

FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 JANUARY 2014

PART I – INFORMATION REQUIRED FOR FULL YEAR 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.

The Board of Directors of Neo Group Limited is pleased to announce the consolidated results of the Group for the financial year ended 31 January 2014. The figures presented below have not been audited.

Consolidated Statement of Comprehensive Income

	Group		
	FY 2014 (Unaudited)	FY 2013 (Audited)	Increase / (Decrease)
	\$'000	\$'000	%
Revenue	52,358	41,699	25.6%
Other items of income			
Interest income	18	1	N.M. ¹
Other income	893	1,354	(34.0%)
Items of expense			
Purchases and consumables used	(16,268)	(14,090)	15.5%
Changes in inventories	308	121	154.5%
Delivery expenses	(1,676)	(1,506)	11.3%
Employee benefits expense	(15,806)	(12,370)	27.8%
Depreciation and amortisation expenses	(2,032)	(1,731)	17.4%
Advertising expenses	(1,913)	(1,687)	13.4%
Rental expenses	(3,256)	(2,713)	20.0%
Utilities	(1,376)	(1,286)	7.0%
Other expenses	(4,210)	(4,050)	4.0%
Finance costs	(189)	(211)	(10.4%)
Profit before income tax	6,851	3,531	94.0%
Income tax expense	(453)	(511)	(11.4%)
Profit for the financial year	6,398	3,020	111.9%
Other comprehensive income:			
Items that will or may be reclassified subsequently to profit or loss			
Loss on fair value changes of available-for-sale financial asset	(207)	-	N.A. ²
Income tax relating to items that will or may be reclassified	-	-	N.A. ²
Other comprehensive income for the financial year, net of tax	(207)	-	N.A. ²
Total comprehensive income for the financial year attributable to owners of the parent	6,191	3,020	105.0%

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

Note:

1. "N.M." denotes Not Meaningful
2. "N.A." denotes Not Applicable

1(a)(ii) Notes to Consolidated Statement of Comprehensive Income (for the group)

Profit for the financial year is arrived at after crediting / (charging):

	Group		
	FY 2014	FY 2013	Increase /
	(Unaudited)	(Audited)	(Decrease)
	\$'000	\$'000	%
Interest income	18	1	N.M.
Advertising sponsorship income	46	131	(64.9%)
Allowance for impairment loss on third parties trade receivables written-back	-	50	(100.0%)
Dividend income	11	-	N.M.
Gain on disposal of asset held for sale	-	370	(100.0%)
Gain on disposal of property, plant and equipment	1	188	(99.5%)
Government grants	433	67	546.3%
Rental income	168	359	(53.2%)
Finance costs	(189)	(211)	(10.4%)
Allowance for impairment loss on third parties trade receivables	(21)	-	N.M.
Bad third parties trade receivables written-off	(3)	(6)	(50.0%)
Bad third parties non-trade receivables written-off	(8)	-	N.M.
Depreciation of property, plant and equipment	(1,988)	(1,689)	17.7%
Depreciation of investment properties	(42)	(42)	0.0%
Amortisation of intangible assets	(2)	-	N.M.
Initial public offering expenses	-	(897)	(100.0%)
Plant and equipment written-off	(37)	(58)	(36.2%)
Over-provision of income tax expense in prior financial years	510	1	N.M.

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.

Statements of Financial Position	Group As at		Company As at	
	31/01/2014 (Unaudited) \$'000	31/01/2013 (Audited) \$'000	31/01/2014 (Unaudited) \$'000	31/01/2013 (Audited) \$'000
	Non-current assets			
Property, plant and equipment	27,954	14,575	4	6
Investment properties	1,501	1,543	-	-
Intangible assets	244	-	-	-
Investments in subsidiaries	-	-	5,686	1,376
Available-for-sale financial asset	693	-	693	-
	30,392	16,118	6,383	1,382
Current assets				
Inventories	1,129	703	-	-
Trade and other receivables	3,155	1,882	3,199	2,607
Prepayments	515	317	22	29
Cash and cash equivalents	8,460	11,733	1,415	6,006
	13,259	14,635	4,636	8,642
Less:				
Current liabilities				
Trade and other payables	4,991	4,295	2,238	2,001
Provisions	206	150	-	-
Bank borrowings	1,269	785	-	-
Finance lease payables	112	175	-	-
Current income tax payable	1,491	1,157	23	23
	8,069	6,562	2,261	2,024
Net current assets	5,190	8,073	2,375	6,618
Less:				
Non-current liabilities				
Bank borrowings	14,888	6,667	-	-
Deferred tax liabilities	209	106	-	-
	15,097	6,773	-	-
	20,485	17,418	8,758	8,000
Capital and reserves				
Share capital	6,399	6,399	6,399	6,399
Merger reserves	(326)	(326)	-	-
Fair value adjustment account	(207)	-	(207)	-
Retained earnings	14,619	11,345	2,566	1,601
Total equity attributable to owners	20,485	17,418	8,758	8,000

1(b)(ii) Aggregate amount of group's borrowings and debt securities**Amount repayable in one year or less, or on demand**

As at 31/01/2014 (Unaudited) \$'000		As at 31/01/2013 (Audited) \$'000	
Secured	Unsecured	Secured	Unsecured
1,381	-	960	-

Amount repayable after one year

As at 31/01/2014 (Unaudited) \$'000		As at 31/01/2013 (Audited) \$'000	
Secured	Unsecured	Secured	Unsecured
14,888	-	6,667	-

Details of any collaterals:

As at 31 January 2014, the Group's borrowings comprising bank borrowings and finance lease payables were secured as follows:

1. Bank borrowings:

Bank borrowings of \$1.27 millions repayable within one year or less and \$14.89 millions repayable after one year are both secured by the legal mortgage on investment properties at 10E Enterprise Road with carrying amount of \$0.83 million, and 8A Admiralty Street #06-01 and #06-02 with carrying amount of \$1.09 million; leasehold properties at 1 Enterprise Road with the carrying amount of \$3.83 million, 3 Enterprise Road with the carrying amount of \$2.25 million, 5 Enterprise Road with the carrying amount of \$1.95 million, 7 Enterprise Road with the carrying amount of \$1.95 million, 9 Enterprise Road with the carrying amount of \$2.25 million and on land held for development at 30B Quality Road with a total carrying amount of \$8.86 million.

2. Finance lease payables

The Group's obligations under finance leases of \$0.11 million are secured by the lessor's title to the leased assets, which have carrying amounts of \$0.55 million as at the end of the current financial year.

1(c) A consolidated statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flows	Group	
	FY 2014 (Unaudited)	FY 2013 (Audited)
	\$'000	\$'000
Operating activities		
Profit before income tax	6,851	3,531
Adjustments for:		
Allowance for impairment loss on third parties trade receivables written-back	-	(50)
Allowance for impairment loss on third parties trade receivables	21	-
Bad third parties trade receivables written-off	3	6
Bad third parties non-trade receivables written-off	8	-
Depreciation and amortisation expenses	2,032	1,731
Gain on disposal of asset held for sale	-	(370)
Gain on disposal of property, plant and equipment	(1)	(188)
Plant and equipment written-off	37	58
Interest income	(18)	(1)
Interest expense	189	211
Dividend income	(11)	-
Operating cash flows before working capital changes	9,111	4,928
Working capital changes:		
Inventories	(427)	98
Trade and other receivables	(1,306)	608
Prepayments	(196)	(22)
Trade and other payables	696	(865)
Provision	-	(5)
Cash generated from operations	7,878	4,742
Income taxes paid	(16)	(124)
Net cash from operating activities	7,862	4,618
Investing activities		
Acquisition of subsidiaries pursuant to the restructuring exercise	-	(391)
Purchase of available-for-sale financial asset	(900)	-
Purchase of property, plant and equipment	(15,050)	(1,480)
Purchase of intangible assets	(246)	-
Proceeds from disposal of property, plant and equipment	2	1,238
Proceeds from sale of asset held for sale	-	1,187
Interest received	18	1
Dividend received	11	-
Net cash (used in) / from investing activities	(16,165)	555
Financing activities		
Fixed deposit pledged with banks	-	(10)
Proceeds from issuance of shares	-	7,100
Share issue expenses	-	(701)
Drawdown of bank borrowings	11,100	(1,627)
Repayment of bank borrowings	(2,395)	-
Repayment of finance lease payables	(372)	(281)
Dividends paid	(3,124)	(1,206)
Interest paid	(179)	(203)
Net cash from financing activities	5,030	3,072

Consolidated Statement of Cash Flows	Group	
	FY 2014 (Unaudited) \$'000	FY 2013 (Audited) \$'000
	Net change in cash and cash equivalents	(3,273)
Cash and cash equivalents at beginning of financial year	11,682	3,437
Cash and cash equivalents at end of financial year	8,409	11,682

Cash and cash equivalents comprise:

	Group	
	FY 2014 (Unaudited) \$'000	FY 2013 (Audited) \$'000
	Cash on hand and at bank	7,098
Fixed deposits	1,362	51
Cash and cash equivalents as per statement of financial position	8,460	11,733
Less: Fixed deposits pledged	(51)	(51)
Cash and cash equivalents as per consolidated statement of cash flows	8,409	11,682

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

Statements of Changes in Equity

Group	Share capital \$'000	Merger reserves \$'000	Fair value adjustment account \$'000	Retained earnings \$'000	Total equity attributable to owners \$'000
<u>Preceding Financial Year:</u>					
Balance at 1 February 2012	650	100	-	9,531	10,281
Profit for the financial year	-	-	-	3,020	3,020
Total comprehensive income for the financial year	-	-	-	3,020	3,020
Contribution by and distribution to owners of the parent:					
Issuance of ordinary shares pursuant to the restructuring exercise	500	-	-	-	500
Issuance of ordinary shares pursuant to the initial public offering	6,600	-	-	-	6,600
Deemed distribution to owners pursuant to the restructuring exercise	(650)	(426)	-	-	(1,076)
Share issue expenses	(701)	-	-	-	(701)
Dividends	-	-	-	(1,206)	(1,206)
Total transactions with owners of the parent	5,749	(426)	-	(1,206)	4,117
Balance at 31 January 2013	6,399	(326)	-	11,345	17,418
<u>Current Financial Year:</u>					
Balance at 1 February 2013	6,399	(326)	-	11,345	17,418
Profit for the financial year	-	-	-	6,398	6,398
Other comprehensive income:					
Loss on fair value changes of available-for sale financial asset	-	-	(207)	-	(207)
Total comprehensive income for the financial year	-	-	(207)	6,398	6,191
Distribution to owners of the parent:					
Dividends	-	-	-	(3,124)	(3,124)
Total transactions with owners of the parent	-	-	-	(3,124)	(3,124)
Balance at 31 January 2014	6,399	(326)	(207)	14,619	20,485

Statements of Changes in Equity

Company	Share capital \$'000	Fair value adjustment account \$'000	Retained earnings \$'000	Total equity attributable to owners \$'000
<u>Preceding Financial Year:</u>				
Balance at date of incorporation on 22 March 2012	-	-	-	-
Profit for the financial year	-	-	2,307	2,307
Total comprehensive income for the financial year	-	-	2,307	2,307
Contribution by and distribution to owners:				
Issuance of ordinary shares	7,100	-	-	7,100
Share issue expenses	(701)	-	-	(701)
Dividends	-	-	(706)	(706)
Total transactions with owners	6,399	-	(706)	5,693
Balance at 31 January 2013	6,399	-	1,601	8,000
<u>Current Financial Year:</u>				
Balance at 1 February 2013	6,399	-	1,601	8,000
Profit for the financial year	-	-	4,089	4,089
Other comprehensive income:				
Loss on fair value changes of available-for-sale financial asset	-	(207)	-	(207)
Total comprehensive income for the financial year	-	(207)	4,089	3,882
Distribution to owners:				
Dividends	-	-	(3,124)	(3,124)
Total transactions with owners	-	-	(3,124)	(3,124)
Balance at 31 January 2014	6,399	(207)	2,566	8,758

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 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 share capital of the Company in FY2014.

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.

	Company As at	
	31/01/2014	31/01/2013
Total number of issued shares excluding treasury shares	144,000,000	144,000,000

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

Not Applicable.

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 has been prepared using the same accounting policies and methods of computation as presented in the Group's most recently audited financial statement for the financial year ended 31 January 2014.

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 adopted a number of new standards, amendments to standards and interpretations that are effective for annual periods beginning on or after 1 February 2013. The adoptions of these new standards amendments to standards and interpretations did not result in any significant impact on the financial statements of 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 As at	
	31/01/2014 (Unaudited)	31/01/2013 (Audited)
Profit attributable to owners of the parent (\$)	6,398,427	3,019,982
Actual/Weighted average number of ordinary shares	144,000,000	105,079,114
Basic and diluted EPS based on actual/weighted average number of ordinary shares (cents) ^{(1) (2)}	4.44	2.87
Post-IPO number of ordinary shares	144,000,000	144,000,000
Basic and diluted EPS based on post-IPO number of ordinary shares (cents) ⁽²⁾	4.44	2.10

Notes:

- (1) The calculation for the basic and diluted EPS for the respective financial year is based on the actual/weighted average number of ordinary shares in issue in the respective financial year.
- (2) The basic and diluted EPS were the same as the Group did not have any potentially dilutive instruments for the respective financial year.

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 As at		Company As at	
	31/01/2014 (Unaudited)	31/01/2013 (Audited)	31/01/2014 (Unaudited)	31/01/2013 (Audited)
NAV (\$)	20,485,194	17,418,566	8,757,942	8,000,459
Number of ordinary shares	144,000,000	144,000,000	144,000,000	144,000,000
NAV per ordinary share (cents)	14.2	12.1	6.1	5.6

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 the Group's performance**8(a). Consolidated Statement of Comprehensive Income**Revenue

For the financial year ended 31 January 2014 ("FY 2014"), the Group registered \$52.36 million in revenue, an increase of \$10.66 million or 25.6%, as compared to \$41.70 million for the previous corresponding financial year ("FY 2013"). The increase was mainly driven by the growth in Food Catering Business which increased by \$8.29 million or 27.0% from \$30.71 million in FY 2013 to \$38.99 million in FY 2014.

The Food Retail Business also increased by \$1.71 million or 15.6% from \$10.96 million in FY 2013 to \$12.67 million in FY 2014. As at 31 January 2014, our Food Retail Business operated 23 outlets compared to 19 outlets as at 31 January 2013. We discontinued operation at 2 outlets due to expiry of tenancy agreements which we did not renew in FY2014, and opened another 6 new outlets during the year.

Other income

Other income was \$0.89 million in FY 2014 as compared to \$1.35 million in FY 2013. It decreased by approximately \$0.46 million or 34.0%. The decrease was mainly due to a one-time gain of \$0.19 million on disposal of a leasehold property and \$0.37 million on disposal of asset held for sale in FY 2013, which did not recur in FY 2014.

Purchases and consumables used

Purchases and consumables used increased by approximately \$2.18 million or 15.5% to \$16.27 million in FY 2014 from \$14.09 million in FY 2013. The increase was mainly due to increase in sales volume, higher food prices and consumables expenses. The increase in purchases and consumables was disproportionate to the growth in our revenue due to better cost control in the food catering business.

8(a). Consolidated Statement of Comprehensive Income (Continued)

Delivery expenses

Delivery expenses increased marginally by \$0.17 million or 11.3% to \$1.68 million in FY 2014 as compared to \$1.51 million in FY 2013. This was mainly due to additional sub-contract drivers to support the increase in the social, corporate and government sectors catering events.

Employee benefits expense

Employee benefits expense increased by approximately \$3.44 million or 27.8% to \$15.81 million in FY 2014 as compared to \$12.37 million in FY2013. This was largely due to a planned addition of headcounts in the Group's Operations, Sales, Logistics and HR functions to support business growth, higher salaries for staff and management in order to retain talents, the impact from post-government levy on foreign workers, increase in compliance fees associated with being a listed company.

Advertising expenses

Advertising expenses increased by \$0.22 million or 13.4% from \$1.69 million in FY 2013 to \$1.91 million in FY 2014. This was mainly due to costs incurred for the ASME and SME500 awards, as well as more targeted marketing and advertising strategies such as new media opportunities like radio advertisement, taxi and bus advertisement.

Rental expenses

Rental expenses increased by \$0.54 million or 20.0% from \$2.71 million in FY 2013 to \$3.26 million in FY 2014. This was mainly due to increase in land rent paid for the leasehold properties acquired in FY 2014, rental of equipment, coldrooms and food retail outlets.

Utilities

Utilities increased by approximately \$0.09 million or 7.0% from \$1.29 million in FY 2013 to \$1.38 million in FY 2014. This was due to the increase in utility bills as a result of increase in the number of food retail outlets and the new leasehold properties at Enterprise Road which was offset by decrease in electricity tariffs and various cost saving measure in the usage of water and electricity in Operations and Logistic departments.

Other expenses and finance costs

Other expenses increased by \$0.16 million or 4.0% from \$4.05 million in FY 2013 to \$4.21 million in FY 2014. This was largely attributed to the increase in professional and legal fee, credit card charges and low value assets items expensed.

Finance costs decreased by approximately \$0.02 million or 10.4% from \$0.21 million in FY 2013 to \$0.19 million in FY 2014 mainly due to the refinancing of mortgage loan on leasehold properties purchased in FY 2013 on lower interest rate. Additional bank borrowings to finance the acquisition of 5 units of leasehold property in Enterprise Road were drawdown in the last quarter of FY 2014.

Profit before income tax

The Group's profit before income tax increased by \$3.32 million from \$3.53 million in FY 2013 to \$6.85 million in FY 2014. The increase in profit before income tax was mainly due to a stronger performance from Food Catering Business.

Income tax expense

Income tax expense decreased by \$0.06 million or 11.4% from \$0.51 million in FY 2013 to \$0.45 million in FY 2014 mainly due to an adjustment made for over-provision of income tax expense in prior finance years.

Profit for the financial year

The Group posted a significant increase in profit for the financial year by \$3.38 million or 111.9% to \$6.40 million in FY 2014 as compared to \$3.02 million in FY 2013.

8(b-1). Consolidated Statement of Financial Position

Non-current assets

The Group's non-current assets increased substantially by \$14.27 million from \$16.12 million as at 31 January 2013 to \$30.39 million as at 31 January 2014. This was due to an additional of \$12 million incurred to acquire leasehold properties at Enterprise Road and investment of \$0.90 million in the shares of Singapore Kitchen Equipment Limited, a company listed on the SGX-ST. Investment properties decreased by approximately \$0.04 million due to depreciation provided for the properties. Intangible assets of \$0.24 million refers to capital expenditure for payroll and catering software.

Current assets

The Group's current assets decreased by \$1.38 million from \$14.64 million as at 31 January 2013 to \$13.26 million as at 31 January 2014. The Group's inventories increased by approximately \$0.43 million due to the higher inventory held in the Food and Catering Supplies business. The increase in our trade and other receivables of approximately \$1.27 million was mainly due to more deposits for outlets, hostel, utilities, and equipments. Cash and cash equivalents decreased by \$3.27 million.

Current liabilities

The Group's current liabilities increased by \$1.51 million from \$6.56 million as at 31 January 2013 to \$8.07 million as at 31 January 2014. This was mainly attributable to an increase of \$0.48 million in current bank borrowings due to drawdown of a mortgage loan to finance the acquisition of the leasehold properties purchased and an increase of \$0.70 million in trade and other payables. Current income tax payable increased by approximately \$0.33 million due to higher provision of current year income tax.

Non-current liabilities

The Group's non-current liabilities increased by \$8.32 million from \$6.77 million as at 31 January 2013 to \$15.10 million as at 31 January 2014 primarily due to the drawdown of a mortgage loan to finance the acquisition of leasehold properties during the financial year.

8(b-2). Consolidated Statement of Cash Flows

Net cash flows generated from operating activities of \$7.86 million during FY 2014 mainly resulted from operating cash flows before working capital changes of \$9.11 million, an increase in net working capital of \$1.23 million, and income taxes paid of \$0.02 million.

The increase in net working capital was mainly due to the increase in inventories of approximately \$0.43 million and the increase in trade and other receivables of \$1.31 million, as well as the increase in prepayment of approximately \$0.20 million and the increase in trade and other payables of approximately \$0.70 million.

Net cash flows used in investing activities of \$16.17 million during FY 2014 were mainly attributable to the acquisition of property, plant and equipment of \$15.05 million, the available-for-sale financial asset of \$0.90 million (namely shares in Singapore Kitchen Equipment Limited) and the intangible assets of \$0.24 million on capital expenditure for payroll and catering software.

Net cash flows generated from financing activities of \$5.03 million during FY 2014 were mainly due to the drawdown from bank borrowing of \$11.10 million, repayment of bank borrowings of \$2.40 million, repayment of finance lease payable of \$0.37 million, dividends payment of \$3.12 million and interest payment of \$0.18 million.

Consequent to the above factors, the net decrease in cash and cash equivalents during FY 2014 was \$3.28 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 financial performance of the Group for FY 2014 was generally in line with what was disclosed in the 1H2014 result announcement for the 6 month financial period ended 31 July 2013.

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 outlook of the industry in which it operates is expected to remain positive.

We are in the process of expanding our production capacities and consolidating our business operation. This is to further improve our efficiency, reduce our reliance on manpower and ensure consistency in the quality of our food products.

As for our Food Retail Business, we are on track to achieve the target of 30 retail outlets by 2016. We will also continue to explore expanding our outlets in Indonesia.

We will continue to enhance our offering, further increase our customer base and reinforce our position in Singapore by developing new brands, like Best Catering, our new Brand.

We will continue to look for suitable acquisitions, joint ventures and strategic alliances in order to give us access to new markets and customers.

Barring unforeseen circumstances and business conditions, the Group expects to continue to grow our business and remain profitable in the first half of the year.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Final dividend.

(b) (i) Amount per share

1.51 Singapore cents per share

(ii) Corresponding Period of the Immediately Preceding Financial Year

1.01 Singapore cents per share

(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).

The dividend is tax-exempt.

(d) The date the dividend is payable

The proposed dividend is subject to the approval of shareholders at the forthcoming Annual General Meeting.

(e) Books closure date

Notice will be given at a later date on the closure of the Share Transfer Books and Register of Members of the Company to determine members' entitlement to the dividend.

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

Not applicable.

13. Interested person transactions

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to <u>Rule 920</u>)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to <u>Rule 920</u> (excluding transactions less than \$100,000)
	\$'000	\$'000
<u>Neo Kah Kiat</u>		
(i) GUI Solutions Pte Ltd		
- Cost of goods and services purchased	212	-
(ii) Perdure Technology Pte Ltd		
- Cost of goods and services purchased	16	-
- Rental and utilities income	27	-
- Printing and stationery	9	-
(iii) Office premise lease expense		
	84	-
<u>Neo Kah Kiat and Liew Oi Peng</u>		
(i) Office premise lease expense		
	287	-
(ii) Twinkle Investment Pte Ltd		
- Office premise lease expense	84	-
- Rental of yacht	146	-

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

14. Update on use of Initial Public Offer (“IPO”) proceeds

Pursuant to the IPO, the Company received total proceeds of \$6.60 million and as at the date of this announcement, the IPO proceeds have been utilised as follows:

Intended Usage in accordance with the Offer Document	Allocation (\$'000)	Amount utilised (\$'000)	Amount unutilised (\$'000)
Expand and develop our Food Catering Business and Food Retail Business (which may include acquisitions, joint ventures and / or strategic alliances)	5,000	(3,700)	1,300
IPO expenses ¹	1,600	(1,598)	2
Total	6,600	(5,298)	1,302

Note:

1. As all IPO expenses had been settled and the Broad has proposed to transfer the unutilised amount of \$2,000 to working capital in FY 2015.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15. **Segmented revenue and results for operating 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.**

Segment Information

Group 2014	Food Catering Business \$'000	Food Retail Business \$'000	Food and Catering Supplies \$'000	Unallocated \$'000	Elimination \$'000	Total \$'000
Revenue						
External revenue	38,992	12,667	699	-	-	52,358
Inter-segment revenue	6	-	10,510	-	(10,516)	-
	<u>38,998</u>	<u>12,667</u>	<u>11,209</u>	<u>-</u>	<u>(10,516)</u>	<u>52,358</u>
Results						
Segment results	8,652	951	477	3,493	(4,451)	9,122
Interest income	1	-	-	17	-	18
Interest expense	(179)	(10)	-	-	-	(189)
Gain on disposal of plant and equipment	-	1	-	-	-	1
Depreciation of property, plant and equipment	(1,342)	(428)	(216)	(2)	-	(1,988)
Depreciation of investment properties	-	-	-	(42)	-	(42)
Amortisation of intangible assets	(2)	-	-	-	-	(2)
Plant and equipment written-off	(9)	(28)	-	-	-	(37)
Other non-cash expenses:						
Allowance for impairment loss on third parties trade receivables	(21)	-	-	-	-	(21)
Bad third parties trade receivables written-off	-	(3)	-	-	-	(3)
Bad third parties non-trade receivables written-off	(6)	-	-	(2)	-	(8)
Profit before income tax	<u>7,094</u>	<u>483</u>	<u>261</u>	<u>3,464</u>	<u>(4,451)</u>	<u>6,851</u>
Income tax expense						(453)
Profit for the financial year						<u>6,398</u>
Capital expenditure						
Property, plant and equipment	14,633	489	283	-	-	15,405
Intangible assets	246	-	-	-	-	246
Assets and liabilities						
Assets	<u>39,918</u>	<u>3,334</u>	<u>3,846</u>	<u>11,029</u>	<u>(14,801)</u>	<u>43,326</u>
Liabilities	<u>23,007</u>	<u>2,881</u>	<u>1,825</u>	<u>2,243</u>	<u>(8,815)</u>	<u>21,141</u>
Unallocated liabilities						
- Current income tax payable						1,491
- Deferred tax liabilities						209
						<u>22,841</u>

Segment Information (Continued)

Group 2013	Food Catering Business \$'000	Food Retail Business \$'000	Food and Catering Supplies \$'000	Unallocated \$'000	Elimination \$'000	Total \$'000
Revenue						
External revenue	30,705	10,961	33	-	-	41,699
Inter-segment revenue	-	-	7,928	-	(7,928)	-
	<u>30,705</u>	<u>10,961</u>	<u>7,961</u>	<u>-</u>	<u>(7,928)</u>	<u>41,699</u>
Results						
Segment results	5,208	636	713	1,969	(3,598)	4,928
Interest income	1	-	-	-	-	1
Interest expense	(203)	(7)	(1)	-	-	(211)
Gain on disposal of property, plant and equipment	188	-	-	-	-	188
Gain on disposal of asset held for sale	370	-	-	-	-	370
Depreciation of property, plant and equipment	(1,122)	(374)	(193)	-	-	(1,689)
Depreciation of investment properties	-	-	-	(42)	-	(42)
Plant and equipment written-off	-	(58)	-	-	-	(58)
Other non-cash expenses:						
Allowance for impairment loss on third parties trade receivables written-back	50	-	-	-	-	50
Bad third parties trade receivables written-off	(6)	-	-	-	-	(6)
Profit before income tax	<u>4,486</u>	<u>197</u>	<u>519</u>	<u>1,927</u>	<u>(3,598)</u>	<u>3,531</u>
Income tax expense						(511)
Profit for the financial year						<u>3,020</u>
Capital expenditure						
Property, plant and equipment	<u>1,415</u>	<u>367</u>	<u>83</u>	<u>6</u>	<u>-</u>	<u>1,871</u>
Assets and liabilities						
Assets	<u>23,197</u>	<u>2,258</u>	<u>2,444</u>	<u>11,567</u>	<u>(8,713)</u>	<u>30,753</u>
Liabilities	<u>12,968</u>	<u>2,914</u>	<u>1,525</u>	<u>2,001</u>	<u>(7,336)</u>	<u>12,072</u>
Unallocated liabilities						
- Current income tax payable						1,157
- Deferred tax liabilities						106
						<u>13,335</u>

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

Refer to section 8 for details.

17. A breakdown of sales

	FY 2014 \$'000	FY 2013 \$'000
Sales reported for:		
First half ended 31 July	23,111	18,755
Second half ended 31 January	29,247	22,944
Total	52,358	41,699
Net profit for the year reported for:		
First half ended 31 July	2,767	703
Second half ended 31 January	3,631	2,317
Total	6,398	3,020

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

	FY 2014 \$'000	FY 2013 \$'000
Final ordinary dividend proposed	2,174	1,454
Interim ordinary dividend declared and paid	1,670	706

19. Requirement under Rule 704(10) of the Listing Manual

Pursuant to Rule 704(10) of the Listing Manual Section B: Rules of Catalyst of the Singapore Exchange Securities Trading Limited, the Company confirms that the 2 personnel who were occupying managerial positions in the Company or any of its principal subsidiaries who is a relative of a Director, Chief Executive Officer or substantial shareholder of the Company had resigned during the year. Details are as follows:

Name of relative	Age	Family relationship with any director and/or substantial shareholder	Current position and duties and the year the position was first held	Details of changes in duties and position held, if any, during the year
Neo Kah Lin	45	Brother of Neo Kah Kiat Brother-in-law of Liew Oi Peng	Engineering and Facilities Manager Appointed in 2012 Responsible for the maintenance and functional operations of equipment and facilities	Left in May 2013.
Neo Kar King	40	Brother of Neo Kah Kiat Brother-in-law of Liew Oi Peng	Quality Assurance Manager Appointed in 2000 Responsible for Research and Development/Production Planning	Left in Dec 2013.

BY ORDER OF THE BOARD

Neo Kah Kiat
28 March 2014

This announcement has been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes 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.

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