

**Second Quarter and Half Year Financial Statements And Dividend Announcement For The Period Ended 30 June 2019**

**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              |                    |              | Group              |                    |               |
|--|--------------------|--------------------|--------------|--------------------|--------------------|---------------|
|  | 2Q 2019<br>S\$'000 | 2Q 2018<br>S\$'000 | Change<br>%  | 1H 2019<br>S\$'000 | 1H 2018<br>S\$'000 | Change<br>%   |
| <b>Revenue</b>   | <b>29,255</b>      | <b>29,759</b>      | (1.7)        | <b>60,641</b>      | <b>60,247</b>      | 0.7           |
| Cost of sales  | (17,064)           | (17,419)           | (2.0)        | (35,488)           | (35,297)           | 0.5           |
| <b>Gross profit</b>  | <b>12,191</b>      | <b>12,340</b>      | <b>(1.2)</b> | <b>25,153</b>      | <b>24,950</b>      | <b>0.8</b>    |
| Other income (Note 1)  | 186                | 345                | (46.1)       | 852                | 1,067              | (20.1)        |
| Interest income (Note 2)   | 225                | 161                | 39.8         | 443                | 284                | 56.0          |
| Selling, distribution and outlet expenses                                    | (8,212)            | (8,345)            | (1.6)        | (16,549)           | (16,612)           | (0.4)         |
| Administrative expenses  | (4,118)            | (3,976)            | 3.6          | (8,255)            | (7,800)            | 5.8           |
| Other expenses (Note 3)  | (272)              | (209)              | 30.1         | (261)              | (225)              | 16.0          |
| Interest expenses (Note 4)   | (379)              | (19)               | n.m.         | (764)              | (35)               | n.m.          |
| Share of results of equity-accounted investees, net of tax (Note 5)          | (99)               | (137)              | (27.7)       | (124)              | (283)              | (56.2)        |
| <b>(Loss)/Profit before tax</b>  | <b>(478)</b>       | <b>160</b>         | <b>n.m.</b>  | <b>495</b>         | <b>1,346</b>       | <b>(63.2)</b> |
| Income tax expense (Note 6)  | (134)              | (91)               | 47.3         | (424)              | (321)              | 32.1          |
| <b>(Loss)/Profit for the period</b>  | <b>(612)</b>       | <b>69</b>          | <b>n.m.</b>  | <b>71</b>          | <b>1,025</b>       | <b>(93.1)</b> |
| <b>Other comprehensive (loss)/income:</b>                                    |                    |                    |              |                    |                    |               |
| <u>Items that are or may be reclassified subsequently to profit or loss:</u> |                    |                    |              |                    |                    |               |
| Currency translation differences   | (114)              | 358                | n.m.         | (168)              | 495                | n.m.          |
| <b>Other comprehensive (loss)/income for the period, net of tax</b>          | <b>(114)</b>       | <b>358</b>         | <b>n.m.</b>  | <b>(168)</b>       | <b>495</b>         | <b>n.m.</b>   |
| <b>Total comprehensive (loss)/income for the period</b>                      | <b>(726)</b>       | <b>427</b>         | <b>n.m.</b>  | <b>(97)</b>        | <b>1,520</b>       | <b>n.m.</b>   |
| <b>(Loss)/Profit attributable to:</b>  |                    |                    |              |                    |                    |               |
| Owners of the Company  | (649)              | 19                 | n.m.         | (195)              | 739                | n.m.          |
| Non-controlling interests  | 37                 | 50                 | (26.0)       | 266                | 286                | (7.0)         |
| <b>(Loss)/Profit for the period</b>  | <b>(612)</b>       | <b>69</b>          | <b>n.m.</b>  | <b>71</b>          | <b>1,025</b>       | <b>(93.1)</b> |
| <b>Total comprehensive (loss)/income attributable to:</b>                    |                    |                    |              |                    |                    |               |
| <u>to:</u>   |                    |                    |              |                    |                    |               |
| Owners of the Company  | (745)              | 380                | n.m.         | (353)              | 1,209              | n.m.          |
| Non-controlling interests  | 19                 | 47                 | (59.6)       | 256                | 311                | (17.7)        |
| <b>Total comprehensive (loss)/income for the period</b>                      | <b>(726)</b>       | <b>427</b>         | <b>n.m.</b>  | <b>(97)</b>        | <b>1,520</b>       | <b>n.m.</b>   |

n.m.: not meaningful

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

|   | Group              |                    |             | Group              |                    |             |
|---|--------------------|--------------------|-------------|--------------------|--------------------|-------------|
|   | 2Q 2019<br>S\$'000 | 2Q 2018<br>S\$'000 | Change<br>% | 1H 2019<br>S\$'000 | 1H 2018<br>S\$'000 | Change<br>% |
| <b>(Loss)/Profit for the period include the following:</b>    |                    |                    |             |                    |                    |             |
| Other income including foreign exchange gain, net (Note 1)    | 186                | 345                | (46.1)      | 852                | 1,067              | (20.1)      |
| Interest expenses:  |                    |                    |             |                    |                    |             |
| - borrowings  | (7)                | (5)                | 40.0        | (15)               | (7)                | n.m.        |
| - interest portion on lease liabilities (Note 4)              | (307)              | -                  | n.a.        | (620)              | -                  | n.a.        |
| - deemed finance costs  | (65)               | (14)               | n.m.        | (129)              | (28)               | n.m.        |
| Amortisation of intangible assets                             | (124)              | (123)              | 0.8         | (248)              | (253)              | (2.0)       |
| Depreciation:   |                    |                    |             |                    |                    |             |
| - property, plant and equipment                               | (1,021)            | (1,061)            | (3.8)       | (2,100)            | (2,138)            | (1.8)       |
| - investment properties                                       | (41)               | (41)               | -           | (81)               | (81)               | -           |
| - right-of-use assets (Note 4)                                | (4,431)            | -                  | n.a.        | (8,670)            | -                  | n.a.        |
| Foreign exchange loss, net (Note 3)                           | (162)              | -                  | n.a.        | (97)               | -                  | n.a.        |
| Property, plant and equipment written off                     | (106)              | (193)              | (45.1)      | (143)              | (209)              | (31.6)      |
| Write back of allowance for doubtful trade debts              | -                  | -                  | n.a.        | -                  | 3                  | (100.0)     |
| (Loss)/Gain on disposal of property, plant and equipment, net | -                  | (3)                | (100.0)     | 1                  | (3)                | n.m.        |
| Write-off for inventories                                     | (1)                | (1)                | -           | (52)               | (3)                | n.m.        |
| Bad trade debts written off                                   | -                  | -                  | n.a.        | -                  | (6)                | (100.0)     |
| Over provision for tax of prior years                         | -                  | 89                 | (100.0)     | 3                  | 137                | (97.8)      |

Note:

- (1) The decrease in other income was due mainly to lower government grants.
- (2) The increase in interest income was due mainly to interest income from loans to a joint venture.
- (3) The increase in other expenses was due mainly to foreign exchange loss on inter-company balances and foreign currencies fixed deposits.
- (4) With effect from the financial year beginning 1 January 2019, the Group has adopted the new SFRS(I) 16 – Leases (refer to paragraph 5 on page 7 for more details).
- (5) The decrease in share of losses of equity-accounted investees was mainly attributed to lower losses from the associated company due to the capitalisation of finance costs as part of the project development costs during FY 2018.
- (6) The higher income tax expense in 2Q 2019 and 1H 2019 was due mainly to the tax effect of losses incurred by certain companies of the Group which could not be set off against the taxable profit of the Group. The lower comparatives in 2Q 2018 and 1H 2018 were also due to write-back of over provision for tax of prior years.

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

**Statements of financial position**

|   | <b>Group</b>     |                  | <b>Company</b>   |                  |
|---|------------------|------------------|------------------|------------------|
|   | <b>30-Jun-19</b> | <b>31-Dec-18</b> | <b>30-Jun-19</b> | <b>31-Dec-18</b> |
|   | <b>S\$'000</b>   | <b>S\$'000</b>   | <b>S\$'000</b>   | <b>S\$'000</b>   |
| <b>ASSETS</b>                                       |                  |                  |                  |                  |
| <b>Non-current assets</b>                           |                  |                  |                  |                  |
| Property, plant and equipment                       | 20,967           | 22,606           | 7,320            | 8,006            |
| Investment properties                               | 2,926            | 3,007            | 945              | 964              |
| Intangible assets                                   | 16,117           | 16,365           | -                | -                |
| Right-of-use assets (Note 4)                        | 30,272           | -                | 27,062           | -                |
| Investments in subsidiaries                         | -                | -                | 48,638           | 47,988           |
| Interests in equity-accounted investees             | 17,975           | 17,547           | -                | -                |
| Financial asset at FVOCI                            | 35               | 35               | 35               | 35               |
| Loans to subsidiaries                               | -                | -                | 10,118           | 10,233           |
| Loans to equity-accounted investees                 | 4,578            | 4,245            | -                | -                |
| Other asset   | 381              | 381              | 381              | 381              |
| <b>Total non-current assets</b>                     | <b>93,251</b>    | <b>64,186</b>    | <b>94,499</b>    | <b>67,607</b>    |
| <b>Current assets</b>                               |                  |                  |                  |                  |
| Inventories   | 2,191            | 2,779            | 1,311            | 1,588            |
| Trade and other receivables                         | 9,890            | 9,742            | 5,946            | 6,181            |
| Fixed deposits                                      | 26,670           | 28,653           | 13,582           | 15,745           |
| Cash and bank balances                              | 20,409           | 20,657           | 4,705            | 6,353            |
| <b>Total current assets</b>                         | <b>59,160</b>    | <b>61,831</b>    | <b>25,544</b>    | <b>29,867</b>    |
| <b>Total assets</b>                                 | <b>152,411</b>   | <b>126,017</b>   | <b>120,043</b>   | <b>97,474</b>    |
| <b>EQUITY AND LIABILITIES</b>                       |                  |                  |                  |                  |
| <b>Equity</b>                                       |                  |                  |                  |                  |
| Share capital                                       | 43,299           | 43,299           | 43,299           | 43,299           |
| Other reserves                                      | (1,696)          | (1,538)          | -                | -                |
| Accumulated profits                                 | 51,411           | 54,621           | 35,797           | 40,120           |
| <b>Equity attributable to owners of the Company</b> | <b>93,014</b>    | <b>96,382</b>    | <b>79,096</b>    | <b>83,419</b>    |
| <b>Non-controlling interests</b>                    | <b>4,045</b>     | <b>3,789</b>     | <b>-</b>         | <b>-</b>         |
| <b>Total equity</b>                                 | <b>97,059</b>    | <b>100,171</b>   | <b>79,096</b>    | <b>83,419</b>    |
| <b>Non-current liabilities</b>                      |                  |                  |                  |                  |
| Lease liabilities (Note 4)                          | 14,437           | 321              | 14,014           | -                |
| Deferred tax liabilities                            | 2,839            | 2,884            | 394              | 394              |
| Provision   | 1,119            | 1,121            | 702              | 702              |
| Other liabilities                                   | 3,740            | 3,640            | 1,700            | 1,700            |
| <b>Total non-current liabilities</b>                | <b>22,135</b>    | <b>7,966</b>     | <b>16,810</b>    | <b>2,796</b>     |
| <b>Current liabilities</b>                          |                  |                  |                  |                  |
| Trade and other payables                            | 14,166           | 14,936           | 9,759            | 10,097           |
| Provisions  | 1,623            | 1,588            | 1,220            | 1,130            |
| Borrowings  | 160              | 299              | -                | -                |
| Lease liabilities (Note 4)                          | 16,121           | 81               | 13,133           | -                |
| Tax payable   | 1,147            | 976              | 25               | 32               |
| <b>Total current liabilities</b>                    | <b>33,217</b>    | <b>17,880</b>    | <b>24,137</b>    | <b>11,259</b>    |
| <b>Total liabilities</b>                            | <b>55,352</b>    | <b>25,846</b>    | <b>40,947</b>    | <b>14,055</b>    |
| <b>Total equity and liabilities</b>                 | <b>152,411</b>   | <b>126,017</b>   | <b>120,043</b>   | <b>97,474</b>    |

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

Amount repayable in one year or less, or on demand

| As at 30-Jun-19 |                |
|-----------------|----------------|
| Secured         | Unsecured      |
| <u>S\$'000</u>  | <u>S\$'000</u> |
| 243             | -              |

| As at 31-Dec-18 |                |
|-----------------|----------------|
| Secured         | Unsecured      |
| <u>S\$'000</u>  | <u>S\$'000</u> |
| 380             | -              |

Amount repayable after one year

| As at 30-Jun-19 |                |
|-----------------|----------------|
| Secured         | Unsecured      |
| <u>S\$'000</u>  | <u>S\$'000</u> |
| 276             | -              |

| As at 31-Dec-18 |                |
|-----------------|----------------|
| Secured         | Unsecured      |
| <u>S\$'000</u>  | <u>S\$'000</u> |
| 321             | -              |

1(b)(ii) Details of collaterals

The Group's borrowing facilities are secured by

- i) 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; and
- ii) charge on plant and equipment by a bank for financing.

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              |                    | Group              |                    |
|---|--------------------|--------------------|--------------------|--------------------|
|   | 2Q 2019<br>S\$'000 | 2Q 2018<br>S\$'000 | 1H 2019<br>S\$'000 | 1H 2018<br>S\$'000 |
| <b>Cash flows from operating activities</b>                     |                    |                    |                    |                    |
| (Loss)/Profit before tax  | (478)              | 160                | 495                | 1,346              |
| <i>Adjustments for:</i>   |                    |                    |                    |                    |
| Amortisation of intangible assets                               | 124                | 123                | 248                | 253                |
| Depreciation - Property, plant and equipment                    | 1,021              | 1,061              | 2,100              | 2,138              |
| Depreciation - Investment properties                            | 41                 | 41                 | 81                 | 81                 |
| Depreciation - Right-of-use assets                              | 4,431              | -                  | 8,670              | -                  |
| Loss/(Gain) on disposal of property, plant and equipment, net   | -                  | 3                  | (1)                | 3                  |
| Property, plant and equipment written off                       | 106                | 193                | 143                | 209                |
| Share of results of equity-accounted investees                  | 99                 | 137                | 124                | 283                |
| Interest expenses from borrowings                               | 7                  | 5                  | 15                 | 7                  |
| Interest portion on leases liabilities                          | 307                | -                  | 620                | -                  |
| Deemed finance costs  | 65                 | 14                 | 129                | 28                 |
| Interest income   | (225)              | (161)              | (443)              | (284)              |
| <b>Operating cash flows before movements in working capital</b> | 5,498              | 1,576              | 12,181             | 4,064              |
| <i>Changes in working capital:</i>                              |                    |                    |                    |                    |
| Inventories   | 61                 | 54                 | 588                | 171                |
| Trade and other receivables                                     | 891                | 667                | (172)              | 416                |
| Trade and other payables  | 143                | 503                | (799)              | (2,176)            |
| Provisions  | (66)               | (3)                | (28)               | 156                |
| Currency translation differences                                | 179                | 66                 | 88                 | (25)               |
| <b>Cash generated from operations</b>                           | 6,706              | 2,863              | 11,858             | 2,606              |
| Income tax paid   | (234)              | (214)              | (448)              | (832)              |
| <b>Net cash generated from operating activities</b>             | 6,472              | 2,649              | 11,410             | 1,774              |
| <b>Cash flows from investing activities</b>                     |                    |                    |                    |                    |
| Interest received   | 225                | 161                | 443                | 284                |
| Purchase of property, plant and equipment                       | (678)              | (711)              | (1,045)            | (871)              |
| Proceeds from disposal of property, plant and equipment         | 15                 | 1                  | 20                 | 1                  |
| Deposit refunded for ceased project                             | -                  | 4,050              | -                  | 4,050              |
| Loans to equity-accounted investees                             | (621)              | -                  | (954)              | (750)              |
| <b>Net cash (used in)/generated from investing activities</b>   | (1,059)            | 3,501              | (1,536)            | 2,714              |

1(c) **Statement of cash flows (cont'd)**

|   | Group              |                    | Group              |                    |
|---|--------------------|--------------------|--------------------|--------------------|
|   | 2Q 2019<br>S\$'000 | 2Q 2018<br>S\$'000 | 1H 2019<br>S\$'000 | 1H 2018<br>S\$'000 |
| <b>Cash flows from financing activities</b>                       |                    |                    |                    |                    |
| Interest paid for borrowings                                      | (7)                | (5)                | (15)               | (7)                |
| Interest portion of lease liabilities paid                        | (307)              | -                  | (620)              | -                  |
| Proceeds from/(Repayment of) borrowings                           | 51                 | 481                | (136)              | 516                |
| Payment of lease liabilities                                      | (4,163)            | -                  | (8,168)            | -                  |
| Funds withdrew from non-liquid deposits                           | -                  | -                  | 6                  | -                  |
| Dividend paid to shareholders                                     | (3,015)            | (3,015)            | (3,015)            | (3,015)            |
| <b>Net cash used in financing activities</b>                      | <b>(7,441)</b>     | <b>(2,539)</b>     | <b>(11,948)</b>    | <b>(2,506)</b>     |
| <b>Net (decrease)/increase in cash and cash equivalents</b>       | <b>(2,028)</b>     | 3,611              | <b>(2,074)</b>     | 1,982              |
| Cash and cash equivalents at beginning of financial period        | 49,083             | 54,687             | 49,183             | 56,487             |
| Effect of exchange rate fluctuations on cash and cash equivalents | (96)               | 340                | (150)              | 169                |
| <b>Cash and cash equivalents at end of financial period</b>       | <b>46,959</b>      | <b>58,638</b>      | <b>46,959</b>      | <b>58,638</b>      |
| <b>Cash and cash equivalents comprise:</b>                        |                    |                    |                    |                    |
| Fixed deposits  | 26,670             | 42,468             | 26,670             | 42,468             |
| Cash and bank balances  | 20,409             | 16,297             | 20,409             | 16,297             |
|   | 47,079             | 58,765             | 47,079             | 58,765             |
| Less: funds placed in non-liquid deposits                         | (120)              | (127)              | (120)              | (127)              |
|   | <b>46,959</b>      | <b>58,638</b>      | <b>46,959</b>      | <b>58,638</b>      |

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<br>Equity<br>S\$'000 | Equity<br>attributable<br>to owners<br>of the<br>Company | Share<br>Capital<br>S\$'000 | Other<br>Reserves<br>S\$'000 | Accumulated<br>Profits<br>S\$'000 | Non-<br>controlling<br>Interests<br>S\$'000 |
|---|----------------------------|--|-----------------------------|------------------------------|-----------------------------------|---|
| <b>Balance at 1 January 2019</b>  | <b>100,171</b>             | <b>96,382</b>  | <b>43,299</b>               | <b>(1,538)</b>               | <b>54,621</b>                     | <b>3,789</b>                                |
| <b>Profit/(Loss) for the period</b>   | <b>71</b>                  | <b>(195)</b>   | <b>-</b>                    | <b>-</b>                     | <b>(195)</b>                      | <b>266</b>                                  |
| <i>Other comprehensive loss:</i>  |                            |  |                             |                              |                                   |   |
| Currency translation differences  | (168)                      | (158)  | -                           | (158)                        | -                                 | (10)  |
| Other comprehensive loss for the period, net of tax   | (168)                      | (158)  | -                           | (158)                        | -                                 | (10)  |
| <b>Total comprehensive (loss)/income for the period</b>   | <b>(97)</b>                | <b>(353)</b>   | <b>-</b>                    | <b>(158)</b>                 | <b>(195)</b>                      | <b>256</b>                                  |
| <b>Distributions to owners of the Company</b>   |                            |  |                             |                              |                                   |   |
| Tax exempt (1-tier) final dividend of 1.5 cents per share for the financial year ended 31 December 2018 | (3,015)                    | (3,015)  | -                           | -                            | (3,015)                           | -   |
| Total distributions to owners of the Company  | (3,015)                    | (3,015)  | -                           | -                            | (3,015)                           | -   |
| <b>Balance at 30 June 2019</b>  | <b>97,059</b>              | <b>93,014</b>  | <b>43,299</b>               | <b>(1,696)</b>               | <b>51,411</b>                     | <b>4,045</b>                                |
| <b>Balance at 1 January 2018</b>  | 101,453                    | 98,490   | 43,299                      | (2,211)                      | 57,402                            | 2,963                                       |
| Profit for the period   | 1,025                      | 739  | -                           | -                            | 739                               | 286   |
| <i>Other comprehensive income:</i>  |                            |  |                             |                              |                                   |   |
| Currency translation differences  | 495                        | 470  | -                           | 470                          | -                                 | 25  |
| Other comprehensive income for the period, net of tax   | 495                        | 470  | -                           | 470                          | -                                 | 25  |
| <b>Total comprehensive income for the period</b>  | <b>1,520</b>               | <b>1,209</b>   | <b>-</b>                    | <b>470</b>                   | <b>739</b>                        | <b>311</b>                                  |
| <b>Distributions to owners of the Company</b>   |                            |  |                             |                              |                                   |   |
| Tax exempt (1-tier) final dividend of 1.5 cents per share for the financial year ended 31 December 2017 | (3,015)                    | (3,015)  | -                           | -                            | (3,015)                           | -   |
| Total distributions to owners of the Company  | (3,015)                    | (3,015)  | -                           | -                            | (3,015)                           | -   |
| <b>Balance at 30 June 2018</b>  | <b>99,958</b>              | <b>96,684</b>  | <b>43,299</b>               | <b>(1,741)</b>               | <b>55,126</b>                     | <b>3,274</b>                                |

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

| Company   | Total Equity<br>S\$'000 | Share Capital<br>S\$'000 | Accumulated Profits<br>S\$'000 |
|---|-------------------------|--------------------------|--------------------------------|
| <b>Balance at 1 January 2019</b>  | 83,419                  | 43,299                   | 40,120                         |
| Net Loss and total comprehensive loss for the period  | (1,308)                 | -                        | (1,308)                        |
| Tax exempt (1-tier) final dividend of 1.5 cents per share for the financial year ended 31 December 2018 | (3,015)                 | -                        | (3,015)                        |
| <b>Balance at 30 June 2019</b>  | <b>79,096</b>           | <b>43,299</b>            | <b>35,797</b>                  |
| <b>Balance at 1 January 2018</b>  | 88,302                  | 43,299                   | 45,003                         |
| Net Loss and total comprehensive loss for the period  | (438)                   | -                        | (438)                          |
| Tax exempt (1-tier) final dividend of 1.5 cents per share for the financial year ended 31 December 2017 | (3,015)                 | -                        | (3,015)                        |
| <b>Balance at 30 June 2018</b>  | <b>84,849</b>           | <b>43,299</b>            | <b>41,550</b>                  |

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 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 2018 to 30 June 2019.

There were no outstanding convertibles instruments which may be converted to shares as at 30 June 2019 and 30 June 2018.

The company did not hold any treasury shares and no subsidiary holdings as at 30 June 2019 and 30 June 2018.

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

| 30-Jun-19<br>'000 | 31-Dec-18<br>'000 |
|-------------------|-------------------|
| 200,996           | 200,996           |

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.

Except as disclosed in paragraph 5, 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 2018.

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

The Group has adopted all applicable new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") and Interpretations of SFRS(I) ("SFRS(I) INT") which are effective for its financial year beginning 1 January 2019.

The adoption of the new and revised SFRS(I) and SFRS(I) INT has no material effect on the financial statements, except as described below:

**SFRS(I) 16: Leases**

SFRS(I) 16 introduces a single lessee accounting model. A lessee is required to recognise all leases on its statements of financial position to reflect its rights to use the leased assets ("ROU" assets) and the associated obligations for lease payments (lease liabilities), with limited exemptions for short term leases (less than 12 months) and leases of low value items. In addition, SFRS(I) 16 replaces the straight-line operating lease expenses with depreciation charge of ROU assets and interest expenses on lease liabilities.

The Group has adopted SFRS(I) 16 using the modified retrospective approach as of 1 January 2019, with no restatement of comparative information.

- 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 |         |               |         |
|---------------|---------|---------------|---------|
| 2Q 2019       | 2Q 2018 | 1H 2019       | 1H 2018 |
| cents         | cents   | cents         | cents   |
| <b>(0.32)</b> | 0.01    | <b>(0.10)</b> | 0.37    |
| <b>(0.32)</b> | 0.01    | <b>(0.10)</b> | 0.37    |

- 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     |           |
|-------------|-----------|-------------|-----------|
| 30-Jun-19   | 31-Dec-18 | 30-Jun-19   | 31-Dec-18 |
| <b>46.3</b> | 48.0      | <b>39.4</b> | 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.**

2Q 2019 vs 2Q 2018

Group revenue for the quarter ended 30 June 2019 ("2Q 2019") was 2% lower at \$29.3 million as compared to \$29.8 million in 2Q 2018.

The Group reported a loss before tax of \$478,000 in 2Q 2019 as compared to a profit before tax of \$160,000 in 2Q 2018. The weak performance of the F&B operations was primarily attributed to increased competition in the food retail market and high operating costs. Other factors affecting the results of 2Q 2019 included the one-off costs related to new outlets and closure of under-performing outlets of \$300,000 and unrealised foreign exchange loss of \$162,000. The adoption of SFRS(I) 16 also resulted in net increase in expenses of \$149,000, being the combined depreciation charge and interest expenses against the rental paid.

The Group recorded a net loss after tax of \$612,000 for 2Q 2019, compared to a profit after tax of \$69,000 in 2Q 2018. After deducting the share of profit attributable to non-controlling interests, the Group recorded a loss attributable to owners of the Company of \$649,000.

1H 2019 vs 1H 2018

Group revenue for the half-year ended 30 June 2019 ("1H 2019") increased marginally to \$60.6 million.

Due to the weak performance for 2Q 2019, Group profit before tax for 1H 2019 was lower at \$495,000, a decrease of 63% when compared to \$1.3 million in 1H 2018. Besides the lower operating performance, the Group's expenses increased by approximately \$324,000 as a result of adopting SFRS(I) 16 and one-off costs related to new outlets and closure of under-performing outlets of \$560,000.

The Group recorded a profit after tax of \$71,000 for 1H 2019, compared to a profit after tax of \$1.0 million in 1H 2018. After deducting the share of profit attributable to non-controlling interests, the Group recorded a net loss attributable to owners of the Company of \$195,000 compared to a profit of \$739,000 in 1H 2018.

## 8(b) Review of Financial Position

### Non-current assets

As at 30 June 2019, the Group's non-current assets increased by \$29.1 million from \$64.2 million as at 31 December 2018 to \$93.3 million primarily due to the recognition of ROU assets of \$30.3 million largely arising from the adoption of SFRS(I) 16 on 1 January 2019.

At the Company level, the increase in non-current assets from \$67.6 million to \$94.5 million was due mainly to the increase in ROU assets of \$27.1 million.

### Current assets

As at 30 June 2019, the Group's current assets decreased by \$2.6 million from \$61.8 million to \$59.2 million. The decrease was due to decrease in cash and cash equivalents of \$2.2 million and inventories of \$0.6 million.

At the Company level, current assets decreased by about \$4.4 million from \$29.9 million to \$25.5 million as at 30 June 2019. The decrease was due mainly to decrease in cash and cash equivalents of \$3.8 million to fund the Company's investing activities and distributions to shareholders.

### Non-current liabilities

As at 30 June 2019, the Group's non-current liabilities increased from \$8.0 million as at 31 December 2018 to \$22.1 million due mainly to the recognition of lease liabilities of \$14.2 million following the adoption of SFRS(I) 16.

At the Company level, the increase in non-current liabilities from \$2.8 million to \$16.8 million was due to the increase in lease liabilities of \$14.0 million.

### Current liabilities

The Group's current liabilities increased from \$17.9 million as at 31 December 2018 to \$33.2 million as at 30 June 2019. The increase was mainly due to the increase in lease liabilities of \$16.0 million with the adoption of SFRS(I) 16 and increase in tax payable of \$0.2 million. This was partially offset by the decrease in trade and other payables of \$0.8 million and borrowings of \$0.1 million.

At the Company level, the increase from \$11.3 million to \$24.1 million was due to the recognition of lease liabilities of \$13.1 million, partially offset by the decrease in trade and other payables of \$0.3 million.

## 8(c) Cash Flow

The Group generated net cash from operating activities of \$6.5 million in 2Q 2019. Net cash used in investing activities of \$1.1 million was mainly attributable to the purchase of plant and equipment of \$0.7 million for new outlets and loan to an associated company of \$0.6 million, partly offset by interest income of \$0.2 million. Net cash used in financing activities of \$7.4 million was mainly attributable to (i) the payment of interest and lease liabilities of \$4.5 million, and (ii) payment of dividend to shareholders of \$3.0 million. Overall, the cash and cash equivalents of the Group decreased by \$2.0 million in 2Q 2019.

The Group generated net cash from operating activities of \$11.4 million in 1H 2019. Net cash used in investing activities of \$1.5 million was mainly attributable to the purchase of plant and equipment of \$1.0 million and loans to associated company and joint venture company of \$0.9 million, partly offset by interest income of \$0.4 million. Net cash used in financing activities of \$11.9 million was mainly attributable to (i) the payment of interest and lease liabilities of \$8.8 million, and (ii) payment of dividend to shareholders of \$3.0 million. Overall, the cash and cash equivalents of the Group decreased by \$2.1 million in 1H 2019, ending the period with cash and cash equivalents of about \$47.0 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 1Q 2019 results announcement made on 14 May 2019.

## 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 is cautious of its business outlook as the operating environment of the food and beverage industry remains difficult and challenging. The industry continues to face pressure with intense competition and high operating costs. As part of our strategies to improve overall profitability of the Group, we will focus on our stronger brands, with plans to revamp and expand our product offerings as well as strengthening our operations. However, if the difficult operating conditions continue to deteriorate, these would adversely impact the Group's performance.

For the property business, plans for development are underway for some of the property investments. The Group does not expect any material contribution from this business in the current financial year.



11 **Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared / recommended for the current financial period reported on? Yes

|                    |                     |
|--------------------|---------------------|
| Name of dividend   | Interim             |
| Dividend type      | Cash                |
| Dividend per share | 0.5 cents           |
| Tax rate           | Tax-exempt (1-tier) |

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

|                    |                     |
|--------------------|---------------------|
| Name of dividend   | Interim             |
| Dividend type      | Cash                |
| Dividend per share | 1 cent              |
| Tax rate           | Tax-exempt (1-tier) |

**(c) Date payable**

The proposed dividend payable date shall be announced later.

**(d) Books closure date**

The books closure date shall be announced later.

12 **If no dividend has been declared/(recommended), a statement to that effect and the reason(s) for the decision.**

Not applicable

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 second quarter and half year ended 30 June 2019 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  
14 August 2019

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  
14 August 2019