

OFFER DOCUMENT DATED 8 SEPTEMBER 2017

THIS OFFER DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt about the Offer (as defined herein) or the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

CIMB Bank Berhad, Singapore Branch ("**CIMB**") is acting for and on behalf of Suki Sushi Pte. Ltd. (the "**Offeror**"), and does not purport to advise the shareholders (the "**Shareholders**") of Mary Chia Holdings Limited (the "**Company**") and/or any other person. In preparing its letter to Shareholders on behalf of the Offeror, CIMB has not had regard to the general or specific investment objectives, tax position, risk profiles, financial situation or particular needs and constraints of any Shareholder.

If you have sold or transferred all your issued and paid-up ordinary shares in the capital of the Company ("**Shares**") held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward this Offer Document and the accompanying Form of Acceptance and Authorisation for Offer Shares ("**FAA**") to the purchaser or transferee as CDP will arrange for a separate Offer Document and FAA to be sent to the purchaser or transferee. If you have sold or transferred all your Shares which are not deposited with CDP, you should immediately hand this Offer Document and the accompanying Form of Acceptance and Transfer for Offer Shares ("**FAT**") to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted to any jurisdiction outside of Singapore.

The views of the directors of the Company who are considered independent for the purposes of the Offer and the independent financial adviser to such directors on the Offer will be made available to you by the Company within 14 days of the Despatch Date (as defined herein). You should consider their views before taking any action in relation to the Offer.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Offer Document.

MANDATORY UNCONDITIONAL CASH OFFER

By



CIMB BANK BERHAD (13491-P)
Singapore Branch
(Incorporated in Malaysia)

for and on behalf of

SUKI SUSHI PTE. LTD.
(Incorporated in Singapore)
(Co. Reg. No: 200204495W)

to acquire all of the issued and paid-up ordinary shares in the capital of

MARY CHIA HOLDINGS LIMITED
(Incorporated in Singapore)
(Co. Reg. No: 200907634N)

other than those already owned, controlled or agreed to be acquired by Suki Sushi Pte. Ltd.

ACCEPTANCES SHOULD BE RECEIVED BY THE CLOSE OF THE OFFER AT 5.30 P.M. (SINGAPORE TIME) ON 6 OCTOBER 2017 (THE "CLOSING DATE"). THE OFFEROR HAS NO INTENTION OF EXTENDING THE OFFER BEYOND THE CLOSING DATE. ACCORDINGLY, NOTICE IS HEREBY GIVEN THAT THE OFFER WILL NOT BE OPEN FOR ACCEPTANCE BEYOND 5.30 P.M. (SINGAPORE TIME) ON THE CLOSING DATE.

The procedures for acceptance of the Offer are set out in **Appendix 2** on pages 20 to 24 of this Offer Document, and in the accompanying FAA and/or FAT (as applicable).

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DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Offer Document, the FAA and the FAT:

“ Acceptance Forms ”	:	The FAA and the FAT collectively or any one of them, as the case may be
“ Acquisition ”	:	Shall have the meaning ascribed to it in Section 1.1 of this Offer Document
“ ACRA ”	:	The Accounting and Corporate Regulatory Authority of Singapore
“ Aggregate Debt ”	:	Shall have the meaning ascribed to it in Section 5 of this Offer Document
“ Business Day ”	:	A day (other than Saturday, Sunday or a public holiday) on which commercial banks are open for business in Singapore
“ Catalist ”	:	The sponsor-supervised listing platform of the SGX-ST
“ Catalist Rules ”	:	The SGX-ST Listing Manual Section B: Rules of Catalist
“ CDP ”	:	The Central Depository (Pte) Limited
“ CIMB ”	:	CIMB Bank Berhad, Singapore Branch
“ Closing Date ”	:	5.30 p.m. (Singapore time) on 6 October 2017 , being the last day for the lodgement of acceptances for the Offer
“ Code ”	:	The Singapore Code on Take-overs and Mergers
“ Companies Act ”	:	The Companies Act (Chapter 50) of Singapore
“ Company ”	:	Mary Chia Holdings Limited
“ Company Securities ”	:	(i) Shares; (ii) securities which carry voting rights in the Company; or (iii) convertible securities, warrants, options or Derivatives in respect of the Shares or securities which carry voting rights in the Company
“ CPF ”	:	Central Provident Fund
“ CPF Agent Banks ”	:	Agent banks included under the CPFIS
“ CPFIS ”	:	Central Provident Fund Investment Scheme
“ CPFIS Investors ”	:	Investors who have purchased Shares using their CPF contributions pursuant to the CPFIS
“ Date of Receipt ”	:	The date of receipt of the FAA and/or the FAT by CDP or the Registrar (as the case may be) on behalf of the Offeror
“ Derivative ”	:	Includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security or securities, in this case, the Shares

“Despatch Date”	:	8 September 2017, being the date of despatch of this Offer Document
“Dissenting Shareholders”	:	Shall have the meaning ascribed to it in Section 6.2(a) of this Offer Document
“Distribution”	:	Shall have the meaning ascribed to it in Section 2.3(c) of this Offer Document
“Electronic Acceptance”	:	The SGX-SSH service provided by CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents
“Encumbrances”	:	Shall have the meaning ascribed to it in Section 2.3(b) of this Offer Document
“FAA”	:	Form of Acceptance and Authorisation for Offer Shares which forms part of this Offer Document and which is issued to Shareholders whose Offer Shares are deposited with CDP
“Facility Letter”	:	The facility letter dated 17 August 2017 entered into between the Offeror and DBS Bank Ltd to obtain financing for <i>inter alia</i> the Acquisition and the Offer
“FAT”	:	Form of Acceptance and Transfer for Offer Shares which forms part of this Offer Document and which is issued to Shareholders whose Shares are not deposited with CDP
“FY”	:	Financial year ended 31 December
“FY2017 Results”	:	The unaudited consolidated financial statements of the Group for the financial year ended 31 March 2017 as announced by the Company on the SGXNET on 30 May 2017
“Group”	:	The Company and its subsidiaries
“Irrevocable Undertaking”	:	The irrevocable undertaking dated 24 August 2017 given by Ms Ho Yow Ping (He YouPing) to the Offeror in connection with the Offer
“Latest Practicable Date”	:	31 August 2017, being the latest practicable date prior to the printing of this Offer Document
“Market Day”	:	A day on which the SGX-ST is open for trading of securities
“Offer”	:	The mandatory unconditional cash offer by CIMB, for and on behalf of the Offeror, to acquire all the Offer Shares other than those already owned, controlled or agreed to be acquired by the Offeror, on the terms and subject to the conditions set out in this Offer Document, the FAA and the FAT, as such offer may be amended, extended and revised from time to time by or on behalf of the Offeror
“Offer Announcement”	:	The announcement in relation to the Offer released by CIMB, for and on behalf of the Offeror, on the Offer Announcement Date
“Offer Announcement Date”	:	24 August 2017, being the date of the Offer Announcement
“Offer Document”	:	This document dated 8 September 2017 and any other document(s) which may be issued for and on behalf of the Offeror to amend, revise, supplement or update this document from time to time

“Offer Period”	:	The period commencing from the Offer Announcement Date until the date the Offer is declared to have closed
“Offer Price”	:	S\$0.111 in cash for each Offer Share
“Offer Shares”	:	All the issued Shares to which the Offer relates, as more particularly described in Section 2.2 of this Offer Document
“Offeror”	:	Suki Sushi Pte. Ltd.
“Overseas Shareholder”	:	Shall have the meaning ascribed to it in Section 10.1 of this Offer Document
“Reference Period”	:	The period commencing six (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date
“Register”	:	The register of holders of the Shares, as maintained by the Registrar
“Registrar”	:	B.A.C.S Private Limited, in its capacity as the share registrar of the Company
“Relevant Day”	:	Shall have the meaning ascribed to it in Paragraph 2.1 of Appendix 1 to this Offer Document
“Restricted Jurisdiction”	:	Shall have the meaning ascribed to it in Section 10.1 of this Offer Document
“S\$”	:	The lawful currency of the Republic of Singapore
“Section 215(1) Threshold”	:	Shall have the meaning ascribed to it in Section 6.2(a) of this Offer Document
“Securities Account”	:	A securities account maintained by a depositor with CDP but does not include a securities sub-account
“SFA”	:	The Securities and Futures Act (Chapter 289 of Singapore)
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Holders of Shares (including persons whose Shares are deposited with CDP or who have purchased Shares on the SGX-ST)
“Shares”	:	Issued and paid-up ordinary shares in the capital of the Company
“Shareholding Requirement”	:	Shall have the meaning ascribed to it in Section 6.3(a) of this Offer Document
“SIC”	:	Securities Industry Council of Singapore
“SPA”	:	The sale and purchase agreement entered into between the Offeror and Mdm Chia Ah Tow Mary dated 24 August 2017 in relation to the Acquisition
“SRS”	:	Supplementary Retirement Scheme
“SRS Agent Banks”	:	Agent banks included under the SRS
“SRS Investors”	:	Investors who have purchased Shares using their SRS contributions pursuant to the SRS

“Undertaking Shares”	:	32,680,000 Shares, representing approximately 19.99 per cent. of the total number of Shares, beneficially owned by Ms Ho Yow Ping (He YouPing) and which are the subject of the Irrevocable Undertaking
“VWAP”	:	Volume weighted average price per Share as transacted on the SGX-ST
“%” or “per cent.”	:	Per centum or percentage

Acting in concert. The expression “acting in concert” shall have the meaning ascribed to it in the Code.

Depositors and Depository Agents. The terms “depositor” and “depository agent” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Gender. Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter gender and *vice versa*. References to persons shall, where applicable, include corporations.

Headings. The headings in this Offer Document are inserted for convenience only and shall be ignored in construing this Offer Document.

Rounding. Any discrepancies in figures included in this Offer Document between amounts shown and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Offer Document may not be arithmetic aggregations of the figures that precede them.

Shareholders. References to “you”, “your” and “yours” in this Offer Document are, as the context so determines, to Shareholders (including persons whose Shares are deposited with CDP or who have purchased Shares on the SGX-ST).

Statutes. Any reference in this Offer Document to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined in the Companies Act, the SFA, the Catalist Rules or the Code or any modification thereof and used in this Offer Document shall, where applicable, have the meaning assigned to it under the Companies Act, the SFA, the Catalist Rules or the Code, or any modification thereof, as the case may be, unless the context otherwise requires.

Time and date. Any reference to a time of the day and date in this Offer Document shall be a reference to Singapore time and date, respectively, unless otherwise stated.

Total number of Shares. Based on a search conducted at the ACRA, the Company has 163,495,140 Shares in issue and does not have any treasury shares as at the Latest Practicable Date. Based on publicly available information as at the Latest Practicable Date, the Group does not have any existing share option plan or performance share plan. Unless otherwise stated, references in this Offer Document to the total number of Shares are based on 163,495,140 Shares in issue as at the Latest Practicable Date.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Offer Document are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Offeror’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information as at the Latest Practicable Date. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results or outcomes may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and none of the Offeror or CIMB undertakes any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and/or any other regulatory or supervisory body or agency.



CIMB BANK BERHAD (13491-P)
Singapore Branch
(Incorporated in Malaysia)

8 September 2017

To: The Shareholders of Mary Chia Holdings Limited

Dear Sir/Madam

**MANDATORY UNCONDITIONAL CASH OFFER BY CIMB, FOR AND ON BEHALF OF THE OFFEROR,
FOR THE OFFER SHARES**

1. INTRODUCTION

1.1 The Acquisition

On 24 August 2017, CIMB announced, for and on behalf of the Offeror, that:

- (a) the Offeror had, on 24 August 2017, acquired an aggregate 99,707,046 Shares, representing approximately 60.98 per cent. of the total number of Shares, for an aggregate cash consideration of S\$11,000,000 (the “**Acquisition**”); and
- (b) as a result of the Acquisition, the Offeror is required to make a mandatory unconditional cash offer for all the Shares, other than those already owned, controlled or agreed to be acquired by the Offeror, pursuant to Rule 14 of the Code.

A copy of the Offer Announcement is available on the website of the SGX-ST at www.sgx.com.

1.2 Offer Document

This Offer Document contains the formal offer by CIMB, for and on behalf of the Offeror, to acquire all the Offer Shares. This Offer Document, together with the FAA and/or the FAT, has been despatched to Shareholders on the Despatch Date. Shareholders are urged to read this Offer Document carefully.

2. THE OFFER

2.1 Offer Terms

In accordance with Rule 14 of the Code and on the terms and subject to the conditions set out in this Offer Document, the FAA and the FAT, CIMB, for and on behalf of the Offeror, hereby makes the Offer to acquire all the Offer Shares on the following basis:

For each Offer Share: S\$0.111 in cash

The Offeror does not intend to revise the Offer Price.

2.2 Offer Shares

The Offer is for all the Shares not already owned, controlled or agreed to be acquired by the Offeror (the “**Offer Shares**”) in accordance with Section 139 of the SFA and the Code.

For the avoidance of doubt, other than Ms Ho Yow Ping (He YouPing) who has provided the Irrevocable Undertaking, the Offer will be extended, on the same terms and conditions, to all the Shares (if any) owned, controlled or agreed to be acquired by parties acting or presumed to be acting in concert with the Offeror. For the purpose of the Offer, the expression “**Offer Shares**” shall include such Shares.

2.3 No Encumbrances

The Offer Shares will be acquired:

- (a) fully paid;
- (b) free from all liens, equities, mortgages, charges, pledges, claims, encumbrances, rights of pre-emption and any other third party rights or interests of any nature whatsoever (“**Encumbrances**”); and
- (c) together with all rights, benefits, entitlements and advantages attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including but not limited to all voting rights, the right to receive and retain all dividends, rights, other distributions and return of capital (“**Distribution**”) (if any) announced, declared, paid or made by the Company on or after the Offer Announcement Date.

If any Distribution is announced, declared, paid or made by the Company on or after the Offer Announcement Date to a Shareholder who accepts or has accepted the Offer, the Offeror reserves the right to reduce the Offer Price payable to such accepting Shareholder by the amount of such Distribution.

2.4 Unconditional Offer

THE OFFER IS UNCONDITIONAL IN ALL RESPECTS.

2.5 Irrevocable Undertaking

The Offeror has received the Irrevocable Undertaking from Ms Ho Yow Ping (He YouPing), in respect of 32,680,000 Undertaking Shares, representing approximately 19.99 per cent. of the total number of Shares, beneficially owned by her, *inter alia*:

- (a) not to tender or procure the tendering for acceptance under the Offer of all or any of the Undertaking Shares and any Shares derived from the Undertaking Shares (whether pursuant to any bonus issue, rights issue or distribution of Shares or otherwise by the Company) as well as any Shares which may be acquired by her or which may be conditionally or unconditionally issued to her subsequent to the date of the Irrevocable Undertaking and accordingly, waive all rights and entitlements to the Offer; and
- (b) not to, from the date of the Irrevocable Undertaking and until such time that the Offer closes, directly or indirectly, (i) offer, (ii) sell, transfer, give or otherwise dispose of, (iii) grant any option, right or warrant to purchase in respect of, (iv) charge, mortgage, pledge or otherwise encumber, or (v) enter into any swap or other arrangement that transfers to another in whole or in part, any of the legal, beneficial or economic consequences of ownership of, all or any of the Undertaking Shares or any interest therein (or enter into any agreement with a view to effecting any of the foregoing).

The Irrevocable Undertaking shall terminate and cease to have any effect upon the close of the Offer.

2.6 Warranty

Acceptance of the Offer is deemed to constitute an unconditional and irrevocable warranty by the accepting Shareholder that each Offer Share tendered in acceptance of the Offer is sold by the accepting Shareholder as, or on behalf of, the beneficial owner(s) thereof and is:

- (a) fully paid;
- (b) free from all Encumbrances; and
- (c) together with all rights, benefits, entitlements and advantages attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including but not limited to all voting rights, the right to receive and retain all Distribution (if any) announced, declared, paid or made by the Company, on or after the Offer Announcement Date.

2.7 Duration of the Offer

The Offer is open for acceptance by Shareholders for at least 28 days from the date of posting of this Offer Document, unless the Offer is withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder.

The Offer will close at 5.30 p.m. (Singapore time) on 6 October 2017. The Offeror does not intend to extend the Offer beyond 5.30 p.m. (Singapore time) on 6 October 2017. Accordingly, notice is hereby given that the Offer will not be open for acceptance beyond 5.30 p.m. (Singapore time) on the Closing Date. Acceptances received after 5.30 p.m. (Singapore time) on the Closing Date will be rejected.

2.8 Details of the Offer

Appendix 1 to this Offer Document sets out further details on: (a) the settlement of the consideration for the Offer; (b) the requirements relating to the announcement of the level of acceptances of the Offer; and (c) the right of withdrawal of acceptances of the Offer.

2.9 Procedures for Acceptance of the Offer

Appendix 2 to this Offer Document sets out the procedures for acceptance of the Offer.

3. DESCRIPTION OF THE OFFEROR

The Offeror is an investment holding company and was incorporated in Singapore on 24 May 2002.

The Offeror and its subsidiaries are principally engaged in (i) the operation of Japanese restaurants in Singapore under various brands such as the “*Momiji*”, “*Nihon Mura Kaiten*”, “*Nihon Mura Express*” and “*Sakura*” brands; (ii) the operation of a fusion concept cuisine restaurant in Singapore under the “*LoveFresh*” brand; (iii) the provision of food catering services under the “*Sakura Forte*” brand; (iv) the sale of frozen and dry food products via e-commerce platform “*iChef*”; and (v) the import and export of food and beverage products. The Offeror runs its consolidated operations which includes a central kitchen and logistics support from its headquarters within Paya Lebar iPark located at 26 Tai Seng Street, Singapore 534057 which is leased from JTC Corporation. The registered address of the Offeror is at 26 Tai Seng Street, #03-01 J’Forte, Singapore 534057.

As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of S\$500,000 divided into 500,000 ordinary shares and the shareholders of the Offeror are Mr Lee Boon Leng (73.75%), Ms Ho Yow Ping (He YouPing) (21.70%), Ms Low Xiu Li Evelyn (2.84%), Mr Khoo Chee Been (1.14%) and Mr Seow Bao Shuen (0.57%). As at the Latest Practicable Date, the directors of the Offeror are Mr Lee Boon Leng and Mr Chua Teck Leong.

Mr Lee Boon Leng is the husband of Ms Ho Yow Ping (He YouPing) who is the Chief Executive Officer of the Company, and the son-in-law of Mdm Chia Ah Tow Mary who is the founder of the Group and the vendor in relation to the Acquisition. Mr Chua Teck Leong is a director of Hotel Culture Pte Ltd which is a joint venture between Mr Lee Boon Leng (49%) and the Company (51%). Mr Lee Boon Leng is also the sole shareholder of JL Asia Resources Pte. Ltd., a company incorporated in Singapore, which is principally engaged in the business of real estate project management and hotel management.

Appendix 3 to this Offer Document sets out additional information on the Offeror.

4. DESCRIPTION OF THE COMPANY

The Company was incorporated in Singapore on 30 April 2009 and was listed on the Catalist on 11 August 2009.

The Group is principally engaged in the provision of lifestyle and wellness services for both women and men at centres located in Singapore and Malaysia under the “*Mary Chia*” (for women), “*Urban Homme*” (for men), “*GO60*” (for professionals, managers, executives and businessmen (“**PMEBs**”)), “*Masego*” (for families), “*Huang Ah Ma*” (for tourists and PMEBS), “*LPG Endermospa*” (for PMEBS), “*Scinn Medical Centre*” and “*MCU Beautitudes*” (for medical aesthetics) brands.

The Group's core services can be broadly categorised into (i) beauty and facial services; (ii) slimming services; and (iii) spa and massage services. Its ancillary business is in the sale of lifestyle and wellness products under the "MU" brand at its lifestyle and wellness centres.

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S\$7,471,212 comprising 163,495,140 Shares and does not have any treasury shares. Based on publicly available information, as at the Latest Practicable Date, the Company does not have any outstanding options, rights, warrants or other instruments convertible into, exercisable for or redeemable with, any Shares.

As at the Latest Practicable Date, the directors of the Company are Mdm Chia Ah Tow Mary (Non-Executive Chairman), Ms Ho Yow Ping (He YouPing) (Chief Executive Officer), Mr Yeung Koon Sang @ David Yeung (Lead Independent Director), Mr Pao Kiew Tee (Independent Director) and Mr Periowsamy Otharam (Independent Director).

Appendix 4 to this Offer Document sets out additional information on the Company.

5. RATIONALE FOR THE ACQUISITION AND THE OFFER

The Group has been operating within a challenging environment and based on the FY2017 Results, the Group incurred net losses amounting to approximately S\$5.7 million and as at 31 March 2017, the Group was in a negative working capital position of approximately S\$10.3 million.

Following the Acquisition, Mr Lee Boon Leng (through the Offeror), together with his spouse, Ms Ho Yow Ping (He YouPing), will become the Company's major shareholder. Mr Lee Boon Leng brings with him more than 15 years of experience in the retail and consumer and the hotel industries. The Offeror believes that the Company will be able to leverage on the industry network, experience, expertise and resources of Mr Lee Boon Leng to seek new opportunities and to pursue a diversification strategy for the Group. The Offeror is making the Offer as a result of the Acquisition, in compliance with the requirements of the Code.

Following the Acquisition and the close of the Offer, the Offeror intends to undertake a strategic and operational review of the Group's business with a view to strengthening the Group's financial position and identifying areas in which potential may be optimised (including, amongst others, exploring the diversification of the Group's business into other complementary sectors).

Following completion of the Acquisition, Mdm Chia Ah Tow Mary has resigned from her position as the Executive Chairman of the Company and from all executive positions within the Group with effect from the Offer Announcement Date. Mdm Chia Ah Tow Mary shall also resign as a director of the Company with effect from the day immediately after the close of the Offer.

Under the terms of the SPA, the Offeror has undertaken (i) to use its best efforts to procure the release of all the personal guarantees that Mdm Chia Ah Tow Mary has provided in favour of financial institution(s) and other relevant third parties to secure facilities taken up by the Group; and (ii) to procure that the Company obtain consents or approvals required from financial institution(s) and other relevant third parties for the change in shareholding structure arising from the Acquisition and the Offer. The Offeror has also undertaken to fully indemnify Mdm Chia Ah Tow Mary promptly upon demand from and against any and all losses, claims, actions, proceedings, damages, demands, judgments, sums payable, liabilities, costs, charges and expenses to which Mdm Chia Ah Tow Mary may become subject as a result of the aforementioned personal guarantees or the failure to obtain the aforementioned consents. Further, Mdm Chia Ah Tow Mary has informed the Offeror that the Group has an aggregate sum of approximately S\$2.1 million owed to her (being unpaid salaries, loans, advances and payments made on behalf of the Group) (the "**Aggregate Debt**") and that the Company has undertaken to (or procure its subsidiaries to), *inter alia*, repay Mdm Chia Ah Tow Mary the entirety of the Aggregate Debt within three (3) years from 24 August 2017 by way of cash and/or the issuance of Shares¹.

¹ For the avoidance of doubt, with regard to Rule 5 of the Code, the Offeror has not given its consent and will not grant consent for any issuance of new Shares or creation of any securities convertible into Shares by the Company from the Offer Announcement Date until the close of the Offer.

With regard to the above, the Offeror is committed to work towards stabilising the financial position of the Group and has provided a letter to the Company confirming that the Offeror will provide continuous and sufficient financial support to the Group so as to enable both the Company and the Group to meet their obligations and liabilities as and when they fall due and to carry on their business without any curtailment of operations. After the close of the Offer, subject to market conditions and other relevant considerations, the Offeror may explore various fund-raising options including debt financing, placement, rights issue and/or disposal of assets to improve the Group's financial circumstances.

6. THE OFFEROR'S INTENTIONS IN RELATION TO THE COMPANY

6.1 Intention for the Company

As stated in **Section 5** of this Offer Document, following the completion of the Acquisition and the close of the Offer, the Offeror intends to undertake a strategic and operational review of the Group's business with a view to strengthening the Group's financial position and identifying areas in which potential may be optimised (including, amongst others, exploring the diversification of the Group's business into other complementary sectors).

Depending on the outcome of such review, the Offeror may make changes to the operations and business of the Group. Accordingly, the Offeror retains the flexibility at any time to consider any options with respect to making any major changes to the business of the Group (including any redeployment of the fixed assets of the Group) and with respect to the continued employment of the employees of the Group, in addition to any changes which may be made in the ordinary course of business.

As stated in **Section 5** of this Offer Document, Mdm Chia Ah Tow Mary has resigned from her position as Executive Chairman of the Company and from all executive positions within the Group with effect from the Offer Announcement Date. Mdm Chia Ah Tow Mary shall also resign as a director of the Company with effect from the day immediately after the close of the Offer.

6.2 Compulsory Acquisition

(a) **Compulsory Acquisition Rights.** Pursuant to Section 215(1) of the Companies Act, if the Offeror receives valid acceptances of the Offer or acquires the Offer Shares during the offer period otherwise than through valid acceptances of the Offer in respect of not less than 90 per cent. of the total number of Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the Despatch Date) (the "**Section 215(1) Threshold**"), the Offeror will have the right to compulsorily acquire all the Shares of Shareholders who have not accepted the Offer (the "**Dissenting Shareholders**") on the same terms as those offered under the Offer.

(b) **Dissenting Shareholders' Rights.** In addition, pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of Shares which, together with Shares held by it, its related corporations or their respective nominees, comprise 90 per cent. or more of the total number of Shares, the Dissenting Shareholders have a right to require the Offeror to acquire their Shares. Dissenting Shareholders who wish to exercise such a right are advised to seek their own independent legal advice.

As Ms Ho Yow Ping (He YouPing), who holds 32,680,000 Undertaking Shares representing approximately 19.99 per cent. of the total number of Shares, has provided the Irrevocable Undertaking and is not entitled to participate in the Offer, the Offeror will not be able to receive sufficient valid acceptances of the Offer in order to meet the Section 215(1) Threshold. Accordingly, the Offeror will not be entitled to exercise its right under Section 215(1) of the Companies Act to compulsorily acquire all the Shares of the Dissenting Shareholders.

6.3 Listing Status

- (a) **Listing Status of the Company.** Under Rule 1104 of the Catalist Rules, in the event that the Offeror and parties acting in concert with the Offeror should, as a result of the Offer or otherwise, own or control more than 90 per cent. of the Shares (excluding treasury shares), the SGX-ST may suspend the trading of the Shares on the SGX-ST until such time when the SGX-ST is satisfied that at least 10 per cent. of the Shares (excluding treasury shares) are held by at least 200 Shareholders who are members of the public.

In addition, under Rule 724(1) of the Catalist Rules, if the percentage of the Shares (excluding treasury shares) held in public hands falls below 10 per cent., the Company must, as soon as practicable, notify its sponsor and announce that fact and the SGX-ST may suspend trading of all the Shares on the SGX-ST. Under Rule 1303(1) of the Catalist Rules, where the Offeror succeeds in garnering acceptances exceeding 90 per cent. of the Shares (excluding treasury shares), thus causing the percentage of the Company's total number of Shares (excluding treasury shares) held in public hands to fall below 10 per cent., the SGX-ST will suspend trading of the Shares at the close of the Offer.

Rule 724(2) of the Catalist Rules states that the SGX-ST may allow the Company a period of three months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares in public hands to at least 10 per cent. (the "**Shareholding Requirement**"), failing which the Company may be delisted.

- (b) **Intention of the Offeror.** It is the current intention of the Offeror to maintain the present listing status of the Company on the Catalist. As stated in **Section 6.2** of this Offer Document, the Offeror will not be entitled to exercise its right under Section 215(1) of the Companies Act to compulsorily acquire all the Shares of the Dissenting Shareholders. Accordingly, in the event that the percentage of Shares (excluding treasury shares) held in public hands falls below 10 per cent. and the SGX-ST suspends trading of the Shares, the Offeror intends to take such steps which are necessary to restore the Company's public float in order to maintain the listing status of the Company. However, there is no assurance that timely and appropriate actions can be taken as these are dependent on *inter alia* prevailing market conditions at the relevant time. In the event that the Shareholding Requirement cannot be met, trading in the Shares may be suspended and/or the Company may be delisted.

7. FINANCIAL ASPECTS OF THE OFFER

Set out below is a comparison of the Offer Price against the historical traded prices of the Shares:

	Benchmark Price ⁽¹⁾ (S\$)	Premium over Benchmark Price (%)
Last traded price of the Shares on 23 August 2017, being the last Market Day on which the Shares were traded on the SGX-ST prior to the Offer Announcement Date	0.0660	68.2
VWAP of the Shares on the SGX-ST for the one-month period immediately preceding the Offer Announcement Date	0.0575	93.0
VWAP of the Shares for the three-month period immediately preceding the Offer Announcement Date	0.0566	96.1
VWAP of the Shares for the six-month period immediately preceding the Offer Announcement Date	0.0556	99.6
VWAP of the Shares for the twelve-month period immediately preceding the Offer Announcement Date	0.0644	72.4

Note:

- (1) The historical traded prices are rounded to the nearest four (4) decimal places. The historical traded prices and the corresponding premium are computed based on data extracted from Bloomberg L.P.

8. DISCLOSURE OF HOLDINGS AND DEALINGS

8.1 Holdings and Dealings

Appendix 5 to this Offer Document sets out, based on responses to enquiries that the Offeror has made:

- (a) the number of Company Securities owned, controlled or agreed to be acquired by the Offeror and parties acting or deemed to be acting in concert with the Offeror as at the Latest Practicable Date; and
- (b) the dealings in the Company Securities by the Offeror and parties acting or deemed to be acting in concert with the Offeror during the Reference Period.

8.2 No Other Holdings and Dealings

Save as disclosed in this Offer Document, and based on responses to enquiries that the Offeror has made, as at the Latest Practicable Date, none of the Offeror and the parties acting or deemed to be acting in concert with the Offeror:

- (a) owns, controls or has agreed to acquire any Company Securities; or
- (b) has dealt for value in any Company Securities during the Reference Period.

8.3 Other Arrangements

Save as disclosed in this Offer Document, and based on responses to enquiries that the Offeror has made, as at the Latest Practicable Date, none of the Offeror and the parties acting or deemed to be acting in concert with the Offeror has:

- (a) granted any security interest relating to any Company Securities to another person, whether through a charge, pledge or otherwise;
- (b) borrowed any Company Securities from another person (excluding borrowed Company Securities which have been on-lent or sold); or
- (c) lent any Company Securities to another person.

The Offeror has entered into the Facility Letter with DBS Bank Ltd to obtain financing for *inter alia* the Acquisition and the Offer. Pursuant to the terms of the Facility Letter, the Offeror has granted a share charge over all the Shares owned, controlled or agreed to be acquired by the Offeror pursuant to the Acquisition and the Offer or otherwise acquired during the period of the Offer in favour of DBS Bank Ltd as one of the securities under the Facility Letter.

8.4 No Other Irrevocable Undertakings

Save for the Irrevocable Undertaking as disclosed in this Offer Document, as at the Latest Practicable Date, none of the Offeror and parties acting or deemed to be acting in concert with the Offeror has received any irrevocable commitment or undertakings from any party to accept or reject the Offer.

9. CONFIRMATION OF FINANCIAL RESOURCES

CIMB, in its capacity as the financial adviser to the Offeror in connection with the Offer, confirms that, save for the 32,680,000 Undertaking Shares representing approximately 19.99 per cent. of the total number of Shares which are the subject of the Irrevocable Undertaking, sufficient financial resources are available to the Offeror to satisfy in full all acceptances of the Offer on the basis of the Offer Price.

10. OVERSEAS SHAREHOLDERS

10.1 Overseas Jurisdictions

This Offer Document does not constitute an offer to sell or a solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Offer Document in any overseas jurisdiction in contravention of any applicable law.

The release, publication or distribution of this Offer Document in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Offer Document is released, published or distributed should inform themselves about and observe such restrictions.

Copies of this Offer Document and any other formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Offer would violate the law of that jurisdiction (a “**Restricted Jurisdiction**”) and will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.

The Offer (unless otherwise determined by the Offeror and permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any jurisdiction outside Singapore, and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities.

The availability of the Offer to Shareholders whose addresses are outside Singapore as shown in the Register or, as the case may be, in the records of the CDP (each, an “**Overseas Shareholders**”) may be affected by the laws of the relevant overseas jurisdictions in which they are located. Accordingly, Overseas Shareholders should inform themselves about and observe any applicable requirements in the relevant overseas jurisdiction.

For the avoidance of doubt, the Offer will be open to all Shareholders including those to whom this Offer Document and the FAAs and the FATs may not be sent.

10.2 Responsibilities of Overseas Shareholders

It is the responsibility of any Overseas Shareholder who wish to (a) request for this Offer Document, the FAA and/or the FAT and/or any related documents, and/or (b) accept the Offer, to satisfy himself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, and compliance with all necessary formalities or legal requirements and the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholder shall be liable for any such taxes, imposts, duties or other requisite payments payable and the Offeror, its related corporations, CIMB, CDP, the Registrar and any person acting on their behalf shall be fully indemnified and held harmless by such Overseas Shareholder for any such taxes, imposts, duties or other requisite payments as the Offeror, its related corporations, CIMB, CDP, the Registrar and/or any person acting on their behalf may be required to pay. In (i) requesting for this Offer Document, the FAA and/or the FAT and any related documents; and/or (ii) accepting the Offer, each Overseas Shareholder represents and warrants to the Offeror and CIMB that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements.

Any Overseas Shareholder who is in any doubt about his position should consult his professional adviser in the relevant jurisdiction.

10.3 Documents Available in Singapore

The Offeror and CIMB each reserves the right not to send this Offer Document and the FAA and/or FAT to Overseas Shareholders in any overseas jurisdiction. Subject to compliance with applicable laws, any affected Overseas Shareholder may, nonetheless, attend in person and obtain copies of this Offer Document, the FAAs and/or the FATs and any related documents from the office of the Registrar, B.A.C.S Private Limited at 8 Robinson Road, #03-00 ASO Building, Singapore 048544.

Alternatively, an Overseas Shareholder may, subject to compliance with applicable laws, write to the Offeror c/o the Registrar at the above-stated address to request for this Offer Document, the FAA and/or the FAT and any related documents to be sent to an address in Singapore by ordinary post at the Overseas Shareholder's own risk, no later than five (5) business days prior to the Closing Date.

10.4 Others

The Offeror and CIMB each reserves the right to notify any matter, including the fact that the Offer has been made, to any or all Shareholders (including Overseas Shareholders) by announcement to the SGX-ST or notice and if necessary, by paid advertisement in a daily newspaper published and circulated in Singapore, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder to receive or see such announcement, notice or advertisement.

11. GENERAL

11.1 Valid Acceptances

The Offeror and CIMB each reserves the right to treat acceptances of the Offer as valid if received by or on behalf of either of them at any place or places determined by them otherwise than as stated herein or in the FAA or the FAT, or if made otherwise than in accordance with the provisions herein and in the FAA and the FAT.

11.2 Information Pertaining to CPFIS Investors and SRS Investors

CPFIS Investors and SRS Investors will receive further information on how to accept the Offer from their respective CPF Agent Banks and SRS Agent Banks directly. CPFIS Investors and SRS Investors are advised to consult their respective CPF Agent Banks and SRS Agent Banks should they require further information, and if they are in any doubt as to the action they should take, CPFIS Investors and SRS Investors should seek independent professional advice. CPFIS Investors and SRS Investors who wish to accept the Offer are to reply to their respective CPF Agent Banks and SRS Agent Banks by the deadline stated in the letters from their respective CPF Agent Banks and SRS Agent Banks.

CPFIS Investors and SRS Investors who accept the Offer will receive the Offer Price payable in respect of their Offer Shares in their CPF investment accounts and SRS accounts (as the case may be).

11.3 Governing Law and Jurisdiction

The Offer, this Offer Document, the FAAs and/or the FATs, all acceptances of the Offer, all contracts made pursuant thereto and all actions taken or deemed to be taken in connection with any of the foregoing shall be governed by, and construed in accordance with, the laws of Singapore and all accepting Shareholders agree, by accepting the Offer, to submit to the non-exclusive jurisdiction of the Singapore courts.

11.4 No Third Party Rights

A person who is not a party to any contracts made pursuant to the Offer, this Offer Document, the FAAs and/or the FATs has no rights under the Contracts (Rights of Third Parties) Act (Chapter 53B) of Singapore to enforce any term of such contracts. Notwithstanding any term herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

11.5 Accidental Omission

Any omission relating to the despatch of this Offer Document, the FAAs and/or the FATs, or any notice, advertisement or announcement required to be given under the terms of the Offer to, or any failure to receive the same by, any person to whom the Offer is made or should be made shall not invalidate the Offer in any way.

11.6 Independent Advice

CIMB is acting for and on behalf of the Offeror and does not purport to advise the Shareholders. In preparing its letter to the Shareholders on behalf of the Offeror, CIMB has not had regard to the general or specific investment objectives, tax position, risk profiles, financial situation or particular needs and constraints of any Shareholder.

The views of the directors of the Company who are considered independent for the purposes of the Offer and the independent financial adviser to such directors on the Offer will be made available by the Company to Shareholders within 14 days of the Despatch Date. Shareholders should consider their advice before taking any action in relation to the Offer.

11.7 General Information

Appendix 5 to this Offer Document sets out additional general information relating to the Offer. Your attention is drawn to all the Appendices which form part of this Offer Document.

12. RESPONSIBILITY STATEMENT

The directors of the Offeror (including any director who may have delegated detailed supervision of this Offer Document) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Offer Document are fair and accurate and that there are no material facts not contained in this Offer Document, the omission of which would make any statement in this Offer Document misleading.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Company, the sole responsibility of the directors of the Offeror has been to ensure, through reasonable enquiries, that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Offer Document.

The directors of the Offeror jointly and severally accept full responsibility accordingly.

Yours faithfully,
CIMB BANK BERHAD, SINGAPORE BRANCH

For and on behalf of
SUKI SUSHI PTE. LTD.

APPENDIX 1 – DETAILS OF THE OFFER

1. SETTLEMENT

Subject to the receipt by the Offeror from accepting Shareholders of valid acceptances and all relevant documents required by the Offeror which are complete in all respects and in accordance with the instructions given in this Offer Document and in the FAA and/or the FAT (as the case may be) and in the case of a depositor, the receipt by the Offeror of confirmation satisfactory to it that the relevant number of Offer Shares tendered by the accepting Shareholders in acceptance of the Offer are standing to the credit of the “Free Balance” of their respective Securities Accounts at the relevant time(s), remittances for the appropriate amounts will be despatched, pursuant to Rule 30 of the Code, to the accepting Shareholders (or, in the case of Shareholders holding share certificate(s) which are not deposited with CDP, their designated agents, as they may direct) by means of a Singapore Dollar crossed cheque drawn on a bank in Singapore and sent by ordinary post to their respective addresses as they appear in the records of CDP or in the Register (as the case may be) at the risk of the accepting Shareholders (or in such manner as the accepting Shareholders may have agreed with CDP for payment of any cash distribution), as soon as practicable and in any case, in respect of acceptances of the Offer which are complete, valid in all respects and received before the Closing Date, within seven (7) Business Days of the Date of Receipt.

2. ANNOUNCEMENTS

2.1 Pursuant to Rule 28.1 of the Code, by 8.00 a.m. (Singapore time) on the dealing day (the “**Relevant Day**”) immediately after the day on which the Offer is due to expire, the Offeror will announce and simultaneously inform the SGX-ST of the total number of Offer Shares (as nearly as practicable):

- (a) in respect of which valid acceptances of the Offer have been received;
- (b) held by the Offeror and any party acting in concert with it before the Offer Period; and
- (c) acquired or agreed to be acquired by the Offeror and any party acting in concert with it during the Offer Period,

and will specify the percentages of the issued share capital of the Company represented by such numbers.

2.2 Under Rule 28.2 of the Code, if the Offeror is unable, within the time limit, to comply with **Paragraph 2.1** of this **Appendix 1**, the SIC will consider requesting the SGX-ST to suspend dealings in the Shares until the relevant information is given.

2.3 In this Offer Document, references to the making of any announcement or the giving of notice by the Offeror include the release of an announcement by CIMB or advertising agents, for and on behalf of the Offeror, to the press or the delivery of or transmission by telephone or facsimile or through SGXNET or otherwise of an announcement to the SGX-ST. An announcement made otherwise than to the SGX-ST shall be notified simultaneously to the SGX-ST.

2.4 In computing the number of Offer Shares represented by acceptances, the Offeror will at the time of making an announcement take into account acceptances which are valid in all respects.

3. RIGHT OF WITHDRAWAL

3.1 Except as expressly provided in this Offer Document and the Code, acceptances of the Offer shall be irrevocable.

3.2 If the Offeror fails to comply with any of the requirements of Rule 28.1 of the Code by 3.30 p.m. (Singapore time) on the Relevant Day, then immediately thereafter:

(a) any Shareholder holding Offer Shares which are deposited with CDP and accepting the Offer will be entitled to withdraw his acceptance by written notice to Suki Sushi Pte. Ltd. c/o The Central Depository (Pte) Limited at Robinson Road Post Office, P.O. Box 1984, Singapore 903934; and

(b) any Shareholder holding Offer Shares which are not deposited with CDP and accepting the Offer will be entitled to withdraw his acceptance by written notice to Suki Sushi Pte. Ltd. c/o B.A.C.S Private Limited at 8 Robinson Road ,#03-00 ASO Building, Singapore 048544,

such notice of withdrawal shall be effective only if signed by the accepting Shareholder or his agent duly appointed in writing and evidence of appointment is produced in a form satisfactory to the Offeror within the said notice and when actually received by the Offeror.

3.3 Subject to Rule 22.9 of the Code, this right of withdrawal may be terminated not less than eight (8) days after the Relevant Day by the Offeror confirming (if that be the case) that the Offer is still unconditional and complying with Rule 28.1 of the Code.

APPENDIX 2 – PROCEDURES FOR ACCEPTANCE OF THE OFFER

1. DEPOSITORS

- 1.1 **Depositors whose Securities Accounts are credited with Offer Shares.** If you have Offer Shares standing to the credit of the “Free Balance” of your Securities Account, you should receive this Offer Document together with the FAA. If you do not receive the FAA, you may obtain a copy of such FAA, upon production of satisfactory evidence that you are a Shareholder, from CDP at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588.

Acceptance. If you wish to accept the Offer, you should:

- (a) complete the FAA in accordance with the provisions and instructions in this Offer Document and the FAA (which provisions and instructions shall be deemed to form part of the terms of the Offer). In particular, you must state in Part A of the FAA the number of Offer Shares in respect of which you wish to accept the Offer. If you:
- (i) do not specify such number; or
 - (ii) specify a number which exceeds the number of Offer Shares standing to the credit of the “Free Balance” of your Securities Account as at 5.00 p.m. (Singapore time) on the date of receipt by CDP, on behalf of the Offeror, of the FAA (the “**Date of Receipt**”), or, in the case where the Date of Receipt is on the Closing Date, as at 5.30 p.m. (Singapore time) on the Closing Date (provided always that the Date of Receipt must fall on or before the Closing Date),

you shall be deemed to have accepted the Offer in respect of all the Offer Shares standing to the credit of the “Free Balance” of your Securities Account as at 5.00 p.m. (Singapore time) on the Date of Receipt or, in the case where the Date of Receipt is on the Closing Date, as at 5.30 p.m. (Singapore time) on the Closing Date;

- (b) sign the FAA in accordance with this Offer Document and the instructions printed on the FAA; and
- (c) deliver the completed and signed FAA in its entirety (no part may be detached or otherwise mutilated):
- (i) **by hand**, to Suki Sushi Pte. Ltd. c/o The Central Depository (Pte) Limited at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588; or
 - (ii) **by post**, in the enclosed pre-addressed envelope at your own risk, to Suki Sushi Pte. Ltd. c/o The Central Depository (Pte) Limited at Robinson Road Post Office, P.O. Box 1984, Singapore 903934,

in either case so as to arrive not later than 5.30 p.m. (Singapore time) on the Closing Date. If the completed and signed FAA is delivered by post to the Offeror, please use the enclosed pre-addressed envelope. It is your responsibility to affix adequate postage on the said envelope.

If you have sold or transferred all your Offer Shares held through CDP, you need not forward this Offer Document and the accompanying FAA to the purchaser or transferee, as CDP will arrange for a separate Offer Document and FAA to be sent to the purchaser or transferee.

If you are a depository agent, you may accept the Offer *via* Electronic Acceptance. CDP has been authorised by the Offeror to receive Electronic Acceptances on its behalf and such Electronic Acceptances must be submitted **not later than 5.30 p.m. (Singapore time) on the Closing Date**. Electronic Acceptances submitted will be deemed irrevocable and subject to each of the terms and conditions contained in the FAA and this Offer Document as if the FAA had been completed and delivered to CDP.

1.2 Depositors whose Securities Accounts will be credited with Offer Shares. If you have purchased Offer Shares on the SGX-ST and such Offer Shares are in the process of being credited to the “Free Balance” of your Securities Account, you should also receive this Offer Document together with the FAA. If you do not receive that FAA, you may obtain a copy, upon production of satisfactory evidence that you have purchased the Offer Shares on the SGX-ST, from CDP at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588.

Acceptance. If you wish to accept the Offer in respect of such Offer Shares, you should, **AFTER** the “Free Balance” of your Securities Account has been credited with such number of Offer Shares purchased:

- (a) complete and sign the FAA in accordance with this Offer Document and the instructions printed on the FAA; and
- (b) deliver the completed and signed FAA in its entirety (no part may be detached or otherwise mutilated):
 - (i) **by hand**, to Suki Sushi Pte. Ltd. c/o The Central Depository (Pte) Limited at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588; or
 - (ii) **by post**, in the enclosed pre-addressed envelope **at your own risk**, to Suki Sushi Pte. Ltd. c/o The Central Depository (Pte) Limited at Robinson Road Post Office, P.O. Box 1984, Singapore 903934,

in either case so as to arrive not later than 5.30 p.m. (Singapore time) on the Closing Date. If the completed and signed FAA is delivered by post to the Offeror, please use the enclosed pre-addressed envelope. It is your responsibility to affix adequate postage on the said envelope.

1.3 Depositors whose Securities Accounts are and will be credited with Offer Shares. If you have Offer Shares credited to the “Free Balance” of your Securities Account, and have purchased additional Offer Shares on the SGX-ST which are in the process of being credited to the “Free Balance” of your Securities Account, you may accept the Offer in respect of the Offer Shares standing to the credit of the “Free Balance” of your Securities Account and may accept the Offer in respect of the additional Offer Shares purchased which are in the process of being credited to your Securities Account only **AFTER** the “Free Balance” of your Securities Account has been credited with such number of additional Offer Shares purchased. The provisions set out above shall apply *mutatis mutandis* to your acceptance of the Offer.

1.4 Rejection. If upon receipt by CDP, on behalf of the Offeror, of the FAA, it is established that such Offer Shares have not been credited to the “Free Balance” of your Securities Account (as, for example, where you are selling or have sold such Offer Shares), then your acceptance is liable to be rejected and none of CDP, CIMB and the Offeror (and, for the avoidance of doubt, any of the Offeror’s related corporations) accepts any responsibility or liability for such a rejection, including the consequences of such a rejection.

If you purchase Offer Shares on the SGX-ST during the Offer Period and on a date near to the Closing Date, your acceptance of the Offer in respect of such Offer Shares will be rejected if the “Free Balance” of your Securities Account is not credited with such Offer Shares by 5.00 p.m. (Singapore time) on the Date of Receipt or 5.30 p.m. (Singapore time) on the Closing Date (if the Date of Receipt is on the Closing Date). None of CDP, CIMB and the Offeror (and, for the avoidance of doubt, any of the Offeror’s related corporations) accepts any responsibility or liability for such a rejection, including the consequences of such a rejection.

- 1.5 Receipt.** No acknowledgement of receipt will be given by CDP for submissions of the FAA made by hand or by post or deposited into boxes located at CDP's premises. All communications, notices, documents and payments will be sent by ordinary post at your risk to your mailing address as it appears in the records of CDP. For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Offer Shares credited to your Securities Account. You can verify the number of Offer Shares credited to your Securities Account through: (a) CDP Online if you have registered for the CDP Internet Access Service or (b) CDP Phone Service if you have a T-PIN.
- 1.6 Suspense Account.** Upon receipt by CDP, for and on behalf of the Offeror, of the duly completed and signed original of the FAA, CDP will take such measures as it may consider necessary and expedient to prevent any trading of the Offer Shares in respect of which you have accepted the Offer during the period commencing on the Date of Receipt and ending on the date of settlement of the consideration (including, without limitation, earmarking, blocking, and/or transferring the relevant number of such Offer Shares from the "Free Balance" of your Securities Account to a "Suspense Account").
- 1.7 Offer Unconditional.** The Offer is unconditional in all respects. CDP will send you a notification letter stating the number of Offer Shares debited from your Securities Account together with payment of the consideration by means of a Singapore Dollar crossed cheque drawn on a bank in Singapore for the appropriate amount and sent by ordinary mail to your mailing address as recorded with CDP, or in such other manner as you may have agreed with CDP for the payment of any cash distribution, at your own risk.
- 1.8 No Securities Account.** If you do not have any existing Securities Account in your own name at the time of acceptance of the Offer, your acceptance as contained in the FAA will be rejected.

2. SCRIP HOLDERS

- 2.1 Shareholders whose Offer Shares are not deposited with CDP.** If you hold Offer Shares which are not deposited with CDP ("**in scrip form**"), you should receive this Offer Document together with the FAT. If you do not receive the FAT, you may obtain a copy of such FAT, upon production of satisfactory evidence that you are a Shareholder, from B.A.C.S Private Limited at 8 Robinson Road, #03-00 ASO Building, Singapore 048544.

Acceptance. If you wish to accept the Offer, you should:

- (a) complete the FAT in accordance with the provisions and instructions in this Offer Document and the FAT (which provisions and instructions shall be deemed to form part of the terms of the Offer). In particular, you must state in Part A of the FAT the number of Offer Shares in respect of which you wish to accept the Offer. If you:
- (i) do not specify any number in Part A of the FAT; or
 - (ii) specify a number in Part A of the FAT which exceeds the number of Offer Shares represented by the attached share certificate(s) accompanying the FAT,
- you shall be deemed to have accepted the Offer in respect of all the Offer Shares represented by the share certificate(s) accompanying the FAT;
- (b) sign the FAT in accordance with this Offer Document and the instructions printed on the FAT; and
- (c) deliver:
- (i) the completed and signed FAT in its entirety (no part may be detached or otherwise mutilated);

- (ii) the share certificate(s), other document(s) of title and/or other relevant document(s) required by the Offeror relating to the Offer Shares in respect of which you wish to accept the Offer. If you are recorded in the Register as holding Offer Shares but do not have the relevant share certificate(s) relating to such Offer Shares, you, at your own risk, are required to procure the Company to issue such share certificate(s) in accordance with the Constitution of the Company and then deliver such share certificate(s) in accordance with the procedures set out in this Offer Document and the FAT; and
- (iii) where such Offer Shares are not registered in your name, a transfer form, duly executed by the person in whose name such share certificate(s) is/are registered and stamped, with the particulars of transferee left blank (to be completed by the Offeror or a person authorised by it),

either **by hand**, to Suki Sushi Pte. Ltd. c/o B.A.C.S Private Limited at 8 Robinson Road, #03-00 ASO Building, Singapore 048544, or **by post**, in the enclosed pre-addressed envelope **at your own risk**, to Suki Sushi Pte. Ltd. c/o B.A.C.S Private Limited at 8 Robinson Road, #03-00 ASO Building, Singapore 048544, **in either case so as to arrive not later than 5.30 p.m. (Singapore time) on the Closing Date**. If the completed and signed FAT is delivered by post to the Offeror, please use the enclosed pre-addressed envelope. It is your responsibility to affix adequate postage on the said envelope.

2.2 Receipt. No acknowledgement of receipt of any FAT, share certificate(s), other document(s) of title, transfer form(s) or any other accompanying document(s) will be given by the Offeror, CIMB or the Registrar.

3. GENERAL

3.1 Disclaimer. The Offeror, CIMB, CDP and/or the Registrar will be entitled, at their sole and absolute discretion, to reject or treat as valid any acceptance of the Offer through the FAA and/or the FAT, as the case may be, which is not entirely in order or which does not comply with the terms of this Offer Document and the relevant Acceptance Forms or which is otherwise incomplete, incorrect, signed but not in its originality, or invalid in any respect. If you wish to accept the Offer, it is your responsibility to ensure that the relevant Acceptance Forms are properly completed and executed in all respects and are submitted with original signature(s) and that all required documents (where applicable) are provided. Any decision to reject or treat as valid any acceptance will be final and binding and none of the Offeror (or, for the avoidance of doubt, any of the Offeror's related corporations), CIMB, CDP and/or the Registrar accepts any responsibility or liability for such a decision, including the consequences of such a decision.

3.2 Discretion. The Offeror and CIMB each reserves the right to treat acceptances of the Offer as valid if received by or on behalf of either of them at any place or places determined by them otherwise than as stated in this Offer Document or in the relevant Acceptance Forms, or if made otherwise than in accordance with the provisions of this Offer Document and in the relevant Acceptance Forms. Any decision to reject or treat as valid any acceptance will be final and binding and none of the Offeror (or, for the avoidance of doubt, any of the Offeror's related corporations), CIMB, CDP and/or the Registrar accepts any responsibility or liability for such a decision, including the consequences of such a decision.

3.3 Scrip and Scripless Offer Shares. If you hold some Offer Shares in scrip form and others with CDP, you should complete a FAT for the former and a FAA for the latter in accordance with the respective procedures set out in this **Appendix 2** and the relevant Acceptance Forms if you wish to accept the Offer in respect of all such Offer Shares.

3.4 Acceptances received on Saturday, Sunday or public holiday. Acceptances in the form of the FAA and/or the FAT received by CDP and/or the Registrar, for and on behalf of the Offeror, on a Saturday, Sunday or public holiday will only be processed and validated on the next Business Day.

- 3.5 Deposit Time.** If you hold Offer Shares in scrip form, the Offer Shares may not be credited into your Securities Account with CDP in time for you to accept the Offer by way of the FAA if you were to deposit your share certificate(s) with CDP after the Despatch Date. If you wish to accept the Offer in respect of such Offer Shares held in scrip form, you should complete the FAT and follow the procedures set out in **Paragraph 2** of this **Appendix 2** and the FAT.
- 3.6 Correspondences.** All communications, certificates, notices, documents and remittances to be delivered or sent to you (or, in the case of scrip holders, your designated agent or, in the case of accepting joint Shareholders who have not designated any agent, to the one first named in the Register, as the case may be) will be sent by ordinary post to your mailing address appearing in the records of CDP or the Register, as the case may be, at the risk of the person(s) entitled thereto (or for the purposes of remittances only, to such address as may be specified by you in the FAT, at your own risk).
- 3.7 Evidence of Title.** Delivery of the duly completed and signed FAA and/or FAT, as the case may be, together with the relevant share certificate(s) and/or other documents of title and/or other relevant documents required by the Offeror, to the Offeror, CDP and/or the Registrar, as the case may be, shall be conclusive evidence in favour of the Offeror (or its nominee), CDP and/or the Registrar, as the case may be, of the right and title of the person(s) signing it to deal with the same and with the Offer Shares to which it relates.
- 3.8 Loss in Transmission.** The Offeror, CIMB, CDP or the Registrar, as the case may be, shall not be liable for any loss in transmission of the FAA, the FAT, and/or any other documents.
- 3.9 Acceptance Irrevocable.** Except as expressly provided in this Offer Document and the Code, acceptances of the Offer shall be irrevocable.

APPENDIX 3 – ADDITIONAL INFORMATION ON THE OFFEROR

1. DIRECTORS

The names, addresses and descriptions of the directors of the Offeror as at the Latest Practicable Date are as follows:

Name	Address	Description
Mr Lee Boon Leng	26 Tai Seng Street #03-01 J'Forte Singapore 534057	Director
Mr Chua Teck Leong	26 Tai Seng Street #03-01 J'Forte Singapore 534057	Director

2. PRINCIPAL ACTIVITIES

The Offeror is an investment holding company and was incorporated in Singapore on 24 May 2002.

The Offeror and its subsidiaries are principally engaged in (i) the operation of Japanese restaurants in Singapore under various brands such as the “*Momiji*”, “*Nihon Mura Kaiten*”, “*Nihon Mura Express*” and “*Sakura*” brands; (ii) the operation of a fusion concept cuisine restaurant in Singapore under the “*LoveFresh*” brand; (iii) the provision of food catering services under the “*Sakura Forte*” brand; (iv) the sale of frozen and dry food products via e-commerce platform “*iChef*”; and (v) the import and export of food and beverage products. The Offeror runs its consolidated operations which includes a central kitchen and logistics support from its headquarters within Paya Lebar iPark located at 26 Tai Seng Street, Singapore 534057 which is leased from JTC Corporation.

3. SHARE CAPITAL

As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of S\$500,000 divided into 500,000 ordinary shares and the shareholders of the Offeror are Mr Lee Boon Leng (73.75%), Ms Ho Yow Ping (He YouPing) (21.70%), Ms Low Xiu Li Elvelyn (2.84%), Mr Khoo Chee Been (1.14%) and Mr Seow Bao Shuen (0.57%).

4. SUMMARY OF FINANCIAL PERFORMANCE

A summary of the audited consolidated statements of comprehensive income of the Offeror from FY2014 to FY2016 is set out in the table below. A copy of the audited consolidated financial statements of the Offeror for FY2016 is enclosed in **Appendix 6** to this Offer Document.

	Audited FY2014 (S\$)	Audited FY2015 (S\$)	Audited FY2016 (S\$)
Revenue	55,092,460	45,810,450	34,640,563
Other incomes	1,354,155	2,245,704	2,110,371
Share of profit in associated company	(67,813)	176,276	104,899
Raw materials and consumables used	(21,600,649)	(17,627,486)	(13,035,800)
Changes in inventories	(265,089)	787,266	(389,463)
Employee benefits expense	(13,692,426)	(12,874,522)	(12,345,191)
Depreciation of property, plant and equipment	(5,375,485)	(5,225,652)	(4,646,741)
Property, plant and equipment written off	(985,689)	(636,466)	(214,000)
Finance costs	(1,638,121)	(2,177,847)	(1,963,232)
Other expenses	(15,417,313)	(13,324,797)	(11,972,747)
Loss before tax for the year	(2,595,970)	(2,847,074)	(7,711,341)
Income tax expense	(1,902,558)	(256,198)	(331,465)
Loss after tax for the year	(4,498,528)	(3,103,272)	(8,042,806)
Other comprehensive income for the year:			
Gain on revaluation of leasehold property	–	–	3,313,207
Total comprehensive loss for the year	(4,498,528)	(3,103,272)	(4,729,599)
Loss attributable to:			
Owners of the company	(4,498,528)	(3,103,272)	(4,729,599)
Minority interest	–	–	–
Total comprehensive loss attributable to:			
Owners of the company	(4,498,528)	(3,103,272)	(4,729,599)
Minority interest	–	–	–
Net loss per share	(9.00)	(6.21)	(9.46)
Net dividends per share	–	–	–

5. SUMMARY OF FINANCIAL POSITION

A summary of the audited consolidated balance sheet of the Offeror as at 31 December 2016 is set out in the table below. The summary is extracted from, and should be read in conjunction with, the audited consolidated financial statements of the Offeror for FY2016 (a copy of which is enclosed in **Appendix 6** to this Offer Document).

	Audited As at 31 December 2016 (S\$)
ASSETS	
Non-current assets	
Property, plant and equipment	86,157,871
Investments in associated company	1,164,994
Deferred tax assets	126,176
	<hr/> 87,449,041 <hr/>
Current assets	
Inventories	1,947,289
Trade and other receivables and prepayments	4,202,926
Fixed deposits	449,935
Cash and bank balances	1,707,544
	<hr/> 8,307,694 <hr/>
Total assets	<hr/> 95,756,735 <hr/>
LIABILITIES	
Current liabilities	
Trade and other payables	8,594,363
Hire purchase creditors	90,905
Term loan (secured)	3,399,445
Trust receipts	856,988
Bills payable	186,165
Provision for taxation	87
	<hr/> 13,127,953 <hr/>
Non-current liabilities	
Hire purchase creditors	255,979
Term loan (secured)	39,930,468
Deferred tax liabilities	462,081
	<hr/> 40,648,528 <hr/>
Total liabilities	<hr/> 53,776,481 <hr/>
NET ASSETS	<hr/> 41,980,254 <hr/>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	
Share capital	500,000
Revaluation reserve	57,508,247
(Accumulated losses) / Retained earnings	(16,027,993)
TOTAL EQUITY	<hr/> 41,980,254 <hr/>

6. MATERIAL CHANGES IN FINANCIAL POSITION

As at the Latest Practicable Date, save for the financing of the Acquisition and the Offer, there has been no known material change in the financial position of the Offeror since 31 December 2016, being the date of the last audited consolidated financial statements of the Offeror.

7. SIGNIFICANT ACCOUNTING POLICIES

The audited consolidated financial statements of the Offeror for FY2016 have been prepared in accordance with the Companies Act and the Singapore Financial Reporting Standards. The significant accounting policies of the Offeror are set out in Note 2 to the audited consolidated financial statements of the Offeror for FY2016 (a copy of which is enclosed in **Appendix 6** to this Offer Document).

8. CHANGES IN ACCOUNTING POLICIES

As at the Latest Practicable Date, there has been no change in the accounting policies of the Offeror which will cause the figures set out in **Paragraphs 4 and 5** of this **Appendix 3** to be not comparable to a material extent.

9. REGISTERED OFFICE

The registered office of the Offeror is at 26 Tai Seng Street, #03-01 J'Forte, Singapore 534057.

APPENDIX 4 – ADDITIONAL INFORMATION ON THE COMPANY

1. DIRECTORS

Based on publicly available information, the names, addresses and descriptions of the directors of the Company as at the Latest Practicable Date are as follows:

Name	Address	Description
Mdm Chia Ah Tow Mary	26 Tai Seng Street #01-03A J'Forte Singapore 534057	Non-Executive Chairman
Ms Ho Yow Ping (He YouPing)	26 Tai Seng Street #01-03A J'Forte Singapore 534057	Chief Executive Officer
Mr Yeung Koon Sang @ David Yeung	26 Tai Seng Street #01-03A J'Forte Singapore 534057	Lead Independent Director
Mr Pao Kiew Tee	26 Tai Seng Street #01-03A J'Forte Singapore 534057	Independent Director
Mr Periowsamy Otharam	26 Tai Seng Street #01-03A J'Forte Singapore 534057	Independent Director

2. SHARE CAPITAL

As at the Latest Practicable Date, based on the Bizfile search extracted from the ACRA on the Latest Practicable Date, the Company has an issued and paid-up share capital of S\$7,471,212 comprising 163,495,140 Shares. The Company does not hold any treasury shares and does not have any other class of share capital as at the Latest Practicable Date.

3. MATERIAL CHANGES IN FINANCIAL POSITION

As at the Latest Practicable Date, save for information on the Company and the Group which is publicly available (including without limitation, the announcements released by the Company on the SGX-ST and the FY2017 Results) and save as may be announced by the Company from time to time, there has not been, within the knowledge of the Offeror, any material change in the financial position or prospects of the Group since 31 March 2016, being the date of the last audited balance sheet of the Company laid before Shareholders in general meeting.

The FY2017 Results are available, and the annual report of the Company for the financial year ended 31 March 2017 is expected to be made available, on the website of the SGX-ST at www.sgx.com.

4. REGISTERED OFFICE

The registered office of the Company is at 26 Tai Seng Street, #01-03A J'Forte, Singapore 534057.

APPENDIX 5 – ADDITIONAL GENERAL INFORMATION

1. HOLDINGS IN COMPANY SECURITIES

Based on responses to enquiries that the Offeror has made, as at the Latest Practicable Date, save as disclosed below, none of the Offeror, its directors, or any of the parties acting or deemed to be acting in concert with the Offeror owns, controls or has agreed to acquire any Company Securities:

Name	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Offeror	–	–	99,707,046 ⁽²⁾	60.98 ⁽²⁾
Mr Lee Boon Leng	–	–	99,707,046 ⁽³⁾	60.98 ⁽³⁾
Ms Ho Yow Ping (He YouPing)	32,680,000	19.99	99,707,046 ⁽⁴⁾	60.98 ⁽⁴⁾

Notes:

- (1) The shareholding percentages are computed based on the 163,495,140 Shares as reflected in the Bizfile search extracted from the Accounting and Corporate Regulatory Authority of Singapore as at the Latest Practicable Date.
- (2) These Shares are subject of a share charge in favour of DBS Bank Ltd pursuant to the Facility Letter and are being held by the Offeror through DBS Nominees Pte. Ltd.
- (3) Mr Lee Boon Leng, who is a director and shareholder of the Offeror, is deemed to have an interest in the Shares owned by the Offeror by virtue of Section 4 of the SFA.
- (4) Ms Ho Yow Ping (He YouPing), who is a shareholder of the Offeror and also the wife of Mr Lee Boon Leng, is deemed to have an interest in the Shares owned by the Offeror by virtue of Section 4 of the SFA.

2. DEALINGS IN COMPANY SECURITIES

Based on responses to enquiries that the Offeror has made, as at the Latest Practicable Date, save as disclosed below, none of the Offeror, its directors or any of the parties acting or deemed to be acting in concert with the Offeror has dealt for value in the Company Securities during the Reference Period.

Name	Date	No. of Shares Acquired	No. of Shares Sold	Transaction Price per Share (S\$)
Offeror	24 August 2017 ⁽¹⁾	99,707,046	–	S\$0.1103 ⁽¹⁾
Mdm Chia Ah Tow Mary	24 August 2017 ⁽¹⁾	–	99,707,046	S\$0.1103 ⁽¹⁾

Note:

- (1) This relates to the Acquisition and the transaction price per Share in the table above is derived based on the cash consideration of S\$11,000,000 divided by 99,707,046 Shares which are the subject of the SPA and rounded to the nearest 4 decimal places.

3. DISCLOSURE OF INTERESTS

- 3.1 No Agreement having any Connection with or Dependence upon the Offer.** As at the Latest Practicable Date, save for (i) the SPA; (ii) the Irrevocable Undertaking; and (iii) the matters relating to Mdm Chia Ah Tow Mary as described in **Section 5** of this Offer Document, there is no agreement, arrangement or understanding between (a) the Offeror or any party acting in concert with the Offeror; and (b) any of the current or recent directors of the Company or any of the current or recent Shareholders having any connection with or dependence upon the Offer.

3.2 Transfer of Offer Shares. As stated in **Section 8.3** of this Offer Document, the Offeror has entered into the Facility Letter with DBS Bank Ltd to obtain financing for *inter alia* the Acquisition and the Offer. Pursuant to the terms of the Facility Letter, the Offeror has granted a share charge over all the Shares owned, controlled or agreed to be acquired by the Offeror pursuant to the Acquisition and the Offer or otherwise acquired during the period of the Offer in favour of DBS Bank Ltd as security under the Facility Letter.

As at the Latest Practicable Date, save as disclosed in this Offer Document, there is no agreement, arrangement or understanding whereby any of the Offer Shares acquired pursuant to the Offer will be transferred to any other person. However, the Offeror reserves the right to transfer any of the Offer Shares to any of its related corporations.

3.3 No Payment or Benefit to Directors of the Company. As stated in **Section 5** of this Offer Document, following completion of the Acquisition, Mdm Chia Ah Tow Mary has resigned from her position as the Executive Chairman of the Company and from all executive positions within the Group with effect from the Offer Announcement Date. Mdm Chia Ah Tow Mary shall also resign as a director of the Company with effect from the day immediately after the close of the Offer. Under the terms of the SPA, the Offeror has undertaken (i) to use its best efforts to procure the release of all the personal guarantees that Mdm Chia Ah Tow Mary has provided in favour of financial institution(s) and other relevant third parties to secure facilities taken up by the Group; and (ii) to procure that the Company obtain consents or approvals required from financial institution(s) and other relevant third parties for the change in shareholding structure arising from the Acquisition and the Offer. The Offeror has also undertaken to fully indemnify Mdm Chia Ah Tow Mary promptly upon demand from and against any and all losses, claims, actions, proceedings, damages, demands, judgments, sums payable, liabilities, costs, charges and expenses to which Mdm Chia Ah Tow Mary may become subject as a result of the aforementioned personal guarantees or the failure to obtain the aforementioned consents. Mdm Chia Ah Tow Mary has informed the Offeror that the Group has an Aggregate Debt of approximately S\$2.1 million owed to Mdm Chia Ah Tow Mary and that the Company has undertaken to (or procure its subsidiaries to), *inter alia*, repay Mdm Chia Ah Tow Mary the entirety of the Aggregate Debt within three (3) years from 24 August 2017 by way of cash and/or the issuance of Shares.

As at the Latest Practicable Date, save as disclosed in this Offer Document, there is no agreement, arrangement or understanding for any payment or other benefit to be made or given to any director of the Company or to any director of any corporation which is by virtue of Section 6 of the Companies Act deemed to be related to the Company, as compensation for loss of office or otherwise in connection with the Offer.

3.4 No Agreement Conditional upon Outcome of Offer. As at the Latest Practicable Date, save for (i) the SPA; (ii) the Irrevocable Undertaking; (iii) the Facility Letter; and (iv) the matters relating to Mdm Chia Ah Tow Mary as described in **Section 5** of this Offer Document, there is no agreement, arrangement or understanding between (a) the Offeror; and (b) any of the directors of the Company or any other person in connection with or conditional upon the outcome of the Offer or is otherwise connected with the Offer.

3.5 No Indemnity Arrangements. To the best knowledge of the directors of the Offeror, as at the Latest Practicable Date, neither the Offeror nor any party acting in concert with the Offeror has entered into any arrangement with any person of the kind referred to in Note 7 to Rule 12 of the Code, including indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to the Company Securities which may be an inducement to deal or refrain from dealing in the Company Securities.

3.6 No Transfer Restrictions. There is no restriction in the Constitution of the Company on the right to transfer any Offer Shares, which has the effect of requiring the holders of such Offer Shares before transferring them, to offer them for purchase by members of the Company or any other person.

3.7 No Material Change in Information. Save as disclosed in this Offer Document, as far as the Offeror is aware, there has been no material change in any information previously published by or on behalf of the Offeror during the period commencing from the Offer Announcement Date and ending on the Latest Practicable Date.

4. GENERAL

- 4.1 Consent from Financial Adviser.** CIMB, as financial adviser to the Offeror in relation to the Offer, has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and all references thereto in the form and context in which they appear in this Offer Document.
- 4.2 Consent from Registrar.** B.A.C.S Private Limited, as the share registrar of the Company, has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and all references thereto in the form and context in which they appear in this Offer Document.
- 4.3 Costs and Expenses.** All costs and expenses of or incidental to the Offer including the preparation and circulation of this Offer Document, the FAA and the FAT (other than professional fees and other costs relating to the Offer incurred or to be incurred by the Company) and stamp duty and transfer fees resulting from acceptances of the Offer, will be paid by the Offeror.

5. MARKET QUOTATIONS

- 5.1 Closing Prices.** The table below sets out the closing prices of the Shares on the SGX-ST, as reported by Bloomberg L.P., on (i) the Latest Practicable Date; (ii) 23 August 2017 (being the last Market Day on which the Shares were traded on the SGX-ST prior to the Offer Announcement Date); and (iii) the last Market Day on which the Shares were traded on the SGX-ST in each of the months from February 2017 to July 2017:

	Closing Price (S\$)
Latest Practicable Date	0.110
23 August 2017	0.066
July 2017	N.A. ⁽¹⁾
June 2017	0.047
May 2017	0.052
April 2017	N.A. ⁽¹⁾
March 2017	0.069
February 2017	0.061

Note:

(1) "N.A." denotes not available as there was no trading in the Shares in the whole month of April 2017 and July 2017.

- 5.2 Highest and Lowest Prices.** The highest and lowest closing prices of the Shares on the SGX-ST (as reported by Bloomberg L.P.) during the period commencing six (6) calendar months prior to the Offer Announcement Date and ending on the Latest Practicable Date, and their respective dates transacted are as follows:

	Price (S\$)	Date(s) transacted
Highest closing price	0.110	25 August 2017 28 August 2017 29 August 2017 30 August 2017 31 August 2017
Lowest closing price	0.047	13 June 2017

6. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Offeror at 26 Tai Seng Street, #03-01 J'Forte, Singapore 534057, during normal business hours, while the Offer remains open for acceptance:

- (a) the Offer Announcement;
- (b) the Constitution of the Offeror;
- (c) the Irrevocable Undertaking;
- (d) the audited consolidated financial statements of the Offeror for FY2014, FY2015 and FY2016; and
- (e) the letters of consent from CIMB and the Registrar referred to in **Paragraphs 4.1 and 4.2** of this **Appendix 5**.

**APPENDIX 6 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
THE OFFEROR FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

SUKI SUSHI PTE. LTD. AND ITS SUBSIDIARIES
(Incorporated in Singapore)
(Company Registration Number: 200204495W)

DIRECTORS' STATEMENT

AND

FINANCIAL STATEMENTS

31 DECEMBER 2016

ACEVISION & ASSOCIATES PAC
Chartered Accountants of Singapore
212, Hougang Street 21, #03-343, Singapore 530212

SUKI SUSHI PTE. LTD. AND ITS SUBSIDIARIES
(Incorporated in Singapore)
(Company Registration Number: 200204495W)

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SUKI SUSHI PTE. LTD. AND ITS SUBSIDIARIES

(Incorporated in Singapore)

(Company Registration Number: 200204495W)

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Suki Sushi Pte. Ltd. (the "Company") and its subsidiary corporations (collectively, the "Group") and the statement of financial position of the Company for the financial year ended 31 December 2016.

1 OPINION OF THE DIRECTORS

In the opinion of the directors, the statements of financial position of the Group and the Company and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows are drawn up so as to give a true and fair view of the financial position of the Group and the Company as at **31 December 2016**, and of the financial performance, changes in equity and cash flows of the Group for the financial year then ended, and at the date of this statement, there are reasonable grounds to believe that the Group and the Company will be able to pay its debts as and when they fall due.

2 DIRECTORS

The directors in office at the date of this statement are:

Lee Boon Leng

Chua Teck Leong

3 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year were the company a party to any arrangement whose object is to enable the directors of the company to acquire benefits by means of the acquisition of shares or debentures of the company or any other body corporate.

4 DIRECTORS' INTEREST IN SHARES OR DEBENTURES

According to the register of directors' shareholdings, the interests of the directors of the company at the end of the financial year in the shares or debentures of the company and its related corporations under Section 164 of the Companies Act, Cap. 50 were as follows:

	Direct Interest		Deemed Interest	
	No. of ordinary shares of no par value		No. of ordinary shares of no par value	
	01-01-2016	31-12-2016	01-01-2016	31-12-2016
<u>The company</u>				
Lee Boon Leng	368,750	368,750	108,523	108,523
Chua Teck Leong	-	-	-	-
<u>Subsidiary corporations held by the Company</u>				
Sakura Pte, Ltd.				
Lee Boon Leng	-	-	500,000	500,000
Sakura Forte Pte. Ltd.				
Lee Boon Leng	-	-	150,000	150,000
Nihon Mura Pte. Ltd.				
Lee Boon Leng	-	-	500,000	500,000

SUKI SUSHI PTE. LTD. AND ITS SUBSIDIARIES
(Incorporated in Singapore)
(Company Registration Number: 200204495W)

DIRECTORS' STATEMENT (CONT'D)

4	DIRECTORS' INTEREST IN SHARES OR DEBENTURES (Cont'd)	Direct Interest		Deemed Interest	
		No. of ordinary shares of no par value		No. of ordinary shares of no par value	
		01-01-2016	31-12-2016	01-01-2016	31-12-2016
	<u>Subsidiary corporations held by the Company - cont'd</u>				
	Suki Sushi (F&B) Pte. Ltd.				
	Lee Boon Leng	-	-	100,000	100,000
	Suki Group Central Kitchen Pte. Ltd.				
	Lee Boon Leng	-	-	200,000	200,000
	Momiji Restaurants Pte. Ltd.				
	Lee Boon Leng	-	-	215,000	215,000
	Suki Group Import & Export Pte. Ltd.				
	Lee Boon Leng	-	-	100,000	100,000
	Ichef Pte. Ltd.				
	Lee Boon Leng	-	-	50,000	50,000
	Sakura Alfresco Dining Pte. Ltd.				
	Lee Boon Leng	-	-	100,000	100,000
	Suki International Ventures Pte. Ltd.				
	Lee Boon Leng	-	-	100,000	100,000
	Kagetsu Ramen Pte. Ltd.				
	Lee Boon Leng	-	-	150,000	300,000
	Suki Sushi Enterprise Pte. Ltd.				
	Lee Boon Leng	-	-	2	2
	Toyo International Trading Pte. Ltd.				
	Lee Boon Leng	-	-	500,000	500,000
	Sakura Banquet Pte. Ltd.				
	Lee Boon Leng	-	-	-	2
	Suki Foodcourt Pte. Ltd.				
	Lee Boon Leng	-	-	-	200,000

SUKI SUSHI PTE. LTD. AND ITS SUBSIDIARIES
(Incorporated in Singapore)
(Company Registration Number: 200204495W)

DIRECTORS' STATEMENT (CONT'D)

4 DIRECTORS' INTEREST IN SHARES OR DEBENTURES (Cont'd)

<u>Subsidiary corporation held by Company's subsidiary corporation</u>	<u>Direct Interest</u> <u>No. of ordinary shares of no par</u> <u>value</u>		<u>Deemed Interest</u> <u>No. of ordinary shares of no par</u> <u>value</u>	
	<u>01-01-2016</u>	<u>31-12-2016</u>	<u>01-01-2016</u>	<u>31-12-2016</u>
The Oaks Grill & Bistro Pte. Ltd.				
Lee Boon Leng	-	-	2	2

5 OPTIONS

During the financial year, no option to take up unissued shares of the company or its subsidiary corporations was granted.

During the financial year, no shares of the company or its subsidiary corporations were issued by virtue of the exercise of options to take up unissued shares.

At the end of financial year, there are no unissued shares of the company or its subsidiary corporations under option.

6 AUDITORS

Acevision & Associates PAC has expressed their willingness to accept reappointment as auditors.

On behalf of the Board



Lee Boon Leng
Director



Chua Teck Leong
Director

Singapore **25 MAY 2017**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

SUKI SUSHI PTE. LTD. AND ITS SUBSIDIARIES

(Incorporated in Singapore)

(Company Registration Number: 200204495W)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying financial statements of **Suki Sushi Pte Ltd.** (“the Company”) and its subsidiary corporations (collectively, “the Group”), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at **31 December 2016**, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Group and the Company as at 31 December 2016 and of the financial performance, changes in equity and cash flows of the Group for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER MATTER

The Consolidated financial statements of the Group and the statement of financial position of the Company for the financial year ended 31 December 2015 were audited by another firm of auditors who expressed an unmodified opinion on those financial statements on 2 August 2016.

OTHER INFORMATION

Management is responsible for the other information. The other information comprises the Directors’ Statement as set out on pages 2 to 4.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

SUKI SUSHI PTE. LTD. AND ITS SUBSIDIARIES

(Incorporated in Singapore)

(Company Registration Number: 200204495W)

(Continued)

RESPONSIBILITIES OF MANAGEMENT AND DIRECTORS FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's and company's ability to continue as going concerns, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's and Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as going concerns. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and Company to cease to continue as going concerns.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

SUKI SUSHI PTE. LTD. AND ITS SUBSIDIARIES

(Incorporated in Singapore)

(Company Registration Number: 200204495W)

(Continued)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.



ACEVISION & ASSOCIATES PAC
Public Accountants and
Chartered Accountants

Singapore **25 MAY 2017**

Blk 212 Hougang Street 21, #03-343, Singapore 530212
Tel 62892670 Fax 62822670
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SUKI SUSHI PTE. LTD. AND ITS SUBSIDIARIES

(Incorporated in Singapore)

(Company Registration Number : 200204495W)

Statements of Financial Position

As at 31 December 2016

		GROUP		COMPANY	
	Note	2016	2015	2016	2015
		S\$	S\$	S\$	S\$
ASSETS LESS LIABILITIES					
ASSETS					
Non-current assets					
Goodwill on consolidation	4	-	909,296	-	-
Property, plant and equipment	5	86,157,871	87,074,016	83,802,059	83,399,499
Investments in subsidiary corporations	7	-	-	800,002	888,422
Investment in associated company	8	1,164,994	1,060,095	-	-
Deferred tax assets	15	126,176	189,792	-	-
		<u>87,449,041</u>	<u>89,233,199</u>	<u>84,602,061</u>	<u>84,287,921</u>
Current assets					
Inventories	6	1,947,289	2,336,752	-	-
Trade & other receivables & prepayments	9	4,202,926	4,731,228	22,556,187	22,293,706
Fixed deposits	10	449,935	448,809	-	-
Cash & bank balances	10	1,707,544	4,698,376	265,662	418,154
		<u>8,307,694</u>	<u>12,215,165</u>	<u>22,821,849</u>	<u>22,711,860</u>
Total assets		<u>95,756,735</u>	<u>101,448,364</u>	<u>107,423,910</u>	<u>106,999,781</u>
LIABILITIES					
Current liabilities					
Trade & other payables	11	8,594,363	8,111,759	6,320,484	6,052,242
Hire purchase creditors	12	90,905	456,416	37,009	396,315
Term loan (secured)	13	3,399,445	3,450,901	3,168,242	3,344,932
Trust receipts	14	856,988	1,400,520	-	-
Bills payable	14	186,165	-	-	-
Provision for taxation		87	36,373	-	-
		<u>13,127,953</u>	<u>13,455,969</u>	<u>9,525,735</u>	<u>9,793,489</u>
Non-current liabilities					
Hire purchase creditors	12	255,979	346,886	78,653	115,662
Term loan (secured)	13	39,930,468	40,760,700	39,930,468	40,626,519
Deferred tax liabilities	15	462,081	174,956	303,108	57,883
		<u>40,648,528</u>	<u>41,282,542</u>	<u>40,312,229</u>	<u>40,800,064</u>
Total liabilities		<u>53,776,481</u>	<u>54,738,511</u>	<u>49,837,964</u>	<u>50,593,553</u>
NET ASSETS		<u>41,980,254</u>	<u>46,709,853</u>	<u>57,585,946</u>	<u>56,406,228</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY					
Share capital	16	500,000	500,000	500,000	500,000
Revaluation reserve		57,508,247	54,195,040	57,508,247	54,195,040
(Accumulated losses) / Retained earnings		(16,027,993)	(7,985,187)	(422,301)	1,711,188
TOTAL EQUITY		<u>41,980,254</u>	<u>46,709,853</u>	<u>57,585,946</u>	<u>56,406,228</u>

The accompanying notes form an integral part of these financial statements.

SUKI SUSHI PTE. LTD. AND ITS SUBSIDIARIES
(Incorporated in Singapore)
(Company Registration Number : 200204495W)

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2016

	Note	GROUP	
		2016 S\$	2015 S\$
Revenue	17	34,640,563	45,810,450
Other incomes	17	2,110,371	2,245,704
Share of profit in associated company	8	104,899	176,276
Raw materials and consumables used	17	(13,035,800)	(17,627,486)
Changes in inventories	17	(389,463)	787,266
Employee benefits expense	17	(12,345,191)	(12,874,522)
Depreciation of property, plant and equipment	5	(4,646,741)	(5,225,652)
Property, plant & equipment written off		(214,000)	(636,466)
Finance costs	17	(1,963,232)	(2,177,847)
Other expenses		<u>(11,972,747)</u>	<u>(13,324,797)</u>
Loss before tax for the year		(7,711,341)	(2,847,074)
Income tax expense	18	(331,465)	(256,198)
Loss after tax for the year		<u>(8,042,806)</u>	<u>(3,103,272)</u>
Other comprehensive income for the year			
Gain on revaluation of leasehold property		3,313,207	-
Total comprehensive loss for the year		<u>(4,729,599)</u>	<u>(3,103,272)</u>
Loss attributable to:			
Owners of the company		<u>(4,729,599)</u>	<u>(3,103,272)</u>
		<u>(4,729,599)</u>	<u>(3,103,272)</u>
Total comprehensive loss attributable to:			
Owners of the company		<u>(4,729,599)</u>	<u>(3,103,272)</u>
		<u>(4,729,599)</u>	<u>(3,103,272)</u>

The accompanying notes form an integral part of these financial statements.

SUKI SUSHI PTE. LTD. AND ITS SUBSIDIARIES
 (Company Registration Number : 200204495W)
 (Incorporated in Singapore)

Consolidated Statement of Changes in Equity
 For the year ended 31 December 2016

GROUP	Share Capital S\$	Accumulated losses S\$	Revaluation reserve S\$	Total attributable to owners of the company S\$	Total Equity S\$
Balance at 31 December 2014	500,000	(4,881,915)	54,195,040	49,813,125	49,813,125
Total comprehensive loss for the year	-	(3,103,272)	-	(3,103,272)	(3,103,272)
Balance at 31 December 2015	500,000	(7,985,187)	54,195,040	46,709,853	46,709,853
Total comprehensive loss for the year	-	(8,042,806)	3,313,207	(4,729,599)	(4,729,599)
Balance at 31 December 2016	500,000	(16,027,993)	57,508,247	41,980,254	41,980,254

The accompanying notes form an integral part of these financial statements

SUKI SUSHI PTE. LTD. AND ITS SUBSIDIARIES

(Incorporated in Singapore)

(Company Registration Number: 200204495W)

Consolidated Statement of Cash Flows

For the year ended 31 December 2016

		GROUP	
	Note	2016	2015
		S\$	S\$
Cash flows from operating activities			
Loss before tax		(7,711,341)	(2,847,074)
Adjustments for : -			
Depreciation of property, plant and equipment	5	4,646,741	5,225,652
Property, plant and equipment written off		214,000	636,466
Loss on disposal of property, plant & equipment		1,024	17,370
Impairment loss on goodwill		909,296	-
Interest income		(13,245)	(2,062)
Interest expense		1,653,883	1,593,918
Cash flows provided by operations before changes in working capital		<u>(299,642)</u>	<u>4,624,270</u>
Working capital changes			
Inventories		389,463	(138,268)
Trade & other receivables & prepayments		529,233	3,249,668
Trade & other payables		(1,227,102)	(5,408,958)
		<u>(308,406)</u>	<u>(2,297,558)</u>
Cash generated from operations		(608,048)	2,326,712
Tax paid		(17,010)	(79,158)
Net cash (used in) / from operating activities		<u>(625,058)</u>	<u>2,247,554</u>
Cash flows from investing activities			
Investment in associated company		(104,899)	(176,276)
Purchase of property, plant and equipment	5	(658,924)	(1,237,027)
Proceeds from disposal of property, plant, and equipment		26,510	130,058
Other receivables due from related parties		(931)	181,251
Interest received		13,245	2,062
Fixed deposits pledged		(1,126)	(1,119)
Cash effect on acquisition on subsidiary corporation		-	(137,550)
Net cash used in investing activities		<u>(726,125)</u>	<u>(1,238,601)</u>
Cash flows from financing activities			
Interest paid		(1,653,883)	(1,593,918)
Proceeds from term loan		122,059	1,840,150
Repayment of term loan		(1,003,746)	(990,358)
Repayment of hire purchase creditors		(456,418)	(1,144,151)
Trust receipts		(543,532)	341,724
Bills payable		186,165	-
Other payables due to a director		1,709,485	(206,213)
Other payables due to related parties		221	126,098
Net cash used in financing activities		<u>(1,639,649)</u>	<u>(1,626,668)</u>
Net decrease in cash and cash equivalents held		(2,990,832)	(617,715)
Cash and cash equivalents at the beginning of the financial year		<u>4,698,376</u>	<u>5,316,091</u>
Cash and cash equivalents at the end of the financial year	10	<u>1,707,544</u>	<u>4,698,376</u>

The accompanying notes form an integral part of these financial statements

SUKI SUSHI PTE. LTD. AND ITS SUBSIDIARIES
(Incorporated in Singapore)
(Company Registration No.: 200204495W)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2016

1 CORPORATE INFORMATION

Suki Sushi Pte. Ltd. is a private limited liability company, incorporated and domiciled in the Republic of Singapore.

The registered office and the principal place of business of the Company is located at 26, Tai Seng Street, #03-01, Singapore 534057.

The principal activities of the company are those of Japanese restaurants, general traders, importers and exporters and building management company.

The principal activities of the subsidiary corporations are set out in note 7.

There have been no significant changes in the nature of these activities during the financial year.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or S\$) and all values are rounded to the nearest one dollar.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

2.2 Adoption of new and revised standards

The accounting policies have been consistently applied by the Group and are consistent with those used in the previous financial year. In the current financial year, the Group has adopted all the new and revised FRSs and Interpretations to FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2016. The adoption of these new or revised FRSs and INT FRSs did not result in changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior years.

At the reporting date, the Group had not adopted the following FRSs that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
FRS 115 Revenue from Contracts with Customers	1 Jan 2018
FRS 109 Financial Instruments	1 Jan 2018
Amendments to FRS 12: Recognition of Deferred Tax Assets for Unrealised Losses	1 Jan 2017
FRS 116 Leases	1 Jan 2019

SUKI SUSHI PTE. LTD. AND ITS SUBSIDIARIES
(Incorporated in Singapore)
(Company Registration No.: 200204495W)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Adoption of new and revised standards (Cont'd)

Except for FRS 115, the directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application. Management will evaluate the impact of FRS 115 in due course.

2.3 Foreign Currency

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency and represents the currency of the primary economic environment in which the entity operates, i.e. the functional currency.

Foreign Currency Transactions

Transactions in foreign currencies are measured in the respective functional currency of the Company and its subsidiary corporations and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the transaction dates. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognized in profit or loss.

2.4 Principles of consolidation

The consolidated financial statements comprise the financial statements of the company and its subsidiary corporations after the elimination of all material intragroup transaction and resulting unrealized profits.

Unrealized losses resulting from intragroup transactions are also eliminated unless costs cannot be recovered.

Subsidiary corporation is consolidated from the date on which control is transferred to the Group and cease to be consolidated on the date on which the group ceases to have control of the subsidiary corporation.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

2.5 Subsidiary corporations

A subsidiary corporation is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiary corporations are accounted for at cost less impairment losses.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Associated company

The Group's investment in associated company is accounted for using the equity method. Under the equity method, the investment in an associated company is measured in the financial position at cost plus post-acquisition changes in the Group's share of net assets of the associated company. Goodwill relating to associated company is included in the carrying amount of the investment. Any excess of the Group's share of the fair value of the associated company's identifiable asset, liabilities and contingent liabilities over the cost of the investment is deducted from the carrying amount of the investment and is recognised as income as part of the Group's share of results of the associated company in the period in which the investment is acquired.

In the Company's separate financial statements, investment in associated company is accounted for at cost less impairment losses.

2.7 Goodwill and Gain from a Bargain Purchase

Goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill shall no longer be amortised. Instead, impairment is tested annually or more frequently if events or changes in circumstances indicate that the goodwill might be impaired. Gain from a Bargain Purchase shall be recognized directly in the consolidated profit & loss account immediately.

2.8 Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, all other property, plant and equipments are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Leasehold property is measured at valuation less accumulated depreciation on property and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the leasehold property's book at the reporting date.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the revaluation reserve.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Air conditioners	3 - 5 years
Computers	5 years
Electrical & Fittings	3 - 7 years
Equipment & Fittings	3 - 7 years
Furniture & Fittings	7 years
Renovation	3 - 7 years
Houseware Equipment	5 years

SUKI SUSHI PTE. LTD. AND ITS SUBSIDIARIES
(Incorporated in Singapore)
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NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Property, Plant and Equipment (Cont'd)

Warehousing Equipment	5 years
Motor Vehicles	5 years
Leasehold property	50 years
Kitchen Utensils	5 years
Security Equipment	3 - 5 years
Displayware	5 years

The residual values, estimated useful lives and depreciation methods are reviewed at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefit is expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.9 Financial Assets

Financial assets within the scope of FRS 39 are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. Financial assets are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

Loans and Receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

2.10 Trade and Other Receivables

Trade debtors, amounts owing by related companies, deposits and other receivables excluding prepayments are classified and accounted for as loans and receivables. Non-current other receivables are also classified and accounted for in the same way. The accounting policy for this category of financial assets is stated in note 2.9.

Further details on the accounting policy for impairment of financial assets are stated in note 2.12.

2.11 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, bank balance, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. These also include bank overdrafts that form an integral part of the Group's cash management.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Cash and Cash Equivalents (Cont'd)

Cash carried in the statement of financial position are classified and accounted for as loans and receivables under FRS 39. The accounting policy for this category of financial assets is stated in note 2.9.

2.12 Impairment of Financial Assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

Assets Carried at Amortised Cost

If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred; the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.13 Impairment of Non-Financial Assets

The carrying amounts of the Group's non-financial assets including property, plant and equipment, intangible assets, investments in subsidiary corporations and associated company are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment assessment for an asset is required for example for intangible assets with indefinite lives, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is assessed based on the higher of its fair value less costs to sell or its value in use as considered appropriate and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations are recognised in profit or loss as 'impairment losses' except for assets that were previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is only reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised and to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. All reversals of impairment are recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal in excess of impairment loss previously recognised through profit or loss is treated as a revaluation increase.

2.14 Financial Liabilities

Financial liabilities are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provision of the financial instrument. Financial liabilities are initially recognised at fair value, plus, in the case of financial liabilities at fair value through profit or loss, directly attributable costs and subsequently measured at amortised cost using the effective interest method.

2.15 Derecognition of Financial Assets and Liabilities

Financial Assets

A financial asset (or, where applicable a part of a financial asset or part of a Group of similar financial assets) is derecognised when:

- The Group transfers the contractual rights to receive the cash flows of the financial asset; or
- The Group has transferred its rights to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred their rights to receive cash flows from an asset and have neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial Liabilities

A financial liability is derecognized when, and only when, the group's obligations are discharged, cancelled or they expire.

For financial liabilities other than derivatives, gains and losses are recognised in profit or loss when the liabilities are derecognised or impaired, and through the amortisation process.

2.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made to the amount of the obligation.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 Provisions (Cont'd)

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

2.17 Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

2.18 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest rate method except for those borrowing costs that are capitalized if they are directly attributable to the acquisition, construction or production of a qualifying asset. The Group begins capitalising borrowing costs as part of the cost of a qualifying asset on the commencement date. The commencement date for capitalisation is the date when the Group first meets all of the following conditions:

- (i) it incurs expenditures for the asset;
- (ii) it incurs borrowing costs; and
- (iii) it undertakes activities that are necessary to prepare the asset for its intended use or sale.

The Group ceases capitalising borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

2.19 Leases

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregated benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

- *Sales of food*
Revenue is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.
- *Building rental income*
Building rental and related income from operating leases on leasehold property are recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as an integral part of the total rental income to be received. Contingent rentals are recognised as income in the accounting period in which they are earned.
- *Building management income*
Management income are those revenue derived from rendering central management to subsidiary corporations and other related parties.
- *Building parking fee income*
Parking fee income are those revenue derived from the parking on the time apportionment basis.
- *Building revenue*
Revenue derived from utilities and external façade signboard are recognised as income in the accounting period in which they are earned.

2.21 Income Tax

(i) Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognized in profit or loss except to the extent that the tax relates to items recognized in other comprehensive income.

(ii) Deferred tax

Deferred income tax is recognised on all temporary differences which are the differences between the carrying amount of an asset or liability in the statement of financial position and its tax base except when the deferred income tax arises from the initial recognition of an asset or liability that affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax liabilities are recognised for all taxable temporary differences; and deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised.

NOTES TO THE FINANCIAL STATEMENTS
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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 Income Tax (Cont'd)

(ii) Deferred tax (Cont'd)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

2.22 Employee compensation

i. Defined contribution plans

The Group's contributions to defined contribution plans, namely the Central Provident Fund Scheme, are recognised as employee benefits expense in the period in which the related service is performed.

ii. Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

2.23 Related Party

A related party is a person or entity that is related to the Group and includes:

- (a) A person or a close member of that person's family which is related to a reporting entity if that person:
- i. has control or joint control over the reporting entity;
 - ii. has significant influence over the reporting entity; or
 - iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity which is related to a reporting entity if any of the following conditions applies:
- i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - iii. Both entities are joint ventures of the same third party.
 - iv. One entity is a joint venture of a third entity and the other entity is an associate of the third party.
 - v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or any related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - vi. The entity is controlled or jointly controlled by a person identified in (a).
 - vii. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.24 Government Grants

Government grants are recognised at their fair value when there is reasonable assurance that the grant will be received and all conditions attached to the grant will be complied with. Where the grant relates to an expense item, it is recognised in profit or loss over the period necessary to match them on a systematic basis to the costs it is intended to compensate. Where the grant relates to an asset, the fair value is deducted against the grant and the net carrying amount is amortised on a straight line basis over the estimated useful life.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the financial statements requires management to exercise judgements and requires the use of estimates and assumptions. These judgements affect the application of the Group's accounting policies. The use of estimates and assumptions affect the reported amounts of assets, liabilities, income and expenses and disclosures made. They are assessed on an on-going basis and are based on experience and other relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill and other indefinite life intangibles are tested for impairment annually and at other times when such indicators exist. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the reporting date is disclosed in notes to the financial statements.

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4 GOODWILL ON CONSOLIDATION

The Group	2016 S\$	2015 S\$
Cost		
Balance at beginning of year	918,204	15,755
Addition	-	902,449
Balance at end of year	<u>918,204</u>	<u>918,204</u>
Accumulated impairment loss		
Balance at beginning of year	8,908	8,908
Impairment loss for the year	909,296	-
Balance at end of year	<u>918,204</u>	<u>8,908</u>
Carrying value		
Balance at beginning of year	<u>909,296</u>	<u>6,847</u>
Balance at end of year	<u>-</u>	<u>909,296</u>

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5 PROPERTY, PLANT AND EQUIPMENT

The Group

	Air- conditioners	Computers	Electrical & Fittings	Equipment & Fittings	Furniture & Fittings	Renovation	Houseware Equipment	Warehousing Equipment	Motor Vehicles	Leasehold property	Kitchen Utensils	Security Equipment	Display- ware	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Cost / valuation</i>														
At 31 Dec 2014	285,855	1,842,928	1,114,179	8,521,059	867,674	5,501,353	1,834,008	169,967	1,443,071	85,926,794	287,258	129,894	-	107,924,040
Addition	-	155,023	153,675	212,278	41,191	519,156	15,696	5,600	125,000	-	19,368	45,410	7,130	1,299,527
Acquisition of subsidiary corporation	-	96,686	4,322	92,789	7,152	-	-	-	550,139	-	-	-	-	751,088
Write off	(29,735)	(111,459)	(291,788)	(551,445)	(57,188)	(1,629,347)	(217,042)	-	-	-	(40,162)	(9,343)	-	(2,937,509)
Disposal	-	(1,295)	-	(69,140)	-	-	-	-	(190,000)	-	-	-	-	(260,435)
At 31 Dec 2015	256,120	1,981,883	980,388	8,205,541	858,829	4,391,162	1,632,662	175,567	1,928,210	85,926,794	266,464	165,961	7,130	106,776,711
Addition	22,593	48,345	13,336	140,162	33,530	323,895	48,317	-	-	-	17,376	11,370	-	658,924
Revaluation surplus	-	-	-	-	-	-	-	-	-	3,313,206	-	-	-	3,313,206
Write off	(5,680)	(80,015)	(223,628)	(454,573)	(115,111)	(780,166)	(225,492)	-	-	-	-	(7,561)	-	(1,892,226)
Disposal	-	(8,441)	-	(5,120)	(29,966)	-	(31,599)	-	-	-	-	-	-	(75,126)
At 31 Dec 2015	273,033	1,941,772	770,096	7,886,010	747,282	3,934,891	1,423,888	175,567	1,928,210	89,240,000	283,840	169,770	7,130	108,781,489
<i>Representing</i>														
Cost	256,120	1,981,883	980,388	8,205,541	858,829	4,391,162	1,632,662	175,567	1,928,210	-	266,464	165,961	7,130	20,849,917
Valuation	-	-	-	-	-	-	-	-	-	85,926,794	-	-	-	85,926,794
Cost / valuation as at 31 Dec 2015	256,120	1,981,883	980,388	8,205,541	858,829	4,391,162	1,632,662	175,567	1,928,210	85,926,794	266,464	165,961	7,130	106,776,711
Cost	273,033	1,941,772	770,096	7,886,010	747,282	3,934,891	1,423,888	175,567	1,928,210	-	283,840	169,770	7,130	19,541,489
Valuation	-	-	-	-	-	-	-	-	-	89,240,000	-	-	-	89,240,000
Cost / valuation as at 31 Dec 2016	273,033	1,941,772	770,096	7,886,010	747,282	3,934,891	1,423,888	175,567	1,928,210	89,240,000	283,840	169,770	7,130	108,781,489

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5 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group (Cont'd)

	Air- conditioners	Computers	Electrical & Fittings	Equipment & Fittings	Furniture & Fittings	Renovation	Houseware Equipment	Warehousing Equipment	Motor Vehicles	Leasehold property	Kitchen Utensils	Security Equipment	Display- ware	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Accumulated depreciation</i>														
At 31 Dec 2014	220,873	1,144,039	695,947	4,791,676	648,343	2,981,502	1,395,929	116,541	609,525	3,818,205	47,301	64,552	-	16,534,433
Charge for the year	27,410	250,664	209,976	1,125,283	66,543	1,103,591	146,863	34,353	299,295	1,874,457	55,501	30,888	828	5,225,652
Acquisition of subsidiary	-	77,290	2,692	61,973	5,260	-	-	-	209,445	-	-	-	-	356,660
Write off	(23,168)	(94,660)	(232,098)	(424,479)	(44,375)	(1,267,350)	(176,911)	-	-	-	(30,755)	(7,247)	-	(2,301,043)
Disposal	-	(259)	-	(58,609)	-	-	-	-	(54,139)	-	-	-	-	(113,007)
At 31 Dec 2015	225,115	1,377,074	676,517	5,495,844	675,771	2,817,743	1,365,881	150,894	1,064,126	5,692,662	72,047	88,193	828	19,702,695
Charge for the year	18,773	251,877	157,354	1,015,731	62,786	886,781	100,757	20,287	318,376	1,718,536	54,005	39,641	1,837	4,646,741
Write off	(3,708)	(74,579)	(207,919)	(427,156)	(113,824)	(645,638)	(197,841)	-	-	-	-	(7,561)	-	(1,678,226)
Disposal	-	(5,201)	-	(3,181)	(18,629)	-	(20,581)	-	-	-	-	-	-	(47,592)
At 31 Dec 2016	240,180	1,549,171	625,952	6,081,238	606,104	3,058,886	1,248,216	171,181	1,382,502	7,411,198	126,052	120,273	2,665	22,623,618
<i>Depreciation</i>														
For the year 2015	27,410	250,664	209,976	1,125,283	66,543	1,103,591	146,863	34,353	299,295	1,874,457	55,501	30,888	828	5,225,652
For the year 2016	18,773	251,877	157,354	1,015,731	62,786	886,781	100,757	20,287	318,376	1,718,536	54,005	39,641	1,837	4,646,741
<i>Carrying amounts</i>														
At 31 Dec 2015	31,005	604,809	303,871	2,709,697	183,058	1,573,419	266,781	24,673	864,084	80,234,132	194,417	77,768	6,302	87,074,016
At 31 Dec 2016	32,853	392,601	144,144	1,804,772	141,178	876,005	175,672	4,386	545,708	81,828,802	157,788	49,497	4,465	86,157,871

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5 PROPERTY, PLANT AND EQUIPMENT (CONTD)

The Company

	Air- conditioners	Computers	Electrical & Fittings	Equipment & Fittings	Furniture & Fittings	Renovation	Houseware Equipment	Warehousing Equipment	Motor Vehicles	Leasehold property	Security Equipment	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Cost / valuation</i>												
At 31 Dec 2014	8,150	1,140,603	114,475	6,012,769	142,189	318,592	382,830	169,967	1,443,070	85,926,794	74,547	95,733,986
Addition	-	37,592	17,970	-	32,301	18,251	-	5,600	125,000	-	27,230	263,944
Write off	-	-	-	-	-	-	-	-	(190,000)	-	-	(190,000)
At 31 Dec 2015	8,150	1,178,195	132,445	6,012,769	174,490	336,843	382,830	175,567	1,378,070	85,926,794	101,777	95,807,930
Addition	5,343	28,048	-	-	1,665	42,885	-	-	-	-	11,370	89,311
Revaluation surplus	-	-	-	-	-	-	-	-	-	3,313,206	-	3,313,206
Disposal	-	-	-	-	(925)	-	-	-	-	-	-	(925)
At 31 Dec 2016	13,493	1,206,243	132,445	6,012,769	175,230	379,728	382,830	175,567	1,378,070	89,240,000	113,147	99,209,522
<i>Representing</i>												
Cost	8,150	1,178,195	132,445	6,012,769	174,490	336,843	382,830	175,567	1,378,070	-	101,777	9,881,136
Valuation	-	-	-	-	-	-	-	-	-	85,926,794	-	85,926,794
Cost / valuation as at 31 Dec 2015	8,150	1,178,195	132,445	6,012,769	174,490	336,843	382,830	175,567	1,378,070	85,926,794	101,777	95,807,930
Cost	13,493	1,206,243	132,445	6,012,769	175,230	379,728	382,830	175,567	1,378,070	-	113,147	9,969,522
Valuation	-	-	-	-	-	-	-	-	-	89,240,000	-	89,240,000
Cost / valuation as at 31 Dec 2016	13,493	1,206,243	132,445	6,012,769	175,230	379,728	382,830	175,567	1,378,070	89,240,000	113,147	99,209,522

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5 PROPERTY, PLANT AND EQUIPMENT (CONTD)

The Company (Cont'd)

	Air- conditioners	Computers	Electrical & Fittings	Equipment & Fittings	Furniture & Fittings	Renovation	Houseware Equipment	Warehousing Equipment	Motor Vehicles	Leasehold property	Security Equipment	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Accumulated depreciation</i>												
At 31 Dec 2014	3,667	776,489	106,290	3,100,951	72,171	172,241	380,734	116,541	609,526	3,818,173	47,489	9,204,272
Charge for the year	1,630	151,489	3,265	835,705	22,711	37,950	1,058	34,353	283,430	1,874,457	12,250	3,258,298
Disposal	-	-	-	-	-	-	-	-	(54,139)	-	-	(54,139)
At 31 Dec 2015	5,297	927,978	109,555	3,936,656	94,882	210,191	381,792	150,894	838,817	5,692,630	59,739	12,408,431
Charge for the year	2,084	143,526	4,538	747,884	24,531	34,537	985	20,287	280,299	1,718,536	21,825	2,999,032
Disposal	-	-	-	-	-	-	-	-	-	-	-	-
At 31 Dec 2016	7,381	1,071,504	114,093	4,684,540	119,413	244,728	382,777	171,181	1,119,116	7,411,166	81,564	15,407,463
<i>Depreciation</i>												
For the year 2015	1,630	151,489	3,265	835,705	22,711	37,950	1,058	34,353	283,430	1,874,457	12,250	3,258,298
For the year 2016	2,084	143,526	4,538	747,884	24,531	34,537	985	20,287	280,299	1,718,536	21,825	2,999,032
<i>Carrying amounts</i>												
At 31 Dec 2015	2,853	250,217	22,890	2,076,113	79,608	126,652	1,038	24,673	539,253	80,234,164	42,038	83,399,499
At 31 Dec 2016	6,112	134,739	18,352	1,328,229	55,817	135,000	53	4,386	258,954	81,828,834	31,583	83,802,059

(i) During the financial year, the Group acquired property, plant and equipment with an aggregate cost of S\$658,924 (2015: S\$1,299,527) of which S\$Nil (2015: S\$62,500) was acquired by means of hire purchase agreements. Cash payments of S\$658,924 (2015: S\$1,237,027) were made to purchase property, plant and equipment. The motor vehicles with carrying amounts of S\$530,174 (2015: S\$636,027), the equipment and fittings with carrying amounts of S\$893,501 (2015: S\$1,419,500) and the warehousing equipment with carrying amounts of S\$Nil (2015: S\$12,107) are held under Hire Purchase Agreements.

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5 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (ii) During the financial year, the Company acquired property, plant and equipment with an aggregate cost of S\$89,311(2015: S\$263,944) of which S\$Nil (2015: S\$62,500) was acquired by means of hire purchase agreements. Cash payments of S\$89,311 (2014:S\$201,444) were made to purchase property, plant and equipment. The motor vehicle with carrying amounts of S\$257,252 (2015: S\$535,398), the equipment and fittings with carrying amounts of S\$887,701 (2015: S\$1,402,099) and the warehousing equipment with carrying amounts of S\$Nil (2015: S\$12,107) are held under Hire Purchase Agreements.
- (iii) The leasehold property of the Group and the Company were mortgaged to a bank to secure banking facilities with carrying amounts of S\$81,828,834 (2015: S\$80,234,164). (note 13)

6 INVENTORIES

Inventories at lower cost and net realisable value,

	Group		Company	
	2016 S\$	2015 S\$	2016 S\$	2015 S\$
Raw materials	63,576	2,287,174	-	-
Finished goods	1,883,713	49,578	-	-
	<u>1,947,289</u>	<u>2,336,752</u>	<u>-</u>	<u>-</u>

7 SUBSIDIARY CORPORATIONS

a) Investments in Subsidiary corporations

	The Company	
	2016 S\$	2015 S\$
Cost		
Unquoted equity shares at beginning of year	2,815,002	2,315,002
Addition of investments in subsidiary corporations	<u>200,002</u>	<u>500,000</u>
	3,015,004	2,815,002
Less: Impairment losses on investment in subsidiary corporations	<u>(2,215,002)</u>	<u>(1,926,580)</u>
	<u>800,002</u>	<u>888,422</u>

Movement of the allowance for impairment loss in respect to the investments in subsidiary corporations is as follows:

	2016 S\$	2015 S\$
Balance at the beginning of the year	1,926,580	1,515,000
Charge for the year	<u>288,422</u>	<u>411,580</u>
Balance at the end of the year	<u>2,215,002</u>	<u>1,926,580</u>

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7 SUBSIDIARY CORPORATIONS (CONT'D)

Details of the subsidiary corporations are as follows:

Name of subsidiary corporations (Country of incorporation / place of business)	Principal activities	Percentage of Equity held by the Group		Cost of investment	
		2016 %	2015 %	2016 S\$	2015 S\$
Held by the Company					
Sakura Forte P/L ¹ (Singapore)	Japanese restaurant	100	100	150,000	150,000
Sakura P/L ¹ (Singapore)	Japanese restaurant	100	100	500,000	500,000
Momiji Restaurants P/L ¹ (Singapore)	Japanese restaurant	100	100	215,000	215,000
Nihon Mura P/L ¹ (Singapore)	Japanese restaurant	100	100	500,000	500,000
Suki Sushi (F&B) P/L ¹ (Singapore)	Japanese restaurant	100	100	100,000	100,000
Suki Group Central Kitchen P/L ¹ (Singapore)	Japanese restaurant	100	100	200,000	200,000
Suki Group Import & Export P/L ¹ (Singapore)	Japanese restaurant	100	100	100,000	100,000
Ichef P/L ¹ (Singapore)	Japanese restaurant	100	100	50,000	50,000
Sakura Alfresco Dining P/L ¹ (Singapore)	Japanese restaurant	100	100	100,000	100,000
Suki International Ventures P/L ¹	Investment holding company	100	100	100,000	100,000
Kagetsu Ramen P/L ¹ (Singapore)	Japanese restaurant	100	100	300,000	300,000
Suki Sushi Enterprise ¹ P/L (Singapore)	Research and develop- ment on new products	100	100	2	2
Toyo International Trading P/L ¹ (Singapore)	Japanese food general traders, importers & exporters	100	100	500,000	500,000
Sakura Banquet ^{1,3} P/L (Singapore)	Japanese restaurant	100	-	2	-
Suki Foodcourt ^{1,3} P/L (Singapore)	Japanese restaurant	100	-	200,000	-

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7 SUBSIDIARY CORPORATIONS (CONT'D)

Name of subsidiary corporations (Country of incorporation / place of business)	Principal activities	Percentage of Equity held by the Group		Cost of investment	
		2016 %	2015 %	2016 S\$	2015 S\$
Held by the Company					
Subsidiary corporation held by Company's subsidiary corporation					
The Oaks Grill & Bistro P/L ¹ (Singapore)	Food & Beverages Restaurants	100	100	- 3,015,004	- 2,815,002

- All subsidiary corporations were audited by Acevision & Associates PAC, Chartered Accountants of Singapore.
- The losses of the subsidiary corporations, if any, have been consolidated into the consolidated financial statements of the Group.
- Incorporated during the year.

8 INVESTMENT IN ASSOCIATED COMPANY

	The Group	
	2016 S\$	2015 S\$
Unquoted share at cost		
Beginning of financial year	1,060,095	883,819
Share of profit	104,899	176,276
End of financial year	<u>1,164,994</u>	<u>1,060,095</u>

The summarized financial information of the associated company is as follows:

- Assets	3,200,419	3,243,646
- Liabilities	747,799	1,011,866
- Revenue	5,560,765	5,834,910
- Retained earnings	952,620	731,780
- Net profit for the year	<u>220,840</u>	<u>371,108</u>

Details of the associated company are as follows:

Name of company	Principal Activities	Country of incorporation	Equity holding		Cost of investment	
			2016 %	2015 %	2016 S\$	2015 S\$
<u>Held by the subsidiary corporation</u>						
GS Restaurants Pte Ltd	Japanese food restaurants	Singapore	<u>47.5</u>	<u>47.5</u>	<u>712,500</u>	<u>712,500</u>

- The associated company was audited by Acevision & Associates PAC, Chartered Accountants of Singapore.

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9	TRADE & OTHER RECEIVABLES & PREPAYMENTS	Group		Company	
		2016 S\$	2015 S\$	2016 S\$	2015 S\$
	Trade receivables				
	- Director	7,710	1,197	-	-
	- Subsidiary corporations	-	-	8,615,748	8,413,183
	- Related parties	380,397	606,825	39,758	212,849
	- Third parties	1,101,000	1,555,936	283,166	257,470
		<u>1,489,107</u>	<u>2,163,958</u>	<u>8,938,672</u>	<u>8,883,502</u>
	Less: allowance for impairment loss	(13,873)	-	-	-
		<u>1,475,234</u>	<u>2,163,958</u>	<u>8,938,672</u>	<u>8,883,502</u>
	Other receivables & prepayments				
	Other receivables				
	- Subsidiary corporations	-	-	13,256,080	12,988,858
	- Related parties	931	-	-	-
	- Third parties	105,396	147,205	28,819	32,319
		<u>106,327</u>	<u>147,205</u>	<u>13,284,899</u>	<u>13,021,177</u>
	Prepayments				
	- Subsidiary corporations	-	-	2,199	3,299
	- Related parties	5,915	3,868	-	-
	- Third parties	271,041	497,953	204,169	258,740
		<u>276,956</u>	<u>501,821</u>	<u>206,368</u>	<u>262,039</u>
	Deposits	2,291,829	1,913,665	126,248	126,988
	GST receivable	52,580	4,579	-	-
		<u>2,727,692</u>	<u>2,567,270</u>	<u>13,617,515</u>	<u>13,410,204</u>
	Total	<u>4,202,926</u>	<u>4,731,228</u>	<u>22,556,187</u>	<u>22,293,706</u>

Trade receivables are non-interest bearing and the credit period granted are generally 30 to 90 days. (2015: 30 to 90 days).

Trade receivables due from subsidiary corporations and related parties are unsecured, interest free and repayable within trade terms.

Trade receivables due from a director is unsecured, bearing an interest of 5% per annum (2015: 5%) and repayable within trade terms.

Other receivables due from subsidiary corporations and related parties are unsecured, interest free and repayable on demand. In previous year, S\$1,950,000 of which was charged by an interest rate of 5% per annum.

Trade receivables are unsecured and the analysis of the age of trade receivables at the reporting date is as follows:

	Group		Company	
	2016 S\$	2015 S\$	2016 S\$	2015 S\$
Not past due and not impaired	7,710	1,984,164	876,704	1,463,662
Past due but not impaired	1,467,524	179,794	8,061,968	7,419,840
	<u>1,475,234</u>	<u>2,163,958</u>	<u>8,938,672</u>	<u>8,883,502</u>

Ageing of trade receivables that are past due but not impaired:

	Group		Company	
	2016 S\$	2015 S\$	2016 S\$	2015 S\$
More than 90 days	<u>1,467,524</u>	<u>179,794</u>	<u>8,061,968</u>	<u>7,419,840</u>

Management believes that trade receivables that are neither past due nor impaired are with creditworthy counterparties and are recoverable.

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10 CASH AND CASH EQUIVALENTS	Group		Company	
	2016 S\$	2015 S\$	2016 S\$	2015 S\$
Cash and bank balances	1,707,544	4,698,376	265,662	418,154
Fixed deposits	449,935	448,809	-	-
	<u>2,157,480</u>	<u>5,147,185</u>	<u>265,662</u>	<u>418,154</u>
Fixed deposits pledged to bank	(449,935)	(448,809)	-	-
Cash and cash equivalents in the statement of cash flows	<u>1,707,544</u>	<u>4,698,376</u>	<u>265,662</u>	<u>418,154</u>

Fixed deposit is pledged to bank to secure banking facilities. (note 13)

11 TRADE & OTHER PAYABLES	Group		Company	
	2016 S\$	2015 S\$	2016 S\$	2015 S\$
Trade payables				
- Subsidiary corporations	-	-	13,941	176,947
- Related parties	84,142	50,830	66,890	42,855
- Third parties	2,646,909	3,225,515	79,056	41,793
	<u>2,731,051</u>	<u>3,276,345</u>	<u>159,887</u>	<u>261,595</u>
Other payables				
Other payables				
- Director	1,709,485	-	1,115,085	-
- Subsidiary corporations	-	-	2,539,966	3,165,345
- Related parties	1,958	1,737	-	-
- Third parties	679,538	981,919	273,394	317,560
	<u>2,390,981</u>	<u>983,656</u>	<u>3,928,445</u>	<u>3,482,905</u>
Deposits payable				
- Related parties	159,521	185,746	-	30,000
- Third parties	1,942,154	1,940,377	1,928,063	1,916,363
	<u>2,101,675</u>	<u>2,126,123</u>	<u>1,928,063</u>	<u>1,946,363</u>
Deferred income				
- Related parties	4,741	19,952	-	-
- Third parties	7,590	26,136	7,590	26,136
	<u>12,331</u>	<u>46,088</u>	<u>7,590</u>	<u>26,136</u>
Accruals	939,474	1,214,058	121,035	148,314
GST payable	207,193	247,544	103,323	114,594
Staff uniform deposits	18,250	19,250	1,850	2,000
Staff deposits	38,597	38,608	28,625	29,625
Sales deposits	2,569	-	-	-
Voucher payable	2,100	-	-	-
Prepaid income	-	3,500	-	3,500
Provision for unutilized leave	150,142	156,587	41,666	37,210
	<u>5,863,312</u>	<u>4,835,414</u>	<u>6,160,597</u>	<u>5,790,647</u>
	<u>8,594,363</u>	<u>8,111,759</u>	<u>6,320,484</u>	<u>6,052,242</u>

Trade payables are non-interest bearing and have an average term of 30 to 90 days. (2015: 30 to 90 days).

Other payables are non-interest bearing and have an average term of 30 to 90 days. (2015: 30 to 90 days).

Trade payables due to subsidiary corporations and related parties are unsecured, interest free and repayable within trade terms.

Other payables due to a director, subsidiary corporations and related parties are unsecured and repayable on demand.

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12 HIRE PURCHASE CREDITORS

The average discount rate implicit in the leases for the Group is 6.40% (2015: 5.07 %) and the Company is 6.40% (2015: 5.07%) respectively. Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:-

	Group		Company	
	2016 S\$	2015 S\$	2016 S\$	2015 S\$
Minimum payments				
Within one year	103,568	492,721	41,687	423,703
After one year but not more than five years	294,363	365,038	89,851	131,537
After five years	2,659	35,551	-	-
Total minimum lease payments	400,590	893,310	131,538	555,240
Less: Amounts representing finance charges	(53,705)	(90,008)	(15,876)	(43,263)
Present value of minimum lease payments	346,885	803,302	115,662	511,977
Present value of payments:				
Within one year	90,905	456,416	37,009	396,315
After one year but not more than five years	253,755	316,972	78,653	115,662
After five years	2,225	29,914	-	-
	346,885	803,302	115,662	511,977

13 TERM LOANS (SECURED)

	Group		Company	
	2016 S\$	2015 S\$	2016 S\$	2015 S\$
Current Liabilities				
Within one year				
Term loan (secured)				
- Loan A	1,168,242	1,224,859	1,168,242	1,224,859
- Loan B	2,000,000	2,120,073	2,000,000	2,120,073
- Loan C	231,203	105,969	-	-
	3,399,445	3,450,901	3,168,242	3,344,932
Total current liabilities (secured)	3,399,445	3,450,901	3,168,242	3,344,932
Non-current liabilities				
After one year but not more than five years				
Term loan (secured)				
- Loan A	5,198,053	5,090,951	5,198,053	5,090,951
- Loan B	17,522,271	17,100,000	17,522,271	17,100,000
- Loan C	-	134,181	-	-
	22,720,324	22,325,132	22,720,324	22,190,951
After five years				
Term loan (secured)				
- Loan A	17,210,144	18,435,568	17,210,144	18,435,568
	17,210,144	18,435,568	17,210,144	18,435,568

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13 TERM LOANS (SECURED) (CONT'D)

	Group		Company	
	2016 S\$	2015 S\$	2016 S\$	2015 S\$
Total non-current liabilities (secured)	<u>39,930,468</u>	<u>40,760,700</u>	<u>39,930,468</u>	<u>40,626,519</u>
Total terms loan (secured)	<u>43,329,913</u>	<u>44,211,601</u>	<u>43,098,710</u>	<u>43,971,451</u>

Term loan A is secured as follows:

- (a) A legal mortgage on the Company's leasehold property at 26 Tai Seng Street, Singapore 534057.
- (b) Joint and several personal guarantee by a director of the company.
- (c) An assignment of all rights and benefits over the rental income, both present and future, in respect of the existing and future tenancies entered by the company and certain subsidiary corporations of the company.
- (d) Assignment of all rights, title and interest in the construction contracts and insurances.
- (e) Corporate guarantees by certain subsidiary corporations of the company.
- (f) Assignment of all debts by the company.

The interest on term loan is at 5% per annum or such other rates as may be determined by the bank from time to time, calculated on daily/monthly rest basis based on 365/366-day year below SIF rate prevailing. During the financial year, the effective interest rate is 3.38% (2015: 3.67%) per annum.

Term loan A is repaid over 20 years commencing from 1st October 2011.

Term loan B is secured as follows:

- (b) A legal mortgage on the Company's leasehold property at 26 Tai Seng Street, Singapore 534057.
- (b) Joint and several personal guarantee by a director of the company.
- (c) An assignment of all rights and benefits over the rental income, both present and future, in respect of the existing and future tenancies entered by the company and certain subsidiary corporations of the company.
- (d) Assignment of all rights, title and interest in the construction contracts and insurances
- (e) Corporate guarantees by certain subsidiary corporations of the company.
- (f) Assignment of all debts by the company.

The interest rate on loan B is at 2.43% per annum and payable in arrears on the last day of the term relating to the drawing. The Facility shall be stepped down by S\$500,000 at the end of year one and another S\$500,000 at the end of year two. The effective date for reduction shall be from first activation date and thereafter the following year.

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13 TERM LOANS (SECURED) (CONT'D)

Term loan C is secured as follows:

- (a) Existing letter of charge and set-off executed by the subsidiary corporation in respect of fixed deposits;
- (b) Joint and several personal guarantee by a director of the subsidiary corporation;
- (c) Assignment of all rights and benefits over the rental income;
- (d) Corporate guarantees by the company.

The effective interest rate for term loan is at 2.52% (2015: 5%) per annum. The bank may increase, reduce or vary the Prime Lending Rate in its absolute discretion at any time and from to time without prior notice. The term loan is repayable within 24 months.

14 TRUST RECEIPTS (SECURED)

	Group		Company	
	2016	2015	2016	2015
	S\$	S\$	S\$	S\$
Trust receipts	<u>856,988</u>	<u>1,400,520</u>	<u>-</u>	<u>-</u>
Bills payable	<u>186,165</u>	<u>-</u>	<u>-</u>	<u>-</u>

Trust receipts and bills payable are secured by fixed deposits of a subsidiary corporation pledged to a bank, personal guarantee by the directors of the subsidiary corporations and corporate guarantee by the company.

15 DEFERRED TAXATION

	Group		Company	
	2016	2015	2016	2015
	S\$	S\$	S\$	S\$
The deferred taxation arises as a result of :-				
Deferred tax assets :-				
Balance at beginning of year	189,792	224,027	-	104,837
Under provision of deferred tax assets for previous year	(82,207)	-	-	-
Deferred tax due to unutilised wear & tear allowance	<u>18,591</u>	<u>(34,235)</u>	<u>-</u>	<u>(104,837)</u>
Balance at end of year	<u>126,176</u>	<u>189,792</u>	<u>-</u>	<u>-</u>
Deferred tax (liabilities) :-				
Balance at beginning of year	(174,956)	(32,300)	(57,883)	(6,841)
Movements due to temporary difference	<u>(287,125)</u>	<u>(142,656)</u>	<u>(245,225)</u>	<u>(51,042)</u>
Balance at end of year	<u>(462,081)</u>	<u>(174,956)</u>	<u>(303,108)</u>	<u>(57,883)</u>
Net deferred tax (liabilities) / assets	<u>(335,905)</u>	<u>14,836</u>	<u>(303,108)</u>	<u>(57,883)</u>

Deferred tax (liabilities) at the reporting date represents temporary differences between the tax written down value and the carrying amounts of the property, plant and equipment computed at statutory income tax rate.

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16 SHARE CAPITAL

	The Group and the Company			
	2016 No. of shares	2015 S\$	2016 No. of shares	2015 S\$
<i>Ordinary Shares</i>				
Issued and fully paid with no par value				
At the beginning of the financial year	500,000	500,000	500,000	500,000
At the end of the financial year	500,000	500,000	500,000	500,000

The holders of ordinary shares are entitled to receive dividends as and when declared by the company. All ordinary shares carry one vote per share.

17 REVENUE AND EXPENSES

Revenue, which in the consolidated statement of comprehensive income excludes intra-group sales, delivery income, building management income, building parking fee income, building rental income and building revenue.

Revenue, other incomes, raw materials and consumables used, changes in inventories, employee benefits expense, other expenses and finance costs included the following for the financial year ended 31 December 2016:

	Group	
	2016 S\$	2015 S\$
Revenue		
Sales	30,078,157	41,153,688
Delivery income	18,348	17,961
Building management income	401,742	680,416
Building parking fee income	3,613,868	159,589
Building rental income	150,233	3,507,179
Building revenue	378,215	291,617
	<u>34,640,563</u>	<u>45,810,450</u>
Other incomes		
Audit fee - over provision for previous year	99	1,012
Bad debts recovery (non-trade)	-	500,000
Government grants	946,410	789,271
<i>Income derived from:</i>		
-Admin charges	940	-
-Advertisement	23,196	3,678
-Bonus	-	2,376
-Cleaning	-	3,167
-Compensation	9,340	34,313
-Consumables	9,788	784
-Delivery	1,027	-
-Gain on foreign exchange differences	-	250
-Gain on sale of property, plant & equipment	25	498
-Gas exclusivity incentive	-	35,443
-Hire of equipment	2,579	-
-Interest on amount due from a director (trade)	552	35
-Interest on fixed deposits	1,053	712
-Interest on current deposit	68	-
-Interest on late payment of rental	11,110	1,315
-License fee	462	-
-Loyalty bonus	25,009	41,283
-Management fee	124,993	137,484

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17 REVENUE AND EXPENSES (CONT'D)

	Group	
	2016	2015
	S\$	S\$
Other incomes (Cont'd)		
-Marketing	5,124	-
-Miscellaneous income	18,910	2,454
-Over provision of staff annual leave	17,716	-
-Penalty for illegal parking	47	-
-Petrol	-	25
-Printing & stationery	26,420	1,059
-Professional fee	-	1,370
- Rebate from suppliers	6,626	20,838
- Refreshment & entertainment	-	1,923
- Rental of copier	-	593
- Rental income	360	380,944
-Rental of premises	696,443	144,603
-Repairs & maintenance	-	517
-Sales of cupboard	1,280	-
-Sales of scrap fixed assets	56	910
-Sponsorship fee	74,248	5,608
- Storage income	-	4,822
-Stamp duty	4,680	-
-Telephone & internet	-	1,444
-Training fee	-	1,241
- Upkeep of motor vehicles	-	380
-Utilities	77,266	97,858
-Vouchers	-	725
Other payables waived	-	2,296
Service rendered income	24,544	24,473
	<u>2,110,371</u>	<u>2,245,704</u>
 Raw materials and consumables used		
Purchases	12,523,912	17,248,075
Consumables	310,482	379,411
Freight forwarder	3,588	-
Handling fee	7,890	-
Picking charges	31,200	-
Storage fee	140,103	-
Testing and inspection	140	-
Trucking charges	2,345	-
Transportation	7,829	-
Transshipment fee/permit fee	1,626	-
Unstuffing fee	6,685	-
	<u>13,035,800</u>	<u>17,627,486</u>
 Changes in inventories		
Opening inventories	(2,336,752)	(1,549,486)
Closing inventories	1,947,289	2,336,752
	<u>(389,463)</u>	<u>787,266</u>
 Employee benefits expense		
Accommodation	55,514	59,361
Bonus of staffs	628,251	140,028
Casual labours	15,532	96,676
Commission	-	4,150
CPF of staffs	957,051	1,032,503

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17 REVENUE AND EXPENSES (CONT'D)

	Group	
	2016	2015
	S\$	S\$
Employee benefits expense (Cont'd)		
Director's CPF	-	4,175
Directors' remuneration	-	36,554
Fixed, shift & other allowances	-	24,574
FWL	794,069	889,793
Incentive	197,593	242,819
Meal & laundry allowance	333,048	382,046
Medical fee	34,172	38,107
Other allowance	28,837	-
Recruitment fee	21,733	19,001
Salaries & overtime	9,014,171	9,631,535
Salary allowance	-	3,450
Staff management fee	-	3,862
Staff other expenses	200	158
Staff allowance	15,216	-
SDL	26,680	35,816
Staff annual leave	16,740	71,793
Training	116,933	47,495
Transport allowance	740	925
Staff transportation (S-plated vehicle)	18,702	-
Transportation	25,147	50,956
Uniform	8,564	18,307
Welfare	36,298	40,438
	<u>12,345,191</u>	<u>12,874,522</u>
Finance costs		
Bank charges	35,156	300,899
Credit card charges	274,193	283,030
Interest on hire purchase	36,302	76,261
Interest on finance lease	27,183	7,482
Interest on term loan	1,590,398	1,510,175
	<u>1,963,232</u>	<u>2,177,847</u>
Other expenses		
Audit fee	106,200	114,238
Impairment loss on goodwill	909,296	-
Insurance	123,736	114,703
Land rent	401,717	387,056
Professional fees	423,465	373,921
Property tax	502,914	410,939
Rental of equipment	10,352	6,390
Rental of premises	4,715,715	5,443,986
Service & conservancy charges	260,812	347,327
Upkeep of equipment	171,373	114,849
Utilities	1,744,614	2,784,849

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18 INCOME TAX EXPENSE

Income tax expense attributable to loss is made up of:

	Group	
	2016	2015
	S\$	S\$
Current taxation	-	(150)
- Under provision in respect previous year	(16,946)	-
Deferred taxation		
- Deferred tax due to temporary difference	(250,903)	(104,875)
- Under provision in respect previous year	(82,207)	(87,277)
-Deferred tax due to unutilized wear & tear allowance	18,591	(63,896)
	<u>(331,465)</u>	<u>(256,198)</u>

A reconciliation between the tax expense and the product of accounting loss multiplied by the applicable tax rate for the financial year ended 31 December 2016 was as follows:

	Group	
	2016	2015
	S\$	S\$
Loss before taxation	<u>(7,091,365)</u>	<u>(3,258,656)</u>
Income tax benefit using Singapore tax rate of 17% (2015: 17%)	1,205,533	553,971
Tax effect of non-deductible & non-taxable items	(878,770)	(679,969)
Tax effect on temporary difference	-	(104,875)
Tax effect on deferred tax assets	18,591	(63,896)
Tax effect on incentive	11,745	13,378
Deferred tax assets not recognized for the year	(590,076)	(244,205)
Tax effect on exemption	665	2,243
Current taxation		
- Under provision in respect previous year	(16,946)	-
Deferred taxation		
- Under provision in respect previous year	(82,207)	(87,277)
Amounts of losses for which tax credit has been transferred from its related company under the Group Relief System	-	366,096
Wear & tear allowance for which tax credit has been transferred to its related company under the Group Relief System	-	(11,664)
	<u>(331,465)</u>	<u>(256,198)</u>

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19 RELATED PARTY TRANSACTIONS

In addition to those disclosed elsewhere in the financial statements, during the financial year, the following significant related party transactions took place between the group and its related parties during the financial year on terms agreed by the parties concerned.

	Group	
	2016	2015
	S\$	S\$
<i>Sales of goods</i>		
- Related parties in which a director of the group is a director	(643,013)	(4,161,630)
<i>Sales of fixed assets</i>		
- Related parties in which a director of the group is a director	(4,417)	-
<i>Advertisement income (received from) / paid to from</i>		
- Related parties in which a director of the group is a director	(3,000)	(3,679)
- Related parties in which a director of the group is a director	4,640	4,212
<i>Building revenue received from</i>		
- Related parties in which a director of the group is a director	-	(34,121)
<i>Building management income received from</i>		
- Related parties in which a director of the group is a director	(120,000)	(232,712)
<i>Cleaning income received from</i>		
- Related parties in which a director of the group is a director	-	(783)
<i>Compensation income received from</i>		
- Related parties in which a director of the group is a director	(242)	-
<i>Consumables income received from</i>		
- Related parties in which a director of the group is a director	(14)	-
<i>Insurance income received from</i>		
- Related parties in which a director of the group is a director	(165)	-
<i>Interest received from</i>		
- A director	(552)	-
<i>License of accounting system received from</i>		
- Related parties in which a director of the group is a director	(2,594)	-
<i>Management fee income received from</i>		
- Related parties in which a director of the group is a director	(120,163)	(135,274)
<i>Marketing fee income received from</i>		
- Related parties in which a director of the group is a director	(5,000)	-
<i>Petrol received from</i>		
- Related parties in which a director of the group is a director	-	(25)
<i>Printing & stationery income received from</i>		
- Related parties in which a director of the group is a director	-	(1,056)
<i>Rental of premises income received from</i>		
- Related parties in which a director of the group is a director	(530,414)	(570,714)
<i>Telephone & internet (received from) / paid to</i>		
- Related parties in which a director of the group is a director	(178)	-
- Related parties in which a director of the group is a director	83	-
<i>Service rendered (received) / paid</i>		
- Related parties in which a director of the group is a director	(109)	-
- Related parties in which a director of the group is a director	852	-
<i>Utilities received</i>		
- Related parties in which a director of the group is a director	<u>(53,478)</u>	<u>(89,098)</u>

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20 CONTINGENT LIABILITIES

	Group		Company	
	2016 S\$	2015 S\$	2016 S\$	2015 S\$
Contingent liabilities not provided for in the financial statements				
Banker's guarantees	303,410	232,130	156,660	-
Letter of credits	95,879	231,235	-	-
Foreign exchange contracts	597,549	1,105,619	-	-
	<u>996,838</u>	<u>1,568,984</u>	<u>156,660</u>	<u>-</u>

The banker's guarantees were granted by a bank to serve as security deposits for the Group.

21 SUBSEQUENT EVENTS

Subsequent to the date reporting date, there were no significant events for the Group (2015: nil) and the Company (2015: nil).

22 OPERATING LEASE COMMITMENTS

Lease commitment with terms of more than one year is as follows:

	Group		Company	
	2016 S\$	2015 S\$	2016 S\$	2015 S\$
As lessee				
Within one year	3,155,892	5,602,388	409,700	330,798
After one year but not more than five years	3,186,821	4,952,403	1,638,799	1,323,190
After five years	6,564,299	5,300,111	6,564,299	5,300,111
	<u>12,907,012</u>	<u>15,854,902</u>	<u>8,612,798</u>	<u>6,954,099</u>
As lessor				
Within one year	3,063,976	2,784,905	3,063,976	2,784,905
After one year but not more than five years	813,588	2,740,291	813,588	2,740,291
	<u>3,877,564</u>	<u>5,525,196</u>	<u>3,877,564</u>	<u>5,525,196</u>

23 FINANCIAL INSTRUMENTS

The main risks arising from the Group's financial instruments in the normal course of its operations are credit risk, interest rate risk, liquidity risk, and foreign currency risk. The Group does not have written risk management policies and guidelines. The Group does not hold or issue derivative financial instruments.

a) Credit risk

The Group has no significant concentrations of credit risk. Cash is placed with established financial institutions. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

b) Interest rate risk

The Group obtains additional financing through internal funds and banking facilities. The Group policy is to source for the most favorable interest rates without increasing its foreign currency exposure. It also maintains an efficient and optimal interest cost structure by borrowing at both fixed and floating rates to balance its exposure to interest rate volatility.

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23 FINANCIAL INSTRUMENTS (CONT'D)

c) Liquidity risk

The Group actively manages its operating cash flows to ensure that it has sufficient funding for its working capital requirements. It also ensures the availability of funding through directors and/or shareholders, besides obtaining finance through banks. In arranging for credit lines, the expected future revenue stream is closely monitored to time borrowings so as to ensure that repayment and refinancing can be met.

d) Foreign currency risk

The Group has foreign exchange risk on sales and purchases that are denominated in US dollars and Japanese Yen. Exposure to foreign exchange risk is monitored on an ongoing basis, by the Group to ensure that the net exposure is at an acceptable level.

e) Fair value of financial instruments

The fair values of financial assets and financial liabilities approximate the carrying amounts of those assets and liabilities reported in the statements of financial position.

24 FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Cash and cash equivalents, short term bank borrowings, other receivables and other payables.

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

Trade receivables and trade payables

The carrying amounts of these receivables and payables approximate their fair values as they are subject to normal trade credit terms.

Non-current portion of term loan

The carrying amounts of these balances approximate their fair value as they are subject to interest rates close to market rate of interest for similar arrangements with financial institutions.

25 CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and net current asset position in order to support its business and maximize shareholder value. The capital structure of the Group comprises issued share capital and retained earnings.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the financial year ended 31st December 2016.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

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25 CAPITAL MANAGEMENT (CONT'D)

Management monitors capital based on a gearing ratio. The Group's strategies are to maintain the gearing ratios as low as possible.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as loans and borrowings plus trade and other payables and hire purchase creditors less cash and bank balances and fixed deposits, if any. The total capital is calculated as equity plus net debt.

Group	2016	2015
	S\$	S\$
Trade and other payables	8,594,363	8,111,759
Hire purchase creditors	346,884	803,302
Term loan	43,329,913	44,211,601
Trust receipts	856,988	1,400,520
Bills payable	186,165	-
	<u>53,314,313</u>	<u>54,527,182</u>
Less: Cash and bank balances	1,707,544	4,698,376
Fixed deposits	449,935	448,809
Net debt	<u>51,156,834</u>	<u>49,379,997</u>
Equity	<u>41,980,254</u>	<u>46,709,853</u>
Total capital	<u>93,137,088</u>	<u>96,089,850</u>
Gearing ratio	<u>54%</u>	<u>51%</u>
Company	2016	2015
	S\$	S\$
Trade and other payables	6,320,484	6,052,242
Hire purchase creditors	115,662	511,977
Term loan	43,098,710	43,971,451
	<u>49,534,856</u>	<u>50,535,670</u>
Less: Cash and bank balances	265,662	418,154
Net debt	<u>49,269,194</u>	<u>50,117,516</u>
Equity	<u>57,585,946</u>	<u>56,406,228</u>
Total capital	<u>106,855,140</u>	<u>106,523,744</u>
Gearing ratio	<u>46%</u>	<u>47%</u>

26 CLASSIFICATION OF FINANCIAL INSTRUMENTS

The financial assets & financial liabilities can be classified as follows:

Group	Loans and	Financial liabilities	Total
2016	receivables	at amortised cost	
	S\$	S\$	S\$
Assets			
Trade & other receivables	3,873,390	-	3,873,390
Fixed deposits	449,935	-	449,935
Cash and bank balances	1,707,544	-	1,707,544
Total financial assets	<u>6,030,869</u>	<u>-</u>	<u>6,030,869</u>
Liabilities			
Trade & other payables	-	8,180,181	8,180,181
Trust receipts	-	856,988	856,988
Bills payable	-	186,165	186,165
Term loan (secured)	-	43,329,913	43,329,913
Total financial liabilities	<u>-</u>	<u>52,553,247</u>	<u>52,553,247</u>

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26 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

Group (Cont'd)	Loans and receivables	Financial liabilities at amortised cost	Total
<u>2015</u>			
Assets	S\$	S\$	S\$
Trade & other receivables	4,224,828	-	4,224,828
Fixed deposits	448,809	-	448,809
Cash and bank balances	4,698,376	-	4,698,376
Total financial assets	9,372,013	-	9,372,013
Liabilities			
Trade & other payables	-	7,649,770	7,649,770
Trust receipts	-	1,400,520	1,400,520
Term loan (secured)	-	44,211,601	44,211,601
Total financial liabilities	-	53,261,891	53,261,891
Company	Loans and receivables	Financial liabilities at amortised cost	Total
<u>2016</u>			
Assets	S\$	S\$	S\$
Trade & other receivables	22,349,819	-	22,349,819
Cash and bank balances	265,662	-	265,662
Total financial assets	22,615,481	-	22,615,481
Liabilities			
Trade & other payables	-	6,145,020	6,145,020
Term loan (secured)	-	43,098,710	43,098,710
Total financial liabilities	-	49,243,730	49,243,730
<u>2015</u>	Loans and receivables	Financial liabilities at amortised cost	Total
Assets	S\$	S\$	S\$
Trade & other receivables	22,031,667	-	22,031,667
Cash and bank balances	418,154	-	418,154
Total financial assets	22,449,821	-	22,449,821
Liabilities			
Trade & other payables	-	5,868,813	5,868,813
Term loan (secured)	-	43,971,451	43,971,451
Total financial liabilities	-	49,840,264	49,840,264

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27 COMPARATIVE FIGURES

The previous financial statements were audited by another firm of Public Accountants and Chartered Accountants of Singapore.

28 AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended 31 December 2016 were authorized for issue in accordance with a resolution of the directors on

25 MAY 2017.

SUKI SUSHI PTE. LTD. AND ITS SUBSIDIARIES
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DETAILED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

	Group		Company	
	2016	2016	2016	2016
	S\$	S\$	S\$	S\$
Revenue				
Sales of foods	30,078,157		-	
Delivery income	18,348		-	
Building management income	401,742		401,742	
Building rental income	3,613,868		3,619,268	
Building parking fee income	150,233		151,385	
Building revenue	378,215		378,215	
		34,640,563		4,550,610
Cost of Sales				
Direct expenses				
Cleaning expenses	746,963		12,456	
Consumables	313,658		3,177	
Transport	9,061		-	
Other direct expense	6,569		432	
Discount allowed	947		-	
Stock written off	1,426		-	
Other direct expense	64		-	
Freight forwarder	3,588		-	
Handing fee	7,890		-	
Picking charges	31,200		-	
Storage fee	140,103		-	
Testing and inspection	140		-	
Trucking charges	2,345		-	
Transportation	7,829		-	
Transhipment/permit fees	1,626		-	
Unstuffing fee	6,685		-	
	1,280,094		16,065	
Direct material cost				
Opening stocks	2,336,752		-	
Purchases	12,523,912		-	
Closing stocks	(1,947,289)		-	
	12,913,375		-	
Direct labour cost				
Accommodation	55,514		10,400	
Bonus	592,828		142,499	
Casual labours	15,532		-	
CPF	658,576		18,726	
Foreign workers levy (FWL)	706,809		-	
Incentives	197,593		5,198	
Meal & laundry allowance	333,048		8,067	
Medical fees	21,442		181	
Other allowance	28,837		4,606	
Overtime	871,083		52,582	
Salary	5,856,664		220,300	
Skill development levy (SDL)	21,444		688	
Staff welfare	321		-	
Training expenses	79,998		1,373	
Uniform	8,564		6,528	
Transport	21,872		1,972	
Leave provision	12,691		406	
Service rendered	852		-	
	9,483,668		473,526	
		23,677,137		489,591
Gross profit		10,963,426		4,061,019

These do not form part of the audited financial statements.

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DETAILED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016 (Cont'd)

	Group		Company	
	2016	2016	2016	2016
	S\$	S\$	S\$	S\$
Add: Other incomes				
Audit fee - over provision	99		-	
<i>Government grants:</i>				
Childcare leave	1,624		664	
PIC cash payout	134,181		24,515	
Special employment credit	119,115		15,549	
Spring grant	123,499		-	
CPF refund	11,155		822	
Wage credit scheme	407,955		61,672	
SDF grant	40,158		296	
SWDA grant	3,539		2,724	
Temporary employment credit	66,082		16,866	
Training grant	39,102		18,929	
Management fee income	124,993		1,641,828	
<i>Other income</i>				
Admin charges	940		940	
Advertisement	23,196		-	
Compensation on work injury	9,340		280	
Consumables	9,788		9,774	
Delivery income	1,027		-	
Equipment lease rental			1,017,424	
Gain on sale of fixed assets	25		-	
Hire of equipment	2,579		-	
Interest (HP & loan interest)	1,053		-	
Interest from fixed deposits	552		-	
Interest income (director)	68		-	
Interest income from deposit	11,110		-	
Interest income (late payment of rental)	462		11,178	
Loyalty bonus	25,009		25,009	
Marketing income	5,124		39,285	
Miscellaneous income	18,910		3,030	
Over provision - staff annual leave	17,716		-	
Penalty for illegal parking	47		47	
Petrol	-		8,243	
Printing & stationery	26,420		27,293	
Rebate from supplier	6,626		6,626	
Rental income	360		-	
Rental of premises	696,443		-	
Sale of cupboard	1,280		-	
Sale of scrap fixed assets	56		56	
Sponsorship income	74,248		68,248	
Stamp duty	4,680		4,680	
Utilities income	77,266		178,680	
Service rendered income	24,544		380,862	
	<u>2,110,371</u>		<u>3,565,520</u>	
		2,110,371		3,565,520
Share of profit in associated company			104,899	-
Less: Operating expenses				
Bank interest				
Interest on finance lease	27,183		-	
Interest on term loan	1,590,398		1,578,551	
Interest on hire purchase	36,302		27,387	
	<u>1,653,883</u>		<u>1,605,938</u>	

These do not form part of the audited financial statements.

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DETAILED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016 (Cont'd)

	Group		Company	
	2016	2016	2016	2016
	S\$	S\$	S\$	S\$
Less: Operating expenses (Cont'd)				
General office expenses				
Administrative expense	2,881		91	
Audit fee	106,200		30,000	
Bad debts written off	32,739		-	
Cleaning expenses	1,080		-	
Commission	13,118		-	
Commission - Nets and Paypal	3,650		-	
Copier rental	7,200		7,200	
Courier charges	-		58	
Deposits written off	300		-	
Documentation fee	381		-	
Documentation handling charges	1,749		-	
Fixed assets written off	214,000		-	
Gain/loss on disposal of fixed assets	1,049		-	
General expenses	5,989		3,797	
General office expense	227		-	
Gift	2,025		-	
Hire of equipment & accounting system			1,100	
Hire of motor vehicles	55,200		-	
Impairment loss on investment in subsidiary corporations	-		288,422	
Impairment loss on goodwill	909,296		-	
Insurance	123,736		77,369	
Laundry expenses	200		-	
Maintenance of IT	52,115		23,277	
Marketing expense	10,900		-	
Membership fee / subscription fee	6,264		2,383	
Office expenses	2,032		-	
Penalty/fine	782		-	
Postage	16,061		494	
Preliminary expenses	2,100		-	
Printing & stationery	74,064		30,006	
Professional fee	423,465		354,826	
Rental of equipment	10,352		-	
Repairs & maintenance	7,185		-	
Secretarial fee	600		-	
Storage charges	18,828		14,968	
Tax service fee	2,000		-	
Telephone & internet	140,578		47,295	
Transportation	2,564		-	
Transaction fee	40		-	
Travelling expenses	13,583		12,560	
Upkeep of equipment	171,373		3,772	
Upkeep of motor vehicles	47,732		-	
Upkeep of premises	437		-	
Cash lost due to break in	5,726		-	
	2,489,801		897,618	
Building related cost				
Building related license fees	51,356		5,755	
Building repairs and maintenance	109,420		86,057	
Customer service reward rental fee	736		564	
General building expense	174,139		100	
Land rent	401,717		401,717	
Property expenses	8,327		-	
Property tax	502,914		502,865	
Rental of premises	4,715,715		-	
Service & conservancy charges	260,812		-	

These do not form part of the audited financial statements.

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DETAILED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016 (Cont'd)

	Group		Company	
	2016	2016	2016	2016
	S\$	S\$	S\$	S\$
Less: Operating expenses (Cont'd)				
Building related cost (Cont'd)				
Security management fee	108,998		108,998	
Stamp duty	2,482		-	
Subscription fee	4,580		4,580	
Upkeep of facilities	51,406		13,765	
Utilities	1,744,614		420,510	
	<u>8,137,216</u>		<u>1,544,911</u>	
Depreciation charge	4,646,741		2,999,032	
Staff related cost				
Service rendered	-		152	
Staff allowance	15,216		10,846	
Staff bonus	35,423		15,194	
Staff CPF	298,475		255,561	
Staff salary	2,286,424		1,872,390	
Staff FWL	87,260		67,591	
Staff welfare	35,977		27,017	
Staff training	36,935		17,404	
Staff transport	3,275		2,490	
Staff other expenses	200		200	
Staff transportation (S-plated vehicle)	18,702		18,703	
Staff leave provision	4,049		4,049	
SDL	5,236		4,142	
Medical fee	12,730		8,131	
Recruitment fees	21,733		9,154	
Transport allowance	740		-	
	<u>2,862,375</u>		<u>2,313,024</u>	
Selling & distribution cost				
Advertisement	114,109		2,400	
Bank charges	35,156		2,292	
Bank charges - credit cards	274,193		-	
Cleaning fee	2,035		-	
Compensation	603		-	
Condolences	400		400	
Decoration	10,270		-	
Design/photography fees	3,480		-	
Equipment lease rental	28,360		-	
Event/fair/road show charges	2,130		-	
Exhibition space	18,450		-	
Entertainment & refreshment	3,428		8,005	
Food tasting/sampling	3,767		9,529	
Franchise fee amortisation	22,277		-	
Freight charges	5,277		-	
Fun pools	11,789		-	
General expense	166		-	
Inventories written off	2,198		-	
License fees	13,797		-	
Logistics charges	74,925		-	
Loss on foreign exchange differences	16		-	
Marketing expense	16,859		67,875	
Parking fee	69,319		-	
Petrol	40,146		34,223	
Printing and stationery	40		-	
Royalty fee	93,681		-	
Sponsorship	2,155		1,155	
S&D license fees	22,206		1,810	
Sampling charges	41,611		-	

These do not form part of the audited financial statements.

SUKI SUSHI PTE. LTD. AND ITS SUBSIDIARIES
(Company Registration Number: 200204495W)
(Incorporated in Singapore)

DETAILED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016 (Cont'd)

	Group		Company	
	2016	2016	2016	2016
	S\$	S\$	S\$	S\$
Less: Operating expenses (Cont'd)				
Selling & distribution cost (Cont'd)				
Telephone & internet	176		124	
Transportation	7,557		-	
Upkeep of facility	33		-	
Upkeep of motor vehicles	63,834		26,217	
Sales commission	57,048		-	
Shipping/delivery charges	2,595		-	
Realised exchange gain/loss	55,935		-	
	<u>1,100,021</u>		<u>154,030</u>	
		<u>20,890,037</u>		<u>9,514,553</u>
Net loss for the year before tax		(7,711,341)		(1,888,014)
Income tax expense		(331,465)		(245,474)
Net loss for the year after tax		<u>(8,042,806)</u>		<u>(2,133,488)</u>

These do not form part of the audited financial statements.