

First Quarter Financial Statements And Dividend Announcement For The Period Ended 31 March 2018

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

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.

Statement of Profit or Loss and Other Comprehensive Income

	Group		
	Q1 2018 S\$'000	1Q 2017 S\$'000	Change %
Revenue	30,488	25,619	19.0
Cost of sales	(17,878)	(14,663)	21.9
Gross profit	12,610	10,956	15.1
Other income	845	774	9.2
Selling, distribution and outlet expenses	(8,267)	(6,971)	18.6
Administrative expenses	(3,824)	(3,286)	16.4
Other expenses	(16)	(25)	(36.0)
Finance costs <i>(Note 1)</i>	(16)	(1)	n.m.
Share of results of equity-accounted investees, net of tax <i>(Note 2)</i>	(146)	-	n.a.
Profit before tax	1,186	1,447	(18.0)
Income tax expense <i>(Note 3)</i>	(230)	(238)	(3.4)
Profit for the period	956	1,209	(20.9)
Other comprehensive income/(loss):			
<u>Items that are or may be reclassified subsequently to profit or loss:</u>			
Currency translation differences	137	(397)	n.m.
Other comprehensive income/(loss) for the period, net of tax	137	(397)	n.m.
Total comprehensive income for the period	1,093	812	34.6
<u>Profit attributable to:</u>			
Owners of the Company	720	1,145	(37.1)
Non-controlling interests	236	64	n.m.
Profit for the period	956	1,209	(20.9)
<u>Total comprehensive income attributable to:</u>			
Owners of the Company	829	764	8.5
Non-controlling interests	264	48	n.m.
Total comprehensive income for the period	1,093	812	34.6

n.a.: not applicable
n.m.: not meaningful

1(a)(ii) Notes to the Statement of Profit or Loss and Other Comprehensive Income:

	Group		
	Q1 2018 S\$'000	1Q 2017 S\$'000	Change %
Other income including interest income and foreign exchange gain, net	845	774	9.2
Depreciation and amortisation (Note 4)	(1,247)	(906)	37.6
Property, plant and equipment written off	(16)	(25)	(36.0)
Write back of allowance for doubtful trade debts	3	-	n.a.
Write-off for inventories	(2)	(1)	100.0
Bad trade debts written off	(6)	-	n.a.
Over provision for tax of prior year (Note 5)	48	-	n.a.

Profit for the period include the following:

Other income including interest income and foreign exchange gain, net
 Depreciation and amortisation (Note 4)
 Property, plant and equipment written off
 Write back of allowance for doubtful trade debts
 Write-off for inventories
 Bad trade debts written off
 Over provision for tax of prior year (Note 5)

Note:

- (1) The increase in finance costs was due to the deemed finance costs on the balance consideration payable for the acquisition of 80% interest in Chilli Padi Holding Pte Ltd ("CPH").
- (2) Share of results of equity-accounted investees relate primarily to the losses of the Group's associated company, Sering Manis Sdn Bhd.
- (3) The effective tax rate of the Group in 1Q 2018 was higher due mainly to the losses incurred by certain subsidiaries and the share of losses of equity-accounted investees which could not be set off against the taxable profit of the Group.
- (4) The increase in depreciation and amortisation was mainly attributed to the new F&B business acquired in July 2017.
- (5) The over provision for tax of prior year was in relation to reversal of deferred tax arising from the amortisation of intangible assets.

n.a.: not applicable
 n.m.: not meaningful

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		Company	
	31-Mar-18 S\$'000	31-Dec-17 S\$'000	31-Mar-18 S\$'000	31-Dec-17 S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	24,181	24,924	8,821	9,203
Investment properties	3,128	3,168	992	1,001
Intangible assets	16,746	16,878	-	-
Investments in subsidiaries	-	-	39,144	39,144
Interests in equity-accounted investees (Note 6)	7,850	7,775	-	-
Held-to-maturity financial assets	-	-	-	-
Available-for-sale financial assets	35	35	35	35
Loans to subsidiaries	-	-	11,129	10,459
Loans to equity-accounted investee (Note 6,7)	2,200	1,450	-	-
Other asset	381	381	381	381
Total non-current assets	54,521	54,611	60,502	60,223
Current assets				
Inventories	2,610	2,727	1,572	1,607
Trade and other receivables	14,864	14,531	6,504	6,557
Fixed deposits (Note 8)	27,915	31,212	24,663	27,962
Cash and bank balances	26,899	25,399	8,835	6,813
Total current assets	72,288	73,869	41,574	42,939
Total assets	126,809	128,480	102,076	103,162
EQUITY AND LIABILITIES				
Equity				
Share capital	43,299	43,299	43,299	43,299
Other reserves	(2,102)	(2,211)	-	-
Accumulated profits	58,122	57,402	45,009	45,003
Equity attributable to owners of the Company	99,319	98,490	88,308	88,302
Non-controlling interests	3,227	2,963	-	-
Total equity	102,546	101,453	88,308	88,302
Non-current liabilities				
Deferred tax liabilities	2,933	2,982	340	340
Provision	1,146	1,142	825	825
Other liabilities	5,009	4,995	3,109	3,095
Total non-current liabilities	9,088	9,119	4,274	4,260
Current liabilities				
Trade and other payables (Note 9)	12,512	15,191	8,104	9,249
Provisions	1,448	1,293	975	858
Borrowings	177	142	-	-
Tax payable (Note 10)	1,038	1,282	415	493
Total current liabilities	15,175	17,908	9,494	10,600
Total liabilities	24,263	27,027	13,768	14,860
Total equity and liabilities	126,809	128,480	102,076	103,162

Notes to the Statements of financial position:

Note:

- (6) The non-current loans to an equity-accounted investee in prior year have been re-presented and included in interests in equity-accounted investees principally because these loans are in substance long-term source of capital extended to an associated company and the settlement of the amount is neither planned nor likely to occur in the foreseeable future. The revised presentation does not result in a change in the Group's non-current assets.
- (7) The increase in loans to equity-accounted investee was due to additional loan extended to the joint venture, ABR CCH Land Sdn Bhd, in 1Q 2018.
- (8) The decrease in fixed deposits was due to withdrawals to fund the loan to the joint venture and working capital.
- (9) The reduction in trade and other payables was due mainly to payments to suppliers and lower accruals in 1Q 2018. Other payables as at 31 December 2017 included a pre-acquisition dividend payable to the former shareholders of CPH which was subsequently paid in January 2018.
- (10) The decrease in tax payable was due mainly to payments made in 1Q 2018, partially offset by provision of income tax for the period.

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-Mar-18	
Secured	Unsecured
<u>S\$'000</u>	<u>S\$'000</u>
177	-

As at 31-Dec-17	
Secured	Unsecured
<u>S\$'000</u>	<u>S\$'000</u>
142	-

Amount repayable after one year

As at 31-Mar-18	
Secured	Unsecured
<u>S\$'000</u>	<u>S\$'000</u>
-	-

As at 31-Dec-17	
Secured	Unsecured
<u>S\$'000</u>	<u>S\$'000</u>
-	-

1(b)(ii) Details of collaterals

The Group's borrowing facilities are secured by legal charges over certain properties and pledges of fixed deposits of the Group's Malaysian subsidiary, corporate guarantees from a wholly-owned subsidiary of the Company and 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 year.

Statement of cash flows

	Group	
	Q1 2018 S\$'000	1Q 2017 S\$'000
Cash flows from operating activities		
Profit before tax	1,186	1,447
<i>Adjustments for:</i>		
Depreciation and amortisation	1,247	906
Property, plant and equipment written off	16	25
Share of results of equity-accounted investees	146	-
Interest expense	2	1
Deemed finance costs	14	-
Interest income	(123)	(167)
Operating cash flows before movements in working capital	2,488	2,212
<i>Changes in working capital:</i>		
Inventories	117	24
Trade and other receivables	(251)	(108)
Trade and other payables	(2,679)	(1,297)
Provisions	159	50
Currency translation differences	(91)	2
Cash (used in)/generated from operations	(257)	883
Income tax paid	(618)	(254)
Net cash (used in)/generated from operating activities	(875)	629
Cash flows from investing activities		
Interest received	123	167
Purchase of property, plant and equipment	(160)	(976)
Loans to equity-accounted investees	(750)	-
Net cash used in investing activities	(787)	(809)
Cash flows from financing activities		
Interest expense paid	(2)	(1)
Proceeds from/(Repayment of) borrowings	35	(63)
Net cash generated from/(used in) financing activities	33	(64)
Net decrease in cash and cash equivalents	(1,629)	(244)
Cash and cash equivalents at beginning of financial period	56,487	81,664
Effect of exchange rate fluctuations on cash and cash equivalents	(171)	(306)
Cash and cash equivalents at end of financial period	54,687	81,114
Cash and cash equivalents comprise:		
Fixed deposits	27,915	60,694
Cash and bank balances	26,899	20,839
Bank overdraft	-	(308)
	54,814	81,225
Less: funds placed in non-liquid deposits	(127)	(111)
	54,687	81,114

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	Total Equity S\$'000	Equity attributable to owners of the Company S\$'000	Share Capital S\$'000	Other Accumulated Reserves S\$'000	Accumulated Profits S\$'000	Non- controlling Interests S\$'000
Balance at 1 January 2018	101,453	98,490	43,299	(2,211)	57,402	2,963
Profit for the period	956	720	-	-	720	236
<i>Other comprehensive income:</i>						
Currency translation differences	137	109	-	109	-	28
Other comprehensive income for the period, net of tax	137	109	-	109	-	28
Total comprehensive income for the period	1,093	829	-	109	720	264
Balance at 31 March 2018	102,546	99,319	43,299	(2,102)	58,122	3,227
Balance at 1 January 2017	100,035	99,544	43,299	(82)	56,327	491
Profit for the period	1,209	1,145	-	-	1,145	64
<i>Other comprehensive loss:</i>						
Currency translation differences	(397)	(381)	-	(381)	-	(16)
Other comprehensive loss for the period, net of tax	(397)	(381)	-	(381)	-	(16)
Total comprehensive income/(loss) for the period	812	764	-	(381)	1,145	48
Balance at 31 March 2017	100,847	100,308	43,299	(463)	57,472	539

Company

Balance at 1 January 2018

Net profit and total comprehensive income for the period

Balance at 31 March 2018

Balance at 1 January 2017

Net profit and total comprehensive income for the period

Balance at 31 March 2017

	Total Equity S\$'000	Share Capital S\$'000	Accumulated Profits S\$'000
Balance at 1 January 2018	88,302	43,299	45,003
Net profit and total comprehensive income for the period	6	-	6
Balance at 31 March 2018	88,308	43,299	45,009
Balance at 1 January 2017	87,575	43,299	44,276
Net profit and total comprehensive income for the period	703	-	703
Balance at 31 March 2017	88,278	43,299	44,979

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were no movements in the share capital of the Company from 31 December 2017 to 31 March 2018.

There were no outstanding convertibles instruments which may be converted to shares as at 31 March 2018 and 31 March 2017.

The Company did not hold any treasury shares and no subsidiary holdings as at 31 March 2018 and 31 March 2017.

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

31-Mar-18 '000	31-Dec-17 '000
200,996	200,996

Total number of issued shares excluding treasury shares

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

Not applicable.

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

Not applicable.

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

The figures have not been audited or reviewed.

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

Not applicable.

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

Singapore-incorporated companies listed on the Singapore Exchange are required to apply a new financial reporting framework identical to the International Financial Reporting Standards known as Singapore Financial Reporting Standards (International) ("SFRS(I)"), for annual periods beginning on or after 1 January 2018. The Group has adopted SFRS(I) on 1 January 2018 and has prepared its first set of financial information under SFRS(I) for the quarter ended 31 March 2018.

Other than the adoption of the new framework and the new SFRS(I)s, amendments and interpretations of SFRS(I)s which took effect from the current financial year, the Group has applied the same accounting policies and methods of computation as in the most recently audited financial statements for the year ended 31 December 2017. The adoption of the new financial reporting framework, new SFRS(I)s, amendments and interpretations of SFRS(I)s has no material impact on the financial performance and financial position of the Group.

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.

Please refer to item 4 above.

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.

Group figures	
1Q 2018	1Q 2017
cents	cents
0.36	0.57
0.36	0.57

Earnings per ordinary share for the period based on net profit attributable to shareholders

i) Based on weighted average number of ordinary shares on issue

ii) On a fully diluted basis

- 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.**

Net Asset Value per ordinary share based on total number of issued shares excluding treasury shares at the end of the financial period/year (cents)

Group		Company	
31-Mar-18	31-Dec-17	31-Mar-18	31-Dec-17
49.4	49.0	43.9	43.9

- 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.**

8(a) Review of the performance of the group.

For the quarter ended 31 March 2018 ("1Q 2018"), the Group registered revenue of \$30.5 million, an increase of 19% when compared to \$25.6 million for the same period last year ("1Q 2017"). The increase was due mainly to the revenue contribution from the new food and beverage business acquired in July 2017. Gross profit increased 15% to \$12.6 million as compared to approximately \$11.0 million in 1Q 2017. The increases in selling, distribution and outlet expenses and administrative expenses were also due to the new food and beverage business.

Group profit before tax for 1Q 2018 declined 18% from \$1.4 million in 1Q 2017 to \$1.2 million, primarily attributed to weaker performance of the food and beverage operation in Singapore and the Group's share of losses from its equity-accounted investees in Malaysia.

Group profit after tax for 1Q 2018 was almost \$1.0 million, 20.9% lower than the \$1.2 million recorded in 1Q 2017. After deducting the share of profit attributable to non-controlling interests, the Group recorded a profit attributable to owners of the Company of \$0.7 million as compared to \$1.1 million in 1Q 2017.

8(b) Material factors that affect the Group's cash flow, working capital, assets and liabilities.

Cash flow generated from operating activities before working capital changes was approximately \$2.5 million in 1Q 2018. After taking into account net cash used in funding working capital changes which were mainly for the payment of trade and other payables, net cash used in operating activities was \$0.9 million. Net cash used in investing activities was mainly attributable to the loan to joint venture of \$0.8 million. Overall, the cash and cash equivalents of the Group decreased by \$1.6 million, ending the period with cash and cash equivalents of approximately \$54.7 million.

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

The current announced results are in line with the prospect statement previously disclosed in the Group's 4Q 2017 and full year ended 31 December 2017 results announcement made on 28 February 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.**

The Group expects the operating environment of the food and beverage industry to remain challenging. Intense competition and increased operating costs will continue to exert pressure on the profit margin. To counter these challenges, the Group will remain focused on staying competitive and continue to manage its operating costs, in particular on procurement of raw materials and manpower utilisation.

On the property business, the Group currently has investments in two property-related businesses in Malaysia. As for the proposed investment in Indonesia, the Group will provide further updates and make such necessary announcements as and when appropriate.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared / recommended 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) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No interim dividend for the first quarter ended 31 March 2018 has been recommended.

- 13 **If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group has not obtained a general mandate from shareholders for Interested Person Transactions (“IPT”).

- 14 **Negative confirmation pursuant to Rule 705(5).**

On behalf of the Board, we hereby confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the interim financial information for the first quarter ended 31 March 2018 to be false or misleading in any material aspects.

On behalf of the Board of Directors

Chua Tiang Choon, Keith
Executive Chairman

Ang Yee Lim
Managing Director

Singapore
11 May 2018

- 15 **Confirmation that the issuer has procured undertakings from all its directors and executive officers pursuant to Rule 720(1) of the SGX Listing Manual.**

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the SGX Listing Manual.

BY ORDER OF THE BOARD

Ang Lian Seng
Executive Director
11 May 2018