

Third Quarter and Nine Months Financial Statements And Dividend Announcement For The Period Ended 30 September 2014

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

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Profit or Loss and Other Comprehensive Income

	Group			Group		
	3Q 2014 S\$'000	3Q 2013 S\$'000	Change %	30-Sep-14 S\$'000	30-Sep-13 S\$'000	Change %
Revenue	24,851	24,230	2.6	75,130	71,286	5.4
Cost of sales	(13,306)	(13,155)	1.1	(40,891)	(37,827)	8.1
Gross profit	11,545	11,075	4.2	34,239	33,459	2.3
Other income (Note 1)	436	300	45.3	1,385	872	58.8
Selling, distribution and outlet expenses	(6,616)	(6,604)	0.2	(20,233)	(19,148)	5.7
Administrative expenses	(2,978)	(3,014)	(1.2)	(8,734)	(8,935)	(2.2)
Other expenses (Note 2)	(62)	(121)	(48.8)	(228)	(323)	(29.4)
Finance costs (Note 3)	(1)	(2)	(50.0)	(5)	(4)	25.0
Profit before tax	2,324	1,634	42.2	6,424	5,921	8.5
Income tax expense (Note 4)	(408)	(326)	25.2	(1,244)	(1,246)	(0.2)
Profit for the period	1,916	1,308	46.5	5,180	4,675	10.8
Other comprehensive income:						
<u>Items that are or may be reclassified subsequently to profit or loss:</u>						
Currency translation differences	(35)	(91)	(61.5)	30	(97)	n.m.
Other comprehensive (loss)/income for the period, net of tax	(35)	(91)	(61.5)	30	(97)	n.m.
Total comprehensive income for the period, net of tax	1,881	1,217	54.6	5,210	4,578	13.8
Profit/(Loss) attributable to:						
Owners of the Company	1,988	1,527	30.2	5,455	5,358	1.8
Non-controlling interests	(72)	(219)	(67.1)	(275)	(683)	(59.7)
Profit for the period	1,916	1,308	46.5	5,180	4,675	10.8
Total comprehensive income/(loss) attributable to:						
Owners of the Company	1,953	1,444	35.2	5,481	5,284	3.7
Non-controlling interests	(72)	(227)	(68.3)	(271)	(706)	(61.6)
Total comprehensive income for the period, net of tax	1,881	1,217	54.6	5,210	4,578	13.8

n.m.: not meaningful

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

	Group			Group		
	3Q 2014 S\$'000	3Q 2013 S\$'000	Change %	30-Sep-14 S\$'000	30-Sep-13 S\$'000	Change %
Profit for the period include the following:						
Other income including interest income and foreign exchange gain, net (Note 1)	436	300	45.3	1,385	872	58.8
Depreciation and amortisation	(775)	(767)	1.0	(2,396)	(2,180)	9.9
Foreign exchange loss, net (Note 2)	-	(113)	(100.0)	-	(90)	(100.0)
Property, plant and equipment written off (Note 2)	(51)	(8)	n.m.	(148)	(187)	(20.9)
Allowances for doubtful trade receivables, net	-	1	(100.0)	-	(5)	(100.0)
Write-back of allowance for inventories obsolescences	-	-	n.a.	-	2	(100.0)
Loss on disposal of property, plant and equipment, net	-	-	n.a.	(1)	(1)	-
Write-off for inventories	(4)	(15)	(73.3)	(50)	(35)	42.9
Allowances for doubtful non-trade receivables	-	-	n.a.	(10)	-	n.a.
Over provision for tax of prior years, net	14	10	40.0	14	10	40.0

Note:

- (1) The increase in other income for the quarter ended 30 September 2014 ("3Q 2014") was due mainly to higher interest income and foreign exchange gain. The increase in other income for the 9 months ended 30 September 2014 was due mainly to the Wage Credit received in 1Q 2014 and foreign exchange gain.
- (2) Other expenses for 3Q 2014 and 9 months ended 30 September 2014 comprised mainly plant and equipment written off and reinstatement costs arising from the closure of outlets. The comparatives for the quarter and 9 months ended 30 September 2013 also included foreign exchange loss.
- (3) Finance costs were pertaining to borrowings taken up by a Malaysian subsidiary.
- (4) The higher income tax expense for 3Q 2014 was due mainly to higher profit from the restaurant operation in Singapore.

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

Statements of financial position

	Group		Company	
	30-Sep-14 S\$'000	31-Dec-13 S\$'000	30-Sep-14 S\$'000	31-Dec-13 S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	20,257	21,470	8,989	9,651
Investment properties	3,432	3,412	1,122	1,150
Intangible assets (Note 5)	512	620	149	174
Investments in subsidiaries	-	-	4,999	5,469
Investments in associated companies (Note 6)	120	-	-	-
Held-to-maturity financial assets	1	1	1	1
Available-for-sale financial assets	35	35	35	35
Loans to subsidiaries	-	-	7,279	7,639
Total non-current assets	24,357	25,538	22,574	24,119
Current assets				
Inventories	2,077	2,303	1,514	1,450
Trade receivables (Note 7)	1,677	1,222	1,202	911
Other receivables	5,652	5,872	4,996	4,574
Fixed deposits (Note 8)	30,657	40,127	29,366	39,444
Cash and bank balances (Note 8)	48,816	39,792	34,516	26,645
Total current assets	88,879	89,316	71,594	73,024
Total assets	113,236	114,854	94,168	97,143
EQUITY AND LIABILITIES				
Equity				
Share capital	43,299	43,299	43,299	43,299
Other reserves	(334)	(360)	-	-
Accumulated profits	51,099	50,669	38,801	40,130
Equity attributable to owners of the Company	94,064	93,608	82,100	83,429
Non-controlling interests	3,310	3,581	-	-
Total equity	97,374	97,189	82,100	83,429
Non-current liability				
Deferred tax liabilities	1,277	1,274	600	600
Total non-current liability	1,277	1,274	600	600
Current liabilities				
Trade payables (Note 9)	4,072	5,280	2,880	3,512
Other payables	8,752	9,296	7,349	8,102
Borrowings (Note 10)	284	-	-	-
Tax payable (Note 11)	1,477	1,815	1,239	1,500
Total current liabilities	14,585	16,391	11,468	13,114
Total liabilities	15,862	17,665	12,068	13,714
Total equity and liabilities	113,236	114,854	94,168	97,143

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

- (5) The reduction in intangible assets was mainly due to the amortisation charge for the 9 months ended 30 September 2014.
- (6) The increase in investments in associated companies was attributable to the Group's investment in a new associated company, Food Glossary Pte Ltd.
- (7) The increase in trade receivables of the Company and the Group was mainly due to higher credit sales and advance payment to suppliers.
- (8) The decrease in fixed deposits was due to the withdrawal of fixed deposit upon maturity, hence there was a corresponding increase in bank balances at the Company.
- (9) The reduction in trade payables was due to settlement of payables and lower purchases in September as compared to year end.
- (10) The increase in borrowings of the Group was due to short term borrowings taken up by a Malaysian subsidiary.
- (11) The decrease in tax payable was mainly due to income tax paid over the 9 months ended 30 September 2014.

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

Amount repayable in one year or less, or on demand

As at 30-Sep-14	
Secured	Unsecured
S\$'000	S\$'000
284	-

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

Amount repayable after one year

As at 30-Sep-14	
Secured	Unsecured
S\$'000	S\$'000
-	-

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

1(b)(ii) Details of collaterals

The Group's borrowings are secured by legal charges over certain properties and pledges of fixed deposits of the Group's Malaysian subsidiary; joint and several corporate guarantees from its holding company (which is a wholly-owned subsidiary of the Company) and the Company.

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

Statement of cash flows

	Group		Group	
	3Q 2014 S\$'000	3Q 2013 S\$'000	30-Sep-14 S\$'000	30-Sep-13 S\$'000
Cash flows from operating activities				
Profit before tax	2,324	1,634	6,424	5,921
<i>Adjustments for:</i>				
Depreciation and amortisation	775	767	2,396	2,180
Loss on disposal of property, plant and equipment, net	-	-	1	1
Share option expenses	-	-	-	(1)
Property, plant and equipment written off	51	8	148	187
Unrealised foreign exchange (gain)/loss	(87)	22	(30)	(112)
Interest expense	1	2	5	4
Interest income	(100)	(77)	(283)	(198)
Operating cash flows before movements in working capital	2,964	2,356	8,661	7,982
<i>Changes in working capital:</i>				
Inventories	51	171	385	629
Trade and other receivables	190	92	(275)	(1,118)
Trade and other payables	309	(417)	(1,947)	880
Cash from operations	3,514	2,202	6,824	8,373
Income tax paid	(662)	(437)	(1,545)	(935)
Net cash generated from operating activities	2,852	1,765	5,279	7,438
Cash flows from investing activities				
Interest received	100	77	283	198
Purchase of property, plant and equipment	(643)	(965)	(1,176)	(3,003)
Proceeds from disposal of property, plant and equipment	2	-	2	2
Deposit for new project	-	(12,620)	-	(12,620)
Investment in an associated company	(120)	-	(120)	-
Translation differences	(42)	23	2	1
Net cash used in investing activities	(703)	(13,485)	(1,009)	(15,422)
Cash flows from financing activities				
Interest paid	(1)	(2)	(5)	(4)
(Repayments of)/Proceeds from short term borrowings, net	(13)	156	284	157
Repayment of finance lease obligations	-	-	-	(2)
Funds (placed in)/withdrawn from non-liquid deposits	(3)	2	214	2
Proceeds from exercise of employee share options	-	-	-	31
Contributions by non-controlling interests	-	-	-	3,864
Dividend paid to shareholders	(2,010)	(2,010)	(5,025)	(4,019)
Dividend paid to non-controlling interests	-	-	-	(8)
Net cash (used in)/generated from financing activities	(2,027)	(1,854)	(4,532)	21
Net increase/(decrease) in cash and cash equivalents	122	(13,574)	(262)	(7,963)
Cash and cash equivalents at beginning of financial period/year	79,160	77,075	79,601	71,330
Effect of exchange rate fluctuations on cash and cash equivalents	87	(22)	30	112
Cash and cash equivalents at end of financial period	79,369	63,479	79,369	63,479
Cash and cash equivalents comprise:				
Fixed deposits	30,657	39,583	30,657	39,583
Cash and bank balances	48,816	24,213	48,816	24,213
	79,473	63,796	79,473	63,796
Less: funds placed in non-liquid deposits	(104)	(317)	(104)	(317)
	79,369	63,479	79,369	63,479

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of changes in equity

Group	Total Equity S\$'000	Equity attributable to owners of the Company S\$'000	Share Capital S\$'000	Other Reserves S\$'000	Accumulated Profits S\$'000	Non- controlling Interests S\$'000
Balance at 1 January 2014	97,189	93,608	43,299	(360)	50,669	3,581
Profit for the period	5,180	5,455	-	-	5,455	(275)
<i>Other comprehensive income:</i> Currency translation differences	30	26	-	26	-	4
Other comprehensive income for the period, net of tax	30	26	-	26	-	4
Total comprehensive income for the period	5,210	5,481	-	26	5,455	(271)
Distributions to owners of the Company						
Tax exempt (1-tier) final dividend of 1.5 cents per share for the financial year ended 31 December 2013	(3,015)	(3,015)	-	-	(3,015)	-
Tax exempt (1-tier) interim dividend of 1.0 cent per share for the financial year ending 31 December 2014	(2,010)	(2,010)	-	-	(2,010)	-
Balance at 30 September 2014	97,374	94,064	43,299	(334)	51,099	3,310
Balance at 1 January 2013	89,708	92,256	43,264	(567)	49,559	(2,548)
Profit for the period	4,675	5,358	-	-	5,358	(683)
<i>Other comprehensive income:</i> Currency translation differences	(97)	(74)	-	(74)	-	(23)
Other comprehensive income for the period, net of tax	(97)	(74)	-	(74)	-	(23)
Total comprehensive income for the period	4,578	5,284	-	(74)	5,358	(706)
Distributions to owners of the Company						
Tax exempt (1-tier) final dividend of 1.0 cent per share for the financial year ended 31 December 2012	(2,009)	(2,009)	-	-	(2,009)	-
Tax exempt (1-tier) interim dividend of 1.0 cent per share for the financial year ended 31 December 2013	(2,010)	(2,010)	-	-	(2,010)	-
Exercise of employee share options	30	30	35	(5)	-	-
Capitalisation of accumulated profits	-	-	-	276	(276)	-
Dividend paid to non-controlling interests	(8)	-	-	-	-	(8)
Total distributions to owners of the Company	(3,997)	(3,989)	35	271	(4,295)	(8)
Changes in ownership interests in subsidiaries						
Contribution by non-controlling interests	3,864	(2)	-	-	(2)	3,866
Total changes in ownership interests in subsidiaries	3,864	(2)	-	-	(2)	3,866
Total transactions with owners of the Company	(133)	(3,991)	35	271	(4,297)	3,858
Balance at 30 September 2013	94,153	93,549	43,299	(370)	50,620	604

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

Company	Total Equity S\$'000	Share Capital S\$'000	Other Reserves S\$'000	Accumulated Profits S\$'000
Balance at 1 January 2014	83,429	43,299	-	40,130
Profit and total comprehensive income for the period	3,696	-	-	3,696
Tax exempt (1-tier) final dividend of 1.5 cents per share for the financial year ended 31 December 2013	(3,015)	-	-	(3,015)
Tax exempt (1-tier) interim dividend of 1.0 cent per share for the financial year ending 31 December 2014	(2,010)	-	-	(2,010)
Balance at 30 September 2014	82,100	43,299	-	38,801
Balance at 1 January 2013	81,646	43,264	5	38,377
Profit and total comprehensive income for the period	2,327	-	-	2,327
Tax exempt (1-tier) final dividend of 1.0 cent per share for the financial year ended 31 December 2012	(2,009)	-	-	(2,009)
Tax exempt (1-tier) interim dividend of 1.0 cent per share for the financial year ended 31 December 2013	(2,010)	-	-	(2,010)
Exercise of employee share options	30	35	(5)	-
Balance at 30 September 2013	79,984	43,299	-	36,685

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

There were no movements in the share capital of the Company from 30 June 2014 to 30 September 2014.

There were no outstanding convertibles instruments which may be converted to shares as at 30 September 2014 and 30 September 2013. There were no treasury shares held as at 30 September 2014 and 30 September 2013.

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

Total number of issued shares excluding treasury shares

30-Sep-14 '000	31-Dec-13 '000
200,996	200,996

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

Not applicable.

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

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

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation as in the most recently audited financial statements for the year ended 31 December 2013, except for the adoption of certain new/revised Financial Reporting Standards (FRS) and Interpretations of FRS (INT FRS) that became mandatory from 1 January 2014. The adoption of these new/revised FRS and INT FRS did not have any material effect on the financial information.

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

Please refer to item 4 above.

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

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

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

ii) On a fully diluted basis

Group figures			
3Q 2014	3Q 2013	30-Sep-14	30-Sep-13
cents	cents	cents	cents
0.99	0.76	2.71	2.67
0.99	0.76	2.71	2.67

- 7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:- (a) current financial period reported on; and (b) immediately preceding financial year.

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

Group		Company	
30-Sep-14	31-Dec-13	30-Sep-14	31-Dec-13
46.8	46.6	40.8	41.5

- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

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

3Q 2014 vs 3Q 2013

Group revenue for the quarter ended 30 September 2014 ("3Q 2014") increased 3% to \$24.9 million when compared to \$24.2 million for the same period last year ("3Q 2013"). The increase was mainly from the restaurant operation in Singapore.

Group profit before tax for 3Q 2014 grew 42% to \$2.3 million when compared to \$1.6 million in 3Q 2013. The increase in profit was mainly attributed to improved profit contribution from the restaurant operation in Singapore resulting from the higher sales. Lower losses from the PRC operations also contributed to the better bottom line.

Group profit after tax for 3Q 2014 increased 47% to \$1.9 million when compared to \$1.3 million in 3Q 2013. After deducting share of losses attributable to non-controlling interests, the Group recorded a profit attributable to owners of the Company of approximately \$2.0 million, 30% higher than \$1.5 million in 3Q 2013.

YTD September 2014 vs YTD September 2013

Group revenue for the 9 months ended 30 September 2014 ("YTD September 2014") increased by 5% to \$75.1 million when compared to \$71.3 million for the same period last year ("YTD September 2013"). The increase was largely from the Group's operations in Singapore and was mainly attributable to the additional contribution from new outlets opened in 2014 and second half year of 2013. The Group's Malaysian operations also contributed higher revenue.

Group profit before tax for YTD September 2014 increased 9% to \$6.4 million when compared to \$5.9 million for YTD September 2013. Higher profit contribution from the Group's operations in Malaysia along with reduced losses from the PRC operations resulted in the improved bottom line. The restaurant operation in Singapore continues to be the main profit contributor, however its profit contribution was impacted by higher operating costs.

Group profit after tax for YTD September 2014 increased 11% to \$5.2 million when compared to \$4.7 million in YTD September 2013. After deducting the share of losses attributable to non-controlling interests, the Group recorded a profit attributable to owners of the Company of \$5.5 million, 2% higher when compared to \$5.4 million in YTD September 2013.

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

The Group generated operating cash flow of \$2.9 million in 3Q 2014. Net cash used in investing activities was mainly for the purchase of plant and equipment of \$0.6 million and investment in a new associated company of \$0.1 million. Net cash used in financing activities was mainly for the payment of interim dividend to shareholders of \$2.0 million. Overall, the cash and cash equivalents of the Group increased by \$0.1 million in 3Q 2014.

For the 9 months ended 30 September 2014, cash flow generated from operating activities was \$5.3 million. Net cash used in investing activities was mainly for the purchase of plant and equipment of \$1.2 million and investment in a new associated company of \$0.1 million. Net cash used in financing activities was mainly due to the 2 dividend payments to shareholders of \$5.0 million. Overall, the cash and cash equivalents of the Group reduced by \$0.3 million for the 9 months ended 30 September 2014 to \$79.4 million.

- 9 **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**
The current announced results are in line with the prospect statement previously disclosed in the Group's 2Q 2014 results announcement made on 13 August 2014.
- 10 **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**
The Group expects the operating environment to remain challenging with rising business costs, tight labour supply and strong competition among the industry players. The Group will continue its efforts in driving revenue, managing operating costs and streamlining work processes to improve operational efficiencies.
The Group will also continue to explore new investment opportunities for growth.
- 11 **Dividend**
(a) Current Financial Period Reported On
Any dividend declared / recommended for the current financial period reported on? No
(b) Corresponding Period of the Immediately Preceding Financial Year
Any dividend declared for the corresponding period of the immediately preceding financial year? No
(c) Date payable
Not applicable.
(d) Books closure date
Not applicable.
- 12 **If no dividend has been declared/(recommended), a statement to that effect.**
No interim dividend for the third quarter ended 30 September 2014 has been recommended.
- 13 **If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**
The Group has not obtained a general mandate from shareholders for Interested Person Transactions ("IPT").
- 14 **Negative confirmation pursuant to Rule 705(5).**
On behalf of the Board, we hereby confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the interim financial information for the third quarter and nine months ended 30 September 2014 to be false or misleading in any material aspects.

On behalf of the Board of Directors

Chua Tiang Choon, Keith
Executive Chairman
Singapore
12 November 2014

Ang Yee Lim
Managing Director