

First Quarter Financial Statements And Dividend Announcement For The Period Ended 31 March 2014

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		
	1Q 2014 S\$'000	1Q 2013 S\$'000	Change %
Revenue	24,981	23,202	7.7
Cost of sales <i>(Note 1)</i>	(14,082)	(12,281)	14.7
Gross profit	10,899	10,921	(0.2)
Other income <i>(Note 2)</i>	678	408	66.2
Selling, distribution and outlet expenses <i>(Note 3)</i>	(6,848)	(6,196)	10.5
Administrative expenses	(2,842)	(2,811)	1.1
Other expenses <i>(Note 4)</i>	(61)	(154)	(60.4)
Finance costs <i>(Note 5)</i>	(1)	(2)	(50.0)
Profit before tax	1,825	2,166	(15.7)
Income tax expense <i>(Note 6)</i>	(336)	(385)	(12.7)
Profit for the period	1,489	1,781	(16.4)
Other comprehensive income:			
<u>Items that are or may be reclassified subsequently to profit or loss:</u>			
Currency translation differences	67	10	n.m.
Other comprehensive income for the period, net of tax	67	10	n.m.
Total comprehensive income for the period, net of tax	1,556	1,791	(13.1)
<u>Profit attributable to:</u>			
Owners of the Company	1,619	1,890	(14.3)
Non-controlling interests	(130)	(109)	19.3
Profit for the period	1,489	1,781	(16.4)
<u>Total comprehensive income attributable to:</u>			
Owners of the Company	1,686	1,891	(10.8)
Non-controlling interests	(130)	(100)	30.0
Total comprehensive income for the period, net of tax	1,556	1,791	(13.1)

n.m.: not meaningful

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

Profit for the period include the following:

Other income including interest income and foreign exchange gain, net *(Note 2)*

Depreciation and amortisation

Foreign exchange loss, net

Property, plant and equipment written off *(Note 4)*

Allowances for doubtful trade receivables

Write-back of allowance for inventories obsolescences

Gain on disposal of property, plant and equipment

Write-off for inventories

	Group		
	1Q 2014 S\$'000	1Q 2013 S\$'000	Change %
	678	408	66.2
	(805)	(688)	17.0
	(43)	-	n.a.
	(11)	(110)	(90.0)
	-	(6)	(100.0)
	-	2	(100.0)
	-	1	(100.0)
	(8)	(3)	n.m.

Note:

- (1) The increase in cost of sales for the quarter ended 31 March 2014 ("1Q 2014") was mainly attributed to the restaurant operations in Singapore.
- (2) The increase in other income was mainly due to the government grant under the Wage Credit Scheme.
- (3) The increase in selling, distribution and outlet expenses was attributed to more outlets operating in 1Q 2014 as compared to 1Q 2013 and mainly due to higher rental expenses.
- (4) The decrease in other expenses was mainly attributed to the absence of plant and equipment written off associated with the closure of outlet in 1Q 2013.
- (5) The lower finance costs in 1Q 2014 were due to lower borrowings taken up.
- (6) The income tax expense was mainly attributed to the profitable restaurant operations in Singapore and the confectionery and cafe operations in Malaysia. The lower tax expense for 1Q 2014 was mainly due to lower profit from the restaurant operations in Singapore.

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

Statements of financial position

	Group		Company	
	31-Mar-14	31-Dec-13	31-Mar-14	31-Dec-13
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	20,807	21,470	9,274	9,651
Investment properties	3,382	3,412	1,141	1,150
Intangible assets	583	620	166	174
Investments in subsidiaries	-	-	5,469	5,469
Investments in associated companies	-	-	-	-
Held-to-maturity financial assets	1	1	1	1
Available-for-sale financial assets	35	35	35	35
Loans to subsidiaries	-	-	7,619	7,639
Total non-current assets	24,808	25,538	23,705	24,119
Current assets				
Inventories (Note 7)	1,788	2,303	1,208	1,450
Trade receivables	1,338	1,222	924	911
Other receivables	6,392	5,872	4,947	4,574
Fixed deposits (Note 8)	29,928	40,127	29,242	39,444
Cash and bank balances (Note 8)	50,472	39,792	37,807	26,645
Total current assets	89,918	89,316	74,128	73,024
Total assets	114,726	114,854	97,833	97,143
EQUITY AND LIABILITIES				
Equity				
Share capital	43,299	43,299	43,299	43,299
Other reserves	(293)	(360)	-	-
Accumulated profits	52,288	50,669	41,516	40,130
Equity attributable to owners of the Company	95,294	93,608	84,815	83,429
Non-controlling interests	3,451	3,581	-	-
Total equity	98,745	97,189	84,815	83,429
Non-current liability				
Deferred tax liabilities	1,274	1,274	600	600
Total non-current liability	1,274	1,274	600	600
Current liabilities				
Trade payables (Note 9)	4,520	5,280	3,069	3,512
Other payables (Note 10)	8,004	9,296	7,774	8,102
Borrowings (Note 11)	209	-	-	-
Tax payable	1,974	1,815	1,575	1,500
Total current liabilities	14,707	16,391	12,418	13,114
Total liabilities	15,981	17,665	13,018	13,714
Total equity and liabilities	114,726	114,854	97,833	97,143

Notes to the Statements of financial position:*Note:*

- (7) The reduction in inventories was mainly due to the buildup of higher inventories at year end.
- (8) The decrease in fixed deposits was due to the withdrawal of fixed deposit upon maturity, hence there was a corresponding increase in bank balances.
- (9) The decrease in trade payables was due to settlements made in 1Q 2014 and lower purchases in 1Q 2014.
- (10) The decrease in other payables was mainly due to settlements of payables relating to new outlet renovations and accrued expenses in 1Q 2014.
- (11) The increase in borrowings of the Group was due to short term borrowings taken up by a Malaysian subsidiary.

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-14	
Secured	Unsecured
S\$'000	S\$'000
209	-

As at 31-Dec-13	
Secured	Unsecured
S\$'000	S\$'000
-	-

Amount repayable after one year

As at 31-Mar-14	
Secured	Unsecured
S\$'000	S\$'000
-	-

As at 31-Dec-13	
Secured	Unsecured
S\$'000	S\$'000
-	-

1(b)(ii) Details of collaterals

The Group's borrowings are secured by legal charges over certain properties and pledges of fixed deposits of the Group's Malaysian subsidiary; joint and several corporate guarantees from its holding company (which is 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	
	1Q 2014 S\$'000	1Q 2013 S\$'000
Cash flows from operating activities		
Profit before tax	1,825	2,166
<i>Adjustments for:</i>		
Depreciation and amortisation	805	688
Gain on disposal of property, plant and equipment	-	(1)
Property, plant and equipment written off	11	110
Unrealised foreign exchange loss/(gain)	14	(7)
Interest expense	1	2
Interest income	(87)	(59)
Operating cash flows before movements in working capital	2,569	2,899
<i>Changes in working capital:</i>		
Inventories	567	504
Trade and other receivables	(555)	(1,026)
Trade and other payables	(2,052)	(588)
Cash from operations	529	1,789
Income tax (paid)/refunded	(258)	20
Net cash generated from operating activities	271	1,809
Cash flows from investing activities		
Interest received	87	59
Purchase of property, plant and equipment	(152)	(544)
Proceeds from disposal of property, plant and equipment	-	4
Translation differences	81	(22)
Net cash generated from/(used in) investing activities	16	(503)
Cash flows from financing activities		
Interest paid	(1)	(2)
Proceeds from short term borrowings	209	182
Repayment of finance lease obligations	-	(1)
Funds withdrew from non-liquid deposits	217	-
Contributions by non-controlling interests	-	3,864
Net cash generated from financing activities	425	4,043
Net increase in cash and cash equivalents	712	5,349
Cash and cash equivalents at beginning of financial year	79,601	71,330
Effect of exchange rate fluctuations on cash and cash equivalents	(14)	7
Cash and cash equivalents at end of financial period	80,299	76,686
Cash and cash equivalents comprise:		
Fixed deposits	29,928	21,247
Cash and bank balances	50,472	55,758
	80,400	77,005
Less: funds placed in non-liquid deposits	(101)	(319)
	80,299	76,686

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 Reserves S\$'000	Accumulated Profits S\$'000	Non- controlling Interests S\$'000
Balance at 1 January 2014	97,189	93,608	43,299	(360)	50,669	3,581
Profit for the period	1,489	1,619	-	-	1,619	(130)
<i>Other comprehensive income:</i>						
Currency translation differences	67	67	-	67	-	-
Other comprehensive income for the period, net of tax	67	67	-	67	-	-
Total comprehensive income for the period	1,556	1,686	-	67	1,619	(130)
Balance at 31 March 2014	98,745	95,294	43,299	(293)	52,288	3,451
Balance at 1 January 2013	89,708	92,256	43,264	(567)	49,559	(2,548)
Profit for the period	1,781	1,890	-	-	1,890	(109)
<i>Other comprehensive income:</i>						
Currency translation differences	10	1	-	1	-	9
Other comprehensive income for the period, net of tax	10	1	-	1	-	9
Total comprehensive income for the period	1,791	1,891	-	1	1,890	(100)
Changes in ownership interests in subsidiaries						
Contribution by non-controlling interests	3,864	(2)	-	-	(2)	3,866
Total changes in ownership interests in subsidiaries	3,864	(2)	-	-	(2)	3,866
Total transactions with owners of the Company	3,864	(2)	-	-	(2)	3,866
Balance at 31 March 2013	95,363	94,145	43,264	(566)	51,447	1,218

1(d)(i) **Statement of changes in equity** (cont'd)

Company	Total Equity S\$'000	Share Capital S\$'000	Other Reserves S\$'000	Accumulated Profits S\$'000
Balance at 1 January 2014	83,429	43,299	-	40,130
Profit and total comprehensive income for the period	1,386	-	-	1,386
Balance at 31 March 2014	84,815	43,299	-	41,516
Balance at 1 January 2013	81,646	43,264	5	38,377
Profit and total comprehensive income for the period	1,607	-	-	1,607
Balance at 31 March 2013	83,253	43,264	5	39,984

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

There were no movements in the share capital of the Company from 31 December 2013 to 31 March 2014.

As at 31 March 2014, there were no outstanding share options under the ABR Employees' Share Option Scheme 1999 on which shares may be issued upon exercising of these options (31 March 2013: 103,000 shares).

The Company did not hold any treasury shares as at 31 March 2014 and 31 March 2013.

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.

Total number of issued shares excluding treasury shares

31-Mar-14 '000	31-Dec-13 '000
200,996	200,996

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 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.

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 2013, except for the adoption of certain new/revised Financial Reporting Standards (FRS) and Interpretations of FRS (INT FRS) that became mandatory from 1 January 2014. The adoption of these new/revised FRS and INT FRS did not have any material effect on the financial information.

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.

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

Group figures	
1Q 2014	1Q 2013
cents	cents
0.81	0.94
0.81	0.94

- 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 (cents)

Group		Company	
31-Mar-14	31-Dec-13	31-Mar-14	31-Dec-13
47.4	46.6	42.2	41.5

- 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.

Group revenue for the quarter ended 31 March 2014 ("1Q 2014") grew 8% to approximately \$25.0 million when compared to \$23.2 million for the same period last year ("1Q 2013"). The increase was mainly attributed to the restaurant operations in Singapore.

Group profit before tax for 1Q 2014 was \$1.8 million, a reduction of 16% as compared to \$2.2 million for 1Q 2013. The restaurant operations in Singapore continue to be the main profit contributor, however its profit contribution in 1Q 2014 was impacted by higher operating costs.

Group profit after tax for 1Q 2014 was \$1.5 million, a decrease of 16% as compared to \$1.8 million in 1Q 2013. After deducting the share of losses attributable to non-controlling interests, the Group recorded a profit attributable to owners of the Company of \$1.6 million in 1Q 2014 as compared to \$1.9 million in 1Q 2013.

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 for 1Q 2014 was \$2.6 million. The net cash used in funding the working capital changes of \$2.0 million was mainly due to the settlements of trade and other payables in 1Q 2014. Net cash used in investing activities was mainly for the purchase of plant and equipment of \$0.2 million. Net cash from financing activities of \$0.4 million was mainly due to short term borrowings taken up by the Malaysian subsidiary and funds withdrew from non-liquid deposits. Overall, the cash and cash equivalents of the Group increased by \$0.7 million in 1Q 2014 to \$80.3 million as at 31 March 2014.

- 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 and full-year ended 31 December 2013 results announcement made on 28 February 2014.

- 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 to remain challenging. Besides strong competition, the rising operating costs, in particular from rental and manpower costs will continue to exert pressure on the profit margins. The Group will remain focused on initiatives to drive revenue, manage operating costs and improve productivity and efficiency.

The Group will also continue to explore new investment opportunities for growth.

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 2014 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 unaudited interim financial information for the first quarter ended 31 March 2014 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
12 May 2014