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The details of the contact person for the Sponsor is:-

Name : Mr Ong Hwee Li (Registered Professional, SAC Capital Private Limited)

Address: 1 Robinson Road, #21-02 AIA Tower, Singapore 048542

Tel: +65 6532 3829

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL-YEAR RESULTS

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.

	Group			Group		
	2H FY18 Oct 17 - Mar 18 S\$'000	2H FY17 Oct 16 - Mar 17 S\$'000	Increase/ (decrease) %	FY18 Apr 17 - Mar 18 S\$'000	FY17 Apr 16 - Mar 17 S\$'000	Increase/ (decrease) %
Revenue	48,428	45,332	6.8	85,723	85,060	0.8
Cost of sales	(13,108)	(12,117)	8.2	(23,902)	(23,884)	0.1
Gross profit	35,320	33,215	6.3	61,821	61,176	1.1
<i>Gross profit margin</i>	<i>72.9%</i>	<i>73.3%</i>	<i>(0.4) percentage points</i>	<i>72.1%</i>	<i>71.9%</i>	<i>0.2 percentage points</i>
Other operating income	1,069	1,234	(13.4)	1,848	2,599	(28.9)
Administrative expenses	(16,833)	(15,222)	10.6	(31,478)	(30,281)	4.0
Other operating expenses	(18,459)	(17,292)	6.7	(34,467)	(33,576)	2.7
Share of profit of joint venture	(202)	(64)	215.6	212	345	(38.6)
Share of profit of associates	313	179	74.9	480	256	87.5
Finance costs	(90)	(110)	(18.2)	(184)	(204)	(9.8)
Profit/(loss) before tax	1,118	1,940	(42.4)	(1,768)	315	N.M.
Income tax (expenses)/benefits	(54)	(53)	1.9	(4)	170	N.M.
Profit/(loss) for the period/year	1,064	1,887	(43.6)	(1,772)	485	N.M.
Other comprehensive income:						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Exchange differences on translation of foreign operations representing other comprehensive income for the period/year, net of tax	(99)	41	N.M.	(134)	106	N.M.
Striking off of a subsidiary, representing total changes in ownership of interests in subsidiaries for the period/year, net of tax	-	-	N.M.	22	-	N.M.
Total comprehensive income for the period/year	965	1,928	(49.9)	(1,884)	591	N.M.
Profit/(loss) attributable to:						
Owners of the company	771	1,411	(45.4)	(1,399)	422	N.M.
Non-controlling interests	293	476	(38.4)	(373)	63	N.M.
	1,064	1,887	(43.6)	(1,772)	485	N.M.
Total comprehensive profit/(loss) attributable to:						
Owners of the company	697	1,442	(51.7)	(1,483)	503	N.M.
Non-controlling interests	268	486	(44.9)	(401)	88	N.M.
	965	1,928	(49.9)	(1,884)	591	N.M.

N.M. : percentage not meaningful.

1(a)(ii) Notes to the Income Statement for the current financial period reported on and the corresponding period of the immediately preceding financial year.

	Group		Increase/ (decrease) %
	FY18 Apr 17 - Mar 18 S\$'000	FY17 Apr 16 - Mar 17 S\$'000	
Profit/(loss) for the year includes the following (charges)/credits:			
Government grants/credits	325	618	(47.4)
Dividend income from an available-for-sale investment	58	82	(29.3)
Interest income from:			
- Cash at bank and short-term deposits	58	36	61.1
- Related parties	21	21	-
Interest expenses on:			
- Bank loans	(62)	(78)	(20.5)
- Obligations under finance leases	(32)	(30)	6.7
- Shareholders' loans	(90)	(96)	(6.3)
Depreciation of property, plant and equipment	(3,468)	(4,478)	(22.6)
Impairment loss of property, plant and equipment (see Note A below)	(794)	-	N.M.
Write-off of property, plant and equipment (see Note A below)	(76)	(11)	590.9
(Loss)/gain on disposal of property, plant and equipment (see Note A below)	(56)	7	N.M.
Gain/(loss) on foreign exchange	114	(107)	N.M.
Loss arising from striking off of a subsidiary	(22)	-	N.M.
Rental expenses - operating leases (see Note A below)	(14,180)	(13,449)	5.4
Staff costs	(26,920)	(26,591)	1.2
Allowance for doubtful debts - trade receivables	-	(37)	N.M.
Allowance for doubtful debts - non-trade receivables (see Note A below)	(101)	-	N.M.
Current tax (expenses)/benefits	(41)	188	N.M.
Deferred tax benefits/(expenses)	66	(6)	N.M.
Over/(under) provision in preceding financial years for			
- Current tax	18	2	800.0
- Deferred tax	(47)	(14)	235.7

Note A

Included in the charges disclosed above are the following exceptional items relating to closure of outlets and impairment of non-performing outlets:

(i) Impairment loss of property, plant and equipment	(794)	-	N.M.
(ii) Write-off of property, plant and equipment	(66)	-	N.M.
(iii) Loss on disposal of property, plant and equipment	(57)	-	N.M.
(iv) Rental relating to early termination of a non-performing outlet	(123)	-	N.M.
(v) Allowance for doubtful debts - non-trade receivables	(101)	-	N.M.
	<u>(1,141)</u>	<u>-</u>	<u>N.M.</u>

N.M. : percentage 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.

	Group		Note	Company		Note
	31 Mar 18 S\$'000	31 Mar 17 S\$'000		31 Mar 18 S\$'000	31 Mar 17 S\$'000	
ASSETS						
Current assets:						
Cash and bank balances	15,467	15,041	1	6,732	3,326	2
Trade receivables	2,415	1,279	3	-	-	
Other receivables and prepayments	1,039	1,288	4	12	8	
Inventories	1,818	1,839		-	-	
Total current assets	20,739	19,447		6,744	3,334	
Non-current assets:						
Other receivables and prepayments	447	441		-	-	
Long-term security deposits	1,712	1,737		-	-	
Interests in subsidiaries	-	-		12,110	16,488	5
Associates	1,097	833	6	-	-	
Joint venture	909	697	7	-	-	
Deferred tax assets	318	299		-	-	
Property, plant and equipment	7,141	10,010	8	-	-	
Total non-current assets	11,624	14,017		12,110	16,488	
Total assets	32,363	33,464		18,854	19,822	
LIABILITIES AND EQUITY						
Current liabilities:						
Trade payables	3,460	2,980	9	-	-	
Other payables	7,888	7,001	10	316	415	11
Finance leases	214	234	13a	-	-	
Bank loans	421	558	14a	-	-	
Income tax payable	56	49		-	-	
Total current liabilities	12,039	10,822		316	415	
Net current assets	8,700	8,625		6,428	2,919	
Non-current liabilities:						
Other payables	4,481	4,232	12	-	-	
Finance leases	233	382	13b	-	-	
Bank loans	1,754	2,176	14b	-	-	
Total non-current liabilities	6,468	6,790		-	-	
Total liabilities	18,507	17,612		316	415	
Capital, reserves and non-controlling interests:						
Share capital	28,450	28,450		28,450	28,450	
Currency translation reserve	(52)	32		-	-	
Accumulated losses	(12,606)	(11,207)		(9,912)	(9,043)	
Equity attributable to owners of the company	15,792	17,275		18,538	19,407	
Non-controlling interests	(1,936)	(1,423)		-	-	
Net equity	13,856	15,852		18,538	19,407	
Total liabilities and equity	32,363	33,464		18,854	19,822	

1(b)(i) Statement of Financial Position (continued)**NOTE: EXPLANATION OF THE FINANCIAL YEAR 2018 (FY18) VS FINANCIAL YEAR 2017 (FY17)**

- 1) Increase in cash and bank balances at Group level was mainly due to the following:
 (a) operational cash inflow of S\$2.5 million; and
 (b) S\$0.2 million received from an associate due to capital reduction.
 The increase was partially offset by S\$1.1 million in cash outlays to acquire plant and equipment, S\$0.8 million repayment of bank borrowings and finance leases and S\$0.4 million loan repayment to non-controlling interest in a subsidiary.
- 2) Increase in cash and bank balances at Company level was mainly due to repayment of advances from subsidiaries amounting to S\$3.4 million.
- 3) Increase in trade receivables was mainly due to an increase in receivable turnover days due to increased catering credit sales.
- 4) Decrease in other receivables and prepayments (current) at Group level was mainly due to lower government grant receivables and income tax recoverables of S\$0.2 million.
- 5) Decrease in interests in subsidiaries was mainly due to repayment of advances from subsidiaries amounting to S\$3.4 million and allowance for diminution in deemed investment of a subsidiary amounting to S\$1.2 million, but partially offset by fair value adjustment on deemed investment of a subsidiary amounting to S\$0.2 million.
- 6) Increase in associates was mainly due to share of profit of associates amounting to S\$0.5 million offset by capital reduction of an associate amounting to S\$0.2 million during FY18.
- 7) Increase in joint venture was mainly due to share of profit amounting to S\$0.2 million during FY18.
- 8) Decrease in property, plant and equipment was mainly due to S\$3.5 million depreciation charge, S\$0.8 million impairment loss and S\$0.1 million write-off during FY18 but partially offset by acquisition of plant and equipment amounting to S\$1.5 million.
- 9) Increase in trade payables was in line with the stronger sales during the last quarter of FY18 which coincided with the Chinese New Year period where more purchases were transacted.
- 10) Increase in other payables (current) at Group level was mainly due to increase in staff-related accrued expenses of S\$0.6 million, increase in deferred revenue of S\$0.8 million and additional provision of reinstatement cost amounting to S\$0.2 million but partially offset by repayment of loan to non-controlling interest of a subsidiary amounting to S\$0.4 million and reduction in non-food payables amounting to S\$0.3 million.
- 11) Decrease in other payables at Company level was mainly due to fair value adjustment on financial guarantees of S\$48,000 and decrease in accrual of directors' fees of S\$57,000.
- 12) Increase in other payables (non-current) at Group level was mainly due to increase in advance from non-controlling interest of a subsidiary amounting to S\$0.2 million.
- 13(a)&(b) Decrease in finance leases was mainly due to repayment of S\$242,000 offset by new finance leases of S\$72,000 during FY18.
- 14(a)&(b) Decrease in bank borrowings was due to loan repayments of S\$0.6 million during FY18.

Total assets of the Group decreased by S\$1.1 million (3.3%) to S\$32.4 million as at 31 March 2018 from S\$33.5 million as at 31 March 2017 mainly due to decrease in plant and equipment of S\$2.9 million but partially offset by the following:

- (i) increase in trade and other receivable of S\$0.9 million;
 (ii) increase in cash and bank balances of S\$0.4 million;
 (iii) increase in investment of associates of S\$0.3 million; and
 (iv) increase in investment of joint venture of S\$0.2 million.

Total liabilities of the Group increased by S\$0.9 million (5.1%) to S\$18.5 million as at 31 March 2018 from S\$17.6 million as at 31 March 2017 mainly due to increase in trade and other payables amounting to S\$1.6 million but partially offset by reduction in bank borrowings and finance leases amounting to S\$0.7 million.

The Group's net working capital improved by S\$0.1 million to S\$8.7 million as at 31 March 2018 from S\$8.6 million as at 31 March 2017 as the Group continued to generate positive cash flow from operating activities.

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 Mar 2018 (S\$'000)		As at 31 Mar 2017 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
635	-	792	-

Amount repayable after one year

As at 31 Mar 2018 (S\$'000)		As at 31 Mar 2017 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
1,987	-	2,558	-

Details of any collateral

As at balance sheet date, the total borrowings of the Group are secured by way of:

1. A charge over the leasehold property of a subsidiary situated at No 20, Bukit Batok Crescent #11-05 to 09/18 Enterprise Centre Singapore 658080;
2. Plant and equipment under finance leases; and
3. Corporate guarantees issued by the Company.

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

	Apr 17 - Mar 18 S\$'000	Apr 16 - Mar 17 S\$'000
Operating activities:		
(Loss)/profit before tax	(1,768)	315
Adjustments for:		
Share of profit of joint venture	(212)	(345)
Share of profit of associates	(480)	(256)
Depreciation of property, plant and equipment	3,468	4,478
Impairment loss of property, plant and equipment	794	-
Write off of property, plant and equipment	76	11
Loss/(gain) on disposal of property, plant and equipment	56	(7)
Allowance for doubtful debts	101	37
Interest income	(79)	(57)
Finance costs	184	204
Dividend income from an available-for-sale investment	(58)	(82)
Foreign exchange (gain)/loss	(114)	107
Loss arising from striking off of a subsidiary	22	-
Reversal of reinstatement costs	(10)	-
Operating cash flows before movements in working capital	<u>1,980</u>	<u>4,405</u>
Changes in working capital:		
(Increase)/decrease in trade receivables	(1,142)	467
Decrease/(increase) in other receivables and prepayments	197	(235)
Decrease in inventories	22	443
Decrease/(increase) in long-term security deposits	34	(119)
Increase/(decrease) in trade payables	462	(364)
Increase/(decrease) in other payables	919	(2,348)
Cash flows from operations	<u>2,472</u>	<u>2,249</u>
Interest paid	(99)	(109)
Interest received	54	31
Income tax refund	73	157
Net cash flows from operating activities	<u>2,500</u>	<u>2,328</u>
Investing activities		
Purchase of property, plant and equipment (see Note B)	(1,122)	(1,903)
Advance payment for capital expenditures (see Note B)	(4)	(7)
Proceeds from disposal of property, plant and equipment	30	7
Dividend received from an available-for-sale investment	58	82
Dividend received from joint venture	-	725
Dividend received from an associate	-	136
Loan repayment received from an associate	-	275
Capital reduction of an associate	220	-
Advances of loan to an associate	(101)	-
Net cash flows used in investing activities	<u>(919)</u>	<u>(685)</u>

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

	Apr 17 - Mar 18 S\$'000	Apr 16 - Mar 17 S\$'000
Financing activities		
Advances from non-controlling interests in subsidiaries	165	357
Dividends paid to non-controlling interests in subsidiaries (see Note C)	(140)	(147)
Repayment of loan to a corporate shareholder of the Company	-	(44)
Repayment of loan to a non-controlling interest in a subsidiary	(390)	(10)
Repayment of bank loans	(559)	(542)
Repayment of obligations under finance leases	(242)	(228)
Net cash flows used in financing activities	<u>(1,166)</u>	<u>(614)</u>
Net increase in cash and bank balances	415	1,029
Cash and bank balances at beginning of the financial year	15,041	14,025
Effect of foreign exchange rate changes	11	(13)
Cash and bank balances at end of the financial year	<u>15,467</u>	<u>15,041</u>

Note B

During the financial year, the Group recorded additions to property, plant and equipment with an aggregate cost of S\$1,553,000 (FY17: S\$2,470,000) of which S\$372,000 (FY17: S\$8,000) relates to provision for reinstatement costs of premises, S\$72,000 (FY17: S\$198,000) was acquired under finance lease arrangements, S\$17,000 (FY17: S\$30,000) remains unpaid at the end of the reporting period. Cash payments of S\$1,122,000 (FY17: S\$1,903,000) were made to the purchase of property, plant and equipment.

Note C

During the financial year, the Group declared dividends amounting to S\$140,000 (FY17: S\$117,000) to non-controlling interests in subsidiaries at the end of the reporting period.

1(d)(i) A statement (for the issuer and group) showing either (a) all changes in equity or (b) 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.

	GROUP					
	Share capital S\$'000	Currency translation (deficit)/ reserve S\$'000	Accumulated losses S\$'000	Attributable to equity owners of the Company S\$'000	Non- controlling interests S\$'000	Total S\$'000
At 1 April 2016	28,450	(49)	(11,629)	16,772	(1,455)	15,317
Profit for the year	-	-	422	422	63	485
<u>Other comprehensive income</u>						
Foreign currency translation representing other comprehensive loss for the year, net of tax	-	81	-	81	25	106
Total comprehensive income for the year, net of tax	-	81	422	503	88	591
<u>Contribution by and distributions to owners</u>						
Dividends paid to non-controlling interests in subsidiaries	-	-	-	-	(117)	(117)
Fair value adjustment on interest-free loans from a non-controlling interest in subsidiary	-	-	-	-	61	61
Total transactions with owners in their capacity as owners	-	-	-	-	(56)	(56)
At 31 March 2017 and 1 April 2017	28,450	32	(11,207)	17,275	(1,423)	15,852
Loss for the year	-	-	(1,399)	(1,399)	(373)	(1,772)
<u>Other comprehensive income</u>						
Foreign currency translation representing other comprehensive income for the year, net of tax	-	(99)	-	(99)	(35)	(134)
Striking off of a subsidiary, representing total changes in ownership of interests in subsidiaries	-	15	-	15	7	22
	-	(84)	-	(84)	(28)	(112)
Total comprehensive income for the year, net of tax	-	(84)	(1,399)	(1,483)	(401)	(1,884)
<u>Contribution by and distributions to owners</u>						
Dividends paid to non-controlling interests in subsidiaries	-	-	-	-	(140)	(140)
Fair value adjustment on interest-free loans from a non-controlling interest in subsidiary	-	-	-	-	28	28
Total transactions with owners in their capacity as owners	-	-	-	-	(112)	(112)
At 31 March 2018	28,450	(52)	(12,606)	15,792	(1,936)	13,856
	COMPANY					
	Share capital S\$'000	Accumulated losses S\$'000	Total S\$'000			
At 1 April 2016	28,450	(9,048)	19,402			
Profit for the year, representing total comprehensive income for the year	-	5	5			
At 31 March 2017 and 1 April 2017	28,450	(9,043)	19,407			
Profit for the year, representing total comprehensive income for the year	-	(869)	(869)			
At 31 March 2018	28,450	(9,912)	18,538			

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 issue, 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 at the end of the corresponding period of the immediately preceding financial year.

On 25 August 2014, the Company issued 78,400,000 new ordinary shares in the issued and paid-up share capital of the Company pursuant to a renounceable and non-underwritten rights issue of up to 78,400,000 new ordinary shares ("**Rights Shares**") in the issued share capital of the Company ("**Rights Issue**") at an issue price of S\$0.12 for each Rights Share on the basis of two (2) Rights Shares for every five (5) existing shares then held by shareholders as based on the terms and conditions of the Offer Information Statement dated 29 July 2014 issued by the Company. Net proceeds of S\$9.3 million were raised from the Rights Issue.

The Company refers to the announcement dated 1 October 2014 and 25 August 2015, the net proceeds raised from the Rights Issue has been utilised by way of grant of loans amounting to S\$6.0 million to a wholly owned subsidiary to provide additional working capital to repay its trade owings and monthly bank indebtedness as well as to finance the set-up of one outlet and renovation of two existing outlets in Singapore. The unutilised net proceeds from Rights Issue approximates S\$3.3 million as at 31 March 2018.

There have been no changes in the Company's issued share capital since the end of the previous financial period reported on being 30 September 2017.

There are no outstanding convertibles, treasury shares and subsidiary holdings as at the end of the financial year ended 31 March 2018 and 31 March 2017.

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 Mar 18	31 Mar 17
Total number of issued shares excluding treasury shares	<u>274,400,000</u>	<u>274,400,000</u>

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.

The Company does not have any treasury shares.

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.

The Company does not have any subsidiary holdings.

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 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.

Except as disclosed under paragraph 5 below, the Group has applied the same accounting policies and methods of computation as in the most recently audited annual financial statements.

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 applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited annual financial statements for the year ended 31 March 2017, except for the adoption of new and revised Financial Reporting Standards (FRS) which are effective for financial periods beginning on or after 1 April 2017.

The adoption of the new or revised standards from the effective date did not result in material adjustments to the financial position, results of operations or cash flows for the year ended 31 March 2018 and did not have significant impact on the financial statements of the Group.

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:-

	FY18	FY17
	Apr 17 - Mar 18	Apr 16 - Mar 17
(Losses)/earnings per ordinary share for the period after deducting any provision for preference dividends:		
(a) Based on the weighted average number of ordinary shares on issue	(0.51) cents	0.15 cents
(b) On a fully diluted basis	(0.51) cents	0.15 cents
Weighted average number of ordinary shares	274,400,000	274,400,000

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital 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 Mar 18	31 Mar 17	31 Mar 18	31 Mar 17
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares as at the end of the period reported on	5.76 cents	6.30 cents	6.76 cents	7.07 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.

Revenue

	1H FY18 S\$'000	1H FY17 S\$'000	Decrease S\$'000	Decrease %	2H FY18 S\$'000	2H FY17 S\$'000	Increase S\$'000	Increase %	FY18 S\$'000	FY17 S\$'000	Increase S\$'000	Increase %
Revenue	37,295	39,728	(2,433)	(6.1)	48,428	45,332	3,096	6.8	85,723	85,060	663	0.8

Revenue generated during the first six months period ended 30 September 2017 ("1H FY18") decreased S\$2.4 million (6.1%) to S\$37.3 million from S\$39.7 million for the corresponding six months period ended 30 September 2016 ("1H FY17") due to the soft economic environment.

The Group registered stronger performance during the second half of FY18 ("2H FY18") especially during the Chinese New Year period in February/March 2018 amid improving market sentiments. Revenue generated during 2H FY18 improved by S\$3.1 million (6.8%) to S\$48.4 million as compared to S\$45.3 million for the corresponding period ended 31 March 2017 ("2H FY17").

Overall, revenue for FY18 improved by S\$0.6 million (0.8%) to S\$85.7 million from S\$85.1 million for the financial year ended 31 March 2017 ("FY17") mainly due to higher catering sales of S\$1.2 million and stronger sales from existing outlets of S\$1.2 million, but partially offset by the following:

- (a) loss of contract to provide food service to a hotel amounting to S\$1.0 million;
(b) loss of revenue from 2 outlets closed during FY18 amounting to S\$0.6 million; and
(c) lower mooncake revenue amounting to S\$0.2 million.

Gross profit margins

Gross profit increased by S\$0.6 million (1.1%) to S\$61.8 million in FY18 from S\$61.2 million in FY17, in line with the higher revenue. Gross profit margin increased marginally by 0.2 percentage points to 72.1% in FY18 from 71.9% in FY17.

Other operating income

Other operating income decreased by S\$0.8 million (28.9%) to S\$1.8 million in FY18 from S\$2.6 million in FY17 mainly due to lower grants/credits of S\$0.3 million received from various government schemes and lower marketing and promotional funds of S\$0.5 million.

Administrative expenses

Administrative expenses, mainly manpower-related expenses, increased by S\$1.2 million (4.0%) to S\$31.5 million in FY18 from S\$30.3 million in FY17 mainly due to salary adjustments and staff incentives in FY18.

Other operating expenses

Other operating expenses increased by S\$0.9 million (2.7%) to S\$34.5 million in FY18 from S\$33.6 million in FY17.

During FY18, the Group conducted a business and operation review exercise to rationalise and streamline its non-performing outlets with the objective of building sustainable growth in revenue and profits. This has resulted in the following exceptional charges amounting to S\$1.1 million being undertaken as part of other operating expenses in FY18:

- (a) S\$1.0 million impairments and write-off of property, plant and equipment as well as closure costs relating to non-performing outlets; and
(b) S\$0.1 million of allowance for doubtful debt relating to a loan for an associate which has closed an outlet.

In addition, the increase of other operating expenses was affected by the following:

- (i) S\$0.7 million higher rental expenses; and
(ii) S\$0.2 million higher utility expenses;

The increase was partially offset by lower depreciation expenses of S\$1.0 million.

Share of profit of joint venture

Share of profit of joint venture decreased by S\$133,000 (38.6%) to S\$212,000 in FY18 from S\$345,000 in FY17 due to lower profitability.

Share of profit of associates

Share of profit of associates increased by S\$224,000 (87.5%) to S\$480,000 in FY18 from S\$256,000 in FY17 due to higher net profit contributions from associates.

Income tax (expenses)/benefits

Income tax expenses decreased S\$174,000 to S\$4,000 in FY18 from tax benefits of S\$170,000 in FY17 mainly due to lower tax benefits received from Productivity and Innovation Credit ("PIC") scheme which has ceased in FY18.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business (continued).

(Loss)/profit attributable to owners of the Company

The Group recorded a higher loss during 1H FY18 arising from lower revenue due to stiff competition and the challenging economic environment. Excluding other operating expenses relating to closure of outlets and impairment of non-performing outlets of S\$1.1 million, the Group managed to report a higher profit attributable to owners of the Company of S\$1.9 million for 2H FY18, an improvement of S\$0.5 million from S\$1.4 million for 2H FY17 mainly due to higher revenue achieved during 2H FY18.

In spite of the stronger performance and higher revenue generated during 2H FY18, the Group registered a loss attributable to owners of the Company of S\$1.4 million for FY18 compared to a profit attributable to owners of the Company of S\$0.4 million for FY17. The decrease was largely due to other operating expenses aggregating S\$1.1 million undertaken by the Group in FY18 and lower other operating income of S\$0.8 million.

Cashflow

The Group's cash and cash equivalents increased by S\$0.4 million to S\$15.4 million as at 31 March 2018 from S\$15.0 million as at 31 March 2017. The net cash increase was mainly due to positive cash generated from operating activities but offset by acquisition of plant and equipment and repayment of bank borrowings and finance leases.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement was disclosed previously.

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 effect the group in the next reporting period and the next 12 months.

With consumers becoming ever more health conscious, the Group is stepping up efforts to better meet their dietary needs while ensuring they still get top-quality fare. Tung Lok takes pride in ensuring our customers are served the freshest and healthiest ingredients from sustainable sources. Among other things, we make frequent farm visits to source for wholesome and reliable food supplies.

Earlier this year, Tung Lok became the first company to join the Singapore Health Promotion Board's drive to get food and beverage ("F&B") firms to replace sugar with healthier alternatives as part of the national anti-diabetes campaign. In addition, as part of the ongoing efforts to build a sustainable business, the Group joined the Southeast Asia Alliance for Sustainable Palm Oil earlier this year, committing itself to sourcing for sustainable palm oil for use across its outlets.

The F&B industry in Singapore, the Group's main market, is expected to remain challenging for the next 12 months as it continues to grapple with an acute shortage of manpower, escalating operating costs and stiff competition. In seeking to weather these challenges, the Group will continue to streamline operational efficiencies and optimise existing resources with a view to boost productivity further and better manage expenses without compromising on quality. The recent rationalisation exercise to close three non-performing outlets (two in FY18 and one in May 2018) will better position the Group to pursue sustainable growth in revenue and profits.

Notwithstanding its net loss in FY18, the Group has worked hard to improve cash flows from operations. This has enabled it to further strengthen its balance sheet by bolstering its cash and bank balances and net working capital position. The Group will continue to adopt a prudent stance when expanding its brands locally and overseas.

11. If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended):

Nil

(b)(i) Amount per share:

Nil

(b)(ii) Previous corresponding period:

Nil

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) Date payable

Not applicable.

(e) Books closure date

Not applicable.

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

No dividend has been declared/recommended.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

	GROUP		Increase/ (decrease) %
	Sale revenue by geographical market		
	31 Mar 18 S\$'000	31 Mar 17 S\$'000	
Singapore	83,070	81,975	1.3
China	2,653	3,085	(14.0)
	<u>85,723</u>	<u>85,060</u>	

	GROUP		Increase/ (decrease) %
	Property, plant and equipment		
	31 Mar 18 S\$'000	31 Mar 17 S\$'000	
Singapore	7,141	9,501	(24.8)
China	-	509	N.M.
	<u>7,141</u>	<u>10,010</u>	

14. 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 Point 8.

15. A breakdown of sales as follows:

	GROUP		Increase/ (decrease) %
	Latest Financial Year	Previous Financial Year	
	Apr 17 - Mar 18 S\$'000	Apr 16 - Mar 17 S\$'000	
(a) Sales reported for first half of the year	37,295	39,728	(6.1)
(b) Operating loss after tax before deducting non-controlling interest reported for first half of the year	(2,836)	(1,402)	102.2
(c) Sales reported for second half of the year	48,428	45,332	6.8
(d) Operating profit after tax before deducting non-controlling interest reported for second half of the year	1,064	1,887	(43.6)

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

Nil.

17. If the group has obtained a general mandate from shareholders for interested person transactions ("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.

Name of Interested Persons and Transactions	Aggregate value of all interested persons transactions during the period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)	
	FY18	FY17	FY18	FY17
	Apr 17 - Mar 18	Apr 16 - Mar 17	Apr 17 - Mar 18	Apr 16 - Mar 17
	S\$'000	S\$'000	S\$'000	S\$'000
T & T Gourmet Cuisine Pte Ltd - Sale of food items to Tee Yih Jia Food Manufacturing Pte Ltd	-	-	1,637	1,469
T & T Gourmet Cuisine Pte Ltd - Sale of food items to Chinatown Food Corporation Pte Ltd	-	-	11	13
T & T Gourmet Cuisine Pte Ltd - Purchase of food items from Tee Yih Jia Food Manufacturing Pte Ltd	-	-	13	12
Tung Lok Group - Purchase of food items from Tee Yih Jia Food Manufacturing Pte Ltd	-	-	98	99
Tung Lok Group - Purchase of food items from Chinatown Food Corporation Pte Ltd	-	-	55	59
Tung Lok Group - Purchase of food items from T & T Gourmet Cuisine Pte Ltd	-	-	104	96
Tung Lok Group - Purchase of mooncakes from T & T Gourmet Cuisine Pte Ltd	-	-	429	455
Tee Yih Jia Food Manufacturing Pte Ltd - Purchase of mooncakes from Tung Lok Group	-	-	18	19
Tung Lok Group - Sale of catering food and services to hotels related to a substantial shareholder	226	265	-	-
China Classic Pte Ltd *	-	900	-	-
Novena Point Pte. Ltd.*	-	1,300	-	-
Orchard Central Pte Ltd *	1,218	-	-	-
Tee Yih Jia Food Manufacturing Pte Ltd *	603	-	-	-
Riverhub Pte Ltd *	573	-	-	-

Note:

* These refer to IPTs that are categorised as transactions under Catalist Rule 916(1), which are in connection with leases of certain commercial units owned by related companies of our controlling shareholder, Goodview Properties Pte. Ltd, as well as our controlling shareholder, Tee Yih Jia Food Manufacturing Pte Ltd. Please refer to the Company's announcements dated 3 August 2016, 28 October 2016, 17 April 2017, 4 January 2018 and 28 February 2018.

18. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under SGX-ST Listing Manual Section B: Rules of Catalyst ("Catalist") Rule 720(1).

The Company confirms that the undertakings from all its directors and executive officers (in the format set out in Appendix 7H) pursuant to Catalyst Rule 720(1) have been procured.

19. Disclosure of person occupying a managerial position in the issuer of any of its principal subsidiaries who is a relative of a director of chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must take an appropriate negative statement.

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of change in duties and position held, if any, during the year
Tjioe Ka In	53	Sister of Tjioe Ka Men (President/Chief Executive Officer and a substantial shareholder)	Tjioe Ka In was appointed as the Executive Director on 1 March 2011 and redesignated as Chief Operating Officer of the Company on 1 November 2016. Her primary responsibilities include strategic planning, product development and ensuring smooth operations of Tung Lok restaurants.	Not Applicable
Tjioe Ka Lie	61	Sister of Tjioe Ka Men (President/Chief Executive Officer and a substantial shareholder)	Senior Vice President, Administration since 2010, and responsible for administration and purchasing matters of the Group. Prior to that, Tjioe Ka Lie was the Vice President - Administration of the Group since 2001.	Not Applicable

BY ORDER OF THE BOARD

Tjioe Ka Men
President/Chief Executive Officer
 28 May 2018