

Third Quarter and Nine Months Financial Statements And Dividend Announcement For The Period Ended 30 September 2019

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

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

Statement of Profit or Loss and Other Comprehensive Income

	Group			Group		
	3Q 2019 S\$'000	3Q 2018 S\$'000	Change %	30-Sep-19 S\$'000	30-Sep-18 S\$'000	Change %
Revenue	29,506	31,966	(7.7)	90,147	92,213	(2.2)
Cost of sales	(16,942)	(18,475)	(8.3)	(52,430)	(53,772)	(2.5)
Gross profit	12,564	13,491	(6.9)	37,717	38,441	(1.9)
Other income (Note 1)	345	312	10.6	1,197	1,372	(12.8)
Interest income (Note 2)	211	221	(4.5)	654	505	29.5
Selling, distribution and outlet expenses	(8,146)	(8,553)	(4.8)	(24,695)	(25,165)	(1.9)
Administrative expenses	(3,989)	(3,992)	(0.1)	(12,244)	(11,792)	3.8
Other expenses (Note 3)	(72)	(181)	(60.2)	(333)	(399)	(16.5)
Interest expenses (Note 4)	(318)	(22)	n.m.	(1,082)	(57)	n.m.
Share of results of equity-accounted investees, net of tax (Note 5)	(25)	40	n.m.	(149)	(243)	(38.7)
Profit before tax	570	1,316	(56.7)	1,065	2,662	(60.0)
Income tax expense (Note 6)	(130)	(193)	(32.6)	(554)	(514)	7.8
Profit for the period	440	1,123	(60.8)	511	2,148	(76.2)
Other comprehensive income/(loss):						
<u>Items that are or may be reclassified subsequently to profit or loss:</u>						
Currency translation differences	375	(177)	n.m.	207	318	(34.9)
Other comprehensive income/(loss) for the period, net of tax	375	(177)	n.m.	207	318	(34.9)
Total comprehensive income for the period	815	946	(13.8)	718	2,466	(70.9)
Profit attributable to:						
Owners of the Company	412	979	(57.9)	217	1,718	(87.4)
Non-controlling interests	28	144	(80.6)	294	430	(31.6)
Profit for the period	440	1,123	(60.8)	511	2,148	(76.2)
Total comprehensive income attributable to:						
Owners of the Company	776	825	(5.9)	423	2,034	(79.2)
Non-controlling interests	39	121	(67.8)	295	432	(31.7)
Total comprehensive income for the period	815	946	(13.8)	718	2,466	(70.9)

n.m.: not meaningful

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

	Group			Group		
	3Q 2019 S\$'000	3Q 2018 S\$'000	Change %	30-Sep-19 S\$'000	30-Sep-18 S\$'000	Change %
Profit for the period include the following:						
Other income including foreign exchange gain, net (Note 1)	345	312	10.6	1,197	1,372	(12.8)
Interest expenses:						
- borrowings	(7)	(7)	-	(22)	(14)	57.1
- interest portion on lease liabilities (Note 4)	(261)	-	n.a.	(881)	-	n.a.
- deemed finance costs	(50)	(15)	n.m.	(179)	(43)	n.m.
Amortisation of intangible assets	(109)	(130)	(16.2)	(357)	(383)	(6.8)
Depreciation:						
- property, plant and equipment	(945)	(1,033)	(8.5)	(3,045)	(3,171)	(4.0)
- investment properties	(40)	(40)	-	(121)	(121)	-
- right-of-use assets (Note 4)	(4,425)	-	n.a.	(13,095)	-	n.a.
Foreign exchange loss, net (Note 3)	(13)	(166)	(92.2)	(110)	(159)	(30.8)
Property, plant and equipment written off (Note 3)	(45)	(14)	n.m.	(188)	(223)	(15.7)
Write back of allowance for doubtful trade debts	-	-	n.a.	-	3	(100.0)
Gain/(Loss) on disposal of property, plant and equipment, net	-	1	(100.0)	1	(2)	n.m.
Write-off for inventories	(12)	(12)	-	(64)	(15)	n.m.
Bad trade debts written off	-	(1)	(100.0)	-	(7)	(100.0)
Over provision for tax of prior years	-	5	(100.0)	3	142	(97.9)

Note:

- (1) The decrease in other income for YTD September 2019 was due mainly to lower government grants under the Special Employment Credit and Wage Credit Schemes.
- (2) The increase in interest income for YTD September 2019 was due mainly to interest income from loans to a joint venture company.
- (3) The decrease in other expenses for YTD September 2019 was due mainly to lower foreign exchange losses and lower write-off of plant and equipment.
- (4) With effect from the financial year beginning 1 January 2019, the Group has adopted the new SFRS(I) 16 – Leases (refer to paragraph 5 on page 7 for more details).
- (5) The decrease in share of losses of equity-accounted investees for YTD September 2019 was mainly attributed to lower losses from the associated company due to the capitalisation of finance costs as part of the project development costs during FY 2018.
- (6) The effective tax rate of the Group for the current financial period was higher due mainly to the tax effect of losses incurred by certain companies of the Group which could not be set off against the taxable profit of the Group. The lower comparative in YTD September 2018 was also due to write-back of over provision for tax of prior years.

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

Statements of financial position

	Group		Company	
	30-Sep-19 S\$'000	31-Dec-18 S\$'000	30-Sep-19 S\$'000	31-Dec-18 S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	20,339	22,606	6,939	8,006
Investment properties	2,886	3,007	936	964
Intangible assets	16,009	16,365	-	-
Right-of-use assets (Note 4)	28,179	-	25,064	-
Investments in subsidiaries	-	-	48,638	47,988
Interests in equity-accounted investees	18,032	17,547	-	-
Financial asset at FVOCI	35	35	35	35
Loans to subsidiaries	-	-	10,754	10,233
Loans to equity-accounted investees	4,648	4,245	-	-
Other asset	381	381	381	381
Total non-current assets	90,509	64,186	92,747	67,607
Current assets				
Inventories	2,188	2,779	1,393	1,588
Trade and other receivables	10,886	9,742	5,908	6,181
Fixed deposits	25,952	28,653	12,616	15,745
Cash and bank balances	21,570	20,657	5,776	6,353
Total current assets	60,596	61,831	25,693	29,867
Total assets	151,105	126,017	118,440	97,474
EQUITY AND LIABILITIES				
Equity				
Share capital	43,299	43,299	43,299	43,299
Other reserves	(1,332)	(1,538)	-	-
Accumulated profits	50,818	54,621	34,661	40,120
Equity attributable to owners of the Company	92,785	96,382	77,960	83,419
Non-controlling interests	4,075	3,789	-	-
Total equity	96,860	100,171	77,960	83,419
Non-current liabilities				
Lease liabilities (Note 4)	13,420	321	12,680	-
Deferred tax liabilities	2,825	2,884	394	394
Provision	1,121	1,121	702	702
Other liabilities	3,790	3,640	1,700	1,700
Total non-current liabilities	21,156	7,966	15,476	2,796
Current liabilities				
Trade and other payables	15,038	14,936	11,197	10,097
Provisions	1,569	1,588	1,178	1,130
Borrowings	144	299	-	-
Lease liabilities (Note 4)	15,219	81	12,611	-
Tax payable	1,119	976	18	32
Total current liabilities	33,089	17,880	25,004	11,259
Total liabilities	54,245	25,846	40,480	14,055
Total equity and liabilities	151,105	126,017	118,440	97,474

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-19	
Secured	Unsecured
<u>S\$'000</u>	<u>S\$'000</u>
229	-

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

Amount repayable after one year

As at 30-Sep-19	
Secured	Unsecured
<u>S\$'000</u>	<u>S\$'000</u>
256	-

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

1(b)(ii) **Details of collaterals**

The Group's borrowing facilities are secured by

- legal charges over certain properties and pledges of fixed deposits of the Group's Malaysian subsidiary, corporate guarantees from a wholly-owned subsidiary of the Company and the Company; and
- charge on plant and equipment by a bank for financing.

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

Statement of cash flows

	Group		Group	
	3Q 2019 S\$'000	3Q 2018 S\$'000	30-Sep-19 S\$'000	30-Sep-18 S\$'000
Cash flows from operating activities				
Profit before tax	570	1,316	1,065	2,662
<i>Adjustments for:</i>				
Amortisation of intangible assets	109	130	357	383
Depreciation - Property, plant and equipment	945	1,033	3,045	3,171
Depreciation - Investment properties	40	40	121	121
Depreciation - Right-of-use assets	4,425	-	13,095	-
(Gain)/Loss on disposal of property, plant and equipment, net	-	(1)	(1)	2
Property, plant and equipment written off	45	14	188	223
Share of results of equity-accounted investees	25	(40)	149	243
Interest expenses from borrowings	7	7	22	14
Interest portion on leases liabilities	261	-	881	-
Deemed finance costs	50	15	179	43
Interest income	(211)	(221)	(654)	(505)
Operating cash flows before movements in working capital	6,266	2,293	18,447	6,357
<i>Changes in working capital:</i>				
Inventories	3	229	591	400
Trade and other receivables	(246)	(909)	(418)	(493)
Trade and other payables	871	1,242	72	(934)
Provisions	(52)	60	(80)	216
Currency translation differences	36	212	124	187
Cash generated from operations	6,878	3,127	18,736	5,733
Income tax paid	(241)	(224)	(689)	(1,056)
Net cash generated from operating activities	6,637	2,903	18,047	4,677
Cash flows from investing activities				
Interest received	211	221	654	505
Purchase of property, plant and equipment	(305)	(605)	(1,350)	(1,476)
Proceeds from disposal of property, plant and equipment	1	6	21	7
Deposit refunded for ceased project	-	-	-	4,050
Payment for acquisition of a land plot	(686)	(274)	(686)	(274)
Investment in equity-accounted investees	-	(331)	-	(331)
Loans to equity-accounted investees	(70)	(45)	(1,024)	(795)
Net cash (used in)/generated from investing activities	(849)	(1,028)	(2,385)	1,686
Cash flows from financing activities				
Interest paid for borrowings	(7)	(7)	(22)	(14)
Interest portion of lease liabilities paid	(261)	-	(881)	-
(Repayment of)/Proceeds from borrowings	(19)	(235)	(155)	281
Payment of lease liabilities	(4,262)	-	(12,430)	-
Funds (placed in)/withdrew from non-liquid deposits	(2)	(2)	4	(2)
Dividend paid to shareholders	(1,005)	(2,010)	(4,020)	(5,025)
Dividend paid to non-controlling interests	(9)	-	(9)	-
Net cash used in financing activities	(5,565)	(2,254)	(17,513)	(4,760)
Net increase/(decrease) in cash and cash equivalents	223	(379)	(1,851)	1,603
Cash and cash equivalents at beginning of financial period	46,959	58,638	49,183	56,487
Effect of exchange rate fluctuations on cash and cash equivalents	216	(81)	66	88
Cash and cash equivalents at end of financial period	47,398	58,178	47,398	58,178
Cash and cash equivalents comprise:				
Fixed deposits	25,952	42,104	25,952	42,104
Cash and bank balances	21,570	16,200	21,570	16,200
	47,522	58,304	47,522	58,304
Less: funds placed in non-liquid deposits	(124)	(126)	(124)	(126)
	47,398	58,178	47,398	58,178

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	Share Capital S\$'000	Other Reserves S\$'000	Accumulated Profits S\$'000	Non-controlling Interests S\$'000
Balance at 1 January 2019	100,171	96,382	43,299	(1,538)	54,621	3,789
Profit for the period	511	217	-	-	217	294
<i>Other comprehensive income:</i> Currency translation differences	207	206	-	206	-	1
Other comprehensive income for the period, net of tax	207	206	-	206	-	1
Total comprehensive income for the period	718	423	-	206	217	295
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 2018	(3,015)	(3,015)	-	-	(3,015)	-
Tax exempt (1-tier) interim dividend of 0.5 cents per share for the financial year ending 31 December 2019	(1,005)	(1,005)	-	-	(1,005)	-
Dividend paid to non-controlling interests	(9)	-	-	-	-	(9)
Total distributions to owners of the Company	(4,029)	(4,020)	-	-	(4,020)	(9)
Balance at 30 September 2019	96,860	92,785	43,299	(1,332)	50,818	4,075
Balance at 1 January 2018	101,453	98,490	43,299	(2,211)	57,402	2,963
Profit for the period	2,148	1,718	-	-	1,718	430
<i>Other comprehensive income:</i> Currency translation differences	318	316	-	316	-	2
Other comprehensive income for the period, net of tax	318	316	-	316	-	2
Total comprehensive income for the period	2,466	2,034	-	316	1,718	432
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 2017	(3,015)	(3,015)	-	-	(3,015)	-
Tax exempt (1-tier) interim dividend of 1.0 cent per share for the financial year ended 31 December 2018	(2,010)	(2,010)	-	-	(2,010)	-
Total distributions to owners of the Company	(5,025)	(5,025)	-	-	(5,025)	-
Balance at 30 September 2018	98,894	95,499	43,299	(1,895)	54,095	3,395

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

Company	Total Equity S\$'000	Share Capital S\$'000	Accumulated Profits S\$'000
Balance at 1 January 2019	83,419	43,299	40,120
Net Loss and total comprehensive loss for the period	(1,439)	-	(1,439)
Tax exempt (1-tier) final dividend of 1.5 cents per share for the financial year ended 31 December 2018	(3,015)	-	(3,015)
Tax exempt (1-tier) interim dividend of 0.5 cents per share for the financial year ending 31 December 2019	(1,005)	-	(1,005)
Balance at 30 September 2019	77,960	43,299	34,661
Balance at 1 January 2018	88,302	43,299	45,003
Net Loss and total comprehensive loss for the period	(305)	-	(305)
Tax exempt (1-tier) final dividend of 1.5 cents per share for the financial year ended 31 December 2017	(3,015)	-	(3,015)
Tax exempt (1-tier) interim dividend of 1.0 cent per share for the financial year ended 31 December 2018	(2,010)	-	(2,010)
Balance at 30 September 2018	82,972	43,299	39,673

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

There were no movements in the share capital of the Company from 31 December 2018 to 30 September 2019.

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

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

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

30-Sep-19 '000	31-Dec-18 '000
200,996	200,996

Total number of issued shares excluding treasury shares

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

Not applicable.

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

Not applicable.

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

The figures have not been audited or reviewed.

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

Not applicable.

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

Except as disclosed in paragraph 5, the Group has applied the same accounting policies and methods of computation as in the most recently audited financial statements for the year ended 31 December 2018.

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

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

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

SFRS(I) 16: Leases

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

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

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

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

- i) Based on weighted average number of ordinary shares on issue
ii) On a fully diluted basis

Group figures			
3Q 2019	3Q 2018	30-Sep-19	30-Sep-18
cents	cents	cents	cents
0.20	0.49	0.11	0.85
0.20	0.49	0.11	0.85

- 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-19	31-Dec-18	30-Sep-19	31-Dec-18
46.2	48.0	38.8	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 2019 vs 3Q 2018

Group revenue for the quarter ended 30 September 2019 ("3Q 2019") declined by 8% to \$29.5 million when compared to \$32.0 million in 3Q 2018. The decrease was mainly attributable to the reduction of outlets and lower sales from the catering business.

Group profit before tax for 3Q 2019 was about \$0.6 million, a decrease of 57% when compared to \$1.3 million in 3Q 2018.

The Group recorded a profit after tax and non-controlling interests of \$0.4 million for 3Q 2019 as compared to about \$1.0 million in 3Q 2018.

YTD September 2019 vs YTD September 2018

Group revenue for YTD September 2019 was \$90.1 million, a decrease of 2% when compared to \$92.2 million in the same period last year, mainly attributable to the reduction of outlets.

Group profit before tax for YTD September 2019 was lower at about \$1.1 million, a decrease of 60% when compared to \$2.7 million in the previous corresponding period. The weaker performance of the F&B operations was primarily attributed to increased competition and high operating costs. Apart from the lower operating performance, the Group's expenses increased by about \$0.5 million as a result of adopting SFRS(I) 16 and one-off costs related to new outlets and closure of outlets of \$0.6 million.

The Group recorded a profit after tax of \$0.5 million for YTD September 2019, compared to \$2.1 million in 2018. After deducting the share of profit attributable to non-controlling interests, the Group recorded a net profit attributable to owners of the Company of \$0.2 million compared to \$1.7 million in 2018.

8(b) Review of Financial Position

Non-current assets

As at 30 September 2019, the Group's non-current assets increased by \$26.3 million from \$64.2 million as at 31 December 2018 to \$90.5 million primarily due to the recognition of ROU assets of \$28.2 million largely arising from the adoption of SFRS(I) 16 on 1 January 2019.

At the Company level, similarly, non-current assets increased from \$67.6 million to \$92.7 million due mainly to the recognition of ROU assets of \$25.1 million.

Current assets

As at 30 September 2019, the Group's current assets decreased by \$1.2 million from \$61.8 million to \$60.6 million. The decrease was due to decrease in cash and cash equivalents of \$1.8 million and inventories of \$0.6 million. This was partly offset by increase in trade and other receivables of \$1.1 million, of which \$0.7 million was the partial payment for the acquisition of a land plot in Bintan, Indonesia.

At the Company level, current assets decreased by \$4.2 million from \$29.9 million to \$25.7 million as at 30 September 2019. The decrease was due mainly to decrease in cash and cash equivalents of \$3.7 million to fund the Company's investing activities and distributions to shareholders.

Non-current liabilities

As at 30 September 2019, the Group's non-current liabilities increased from \$8.0 million as at 31 December 2018 to \$21.2 million due mainly to the recognition of lease liabilities of \$13.2 million following the adoption of SFRS(I) 16.

At the Company level, the increase in non-current liabilities from \$2.8 million to \$15.5 million was due to the recognition of lease liabilities of \$12.7 million.

Current liabilities

The Group's current liabilities increased from \$17.9 million as at 31 December 2018 to \$33.1 million as at 30 September 2019. The increase was primarily due to the recognition of lease liabilities of \$15.1 million with the adoption of SFRS(I) 16.

At the Company level, the increase from \$11.3 million to \$25.0 million was due to the recognition of lease liabilities of \$12.6 million. The increase in trade and other payables of \$1.1 million was due mainly to increased amount owing to a subsidiary.

8(c) Cash Flow

The Group generated net cash from operating activities of \$6.6 million in 3Q 2019. Net cash used in investing activities of \$0.8 million was mainly for the purchase of plant and equipment of \$0.3 million and partial payment of \$0.7 million for the acquisition of a land plot in Bintan; partly offset by interest income of \$0.2 million. Net cash used in financing activities of \$5.6 million was mainly attributable to (i) payment of interest and lease liabilities of \$4.5 million, and (ii) payment of interim dividend of \$1.0 million. Overall, the cash and cash equivalents of the Group increased by \$0.2 million in 3Q 2019.

The Group generated net cash from operating activities of \$18.0 million for YTD September 2019. Net cash used in investing activities of \$2.4 million was mainly attributable to the purchase of plant and equipment of \$1.4 million, partial payment of \$0.7 million for the acquisition of a land plot in Bintan and loans to associated company and joint venture company of \$1.0 million; partly offset by interest income of \$0.7 million. Net cash used in financing activities of \$17.5 million was mainly attributable to (i) payment of interest and lease liabilities of \$13.3 million, and (ii) payment of dividends to shareholders of \$4.0 million. Overall, the cash and cash equivalents of the Group decreased by about \$1.9 million, ending the period with cash and cash equivalents of \$47.4 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 2019 results announcement made on 14 August 2019.

10 **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Group is cautious of its business outlook as the operating environment of the food and beverage industry remains difficult and challenging. The industry continues to face pressure with intense competition and increased operating costs. As part of our strategies to improve overall profitability of the Group, we will focus on refining our businesses, expanding our product offerings as well as strengthening our operations. However, if the difficult operating conditions continue, these could further impact the Group's performance.

The Group had on 1 November 2019 entered into an agreement with the franchisor for the renewal of the Swensen's master franchise rights for a further period of 20 years, this will enable us to continue to build the Swensen's brand.

For the property business, the Group had on 11 October 2019 announced the completion of the acquisition of a land plot in Bintan, Indonesia. Plans for development are underway for some of the other property investments. The Group does not expect any material contribution from this business in the current financial year.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared / recommended for the current financial period reported on? 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 and the reason(s) for the decision.

No interim dividend for the third quarter ended 30 September 2019 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 2019 to be false or misleading in any material aspects.

On behalf of the Board of Directors

Chua Tiang Choon, Keith
Executive Chairman

Ang Yee Lim
Managing Director

Singapore

13 November 2019

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

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

BY ORDER OF THE BOARD

Ang Lian Seng
Executive Director
13 November 2019