

Second Quarter And Half Year Financial Statements And Dividend Announcement For The Period Ended 30 June 2015

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		
	2Q 2015 S\$'000	2Q 2014 S\$'000	Change %	1H 2015 S\$'000	1H 2014 S\$'000	Change %
Revenue	24,289	25,298	(4.0)	48,719	50,279	(3.1)
Cost of sales	(13,186)	(13,503)	(2.3)	(27,063)	(27,585)	(1.9)
Gross profit	11,103	11,795	(5.9)	21,656	22,694	(4.6)
Other income (Note 1)	262	314	(16.6)	1,256	949	32.3
Selling, distribution and outlet expenses	(6,371)	(6,769)	(5.9)	(13,054)	(13,617)	(4.1)
Administrative expenses	(2,893)	(2,914)	(0.7)	(5,778)	(5,756)	0.4
Other expenses (Note 2)	(362)	(148)	n.m.	(637)	(166)	n.m.
Finance costs (Note 3)	(1)	(3)	(66.7)	(2)	(4)	(50.0)
Share of results of equity-accounted investees, net of tax (Note 4)	(12)	-	n.a.	(29)	-	n.a.
Profit before tax	1,726	2,275	(24.1)	3,412	4,100	(16.8)
Income tax expense (Note 5)	(380)	(500)	(24.0)	(682)	(836)	(18.4)
Profit for the period	1,346	1,775	(24.2)	2,730	3,264	(16.4)
Other comprehensive income:						
<u>Items that are or may be reclassified subsequently to profit or loss:</u>						
Currency translation differences	(217)	(2)	n.m.	(250)	65	n.m.
Other comprehensive (loss)/income for the period, net of tax	(217)	(2)	n.m.	(250)	65	n.m.
Total comprehensive income for the period	1,129	1,773	(36.3)	2,480	3,329	(25.5)
Profit/(Loss) attributable to:						
Owners of the Company	1,410	1,848	(23.7)	2,861	3,467	(17.5)
Non-controlling interests	(64)	(73)	(12.3)	(131)	(203)	(35.5)
Profit for the period	1,346	1,775	(24.2)	2,730	3,264	(16.4)
Total comprehensive income/(loss) attributable to:						
Owners of the Company	1,218	1,842	(33.9)	2,647	3,528	(25.0)
Non-controlling interests	(89)	(69)	29.0	(167)	(199)	(16.1)
Total comprehensive income for the period	1,129	1,773	(36.3)	2,480	3,329	(25.5)

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		
	2Q 2015 S\$'000	2Q 2014 S\$'000	Change %	1H 2015 S\$'000	1H 2014 S\$'000	Change %
Profit for the period include the following:						
Other income including interest income and foreign exchange gain, net (Note 1)	262	314	(16.6)	1,256	949	32.3
Depreciation and amortisation	(787)	(816)	(3.6)	(1,603)	(1,621)	(1.1)
Foreign exchange loss, net (Note 2)	(131)	-	n.a.	(69)	-	n.a.
Property, plant and equipment written off (Note 2)	(151)	(86)	75.6	(559)	(97)	n.m.
Write-back of allowance/(allowance) for inventories obsolescences	8	-	n.a.	(8)	-	n.a.
Loss on disposal of property, plant and equipment, net	-	(1)	(100.0)	(5)	(1)	n.m.
Write-off for inventories	(17)	(38)	(55.3)	(50)	(46)	8.7
Allowances for doubtful non-trade receivables	-	(10)	(100.0)	-	(10)	(100.0)

Note:

- (1) Other income for 2Q 2015 comprised mainly interest and rental income, while the comparative amount for 2Q 2014 also included foreign exchange gain. The increase in other income for 1H 2015 was due mainly to the higher Wage Credit received in 1Q 2015.
- (2) The increase in other expenses for 2Q 2015 and 1H 2015 was due mainly to foreign exchange loss and write-off of plant and equipment arising from closure of outlets.
- (3) The lower finance costs for 2Q 2015 and 1H 2015 was due mainly to lower borrowings taken up by the Malaysian subsidiary.
- (4) Share of results of equity-accounted investee 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 lower income tax expense for 2Q 2015 and 1H 2015 was in line with the lower profit registered for the period.

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

Statements of financial position

	Group		Company	
	30-Jun-15 S\$'000	31-Dec-14 S\$'000	30-Jun-15 S\$'000	31-Dec-14 S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment (Note 6)	19,768	20,886	8,350	9,479
Investment properties	3,313	3,392	1,094	1,113
Intangible assets (Note 7)	412	482	124	140
Investments in subsidiaries (Note 8)	-	-	7,426	4,871
Investments in associated companies (Note 9)	28	57	-	-
Held-to-maturity financial assets	-	-	-	-
Available-for-sale financial assets	35	35	35	35
Loans to subsidiaries	-	-	6,919	7,159
Total non-current assets	23,556	24,852	23,948	22,797
Current assets				
Inventories (Note 10)	2,230	2,537	1,647	1,801
Trade and other receivables	7,083	7,024	6,087	5,803
Fixed deposits (Note 11)	47,033	30,673	45,825	29,408
Cash and bank balances (Note 11)	32,189	51,777	17,592	37,566
Total current assets	88,535	92,011	71,151	74,578
Total assets	112,091	116,863	95,099	97,375
EQUITY AND LIABILITIES				
Equity				
Share capital	43,299	43,299	43,299	43,299
Other reserves (Note 12)	(531)	(317)	-	-
Accumulated profits	53,176	53,550	39,863	40,919
Equity attributable to owners of the Company	95,944	96,532	83,162	84,218
Non-controlling interests (Note 13)	298	3,185	-	-
Total equity	96,242	99,717	83,162	84,218
Non-current liability				
Deferred tax liabilities	1,277	1,299	520	520
Total non-current liability	1,277	1,299	520	520
Current liabilities				
Trade and other payables	12,670	13,907	10,181	11,198
Borrowings	112	116	-	-
Tax payable (Note 14)	1,790	1,824	1,236	1,439
Total current liabilities	14,572	15,847	11,417	12,637
Total liabilities	15,849	17,146	11,937	13,157
Total equity and liabilities	112,091	116,863	95,099	97,375

Notes to the Statements of financial position:

Note:

- (6) The reduction in property, plant and equipment was due mainly to the depreciation charge for the period and write-off of plant and equipment, partially offset by additions to plant and equipment.
- (7) The reduction in intangible assets was due mainly to the amortisation charge for the period.
- (8) The increase in investments in subsidiaries was due mainly to the acquisition of the remaining 49% interest in All Best Foods Pte Ltd (ABF) in June 2015.
- (9) The decrease in investments in associated companies was due to the Group accounting for its share of losses of its associated company in 1H 2015.
- (10) The reduction in inventories was mainly due to build-up of higher inventories at year end.
- (11) The increase in fixed deposits was due to the placement of additional fixed deposits, hence there was a corresponding decrease in cash and bank balances.
- (12) The reduction in other reserves was due mainly to exchange differences arising from translation of the Group's Malaysian subsidiaries.
- (13) The reduction in non-controlling interests (NCI) was due mainly to the acquisition of the remaining 49% interest in ABF from the NCI.
- (14) The decrease in tax payable at the Company level was due mainly to payments made in 1H 2015, partially offset by provision for income tax for 1H 2015.

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-Jun-15	
Secured	Unsecured
S\$'000	S\$'000
112	-

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

Amount repayable after one year

As at 30-Jun-15	
Secured	Unsecured
S\$'000	S\$'000
-	-

As at 31-Dec-14	
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	
	2Q 2015 S\$'000	2Q 2014 S\$'000	1H 2015 S\$'000	1H 2014 S\$'000
Cash flows from operating activities				
Profit before tax	1,726	2,275	3,412	4,100
<i>Adjustments for:</i>				
Depreciation and amortisation	787	816	1,603	1,621
Loss on disposal of property, plant and equipment, net	-	1	5	1
Property, plant and equipment written off	151	86	559	97
Share of results of equity-accounted investees	12	-	29	-
Unrealised foreign exchange loss/(gain)	147	43	(111)	57
Interest expense	1	3	2	4
Interest income	(143)	(96)	(257)	(183)
Operating cash flows before movements in working capital	2,681	3,128	5,242	5,697
<i>Changes in working capital:</i>				
Inventories	(63)	(233)	308	334
Trade and other receivables	(242)	90	85	(465)
Trade and other payables	207	(204)	(1,242)	(2,256)
Cash from operations	2,583	2,781	4,393	3,310
Income tax paid	(488)	(625)	(852)	(883)
Net cash generated from operating activities	2,095	2,156	3,541	2,427
Cash flows from investing activities				
Interest received	143	96	257	183
Purchase of property, plant and equipment	(481)	(381)	(1,154)	(533)
Proceeds from disposal of property, plant and equipment	1	-	21	-
Translation differences	(74)	(37)	(43)	44
Net cash used in investing activities	(411)	(322)	(919)	(306)
Cash flows from financing activities				
Interest paid	(1)	(3)	(2)	(4)
(Repayments of)/Proceeds from short term borrowings, net	(170)	88	(4)	297
Funds withdrawn from/(placed in) non-liquid deposits	4	-	(15)	217
Acquisition of non-controlling interests	(2,940)	-	(2,940)	-
Dividend paid to shareholders	(3,015)	(3,015)	(3,015)	(3,015)
Net cash used in financing activities	(6,122)	(2,930)	(5,976)	(2,505)
Net decrease in cash and cash equivalents	(4,438)	(1,096)	(3,354)	(384)
Cash and cash equivalents at beginning of financial period/year	83,690	80,299	82,348	79,601
Effect of exchange rate fluctuations on cash and cash equivalents	(147)	(43)	111	(57)
Cash and cash equivalents at end of financial period	79,105	79,160	79,105	79,160
Cash and cash equivalents comprise:				
Fixed deposits	47,033	30,567	47,033	30,567
Cash and bank balances	32,189	48,695	32,189	48,695
	79,222	79,262	79,222	79,262
Less: funds placed in non-liquid deposits	(117)	(102)	(117)	(102)
	79,105	79,160	79,105	79,160

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 2015	99,717	96,532	43,299	(317)	53,550	3,185
Profit for the period	2,730	2,861	-	-	2,861	(131)
<i>Other comprehensive income:</i>						
Currency translation differences	(250)	(214)	-	(214)	-	(36)
Other comprehensive income for the period, net of tax	(250)	(214)	-	(214)	-	(36)
Total comprehensive income for the period	2,480	2,647	-	(214)	2,861	(167)
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 2014	(3,015)	(3,015)	-	-	(3,015)	-
Total distributions to owners of the Company	(3,015)	(3,015)	-	-	(3,015)	-
Changes in ownership interests in subsidiaries						
Acquisition of non-controlling interests without a change in control	(2,940)	(220)	-	-	(220)	(2,720)
Total changes in ownership interests in subsidiaries	(2,940)	(220)	-	-	(220)	(2,720)
Total transactions with owners of the Company	(5,955)	(3,235)	-	-	(3,235)	(2,720)
Balance at 30 June 2015	96,242	95,944	43,299	(531)	53,176	298
Balance at 1 January 2014	97,189	93,608	43,299	(360)	50,669	3,581
Profit for the period	3,264	3,467	-	-	3,467	(203)
<i>Other comprehensive income:</i>						
Currency translation differences	65	61	-	61	-	4
Other comprehensive income for the period, net of tax	65	61	-	61	-	4
Total comprehensive income for the period	3,329	3,528	-	61	3,467	(199)
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)	-
Total distributions to owners of the Company	(3,015)	(3,015)	-	-	(3,015)	-
Balance at 30 June 2014	97,503	94,121	43,299	(299)	51,121	3,382

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 2015	84,218	43,299	-	40,919
Net profit and total comprehensive income for the period	1,959	-	-	1,959
Tax exempt (1-tier) final dividend of 1.5 cents per share for the financial year ended 31 December 2014	(3,015)	-	-	(3,015)
Balance at 30 June 2015	83,162	43,299	-	39,863
Balance at 1 January 2014	83,429	43,299	-	40,130
Net profit and total comprehensive income for the period	2,431	-	-	2,431
Tax exempt (1-tier) final dividend of 1.5 cents per share for the financial year ended 31 December 2013	(3,015)	-	-	(3,015)
Balance at 30 June 2014	82,845	43,299	-	39,546

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 31 March 2015 to 30 June 2015.

There were no outstanding convertibles instruments which may be converted to shares as at 30 June 2015 and 30 June 2014. There were no treasury shares held as at 30 June 2015 and 30 June 2014.

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

Total number of issued shares excluding treasury shares

30-Jun-15 '000	31-Dec-14 '000
200,996	200,996

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

Not applicable.

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

The figures have not been audited or reviewed.

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 2014, except for the adoption of certain new/revised Financial Reporting Standards (FRS) and Interpretations of FRS (INT FRS) that became mandatory from 1 January 2015. The adoption of these new/revised FRS and INT FRS did not have any material effect on the financial information.

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

Please refer to item 4 above.

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

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

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

Group figures			
2Q 2015	2Q 2014	1H 2015	1H 2014
cents	cents	cents	cents
0.70	0.92	1.42	1.72
0.70	0.92	1.42	1.72

- 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-Jun-15	31-Dec-14	30-Jun-15	31-Dec-14
47.7	48.0	41.4	41.9

- 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.

2Q 2015 vs 2Q 2014

Group revenue for the 3 months ended 30 June 2015 ("2Q 2015") was \$24.3 million, a decrease of 4% when compared to \$25.3 million for the same period last year ("2Q 2014"). This was mainly attributable to the confectionery and cafe operations in Malaysia recording lower revenue which was further affected by the translation effect of the weakening Malaysian Ringgit against Singapore Dollar.

Group profit before tax for 2Q 2015 was \$1.7 million, a decrease of 24% when compared to \$2.3 million in 2Q 2014. The profit contribution from the restaurant operations in Singapore was impacted by lower sales and higher manpower costs and the write-off of plant and equipment arising from the closure of an outlet. The operations in Malaysia also recorded lower profit contribution resulting from lower revenue.

Group profit after tax for 2Q 2015 was \$1.3 million, a decrease of 24% as compared to \$1.8 million in 2Q 2014. After deducting the share of losses attributable to non-controlling interests, the Group recorded a profit attributable to owners of the Company of \$1.4 million, 24% lower than \$1.8 million in 2Q 2014.

1H 2015 vs 1H 2014

Group revenue for the 6 months ended 30 June 2015 ("1H 2015") was \$48.7 million, a decrease of 3% when compared to \$50.3 million for the same period last year ("1H 2014"). Both the restaurant operations in Singapore and the confectionery and cafe operations in Malaysia recorded a slight decrease in revenue, with the latter being further affected by the translation effect of the weakening Malaysian Ringgit.

Group profit before tax was \$3.4 million for 1H 2015, a reduction of 17% as compared to \$4.1 million for 1H 2014. The restaurant operations in Singapore recorded a lower profit contribution due to lower sales and the impact of higher manpower costs and the write-off of plant and equipment arising from the closure of outlets. The operations in Malaysia also recorded lower profit contribution.

The Group recorded a profit after tax of \$2.7 million in 1H 2015, a decrease of 16% as compared to \$3.3 million in 1H 2014. After deducting the share of losses attributable to non-controlling interests, the Group recorded a profit attributable to owners of the Company of \$2.9 million, 18% lower when compared to \$3.5 million in 1H 2014.

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

The Group generated operating cash flow of \$2.1 million for 2Q 2015 and \$3.5 million for 1H 2015. Net cash used in investing activities was \$0.4 million for 2Q 2015 and \$0.9 million for 1H 2015, arising mainly from purchase of plant and equipment. Net cash used in financing activities was \$6.1 million for 2Q 2015 and \$6.0 million for 1H 2015. The cash outflow comprised mainly the acquisition of the remaining interest in a subsidiary from the NCI of \$2.9 million and the payment of dividend to shareholders of \$3.0 million. Overall, the cash and cash equivalents of the Group was lower by \$4.4 million for 2Q 2015 and by \$3.4 million for 1H 2015. As at 30 June 2015, the Group's cash and cash equivalents amounted to \$79.1 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 1Q 2015 results announcement made on 14 May 2015.

- 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 food and beverage industry to remain competitive and challenging. Increases in rental and manpower costs continue to exert pressure on the profit margin. To counter the impact of such cost pressures, the Group will remain focused on driving revenue, managing its operating costs and improving operational efficiency. In addition, the Group will continue to explore opportunities to expand its portfolio of brands in the food and beverage sector.

As for the property business, the Group continues to evaluate and pursue investment opportunities in the region for this 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
Dividend type	Cash
Dividend per share	1 cent
Tax rate	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
Dividend type	Cash
Dividend per share	1 cent
Tax rate	Tax exempt (1-tier)

(c) Date payable

The proposed dividend payable date shall be determined 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).**

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 second quarter and half year ended 30 June 2015 to be false or misleading in any material aspects.

On behalf of the Board of Directors

Chua Tiang Choon, Keith
Executive Chairman

Singapore
14 August 2015

Ang Yee Lim
Managing Director