HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2018

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF 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 period.

THE GROUP	HALF YEAR ENDED 30 JUNE		
	2018 (Unaudited) RM'000	2017 (Unaudited) RM'000	Increase/ (Decrease) %
Revenue	50,347	72,883	-30.9%
Cost of sales	(16,307)	(23,910)	-31.8%
Gross profit	34,040	48,973	-30.5%
<u>Other Items of Income</u>			
Interest income	48	160	-70.0%
Other credits	39	-	N.M
<u>Other Items of Expense</u>			
Marketing and distribution costs	(2,092)	(3,231)	-35.3%
Administrative expenses	(35,138)	(49,196)	-28.6%
Finance costs	(1,255)	(1,296)	-3.2%
Other losses	(265)	(1,387)	N.M
Share of profit/(loss) of Associate	1	-	100.0%
Other expenses	(684)	(2,877)	-76.2%
Loss before taxation	(5,306)	(8,854)	-40.1%
Income tax expense	(177)	(695)	-74.5%
Loss after taxation	(5,483)	(9,549)	-42.6%
Other comprehensive loss net of tax:-			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations	2,346	(221)	N.M
Total comprehensive loss	(3,137)	(9,770)	-67.9%
Loss attributable to owners of the company, net of tax	(5,480)	(9,546)	-42.6%
Loss attributable to non-controlling interests, net of tax	(3)	(3)	N.M
Loss after tax	(5,483)	(9,549)	-42.6%
Total comprehensive loss attributable to owners of the company, net of tax	(3,110)	(9,763)	-68.1%
Total comprehensive loss attributable to non-controlling interests, net of tax	(27)	(7)	-46.2%
Total comprehensive loss	(3,137)	(9,770)	-67.9%

N.M: Not Meaningful

1(a)(ii) Other Information

The Group's net loss before tax is arrived at after charging/(crediting):

THE GROUP	HALF YEAR ENDED 30 JUNE		
	2018 (Unaudited) RM'000	2017 (Unaudited) RM'000	Increase/ (Decrease) %
Depreciation of property and equipment	662	2,755	-76.0%
Impairment allowance on property and equipment	265	-	100.0%
Amortisation of franchise fees	22	122	-82.0%
(Gain) / loss on disposal of property and equipment	(39)	-	0.0%
Property and equipment written off	-	452	100.0%
Deposits and prepayments written off	-	935	0.0%
Exchange loss	467	16	N.M
Interest Income	(48)	(160)	-70.0%
Interest expense	1,255	1,296	-3.2%

N.M: Not Meaningful

HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2018

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.

	The Group		The Company	
	30 June 2018 RM'000 (Unaudited)	31 December 2017 RM'000 (Audited)	30 June 2018 RM'000 (Unaudited)	31 December 2017 RM'000 (Audited)
ASSETS				
Non-Current Assets				
Property and Equipment	13,342	14,511	-	-
Intangible Assets	245	282	-	-
Investment in Subsidiaries	-	-	-	-
Investment in associate Company	197	199	-	-
Total Non-Current Assets	**13,784**	**14,992**	**-**	**-**
Current Assets				
Inventories	2,470	3,007	-	-
Trade and Other Receivables	2,227	2,398	22	-
Other Assets	8,156	10,606	-	-
Tax recoverable	644	839	-	-
Cash and Cash Equivalents	5,539	5,635	-	-
Total Current Assets	**19,036**	**22,485**	**22**	**-**
Total Assets	**32,820**	**37,477**	**22**	**-**
EQUITY AND LIABILITIES				
Equity				
Share Capital	24,464	24,464	162,132	162,132
Capital Reserves	930	(1,443)	40,143	(1,079)
Accumulated Losses	(90,378)	(84,898)	(236,281)	(195,265)
Total Equity Attributable to Owners of the Parent	(64,984)	(61,877)	(34,006)	(34,212)
Non-Controlling Interest	(234)	(204)	-	-
Total Equity	**(65,218)**	**(62,081)**	**(34,006)**	**(34,212)**
Non-Current Liabilities				
Deferred Tax Liabilities	1,387	1,647	-	-
Other Financial Liabilities	333	333	-	-
Total Non-Current Liabilities	**1,720**	**1,980**	**-**	**-**
Current Liabilities				
Provision for Taxation	-	-	-	5
Trade and Other Payables	58,745	59,990	34,028	34,207
Other Financial Liabilities	37,327	37,342	-	-
Other Liabilities, current	246	246	-	-
Total Current Liabilities	**96,318**	**97,578**	**34,028**	**34,212**
Total Liabilities	**98,038**	**99,558**	**34,028**	**34,212**
Total Equity and Liabilities	**32,820**	**37,477**	**22**	**-**

1(b)(ii) Aggregate amount of the Group's borrowings and debts securities.

Amount repayable in one year or less, or on demand

	30 June 2018		31 December 2017	
	RM'000 (Secured)	RM'000 (Unsecured)	RM'000 (Secured)	RM'000 (Unsecured)
Finance lease payables	40	-	218	-
Exchangeable bonds	9,217	-	9,211	-
Interest bearing loans and borrowings	22,439	5,631	22,282	5,631
	31,696	5,631	31,711	5,631

Amount repayable after one year

	30 June 2018		31 December 2017	
	RM'000 (Secured)	RM'000 (Unsecured)	RM'000 (Secured)	RM'000 (Unsecured)
Finance lease payables	333	-	333	-
Interest bearing loans and borrowings	-	-	-	-
	333	-	333	-

Details of any collateral

(1) The bills payable and bank overdrafts are secured by:-

(i) Fixed and floating charges over all the present and future assets of certain subsidiaries;
(ii) Pledge of fixed deposits with licensed banks; and
(iii) Corporate guarantees of the Company and Chaswood Resources Sdn Bhd.

(2) The term loans are secured by:-

(i) Fixed and floating charge over all present and future assets of certain subsidiaries; and
(ii) Pledge of fixed deposits with licensed banks of the Group.

Certain of the term loans are also covered by:

(i) Corporate guarantees of the Company and Chaswood Resources Sdn Bhd; and
(ii) Legal assignment to the lender of all rights, titles, benefits and interests in insurance policies of certain subsidiaries.

(3) The obligations under finance lease payables are secured by the lessor's charge over the leased assets.

(4) The Exchangeable Bonds are secured by a corporate guarantee of the Company.

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

	1ST HALF YEAR ENDED 30 JUNE	
	Unaudited 2018 RM'000	Unaudited 2017 RM'000
Cash flows from operating activities		
Loss before tax	(5,306)	(8,855)
Adjustment for:		
Amortisation of franchise agreement cost	22	122
Depreciation of property and equipment	662	2,755
Property and equipment written off	0	452
Impairment on property and equipment	265	0
Deposits and prepayments written off	0	935
Gain on disposal of property and equipment	(39)	0
Unrealised (gain) / loss on foreign exchange	467	16
Interest income	(48)	(138)
Interest expense	1,255	1,296
Operating (loss) / profit before working capital changes	(2,722)	(3,417)
Inventories	537	152
Trade and other receivables	171	2,893
Other assets	2,645	(177)
Trade and other payables	(1,497)	10,397
Net cash flows from / (used in) operations	(866)	9,848
Tax Paid	(186)	(695)
Net cash flows from / (used in) operating activities	(1,052)	9,153
Balance carried forward	(1,052)	9,153

1(c) Consolidated Statement of Cash Flows (for the group) (Continued)

	1ST HALF YEAR ENDED 30 JUNE	
	Unaudited 2018 RM'000	Unaudited 2017 RM'000
Balance brought forward	(1,052)	9,153
Cash flows from investing activities		
Purchases of property and quipment	0	(2,082)
Proceeds from disposal of property, plant and equipment	39	0
Interest received	48	138
Net cash flows from/ (used in) investing activities	87	(1,944)
Cash flows from financing activities		
Repayment of borrowings	0	(4,176)
Repayment of finance lease payables	(195)	(35)
Restricted cash received/ (placement)	0	(210)
Interest paid	(21)	(1,296)
Net cash flows (used in)/ from financing activities	(216)	(5,717)
Net increase/(decrease) in cash and cash equivalents	(1,181)	1,492
Foreign exchange differences	(145)	25
Cash and cash equivalents at the beginning of the financial period / year	(684)	447
Cash and cash equivalents at the end of the financial period / year	(2,010)	1,964
Cash and cash equivalents:-		
Not restricted in use	3,740	6,117
Restricted in use	1,800	3,627
	5,540	9,744
Cash and cash equivalents in the Statement of Cash Flows:-		
Amount as shown above	5,540	9,744
Bank overdraft	(5,750)	(4,153)
Cash restricted in use over 3 months	(1,800)	(3,627)
At the end of the financial period / year	(2,010)	1,964

HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2018

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.

The Group	**Attributable to owners of the Company**					
	Share Capital RM'000	**Other Reserve RM'000**	**(Accumulated Losses) RM'000**	**Total RM'000**	**Controlling Interests RM'000**	**Total Equity RM'000**
Balance as at 1 Jan 2018	24,464	(1,443)	(84,898)	(61,877)	(204)	(62,081)
Total comprehensive income/(loss) for the year						
Loss for the financial year	-	-	(5,480)	(5,480)	(3)	(5,483)
Effect of translation of net assets of foreign subsidiaries	-	2,373	-	2,373	(27)	2,346
Total comprehensive income/(loss) for the year	-	2,373	(5,480)	(3,107)	(30)	(3,137)
Balance as at 30 June 2018 (Unaudited)	**24,464**	**930**	**(90,378)**	**(64,984)**	**(234)**	**(65,218)**
Balance as at 1 January 2017	24,464	134	(16,148)	8,450	(138)	8,312
Total comprehensive income/(loss) for the year						
Loss for the financial year	-	-	(9,546)	(9,546)	(3)	(9,549)
Effect of translation of net assets of foreign subsidiaries	-	(214)	-	(214)	(7)	(221)
Total comprehensive income/(loss) for the year	-	(214)	(9,546)	(9,760)	(10)	(9,770)
Balance as at 30 June 2017 (Unaudited)	**24,464**	**(80)**	**(25,694)**	**(1,310)**	**(148)**	**(1,458)**

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.

The Company

	Share Capital RM'000	Other Reserve RM'000	(Accumulated Losses) RM'000	Total Equity RM'000
Balance as at 1 Jan 2018	162,132	(1,079)	(195,265)	(34,212)
Total comprehensive income/(loss) for the year				
Loss for the financial year	-	-	(41,016)	(41,016)
Foreign currency translation	-	41,222	-	41,222
Total comprehensive income/(loss) for the year	-	41,222	(41,016)	206
Balance as at 30 June 2018 (Unaudited)	**162,132**	**40,143**	**(236,281)**	**(34,006)**
Balance as at 1 January 2017	162,132	22	(12,723)	149,431
Total comprehensive income/(loss) for the year				
Loss for the financial year	-	-	(1,202)	(1,202)
Foreign currency translation	-	(1,183)	-	(1,183)
Total comprehensive income/(loss) for the year	-	(1,183)	(1,202)	(2,385)
Balance as at 30 June 2017 (Unaudited)	**162,132**	**(1,161)**	**(13,925)**	**147,046**

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 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 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.

The issued and paid-up share capital of the Company are as folllow:

Issued and paid up share capital	Number of shares	Issued and paid up share capital (RM)
Share capital as at 30 June 2018 and 30 June 2017	250,605,231	162,131,973

	As at 30 June 2018	As at 30 June 2017
	Shares ('000)	Shares ('000)
Additional shares that would be issued on conversion of all convertible instruments	10,000	10,000

The Group has issued redeemable exchangeable bonds ("Exchangeable Bonds") of an aggregate principal amount of S$3.0 million in three (3) tranches of S$1.0 million, S$0.5 million and S$1.5 million on 25 April 2014, 5 December 2014 and 27 January 2015 respectively. As at the date of this announcement, the net proceeds have been fully utilised for the intended purpose of (i) Capital expenditure and working capital for outlets expansion in China and/or Indonesia and (ii) Expenses relating to the Exchangable Bonds.

Based on the exchangeable price of S$0.30 per new share, the Company will be obliged to issue up to 10,000,000 new shares ("New Shares") in the event that the investor exercises its right to exchange the entire Exchangeable Bonds into New Shares.

As at 30 June 2018 and 30 June 2017, the Company did not hold any treasury shares and there were no subsidary holdings.

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

	As at 30 June 2018	As at 31 December 2017
Total number of issued shares excluding treasury shares	250,605,231	250,605,231

The Company has no treasury shares as at 30 June 2018 and 31 December 2017.

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. The Company did not hold any treasury shares as at 30 June 2018 and 30 June 2017.

1(d)(v) A statement showing all sales, transfer, disposals, cancellations and/or use of subsidiary holdings as at the end of the current financial period reported on.

The Company did not hold any subsidiary holdings as at 30 June 2018 and 30 June 2017.

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

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

Other than the adoption of Singapore Financial Reporting Standards (International) ("SFRS(I)") as mentioned in paragraph 5 below, there were no changes in the accounting policies and methods of computation adopted in the financial statements of the Group for the current reporting period as compared to the most recently audited financial statements for the reporting year ended 31 December 2017.

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.

On 1 January 2018, the Group adopted SFRS(I), the equivalent to the International Financial Reporting Standards, as required by the listing requirements of the Singapore Exchange. Accordingly the financial statements have been prepared based on this new reporting framework. The adoption of SFRS(I) did not result in any substantial change to the Group's accounting policies as the accounting policies adopted by the Group under the previous accounting framework are consistent with SFRS(I).

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

	THE GROUP HALF YEAR ENDED 30 JUNE 2018	2017
Net loss attributable to shareholders of the Company (RM'000)	(5,480)	(9,546)
(a) Basic Loss per share (RM sen)	(2.2)	(3.8)
(b) Diluted Loss per share (RM sen)	N.A	N.A
Weighted average number of ordinary shares in issue ('000)	250,605	250,605

There is no dilutive effect from the Exchangable Bonds as they are anti-dilutive because their conversion to ordinary shares would decrease loss per share.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

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

	The Group 30 June 2018 (Unaudited)	The Group 31 December 2017 (Audited)	The Company 30 June 2018 (Unaudited)	The Company 31 December 2017 (Audited)
Net asset value per ordinary share (RM sen)	(26.0)	(24.8)	(13.6)	(13.7)

Net asset value per ordinary share of the Group and the Company was calculated based on 250,605,231 shares (2017: 250,605,231 shares) in issue at the end of the financial year/period.

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.

Review of Financial Performance

Revenue

Revenue for 1H2018 decreased by approximately RM22.5 million, or 30.9% as compared to 1H2017. The decrease was mainly attributable to the decrease in revenue of approximately RM14.9 million from the Malaysia operations where 13 unprofitable outlets were closed in line with the Group's rationalization plan. The Malaysian consumer sentiment continues to be weak with the rising cost of living and weak consumer sentiment. In addition, there has also been an increase in competition from new mall openings which has impacted the existing industry players' businesses during this already weakened food and beverage business sector. Revenue from the Indonesia and China operations decreased mainly due to increased competitions at locations where the outlets are located.

Gross profit and gross profit margin

Gross profit decreased by approximately RM15.0 million, or 30.5% from approximately RM49.0 million in 1H2017 to approximately RM34.0 million in 1H2018, in line with the decrease in revenue. Gross profit margin increased from approximately 67.2% in 1H2017 to approximately 67.6% in 1H2018 due to the effective menu engineering and cost reduction exercises carried out by the Group.

Marketing and Distribution Costs

Marketing and distribution costs were lower by approximately RM1.1 million, or 35.3%, from approximately RM3.2 million in 1H2017 to approximately RM2.1 million in 1H2018 due to the closure of certain non-profitable outlets.

Administrative expenses

Administrative expenses decreased by approximately RM14.1 million, or 28.6%, from approximately RM49.2 million in 1H2017 to approximately RM35.1 million in 1H2018 due to the closure of certain non-profitable outlets and continuous cost cutting measures undertaken by the Group.

Finance costs

Finance costs which consist of interest expense payable to financial institutions and Exchangeable Bonds are marginally lower by approximately RM0.04 million, or 3.2%, from approximately RM1.3 million in 1H2017 to approximately RM1.26 million in 1H2018 mainly due to the settlement of certain term loans.

Other losses

Other losses mainly consist of write-offs of property and equipment and security deposit, following the closure of certain non-profitable outlets.

Other expenses

Other expenses consist of depreciation and amortisation of franchise fees. The decrease in other expenses of approximately RM2.2 million or 76.2% from approximately RM2.9 million in 1H2017 to approximately RM0.7 million in 1H2018 was mainly due to the impairment of property and equipment and intangible asset pursuant to the closure of certain non-profitable outlets in FY2017 and 1H2018.

Loss after tax

The Group continued to incur net loss after tax in 1H2018 of approximately RM5.5 million, which arose mainly due to the decrease in the Group's revenue and losses from the non-profitable outlets in Malaysia which have been closed. Nevertheless, the Group's net losses were lower as compared to 1H2017 mainly due to the various cost-cutting efforts implemented which resulted in lower operating and head office expenses.

Review of Financial Position

Non-current assets

Property and equipment decreased from approximately RM14.5 million as at 31 December 2017 to approximately RM13.3 million as at 30 June 2018 mainly due depreciation charge and impairment allowance for the closed outlets during the period.

Intangible assets comprise of franchise fee of the Indonesia subsidiaries. The decrease from approximately RM0.28 million as at 31 December 2017 to approximately RM0.25 million as at 30 June 2018 was due to the amortisation of franchise fee.

Current assets

Trade and other receivables decreased from approximately RM2.4 million as at 31 December 2017 to approximately RM2.2 million as at 30 June 2018. Trade receivables decreased from approximately RM1.9 million as at 31 December 2017 to approximately RM0.9 million as at 30 June 2018 due to the decrease in uncredited credit card collections. This was offsetted by the increase in other receivables from approximately RM0.5 million as at 31 December 2017 to approximately RM1.3 million as at 30 June 2018 mainly due to the increase in Goods and Service Tax refundable and amount due from franchisees.

Other assets relate to (i) deposits placed with the lessors for the leases of the Group's outlets and (ii) prepayments and booking fees for identified sites for new outlets. The decrease from RM10.6 million as at 31 December 2017 to RM8.2 million as at 30 June 2018 was mainly due to security deposit refunds for certain outlets following closure of certain non-profitable outlets.

Current liabilities

Trade and other payables decreased from RM60.0 million as at 31 December 2017 to RM58.7 million as at 30 June 2018. Trade payables decreased from approximately RM12.3 million as at 31 December 2017 to RM10.6 million as at 30 June 2017 due to the repayments of trade payables. This was offsetted by the increase in other payables from approximately RM47.7 million as at 31 December 2017 to RM48.1 million as at 30 June 2018 mainly due to the increase in amount due to landlords of closed outlets.

Other financial liabilities comprise of term loan and bank overdraft facilities granted by financial institutions (approximately RM22.5 million), hire purchase (approximately RM0.37 million), Exchangeble Bonds (approximately RM9.2 million) and earn-out payable (approximately RM5.6 million). The earn-out payable relates to the balance purchase price for the acquisition of the China subsidiaries. This is an unsecured amount payable in April 2018. The Group is currently exploring options to restructure the earn-out payable amount.

Exchangeable Bonds

Exchangeable Bonds, comprising three tranches, amounting to approximately RM9.2 million were issued in the following manner:

a) First tranche of S$1.0 million on 25 April 2014;
b) Subsequent tranche of S$0.5 million on 5 December 2014; and
c) Subsequent tranche of S$1.5 million on 27 January 2015.

In 2017, a Supplemental Exchangeable Bond Agreement was entered into with the Investor of which the maturity date of the Exchangeable Bonds was extended from 23 April 2017 to 23 April 2018 . The Group is exploring further extension of the maturity date of the Exchangeable Bonds.

Working capital

Liquidity and Going Concern Assumptions

The financial statements have been prepared on a going concern basis assuming that the Group will continue to operate as a going concern notwithstanding that (i) the net loss amounting to RM5.4 million in the first half of the year ended 30 June 2018; (ii) the net current liabilities of RM77.2 million of the Group as at 30 June 2018; and (iii) the negative equity position of RM65.2 million as at 30 June 2018. These events and conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and hence, its ability to realise its assets and discharge its liabilities in the normal course of business.

The Board is of the opinion that the Group is able to continue to operate as a going concern subject to the successful implementation of the proposed restructuring exercise which is currently being undertaken by the Group which entails, inter-alia:

(a) business rationalisation inter-alia undertaking cost-cutting measures at head office and restaurants, negotiating with landlords and suppliers to reduce or contain operating costs, improving operational efficiencies, closing non-performing restaurants, and such other efforts to improve the Group's profitability and financial position (collectively these measures will be termed "Business Rationalisation");

(b) holding discussions with financial institutions who have extended banking facilities to the Group (collectively, the "Scheme Lenders"), to address debt maturities, which includes restructuring and rescheduling of loan repayments ("Proposed Debt Restructuring"); and

(c) exploring various funding options for the Group including recapitalisation of the Group's balance sheet ("Fund Raising Options").

On 16 November 2017, the Company's Malaysian wholly-owned subsidiary group of companies applied and subsequently obtained an order from the High Court of Malaysia on 17 November 2017 to restrain the Scheme Lenders from taking any proceedings, including but not limited to enforcement of any security and winding up proceedings against its Malaysian group of companies. The court has also granted approval for a creditors' meeting with the Scheme Lenders so as to arrive at a mutually agreed loan repayment scheme. The deadline was extended for 120 days from 16 February 2018 to 15 June 2018. Subsequently, further extensions were applied on 14 June 2018 and 28 June 2018. On 4 July 2018, the court granted further extension until 15 November 2018 to facilitate the finalization of the Proposed Debt Restructuring with the Scheme Lenders.

On 18 June 2018, the Company's shares were suspended and the Company is looking into the implementation of the proposed restructuring exercise which will then enable the resumption of the Company's shares.

On 26 June 2018, the Company announced the proposed issuance of 1% Redeemable Convertible Notes Due 2021 of up to S$50 million subject to, inter alia, the signing of the definitive agreement, approval of SGX and shareholders for the anticipation of funding the Group's future plans pursuant to the proposed restructuring exercise.

In addition, on 19 June 2018, 22 June 2018 and 18 July 2018, the Board has announced updates on legal proceeding notices against certain subsidiaries in Malaysia. The Group is currently unable to meet the payments pursuant to the legal proceedings. On 11 July 2018, the Group announced that certain subsidiaries have received letters of demand from certain creditors including suppliers and landlords seeking repayment of amount owed to them totalling approximately RM0.65 million. Please refer to item 10 below for further details.

Non-current liabilities

Other financial liabilities mainly consist of hire purchase payables.

Review of Statement of Cash Flows

Cash flows used in operating activities

Net cash outflow used in operating activities before working capital changes amounted to approximately RM2.7 million. Net cash used in operating activities of approximately RM1.0 million was mainly due to the decrease in trade and other receivables of approximately RM0.2 million, decrease in inventories of RM0.5 million, decrease in other assets of RM2.6 million (mainly due to the refund of security deposits pursuant to the outlet closures) and repayment to trade and other payables of approximately RM1.5 million.

Cash flows from investing activities

Net cash from investing activities of approximately RM0.09 million was mainly from the sale of assets from closed outlets and interest income from the pledged fixed deposit with financial institutions.

Cash flows used in financing activities

Net cash used in financing activities of approximately RM0.2 million was mainly from the repayment of hire purchase creditors of approximately RM0.2 million and payment of interest of approximately RM0.02 million.

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

Results are in line with the profit guidance announcement made on 7 August 2018.

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

In the first half of 2018, the Group and the F&B retail industry continued to face difficult operating environment, particularly in Malaysia, where many other F&B players have exited the market, due to the weak consumer sentiment since GST was implemented in 2015. In addition, profit margins were affected by rising operating costs coupled with competition to match increasing discounts and promotions by competitors.

With the recent change in government in Malaysia in May 2018 and the temporary implementation of zero-rated GST in June 2018 until the abolishment of GST in September 2018 (to be replaced by sales and service tax), it is expected that consumer spending in the F&B retail industry would improve.

The Group had undergone an exercise to close under-performing outlets and implemented various menu engineering and cost reduction exercises (including at head office) to cushion the financial impact during the challenging period.

In an effort to address its net current liability position, the Group is currently restructuring the repayment of its financial liabilities with the respective lenders. An order from the High Court of Order of Malaysia has been obtained to restrain the Scheme Lenders from taking any proceedings ("Restraining Order") and to hold a creditors' meeting for a mutually agreed loan repayment scheme. This order has been extended to 15 November 2018. The Group is currently in negotiation with the Scheme Lenders to facilitate the finalisation of the Proposed Debt Restructuring in order to meet the deadline. Notwithstanding this, on 23 July 2018, the Group received a letter from a Scheme Lender's lawyer notifying its application to court applying for the following:

(i) to set aside the Restraining Order;
(ii) or as an alternative to (i) above, to be given the consent to allow the said scheme lender to continue with the necessary actions against certain subsidiaries;
(iii) to allow the said scheme lender to be excluded as a Scheme Lender;
(iv) the cost pertaining to the application to court to be paid by the Group; and
(v) any other matters to be determined by the court.

The case has been fixed for court hearing on 3 September 2018.

In addition, on 19 June 2018, 22 June 2018 and 18 July 2018, The Board has announced updates on legal proceeding notices against certain subsidiaries in Malaysia. The Group is currently unable to meet the payments pursuant to the legal proceedings. In the event that the payments are to be made, it will have material adverse impact on the financial position of the Group. Nevertheless, these notices shall have no recourse to the Company and the other subsidiaries as there were no guarantees provided by the Company and the other subsidiaries.

On 11 July 2018, the Group announced that certain subsidiaries have received letters of demand from certain creditors including suppliers and landlords seeking repayment of amount owed to them totalling approximately RM0.65 million. The Group has negotiated for certain repayment plan and/or rebates/waiver with these creditors.

In view of the recent suspension in trading of the Company's shares on 18 June 2018, the Group is exploring various options to recapitalize its balance sheet which includes the disposal of certain assets/businesses of the Group and undertake a fund raising exercise ("Restructuring Exercise"), in order to improve its liquidity and thereby enabling the resumption of trading of the Company's shares. On 26 June 2018, the Company announced the proposed issuance of 1% Redeemable

Convertible Notes Due 2021 of up to S$50 million subject to, inter alia, the signing of the definitive agreement, approval of SGX and shareholders for the anticipation of funding the Group's future plans pursuant to the Restructuring Exercise.

Further announcements will be made by the Company and the Board via SGXNET as and when there are material developments on the aforesaid matters in compliance with the Catalist Rules of the SGX-ST.

11. Dividend

(a) Current Financial period Reported On

None.

(b) Corresponding Period of the Immediately Preceding Financial period

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared/recommended for the half year ended 30 June 2018.

13. Interested Person Transactions

The Group has established procedures to ensure that all transactions with interested persons are reported on a timely manner to the audit committee ("AC") and that the transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

The Group does not have any general mandate from shareholders for Interested Person Transactions.

The Board and the AC has reviewed the IPTs entered during the half year ended 30 June 2018 by the Group and the aggregate value of IPTs entered during the period is as follows:

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
	S$'000	**S$'000**
TAP Venture Fund I Pte. Ltd. - Interest expenses on Exchangeable Bonds	160	Not applicable - the Company does not have a shareholders' mandate under Rule 920

Note:

Interest expenses paid to and subscription of the Exchangeable Bonds by TAP Venture Fund I Pte. Ltd. (the "Investor"), a company in which Datuk Jared Lim Chih Li and Mr Ng Teck Wah are deemed interested in by virtue of the Investor being a private equity investment company managed by TAP Private Equity Pte. Ltd. ("TAPPE") on a full discretionary basis and TAPPE is in turn wholly owned by Attilan Group Limited ("AGL"). The issuance of Exchangeable Bonds has been approved by the Company's shareholders on 28 February 2014.

For the financial year ended 31 December 2017, the Investor is no longer deemed to be a subsidiary of AGL, which is a substantial shareholder of the Company based on AGL's Annual Report 2017. As such, moving forward, this transaction may not be deemed as an interested person transaction.

14. Negative confirmation on pursuant to Rule 705(5).

The Board of Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the financial statements for the Half Year Ended 30 June 2018 to be false or misleading in any material aspect.

15. Confirmation of undertakings pursuant to Rule 720(1)

The Company has procured the undertakings from all its directors and executive officers in the format set out in Appendix 7H under CR 720(1) of the Catalist Rules.

On behalf of the Board of Directors

Ng Teck Wah **Non-Executive Chairman**	**Andrew Roach Reddy** **Managing Director**

By order of the Board
Ng Teck Wah
Non-Executive Chairman

14 August 2018

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), Asian Corporate Advisors Pte Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**Exchange**"). The Company's Sponsor has not independently verified the contents of this announcement including the correctness of any of the figures used, statements or opinions made.*

This announcement has not been examined or approved by the Exchange and the Exchange 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.

The contact person for the Sponsor is Mr Liau H. K.
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