 | (0.5) |
| Amortisation of intangible assets | 17 | 13 | 30.8 |
| Plant and equipment written off | 8 | - | N.M. ⁽²⁾ |
| Foreign exchange loss | 17 | 3 | 466.7 |

Notes:

- (1) Other income refers mainly to the sales of scrap materials.
- (2) “N.M.” denotes not meaningful.

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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.

Statement of financial position

| | <----- Group -----> | | <----- Company-----> | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at | | As at | |
| | 30.06.2016 (S\$'000) | 31.03.2016 (S\$'000) | 30.06.2016 (S\$'000) | 31.03.2016 (S\$'000) |
| ASSETS | | | | |
| Current assets | | | | |
| Cash and cash equivalents | 19,278 | 16,854 | 1,894 | 1,417 |
| Trade receivables | 786 | 658 | - | - |
| Other receivables | 6 | 209 | - | 174 |
| Inventories | 577 | 643 | - | - |
| Amounts owing from subsidiary companies | - | - | 5,054 | 5,284 |
| Other current assets | 2,817 | 2,809 | 21 | 43 |
| | 23,464 | 21,173 | 6,969 | 6,918 |
| Non-current assets | | | | |
| Property, plant and equipment | 11,868 | 11,805 | 57 | 24 |
| Investment in subsidiaries | - | - | 5,727 | 5,727 |
| Investment in associates | 1,339 | 1,285 | 48 | 48 |
| Loan to an associated company | 248 | 248 | 248 | 248 |
| Financial assets, held-to-maturity | 504 | 504 | - | - |
| Intangible assets | 216 | 233 | - | - |
| Club membership | 322 | 322 | 322 | 322 |
| Long-term security deposits | 3,234 | 3,281 | - | - |
| | 17,731 | 17,678 | 6,402 | 6,369 |
| Total Assets | 41,195 | 38,851 | 13,371 | 13,287 |
| LIABILITIES | | | | |
| Current liabilities | | | | |
| Trade payables | 1,161 | 1,268 | - | - |
| Other payables and accruals | 5,830 | 4,962 | 602 | 540 |
| Amounts owing to subsidiary companies | - | - | - | - |
| Current income tax liabilities | 1,187 | 908 | 4 | 3 |
| | 8,178 | 7,138 | 606 | 543 |
| Non-current liability | | | | |
| Deferred income tax liabilities | 860 | 860 | - | - |
| | 860 | 860 | - | - |
| Total Liabilities | 9,038 | 7,998 | 606 | 543 |
| Net assets | 32,157 | 30,853 | 12,765 | 12,744 |
| EQUITY | | | | |
| Share capital | 9,522 | 9,522 | 9,522 | 9,522 |
| Treasury shares | (194) | (194) | (194) | (194) |
| Reserves | 22,829 | 21,525 | 3,437 | 3,416 |
| | 32,157 | 30,853 | 12,765 | 12,744 |

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

Amount repayable in one year or less, or on demand

| As at 30 June 2016 | | As at 31 March 2016 | |
|----------------------|------------------------|----------------------|------------------------|
| Secured (S\$'000) | Unsecured (S\$'000) | Secured (S\$'000) | Unsecured (S\$'000) |
| - | - | - | - |

Amount repayable after one year

| As at 30 June 2016 | | As at 31 March 2016 | |
|----------------------|------------------------|----------------------|------------------------|
| Secured (S\$'000) | Unsecured (S\$'000) | Secured (S\$'000) | Unsecured (S\$'000) |
| - | - | - | - |

Details of any collaterals

Nil

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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 cash flow statements

| | <----- Group -----> | |
|--|--|------------------|
| | Three months ended 30 June 2016 (\$'000) | 2015 (\$'000) |
| Cash flows from operating activities | | |
| Net Profit | 1,304 | 1,051 |
| Adjustments for: | | |
| Income tax expenses | 284 | 214 |
| Depreciation of plant and equipment | 1,306 | 1,312 |
| Amortisation of intangible assets | 17 | 13 |
| Plant and equipment written off | 8 | - |
| Amortisation of government grants | (16) | (25) |
| Interest income | (19) | (19) |
| Share of result of associated companies | (54) | (86) |
| | 2,830 | 2,460 |
| Changes in working capital: | | |
| Inventories | 66 | 44 |
| Trade and other receivables | 79 | (168) |
| Other current assets | (8) | (33) |
| Long-term security deposit | 47 | - |
| Trade and other payables | 777 | 338 |
| Cash generated from operations | 3,791 | 2,641 |
| Interest income received | 15 | 14 |
| Income tax paid | (5) | - |
| Net cash generated from operating activities | 3,801 | 2,655 |
| Cash flows from investing activities: | | |
| Purchase of plant and equipment | (1,377) | (1,086) |
| Purchase of intangible assets | - | (67) |
| Proceeds from disposal of plant and equipment | - | - |
| Net cash used in investing activities | (1,377) | (1,153) |
| Cash flows from financing activity: | | |
| Bank deposits pledged | (250) | - |
| Net cash used in financing activity | (250) | - |
| Net increase in cash and cash equivalents | 2,174 | 1,502 |
| Cash and cash equivalents at beginning of financial period | 15,066 | 14,190 |
| Cash and cash equivalents at end of financial period ⁽¹⁾ | 17,240 | 15,692 |

Note:

- (1) This excludes bank deposits of approximately S\$2.0 million (1Q2016: S\$1.7 million) pledged as security for banking facilities granted by financial institution(s) to the Group.

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- 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 | Share capital (S\$'000) | Treasury (S\$'000) | Retained earnings (S\$'000) | Total (S\$'000) |
|--|----------------------------|-----------------------|-----------------------------------|--------------------|
| Balance as at 1 April 2016 | 9,522 | (194) | 21,525 | 30,853 |
| Total comprehensive income for the period | - | - | 1,304 | 1,304 |
| Balance as at 30 June 2016 | 9,522 | (194) | 22,829 | 32,157 |
| Balance as at 1 April 2015 | 9,307 | - | 21,268 | 30,575 |
| Total comprehensive income for the period | - | - | 1,051 | 1,051 |
| Balance as at 30 June 2015 | 9,307 | - | 22,319 | 31,626 |

| Company | Share capital (S\$'000) | Treasury (S\$'000) | Retained earnings (S\$'000) | Total (S\$'000) |
|-----------------------------------|----------------------------|-----------------------|-----------------------------------|--------------------|
| Balance as at 1 April 2016 | 9,522 | (194) | 3,416 | 12,744 |
| Award of performance shares | - | - | - | - |
| Profit for the period | - | - | 21 | 21 |
| Balance as at 30 June 2016 | 9,522 | (194) | 3,437 | 12,765 |
| Balance as at 1 April 2015 | 9,307 | - | 4,205 | 13,512 |
| Award of performance shares | - | - | - | - |
| Profit for the period | - | - | 13 | 13 |
| Balance as at 30 June 2015 | 9,307 | - | 4,218 | 13,525 |

- 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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, 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.

There were no changes in the Company's share capital since the end of the previous period reported on and there were no outstanding options or convertibles as at 30 June 2016 and as at 30 June 2015.

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As at 30 June 2016, the Company held 500,000 treasury shares and the total number of ordinary shares in the capital of the Company ("**Shares**") (excluding treasury shares) was 173,936,000 Shares. As at 30 June 2015, the Company did not have any treasury shares and the total number of issued Shares (excluding treasury shares) was 174,006,000 Shares.

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.

| | As at 30 June 2016 | As at 31 March 2016 |
|---|-----------------------|------------------------|
| Total number of issued Shares | 174,436,000 | 174,436,000 |
| Less: Treasury shares | 500,000 | 500,000 |
| Total number of issued Shares, excluding treasury shares | 173,936,000 | 173,936,000 |

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

| | Three months ended 30 June 2016 | Three months ended 31 March 2016 |
|--|------------------------------------|-------------------------------------|
| Treasury shares: | | |
| Balance at beginning of financial period | 500,000 | - |
| Share buy-backs | - | 500,000 |
| Balance at end of financial period | 500,000 | 500,000 |

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 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.

Save as disclosed in Paragraph 5 below, the Group has adopted the same accounting policies and methods of computation in its unaudited consolidated financial statements for the three months ended 30 June 2016 compared to its most recently audited consolidated financial statements for the financial year ended 31 March 2016.

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

The Group has adopted all the new and revised Singapore Financial Reporting Standards (“FRS”) and Interpretations of FRS (“INT FRS”) that are effective for annual periods beginning on or after 1 January 2016 and are relevant to its operations. The adoption of these new/revised FRS and INT FRS does not result in any material changes to the Group’s accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited financial statements as at 31 March 2016.

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.**

Earnings per share (“EPS”)

| | ←----- Group -----→ | |
|---|------------------------------------|-------------|
| | Three months ended 30 June 2016 | 2015 |
| Earnings attributable to equity holders of the Company (S\$'000) | 1,304 | 1,051 |
| Weighted average number of Shares used in computation of basic EPS | 173,936,000 | 174,006,000 |
| Basic EPS attributable to equity holders of the Company (cents) ⁽¹⁾ | 0.75 | 0.60 |
| Fully diluted EPS attributable to equity holders of the Company (cents) ⁽²⁾ | 0.75 | 0.60 |

Notes:

- (1) Basic EPS is computed by dividing the Group’s earnings attributable to the equity holders of the Company in each financial period by the weighted average number of Shares outstanding during the respective financial period.
- (2) Fully diluted EPS are the same as the basic EPS for the financial periods presented in the table above as the Company did not have any outstanding instruments convertible into, rights to subscribe for and options in respect of its Shares during these financial period.

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7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-**

- (a) **current financial period reported on; and**
- (b) **immediately preceding financial year.**

Net asset value (“NAV”)

| | Group | | Company | |
|---|----------------|-----------------|----------------|-----------------|
| | As at | | As at | |
| | 30 June | 31 March | 30 June | 31 March |
| | 2016 | 2016 | 2016 | 2016 |
| NAV per Share (cents) | 18.49 | 17.74 | 7.34 | 7.33 |
| Number of Shares used in computation of NAV per Share | 173,936,000 | 173,936,000 | 173,936,000 | 173,936,000 |

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.**

As at 30 June 2016, the Group had a total of 49 restaurants in operation, comprising 15 “Ajisen Ramen” restaurants, 3 “Keika Ramen” restaurants, 4 “Fruit Paradise” restaurants, 3 “Kazokutei” restaurants, 8 “Menya Musashi” restaurants, 6 “Osaka Ohsho”, 3 “New ManLee Bak Kut Teh” restaurants and 7 restaurants operating under various other brands, namely, “Botejyu”, “Japanese Gourmet Town”, “Menzo Butao”, “Hanamidori”, “Dutch Baby Cafe”, “Ginza Kushi Katsu” and “Yonehachi”. As at 30 June 2016, the Group also had 1 “Ajisen Ramen” outlet located in Marina Bay Sands Shoppes Premium Food Precinct.

As at 30 June 2015, the Group had a total of 47 restaurants in operation, comprising 17 “Ajisen Ramen” restaurants, 5 “Fruit Paradise” restaurants, 3 “Kazokutei” restaurants, 9 “Menya Musashi” restaurants, 7 “Osaka Ohsho”, and 6 restaurants operating under various other brands, namely, “Botejyu”, “Japanese Gourmet Town”, “Menzo Butao”, “Hanamidori”, “Keika Ramen” and “Yonehachi”. As at 30 June 2015, the Group also had 1 “Ajisen Ramen” outlet located in Marina Bay Sands Shoppes Premium Food Precinct.

Review of financial performance for 1Q2017 compared to 1Q2016

Revenue

The Group’s revenue increased by S\$1.0 million or 6.4%, from S\$15.8 million in the three months from 1 April 2015 to 30 June 2015 (“**1Q2016**”), to S\$16.8 million in the three months from 1 April 2016 to 30 June 2016 (“**1Q2017**”). The increase in the Group’s revenue was a result of the following:

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- (i) *net decrease in revenue of approximately S\$0.9 million from the restaurants operating under the "Ajisen Ramen" and "Keika Ramen" brand*

The Group's revenue from restaurants operating under the "Ajisen Ramen" and "Keika Ramen" brand decreased from S\$7.2 million in 1Q2016 to S\$6.3 million in 1Q2017, mainly attributable to: (i) the closure of two (2) restaurants at Compass Point and Tiong Bahru Plaza in September 2015 and December 2015 respectively due to mall renovation works; (ii) conversion of a restaurant at Clementi Mall from "Ajisen Ramen" brand to "New ManLee Bak Kut Teh" brand in December 2015; and (iii) lower net sales generated from some existing restaurants.

This decrease in revenue was partially offset by the increase in: (i) revenue contribution from a restaurant at Bukit Panjang Plaza following the conversion from "Osaka Ohsho" brand to "Ajisen Ramen" brand in October 2015; and (ii) revenue from the opening of "Keika Ramen" restaurant at White Sands and Tiong Bahru Plaza in November 2015 and April 2016 respectively.

- (ii) *net increase in revenue of S\$0.3 million from the restaurants operating under the "Menya Musashi" brand*

The Group's revenue from restaurants operating under the "Menya Musashi" brand increased from S\$3.1 million in 1Q2016 to S\$3.4 million in 1Q2017, mainly attributable to the increase in sales from the existing restaurants and the opening of a new outlet at Punggol Waterway Point in January 2016. The increase was partially offset by closure of a restaurant at ION Orchard and Thomson Plaza in August 2015 and October 2015 respectively.

- (iii) *net decrease in revenue of S\$0.1 million from the restaurants operating under "Osaka Ohsho" brand*

The Group's revenue from restaurants operating under the "Osaka Ohsho" brand decreased from S\$2.1 million in 1Q2016 to S\$2.0 million in 1Q2017, mainly attributable to: (i) conversion of a restaurant at Bukit Panjang Plaza to "Ajisen Raman" brand in October 2015; (ii) conversion of a restaurant at "AMK Hub" to "New ManLee Bak Kut Teh" brand in March 2016; and (iii) lower net sales generated from some existing restaurants.

This decrease in revenue was partially offset by the opening of a new outlet at Punggol Waterway Point in January 2016.

- (iv) *a net increase in revenue of approximately S\$1.7 million from the restaurants and food court outlet operating under other brands*

The Group's restaurants operating under other brands, namely the "New ManLee Bak Kut Teh", "Dutch Baby Cafe", "Kazokutei", "Ginza Kushi-Katsu", "Hanamidori", "Menzo Butao" and "Fruit Paradise" brands, recorded an increase in revenue of S\$1.8 million in aggregate in 1Q2017 as compared to 1Q2016 mainly due to revenue contribution from new stores.

This increase in revenue was however partially offset by a decrease in revenue of S\$0.1 million in aggregate in 1Q2017 as compared to 1Q2016 due to lower revenue recorded by restaurants operating under the "Japanese Gourmet Town", "Botejyu" and "Yonehachi" brands.

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Gross profit

The Group's gross profit increased by S\$1.0 million or 7.5%, from approximately S\$13.2 million in 1Q2016 to approximately S\$14.2 million in 1Q2017 in line with higher revenue achieved.

Selling and distribution expenses

The Group's selling and distribution expenses increased by S\$0.5 million or 4.0%, from S\$11.2 million in 1Q2016 to S\$11.7 million in 1Q2017. The increase was in line with the higher number of outlets operating during the period which resulted in higher advertising expenses, rental expenses, labour costs and repairs and maintenance expenses.

Administrative expenses

The Group's administrative expenses increased by S\$0.1 million or 16.2%, from S\$0.7 million in 1Q2016 to S\$0.8 million in 1Q2017 due to higher manpower and travelling cost as a result of an expansion to the restaurants and brands network.

Other operating expenses

The Group's other operating expenses increased by S\$54,000 or 14.8%, from S\$364,000 in 1Q2016 to S\$418,000 in 1Q2017 mainly due to higher royalty fee and foreign exchange loss.

Share of results of associated companies

The Group's share of results of associated companies decreased by of S\$32,000 or 37.2% from approximately S\$86,000 in 1Q2016 to approximately S\$54,000 in 1Q2017 due to a decrease in the number of restaurants operated by its associated companies in 1Q2017.

Income tax expenses

The income tax expenses of the Group increased by S\$70,000 or 32.7% from S\$214,000 in 1Q2016 to S\$284,000 in 1Q2017 in line with the higher profit recorded in 1Q2017.

Net profit

As the result of the reasons mentioned above, the Group's net profit attributable to equity holders of the Company increased by approximately S\$0.2 million or 24.1% from S\$1.1 million in 1Q2016 to S\$1.3 million in 1Q2017.

Review of financial position as at 30 June 2016

Current assets

The Group's total current assets as at 30 June 2016 increased by S\$2.3 million, from approximately S\$21.2 million as at 31 March 2016 to S\$23.5 million as at 30 June 2016.

This was mainly a result of an increase in cash and cash equivalents of S\$2.4 million and trade receivables of S\$0.1 million, partially offset by a decrease in inventories and other receivables.

Non-current assets

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The Group's total non-current assets remained unchanged at S\$17.7 million as at 30 June 2016.

Current liabilities

The Group's total current liabilities increased by S\$1.1 million from S\$7.1 million as at 31 March 2016 to S\$8.2 million as at 30 June 2016 mainly due to higher other payables and accruals of S\$0.9 million and higher tax provision of S\$0.3 million partially offset by a decrease in trade payables of S\$0.1 million.

Non-current liabilities

The Group's total non-current liabilities remained unchanged at S\$0.9 million as at 30 June 2016.

Shareholders' equity

The Group's shareholders' equity increased by S\$1.3 million, from approximately S\$30.9 million as at 31 March 2016 to approximately S\$32.2 million as at 30 June 2016 arising from the net profit achieved by the Group in 1Q2017.

Review of cash flow management for 1Q2017

The Group's net cash generated from operating activities in 1Q2017 was approximately S\$3.8 million. This was mainly due to operating profit before working capital changes of S\$2.8 million and working capital inflow of S\$1.0 million.

The Group's net cash used in investing activities in 1Q2017 was S\$1.4 million mainly due to renovation cost and purchase of equipment for the Group's new restaurants.

The Group's net cash used in financing activities in 1Q2017 was S\$0.3 million mainly due to deposits pledged with banks for issuance of banker's guarantees in lieu of rental deposit.

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

There has not been any forecast or prospect statement in relation to the Group's results previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The operating environment in the local food and beverage industry is expected to remain challenging in the next 12 months due to intense competition, tight labour supply, rising business costs and uncertain economic outlook.

The Group will continue to focus its efforts in controlling raw material costs, improving operational efficiency via streamlining of work processes and technology and practising good restaurant portfolio management taking into account market demand and individual outlet's profitability.

The Group's first non-Japanese concept "New ManLee Bak Kut Teh", which was launched on 4 December 2015, received very encouraging response. As at the date of this announcement, the Group has 3 "New ManLee Bak Kut Teh" restaurants operating in Singapore. Subject to availability of good locations and other relevant business considerations, the Group plans to increase the number of restaurants operating under the "New ManLee Bak Kut Teh" brand in Singapore.

As at 30 June 2016, the Group's associated companies operate 8 restaurants in Hong Kong and 5 restaurants in the People's Republic of China under the "Menya Musashi" brand. The Group will continue its efforts to seek opportunities to expand its presence in the ASEAN region by way of joint ventures, acquisitions and/or sub-franchising of its brands.

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.

(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.

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(d) Date 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. If the group has obtained a general mandate from shareholders for interested person transactions, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no general mandate has been obtained, a statement to that effect

The Company had, at its last annual general meeting on 21 July 2016, obtained the approval of its shareholders for the renewal of the general mandate in respect of purchases of soup base and such other ingredients necessary for the “Ajisen Ramen” business by the Group from Shigemitsu Industry Co., Ltd (the “**IPT Mandate**”). The IPT Mandate is subject to annual renewal and will continue in force until the Company’s next annual general meeting.

| Name of Interested person | Aggregate value of all interested person transactions (including transactions of less than S\$100,000 each) during 1Q2017 (excluding transactions conducted under shareholders’ mandate pursuant to Rule 920 of the Catalist Rules) (S\$’000) | Aggregate value of all interested person transactions (including transactions of less than S\$100,000 each) conducted during 1Q2017 under shareholders’ mandate pursuant to Rule 920 of the Catalist Rules (S\$’000) |
|---|--|---|
| Royalty fees paid to Shigemitsu Industry Co., Ltd. ⁽¹⁾ | S\$103 ⁽²⁾ | - |
| Purchases of food ingredients from Shigemitsu Industry Co., Ltd. ⁽¹⁾ | - | S\$224 ⁽³⁾ |

Notes:

- (1) Shigemitsu Katsuaki, the Company’s Non-executive Director, is the president, chief executive officer and major shareholder of Shigemitsu Industry. Accordingly, transactions between the Group and Shigemitsu Industry are interested person transactions within the ambit of Chapter 9 of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”).
- (2) The royalty, franchise and licence fees paid to Shigemitsu Industry in 1Q2017 comprise: (i) fees paid for the use of the “Ajisen Ramen” brand amounting to S\$82,000 (such fees relating to the “Ajisen Ramen” brand are deemed to have been specifically approved by shareholders at the time of the Company’s initial public offering in February 2009 and are not subject to Rule 905 and Rule 906 of the Catalist Rules to the extent that there is no variation or amendment to the terms of the relevant franchise agreement); (ii) fees paid for the use of the “Keika Ramen” brand amounting to S\$17,000; and (iii) the right to use the technique for the production of noodles amounting to S\$4,000.
- (3) This amount relates to the Group’s purchases of soup base and such other ingredients necessary for the “Ajisen Ramen” business (including transactions less than S\$100,000 each) from Shigemitsu Industry pursuant to the IPT Mandate.

JAPAN FOODS HOLDING LTD

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(Incorporated in the Republic of Singapore on 3 December 2007)
(Company Registration No. 200722314M)

14. Confirmation by the board of directors pursuant to Rule 705(5) of the Catalist Rules

We, Takahashi Kenichi and Eugene Wong Hin Sun, being directors of the Company (“**Directors**”), hereby confirm on behalf of the board of Directors that, to the best of the Directors’ knowledge, nothing has come to the attention of the board of Directors which may render the unaudited consolidated financial statements of the Group for the three months ended 30 June 2016 to be false or misleading in any material aspect.

On behalf of the board of Directors

Takahashi Kenichi
Director

Eugene Wong Hin Sun
Director

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

The Company confirms that it has already procured signed undertakings from all of its Directors and relevant 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, such format as revised by the SGX-ST on 21 January 2016. These revised undertakings replace and supersede the undertakings previously signed by the Directors and relevant executive officers as announced by the Company on 6 November 2015.

BY ORDER OF THE BOARD

Takahashi Kenichi
Executive Chairman and CEO

4 August 2016

*This announcement has been reviewed by the Company’s sponsor, CIMB Bank Berhad, Singapore Branch (“**Sponsor**”) for compliance with the Catalist Rules. 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 Ms Tan Cher Ting, Director, Investment Banking, CIMB Bank Berhad, Singapore Branch, at 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, Telephone: +65 6337 5115.*