

Fourth Quarter and Full Year Financial Statements And Dividend Announcement For The Year Ended 31 December 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 | | |
|--|--------------------|--------------------|----------------|----------------------|----------------------|--------------|
| | 4Q 2014 S\$'000 | 4Q 2013 S\$'000 | Change % | 31-Dec-14 S\$'000 | 31-Dec-13 S\$'000 | Change % |
| Revenue | 27,389 | 26,880 | 1.9 | 102,519 | 98,166 | 4.4 |
| Cost of sales | (14,180) | (13,795) | 2.8 | (55,071) | (51,622) | 6.7 |
| Gross profit | 13,209 | 13,085 | 0.9 | 47,448 | 46,544 | 1.9 |
| Other income (Note 1) | 319 | 1,103 | (71.1) | 1,649 | 1,975 | (16.5) |
| Selling, distribution and outlet expenses | (7,102) | (7,190) | (1.2) | (27,335) | (26,338) | 3.8 |
| Administrative expenses | (3,260) | (2,997) | 8.8 | (11,994) | (11,932) | 0.5 |
| Other expenses (Note 2) | (175) | (512) | (65.8) | (348) | (835) | (58.3) |
| Finance costs (Note 3) | (1) | (1) | - | (6) | (5) | 20.0 |
| Share of results of equity-accounted investees, net of tax (Note 4) | (63) | - | n.a. | (63) | - | n.a. |
| Profit before tax | 2,927 | 3,488 | (16.1) | 9,351 | 9,409 | (0.6) |
| Income tax expense (Note 5) | (584) | (367) | 59.1 | (1,828) | (1,613) | 13.3 |
| Profit for the period/year | 2,343 | 3,121 | (24.9) | 7,523 | 7,796 | (3.5) |
| Other comprehensive income: | | | | | | |
| <u>Items that are or may be reclassified subsequently to profit or loss:</u> | | | | | | |
| Currency translation differences | - | 2 | (100.0) | 30 | (95) | n.m. |
| Other comprehensive income/(loss) for the period/year, net of tax | - | 2 | (100.0) | 30 | (95) | n.m. |
| Total comprehensive income for the period/year, net of tax | 2,343 | 3,123 | (25.0) | 7,553 | 7,701 | (1.9) |
| Profit/(Loss) attributable to: | | | | | | |
| Owners of the Company | 2,451 | 3,093 | (20.8) | 7,906 | 8,451 | (6.4) |
| Non-controlling interests | (108) | 28 | n.m. | (383) | (655) | (41.5) |
| Profit for the period/year | 2,343 | 3,121 | (24.9) | 7,523 | 7,796 | (3.5) |
| Total comprehensive income/(loss) attributable to: | | | | | | |
| Owners of the Company | 2,468 | 3,103 | (20.5) | 7,949 | 8,387 | (5.2) |
| Non-controlling interests | (125) | 20 | n.m. | (396) | (686) | (42.3) |
| Total comprehensive income for the period/year, net of tax | 2,343 | 3,123 | (25.0) | 7,553 | 7,701 | (1.9) |

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

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

| | Group | | | Group | | |
|---|--------------------|--------------------|-------------|----------------------|----------------------|-------------|
| | 4Q 2014 S\$'000 | 4Q 2013 S\$'000 | Change % | 31-Dec-14 S\$'000 | 31-Dec-13 S\$'000 | Change % |
| Profit for the period/year include the following: | | | | | | |
| Other income including interest income and foreign exchange gain, net <i>(Note 1)</i> | 319 | 1,103 | (71.1) | 1,649 | 1,975 | (16.5) |
| Depreciation and amortisation | (796) | (867) | (8.2) | (3,192) | (3,047) | 4.8 |
| Foreign exchange loss, net | (55) | (47) | 17.0 | - | (137) | (100.0) |
| Property, plant and equipment written off <i>(Note 2)</i> | (89) | (225) | (60.4) | (237) | (412) | (42.5) |
| Allowances for doubtful trade receivables, net | - | (1) | (100.0) | - | (6) | (100.0) |
| Write-back of allowance for inventories obsolescences | - | - | n.a. | - | 2 | (100.0) |
| Gain on disposal of property, plant and equipment, net | 1 | 1 | - | - | - | n.a. |
| Write-off for inventories | (17) | (22) | (22.7) | (67) | (57) | 17.5 |
| Bad debts written off - non-trade receivables | (9) | - | n.a. | (9) | - | n.a. |
| Bad trade debts written off | (8) | (1) | n.m. | (8) | (1) | n.m. |
| Allowances for doubtful non-trade receivables | (5) | (13) | (61.5) | (15) | (13) | 15.4 |
| Loss on deemed disposal of a subsidiary <i>(Note 2)</i> | - | (127) | (100.0) | - | (127) | (100.0) |
| Over provision for tax of prior years, net <i>(Note 5)</i> | 38 | 162 | (76.5) | 52 | 172 | (69.8) |

Note:

- (1) Other income for the quarter ended 31 December 2014 ("4Q 2014") comprised mainly interest and rental income; while other income for the full-year ended 31 December 2014 ("FY 2014") also included the Wage Credit and Special Employment Credit received during the year. The decrease in other income for 4Q 2014 and FY 2014 was mainly because there was a waiver of debts by a former shareholder of a subsidiary recognised in 4Q 2013.
- (2) Other expenses for 4Q 2014 and FY 2014 comprised mainly plant and equipment written off and reinstatement expenses arising from the closure of outlets. The decrease in other expenses for 4Q 2014 and FY 2014 was mainly attributed to higher plant and equipment written off and reinstatement expenses in the prior corresponding period and there was a loss arising from deemed disposal of a subsidiary recognised in 4Q 2013.
- (3) Finance costs were pertaining to borrowings taken up by a Malaysian subsidiary.
- (4) Share of results of equity-accounted investees relates to the Group's share of the results of its new associated company, Food Glossary Pte Ltd, which commenced operation in October 2014.
- (5) The income tax expense was mainly attributable to the profitable restaurant operation in Singapore and the confectionery and cafe operations in Malaysia. The higher income tax expense was due mainly to provision for deferred tax liability recognised in Q4 2014 and lower over provision of tax of prior years as compared to 2013.

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

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Statements of financial position

| | Group | | Company | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 31-Dec-14 S\$'000 | 31-Dec-13 S\$'000 | 31-Dec-14 S\$'000 | 31-Dec-13 S\$'000 |
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 20,886 | 21,470 | 9,479 | 9,651 |
| Investment properties | 3,392 | 3,412 | 1,113 | 1,150 |
| Intangible assets (Note 6) | 482 | 620 | 140 | 174 |
| Investments in subsidiaries (Note 7) | - | - | 4,871 | 5,469 |
| Investments in associated companies (Note 8) | 57 | - | - | - |
| Held-to-maturity financial assets | - | 1 | - | 1 |
| Available-for-sale financial assets | 35 | 35 | 35 | 35 |
| Loans to subsidiaries | - | - | 7,159 | 7,639 |
| Total non-current assets | 24,852 | 25,538 | 22,797 | 24,119 |
| Current assets | | | | |
| Inventories (Note 9) | 2,537 | 2,303 | 1,801 | 1,450 |
| Trade receivables | 1,313 | 1,222 | 924 | 911 |
| Other receivables | 5,711 | 5,872 | 4,879 | 4,574 |
| Fixed deposits (Note 10) | 30,673 | 40,127 | 29,408 | 39,444 |
| Cash and bank balances (Note 10) | 51,777 | 39,792 | 37,566 | 26,645 |
| Total current assets | 92,011 | 89,316 | 74,578 | 73,024 |
| Total assets | 116,863 | 114,854 | 97,375 | 97,143 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Share capital | 43,299 | 43,299 | 43,299 | 43,299 |
| Other reserves | (317) | (360) | - | - |
| Accumulated profits | 53,550 | 50,669 | 40,919 | 40,130 |
| Equity attributable to owners of the Company | 96,532 | 93,608 | 84,218 | 83,429 |
| Non-controlling interests | 3,185 | 3,581 | - | - |
| Total equity | 99,717 | 97,189 | 84,218 | 83,429 |
| Non-current liability | | | | |
| Deferred tax liabilities | 1,299 | 1,274 | 520 | 600 |
| Total non-current liability | 1,299 | 1,274 | 520 | 600 |
| Current liabilities | | | | |
| Trade payables | 4,840 | 5,280 | 3,525 | 3,512 |
| Other payables | 9,067 | 9,296 | 7,673 | 8,102 |
| Borrowings (Note 11) | 116 | - | - | - |
| Tax payable | 1,824 | 1,815 | 1,439 | 1,500 |
| Total current liabilities | 15,847 | 16,391 | 12,637 | 13,114 |
| Total liabilities | 17,146 | 17,665 | 13,157 | 13,714 |
| Total equity and liabilities | 116,863 | 114,854 | 97,375 | 97,143 |

Notes to the Statements of financial position:

Note:

- (6) The reduction in intangible assets was mainly due to the amortisation charge for the year.
- (7) The reduction in investments in subsidiaries was due to impairment losses recognised in FY 2014.
- (8) The increase in investments in associated companies was attributable to the Group's investment in a new associated company, Food Glossary Pte Ltd.
- (9) The increase in inventories was mainly due to bulk purchase of ingredients from overseas in December 2014.
- (10) The decrease in fixed deposits was due to the withdrawal of fixed deposit upon maturity, hence there was a corresponding increase in bank balances of the Company.
- (11) The increase in borrowings of the Group was due to short term borrowings taken up by a Malaysian subsidiary.

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

Amount repayable in one year or less, or on demand

| As at 31-Dec-14 | |
|-----------------|-----------|
| Secured | Unsecured |
| S\$'000 | S\$'000 |
| 116 | - |

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

Amount repayable after one year

| As at 31-Dec-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 | |
|---|--------------------|--------------------|----------------------|----------------------|
| | 4Q 2014 S\$'000 | 4Q 2013 S\$'000 | 31-Dec-14 S\$'000 | 31-Dec-13 S\$'000 |
| Cash flows from operating activities | | | | |
| Profit before tax | 2,927 | 3,488 | 9,351 | 9,409 |
| <i>Adjustments for:</i> | | | | |
| Depreciation and amortisation | 796 | 867 | 3,192 | 3,047 |
| Loss on deemed disposal of interest in a subsidiary | - | 127 | - | 127 |
| Gain on disposal of property, plant and equipment, net | (1) | (1) | - | - |
| Impairment in Held-to-maturity financial assets | 1 | - | 1 | - |
| Share option expenses | - | - | - | (1) |
| Property, plant and equipment written off | 89 | 225 | 237 | 412 |
| Share of results of equity-accounted investees | 63 | - | 63 | - |
| Unrealised foreign exchange gain | (173) | (27) | (203) | (139) |
| Interest expense | 1 | 1 | 6 | 5 |
| Interest income | (103) | (65) | (386) | (263) |
| Operating cash flows before movements in working capital | 3,600 | 4,615 | 12,261 | 12,597 |
| <i>Changes in working capital:</i> | | | | |
| Inventories | (401) | (438) | (16) | 191 |
| Trade and other receivables | 406 | 994 | 131 | (124) |
| Trade and other payables | 1,007 | (107) | (940) | 773 |
| Cash from operations | 4,612 | 5,064 | 11,436 | 13,437 |
| Income tax paid | (292) | (174) | (1,837) | (1,109) |
| Net cash generated from operating activities | 4,320 | 4,890 | 9,599 | 12,328 |
| Cash flows from investing activities | | | | |
| Interest received | 103 | 65 | 386 | 263 |
| Purchase of property, plant and equipment | (1,529) | (1,170) | (2,705) | (4,173) |
| Proceeds from disposal of property, plant and equipment | 1 | 19 | 3 | 21 |
| Deposit refund for new project | - | 12,620 | - | - |
| Investment in available-for-sale financial assets | - | (35) | - | (35) |
| Investment in an associated company | - | - | (120) | - |
| Translation differences | 78 | 4 | 80 | 5 |
| Net cash (used in)/generated from investing activities | (1,347) | 11,503 | (2,356) | (3,919) |
| Cash flows from financing activities | | | | |
| Interest paid | (1) | (1) | (6) | (5) |
| (Repayments of)/Proceeds from short term borrowings, net | (168) | (296) | 116 | (139) |
| Repayment of finance lease obligations | - | - | - | (2) |
| Funds withdrawn from/(placed in) non-liquid deposits | 2 | (1) | 216 | 1 |
| Proceeds from exercise of employee share options | - | - | - | 31 |
| Contributions by non-controlling interests | - | - | - | 3,864 |
| Dividend paid to shareholders | - | - | (5,025) | (4,019) |
| Dividend paid to non-controlling interests | - | - | - | (8) |
| Net cash used in financing activities | (167) | (298) | (4,699) | (277) |
| Net increase in cash and cash equivalents | 2,806 | 16,095 | 2,544 | 8,132 |
| Cash and cash equivalents at beginning of financial period/year | 79,369 | 63,479 | 79,601 | 71,330 |
| Effect of exchange rate fluctuations on cash and cash equivalents | 173 | 27 | 203 | 139 |
| Cash and cash equivalents at end of financial period/year | 82,348 | 79,601 | 82,348 | 79,601 |
| Cash and cash equivalents comprise: | | | | |
| Fixed deposits | 30,673 | 40,127 | 30,673 | 40,127 |
| Cash and bank balances | 51,777 | 39,792 | 51,777 | 39,792 |
| | 82,450 | 79,919 | 82,450 | 79,919 |
| Less: funds placed in non-liquid deposits | (102) | (318) | (102) | (318) |
| | 82,348 | 79,601 | 82,348 | 79,601 |

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 year | 7,523 | 7,906 | - | - | 7,906 | (383) |
| <i>Other comprehensive income:</i> | | | | | | |
| Currency translation differences | 30 | 43 | - | 43 | - | (13) |
| Other comprehensive income for the year, net of tax | 30 | 43 | - | 43 | - | (13) |
| Total comprehensive income for the year | 7,553 | 7,949 | - | 43 | 7,906 | (396) |
| 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 ended 31 December 2014 | (2,010) | (2,010) | - | - | (2,010) | - |
| Balance at 31 December 2014 | 99,717 | 96,532 | 43,299 | (317) | 53,550 | 3,185 |
| Balance at 1 January 2013 | 89,708 | 92,256 | 43,264 | (567) | 49,559 | (2,548) |
| Profit for the year | 7,796 | 8,451 | - | - | 8,451 | (655) |
| <i>Other comprehensive income:</i> | | | | | | |
| Currency translation differences | (95) | (64) | - | (64) | - | (31) |
| Other comprehensive income for the year, net of tax | (95) | (64) | - | (64) | - | (31) |
| Total comprehensive income for the year | 7,701 | 8,387 | - | (64) | 8,451 | (686) |
| 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 | | | | | | |
| Changes in ownership interest in a subsidiary without a change in control | - | (3,036) | - | - | (3,036) | 3,036 |
| Disposal of interest in a subsidiary | (87) | - | - | - | - | (87) |
| Contribution by non-controlling interests | 3,864 | (10) | - | - | (10) | 3,874 |
| Total changes in ownership interests in subsidiaries | 3,777 | (3,046) | - | - | (3,046) | 6,823 |
| Total transactions with owners of the Company | (220) | (7,035) | 35 | 271 | (7,341) | 6,815 |
| Balance at 31 December 2013 | 97,189 | 93,608 | 43,299 | (360) | 50,669 | 3,581 |

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 year | 5,814 | - | - | 5,814 |
| 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 ended 31 December 2014 | (2,010) | - | - | (2,010) |
| Balance at 31 December 2014 | 84,218 | 43,299 | - | 40,919 |
| Balance at 1 January 2013 | 81,646 | 43,264 | 5 | 38,377 |
| Profit and total comprehensive income for the year | 5,772 | - | - | 5,772 |
| 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 31 December 2013 | 83,429 | 43,299 | - | 40,130 |

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 September 2014 to 31 December 2014.

There were no outstanding convertibles instruments which may be converted to shares as at 31 December 2014 and 31 December 2013. There were no treasury shares held as at 31 December 2014 and 31 December 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.

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

Total number of issued shares excluding treasury shares

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.

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/year 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 | | | |
|---------------|---------|-----------|-----------|
| 4Q 2014 | 4Q 2013 | 31-Dec-14 | 31-Dec-13 |
| cents | cents | cents | cents |
| 1.22 | 1.54 | 3.93 | 4.21 |
| 1.22 | 1.54 | 3.93 | 4.21 |

- 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.**

| Group | | Company | |
|-----------|-----------|-----------|-----------|
| 31-Dec-14 | 31-Dec-13 | 31-Dec-14 | 31-Dec-13 |
| 48.0 | 46.6 | 41.9 | 41.5 |

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

- 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.**

4Q 2014 vs 4Q 2013

Group revenue for the quarter ended 31 December 2014 ("4Q 2014") increased 2% to \$27.4 million when compared to \$26.9 million for the same period last year ("4Q 2013"). The increase was mainly from the restaurant operation in Singapore.

Group profit before tax for 4Q 2014 was \$2.9 million. The restaurant operation in Singapore continues to achieve improved profit contribution resulting from the higher sales. The lower profit before tax when compared to \$3.5 million in 4Q 2013 was mainly attributed to the recognition of a one-off other income arising from the waiver of debts by a former shareholder of a subsidiary in 4Q 2013.

Group profit after tax for 4Q 2014 was \$2.3 million, a reduction of 25% when compared to \$3.1 million in 4Q 2013. After deducting share of losses attributable to non-controlling interests, the Group recorded a profit attributable to owners of the Company of \$2.5 million against \$3.1 million in 4Q 2013.

YTD December 2014 vs YTD December 2013

Group revenue for the full year ended 31 December 2014 ("FY 2014") increased by 4% to \$102.5 million when compared to \$98.2 million for the same period last year ("FY 2013"). The increase was largely from the Group's operations in Singapore and was mainly attributable to the additional contributions from new outlets opened in 2014 and second half year of 2013. The Group's Malaysian operations also contributed higher revenue in FY 2014.

Group profit before tax for FY 2014 was \$9.4 million, marginally lower than FY 2013. The restaurant operation in Singapore is the main profit contributor and continues to achieve improved profit contribution. The Group's operations in Malaysia also contributed higher profit in FY 2014. The comparative for FY 2013 was boosted by the one-off income arising from the waiver of debts by a former shareholder of a subsidiary.

Group profit after tax for FY 2014 was \$7.5 million, a reduction of 4% when compared to \$7.8 million in FY 2013, due mainly to higher provision for tax expense in FY 2014. After deducting the share of losses attributable to non-controlling interests, the Group recorded a profit attributable to owners of the Company of \$7.9 million, 6% lower when compared to \$8.5 million in FY 2013.

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

The Group generated operating cash flow of \$4.3 million in 4Q 2014. Net cash used in investing activities was mainly for the purchase of plant and equipment of \$1.5 million. Net cash used in financing activities was mainly the repayment of borrowings by a Malaysian subsidiary. Overall, the cash and cash equivalents of the Group increased by \$2.8 million in 4Q 2014.

For the full year ended 31 December 2014, cash flow generated from operating activities was \$9.6 million. Net cash used in investing activities was mainly for the purchase of plant and equipment of \$2.7 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 increased by \$2.5 million for the full year ended 31 December 2014 to \$82.3 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 3Q 2014 results announcement made on 12 November 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 in the F&B industry to remain challenging. Besides strong competition, the rising operating costs, in particular from rental and manpower costs will continue to exert pressure on the profit margin. The Group will remain focused on driving revenue, managing its operating costs and improving productivity and efficiency. The Group will continue to explore new investment opportunities in the F&B sector.

At the EGM on 29 April 2014, the Shareholders have approved the business diversification to include property business as an additional core business of the Group. While the Group has yet to commit any specific investment as at this date, the Group continues to explore opportunities in this new core business.

11 Dividend

(a) Current Financial Period Reported On

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

| Name of dividend | Interim | Final |
|--------------------|---------------------|---------------------|
| Dividend type | Cash | Cash |
| Dividend per share | 1 cent | 1.50 cents |
| Tax rate | Tax exempt (1-tier) | Tax exempt (1-tier) |

(b) Corresponding Period of the Immediately Preceding Financial Year

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

| Name of dividend | Interim | Final |
|--------------------|---------------------|---------------------|
| Dividend type | Cash | Cash |
| Dividend per share | 1 cent | 1.50 cents |
| Tax rate | Tax exempt (1-tier) | Tax exempt (1-tier) |

(c) Date payable

The proposed final dividend payable date shall be announced later.

(d) Books closure date

The books closure date shall be announced later.

12 If no dividend has been declared/(recommended), a statement to that effect.

Not applicable.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders for Interested Person Transactions ("IPT").

14 Negative confirmation pursuant to Rule 705(5).

Not applicable.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

(a) Business segments

| 2014 | Restaurants and confectionery | Others | Eliminations | Group |
|--|--|----------------|---------------------|----------------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Revenue from external customers | 102,466 | 53 | - | 102,519 |
| Inter-segment revenue | - | 2,483 | (2,483) | - |
| Total revenue | 102,466 | 2,536 | (2,483) | 102,519 |
| Segment results | 10,671 | (1,251) | - | 9,420 |
| Finance costs | (6) | - | - | (6) |
| Share of results of equity-accounted investees | (63) | - | - | (63) |
| Profit before tax | | | | 9,351 |
| Income tax expense | | | | (1,828) |
| Profit after tax | | | | 7,523 |
| Non-controlling interests | | | | 383 |
| Net profit | | | | 7,906 |
| Assets | | | | |
| Investment in associated companies | 57 | - | - | 57 |
| Segment assets | 107,676 | 18,467 | (9,337) | 116,806 |
| Total assets | | | | 116,863 |
| Liabilities | | | | |
| Segment Liabilities | 17,122 | 11,823 | (14,922) | 14,023 |
| Unallocated tax payable | | | | 3,123 |
| Total liabilities | | | | 17,146 |
| Capital expenditure | 2,589 | 116 | - | 2,705 |
| Depreciation and amortisation | 2,849 | 343 | - | 3,192 |
| Other non-cash expenses | 237 | (202) | - | 35 |

15 (a) **Business segments** (cont'd)

| 2013 | Restaurants and confectionery | Others | Eliminations | Group |
|---------------------------------|--|----------------|---------------------|----------------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Revenue from external customers | 98,106 | 60 | - | 98,166 |
| Inter-segment revenue | - | 2,460 | (2,460) | - |
| Total revenue | 98,106 | 2,520 | (2,460) | 98,166 |
| Segment results | 9,954 | (540) | - | 9,414 |
| Finance costs | (5) | - | - | (5) |
| Profit before tax | | | | 9,409 |
| Income tax expense | | | | (1,613) |
| Profit after tax | | | | 7,796 |
| Non-controlling interests | | | | 655 |
| Net profit | | | | 8,451 |
| Assets | | | | |
| Segment assets | 107,214 | 17,489 | (9,849) | 114,854 |
| Total assets | | | | 114,854 |
| Liabilities | | | | |
| Segment Liabilities | 17,312 | 12,441 | (15,177) | 14,576 |
| Unallocated tax payable | | | | 3,089 |
| Total liabilities | | | | 17,665 |
| Capital expenditure | 4,173 | - | - | 4,173 |
| Depreciation and amortisation | 2,721 | 326 | - | 3,047 |
| Other non-cash expenses | 538 | (139) | - | 399 |

Note:

Others Segment included unallocated Group-level corporate services cost, income from investment holding and franchising.

The segment results for FY 2013 included the waiver of debts by a former shareholder of a subsidiary.

15(b) **Geographical segments**

| | Sales to external customers | | Non-current assets | |
|--------------|------------------------------------|------------------|---------------------------|------------------|
| | 31-Dec-14 | 31-Dec-13 | 31-Dec-14 | 31-Dec-13 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Singapore | 88,246 | 83,795 | 20,307 | 20,974 |
| Malaysia | 13,865 | 13,156 | 4,327 | 4,250 |
| Rest of Asia | 408 | 1,215 | 183 | 278 |
| | 102,519 | 98,166 | 24,817 | 25,502 |

15(c) **Information about major customers**

The Group did not have any single customer contributing 10% or more to its revenue for the financial years 2014 and 2013.

16 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to paragraph 8.

17 A breakdown of sales.

| | Group | | |
|---|------------------|------------------|---------------|
| | 31-Dec-14 | 31-Dec-13 | Change |
| | S\$'000 | S\$'000 | % |
| Sales reported for first half year | 50,279 | 47,056 | 6.8 |
| Operating profit after tax before deducting non-controlling interests reported for first half year | 3,264 | 3,367 | (3.1) |
| Sales reported for second half year | 52,240 | 51,110 | 2.2 |
| Operating profit after tax before deducting non-controlling interests reported for second half year | 4,259 | 4,429 | (3.8) |

| | <u>Total Annual Dividend</u> | |
|------------|------------------------------|------------------|
| | <u>Latest</u> | <u>Previous</u> |
| | <u>Full Year</u> | <u>Full Year</u> |
| Ordinary | <u>S\$'000</u> | <u>S\$'000</u> |
| Preference | 5,025 | 4,019 |
| Total | - | - |
| | <u>5,025</u> | <u>4,019</u> |

19 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

| Name | Age | Family relationship with any director and/or substantial shareholder | Current position and duties, and the year the position was held | Details of changes in duties and position held, if any, during the year |
|-------------------------|-----|--|---|---|
| Chua Tiang Choon, Keith | 61 | Brother of the Non-Executive Director and Substantial Shareholder, Mr Allan Chua Tiang Kwang. Brother of the Substantial Shareholder, Mr Chua Tiang Chuan. | Executive Chairman since 1 August 2004. Jointly responsible with the Managing Director, Mr Ang Yee Lim, to oversee ABR Group's overall business operations in the region, formulate long-term strategies and spearhead the Group's business expansion plans. | NIL |
| Ang Yee Lim | 63 | Uncle of the Executive Director, Mr Ang Lian Seng. Cousin of the Executive Director, Mr Leck Kim Seng. | Managing Director since 1 July 2004. Jointly responsible with the Executive Chairman, Mr Chua Tiang Choon, Keith, to oversee ABR Group's overall business operations in the region, formulate long-term strategies and spearhead the Group's business expansion plans. | NIL |
| Leck Kim Seng | 60 | Cousin of the Managing Director and Substantial Shareholder, Mr Ang Yee Lim. Uncle of the Executive Director, Mr Ang Lian Seng. | Executive Director since 20 March 2002. Overseeing the Company's operations. | NIL |
| Ang Lian Seng | 50 | Nephew of the Managing Director and Substantial Shareholder, Mr Ang Yee Lim. Nephew of the Executive Director, Mr Leck Kim Seng. | Executive Director since 4 May 2001. Overseeing the Company's operations. | NIL |
| Allan Chua Tiang Kwang | 59 | Brother of the Executive Chairman and Substantial Shareholder, Mr Chua Tiang Choon, Keith. Brother of the Substantial Shareholder, Mr Chua Tiang Chuan. | Non-Executive Director since 18 February 2002. | NIL |
| Leck Kim Song | 57 | Brother of the Executive Director, Mr Leck Kim Seng. Uncle of the Executive Director, Mr Ang Lian Seng. Cousin of the Managing Director and Substantial Shareholder, Mr Ang Yee Lim. | General Manager since 1 November 2005. Overseeing Lawry's Group of Companies' operations. | NIL |
| Kevin Khoo Min Chuen | 41 | Nephew of the Executive Chairman and Substantial Shareholder, Mr Chua Tiang Choon, Keith. | Director of Business Development since 1 July 2014 Overseeing the operations and business development of key subsidiaries. | NIL |

BY ORDER OF THE BOARD

Ang Lian Seng
Executive Director
26 February 2015