

**Unaudited Financial Statements and Dividend Announcement
For the half year ended 30 September 2020**

PART I – INFORMATION REQUIRED FOR THE HALF-YEARLY ANNOUNCEMENT

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

1(a)(i) Consolidated Statement of Comprehensive Income

	Group		
	1H ¹ 2020/2021	1H 2019/2020	Increase/ (Decrease)
	(Unaudited) \$'000	(Unaudited) \$'000	(Decrease) %
Revenue	88,058	91,106	-3.3%
Other items of income			
Interest income	70	101	-30.7%
Other income	9,173	969	846.6%
Items of expense			
Purchases and consumables used	(34,447)	(37,547)	-8.3%
Changes in inventories	(434)	(176)	146.6%
Delivery expenses	(1,043)	(2,161)	-51.7%
Employee benefits expense	(22,147)	(27,198)	-18.6%
Depreciation and amortisation expenses	(7,395)	(7,893)	-6.3%
Advertising expenses	(902)	(1,813)	-50.2%
Utilities	(2,687)	(3,055)	-12.0%
Other expenses	(6,751)	(7,587)	-11.0%
Finance costs	(1,652)	(2,165)	-23.7%
Share of profit of associate, net of tax	263	-	N.M. ²
Profit before income tax	20,106	2,581	679.0%
Income tax expense	(2,079)	(287)	624.4%
Profit for the financial period	18,027	2,294	685.8%
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Exchange differences arising from translation of foreign operation	29	57	-49.1%
Items that will not be reclassified subsequently to profit or loss			
Fair value gain/(loss) on equity instruments at FVOCI	59	(180)	N.M.
Other comprehensive income for the financial period, net of tax	88	(123)	N.M.
Total comprehensive income for the financial period	18,115	2,171	734.4%

¹ "1H" denotes financial period from 1 April to 30 September

² "N.M." denotes not meaningful

1(a)(i) Consolidated Statement of Comprehensive Income (continued)

	Group		
	1H 2020/2021	1H 2019/2020	Increase/
	(Unaudited)	(Unaudited)	(Decrease)
	\$'000	\$'000	%
Profit/(Loss) attributable to:			
Owners of the parent	13,612	2,321	486.5%
Non-controlling interests	4,415	(27)	N.M.
	18,027	2,294	685.8%
Total comprehensive income attributable to:			
Owners of the parent	13,702	2,195	524.2%
Non-controlling interests	4,413	(24)	N.M.
	18,115	2,171	734.4%

1(a)(ii) Notes to Consolidated Statement of Comprehensive Income

Profit for the financial period is arrived at after crediting/(charging) the following:

	Group		
	1H 2020/2021	1H 2019/2020	Increase/
	(Unaudited)	(Unaudited)	(Decrease)
	\$'000	\$'000	%
Interest income	70	101	-30.7%
Dividend income	-	11	-100.0%
Government grants	8,586	309	N.M.
Rental income	234	248	-5.6%
Allowance for impairment loss on third parties trade and other receivables	(471)	-	N.M.
Bad third parties trade receivables written off	(5)	(9)	-44.4%
Reversal of allowance for impairment loss of trade receivables	2	25	-92.0%
Depreciation of property, plant and equipment	(3,688)	(3,762)	-2.0%
Depreciation of right-of-use assets	(3,295)	(3,690)	-10.7%
Depreciation of investment properties	(12)	(24)	-50.0%
Amortisation of intangible assets	(400)	(417)	-4.1%
Foreign exchange loss, net	(196)	(130)	50.8%
Inventories written off	(10)	(5)	100.0%
Gain on disposal of plant and equipment	3	81	-96.3%
Gain on disposal of right-of-use assets	39	-	N.M.
Plant and equipment written off	(15)	(29)	-48.3%
Lease expenses on:			
- Short-term leases	(769)	(638)	20.5%
- Low-value leases	(12)	(8)	50.0%
- Contingent rents	(53)	(65)	-18.5%
Finance costs	(1,652)	(2,165)	-23.7%

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.

1(b)(i) Statements of Financial Position

	Group		Company	
	As at		As at	
	30/9/2020 (Unaudited) \$'000	31/3/2020 (Audited) \$'000	30/9/2020 (Unaudited) \$'000	31/3/2020 (Audited) \$'000
ASSETS				
Current assets				
Inventories	6,669	11,533	-	-
Trade and other receivables	19,387	25,141	1,040	3,542
Finance lease receivable	-	-	29	29
Prepayments	613	442	23	39
Cash and cash equivalents	28,408	18,064	818	1,101
Total current assets	55,077	55,180	1,910	4,711
Non-current assets				
Property, plant and equipment	95,232	90,025	1	2
Right-of-use assets	28,801	31,381	-	-
Investment properties	428	440	-	-
Intangible assets	19,225	19,576	3	4
Investments in subsidiaries	-	-	39,475	39,357
Investments in associates	3,537	3,274	3,293	3,293
Other receivables	3,482	3,414	500	1,863
Finance lease receivable	-	-	127	142
Financial assets at FVOCI	441	382	441	382
Total non-current assets	151,146	148,492	43,840	45,043
TOTAL ASSETS	206,223	203,672	45,750	49,754
EQUITY				
Capital and reserves				
Share capital	8,664	8,664	8,664	8,664
Merger and capital reserves	(3,243)	(3,479)	-	-
Fair value adjustment account	(189)	(248)	(189)	(248)
Foreign currency translation reserve	304	273	-	-
Retained earnings	49,996	36,384	8,793	5,833
Equity attributable to owners of the parent	55,532	41,594	17,268	14,249
Non-controlling interests	8,169	4,020	-	-
TOTAL EQUITY	63,701	45,614	17,268	14,249

1(b)(i) Statements of Financial Position (Continued)

	Group		Company	
	As at		As at	
	30/9/2020 (Unaudited) \$'000	31/3/2020 (Audited) \$'000	30/9/2020 (Unaudited) \$'000	31/3/2020 (Audited) \$'000
LIABILITIES				
Current liabilities				
Trade and other payables	27,436	34,561	3,423	3,464
Provisions	420	450	-	-
Bank borrowings	14,916	35,497	2,583	699
Lease liabilities	6,047	6,668	28	28
Income tax payable	3,243	1,731	8	12
Total current liabilities	52,062	78,907	6,042	4,203
Non-current liabilities				
Other payables	2,809	6,493	17,725	29,338
Bank borrowings	63,460	46,183	4,583	1,818
Lease liabilities	20,610	22,810	132	146
Deferred tax liabilities	3,581	3,665	-	-
Total non-current liabilities	90,460	79,151	22,440	31,302
TOTAL LIABILITIES	142,522	158,058	28,482	35,505
TOTAL EQUITY AND LIABILITIES	206,223	203,672	45,750	49,754

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

Amount repayable in one year or less, or on demand	As at 30/9/2020 (Unaudited) \$'000		As at 31/3/2020 (Audited) \$'000	
	Secured	Unsecured	Secured	Unsecured
Bank borrowings	10,435	4,481	20,500	14,997
Finance lease payables	1,831	-	2,189	-
Amount repayable after one year	As at 30/9/2020 (Unaudited) \$'000		As at 31/3/2020 (Audited) \$'000	
	Secured	Unsecured	Secured	Unsecured
Bank borrowings	48,587	14,873	45,616	567
Finance lease payables	2,619	-	3,530	-

Details of any collateral:

As at 30 September 2020, the Group's borrowings comprised of bank borrowings and finance lease payables.

Bank borrowings

Bank borrowings of \$10.44 million repayable within one year or less or on demand, and \$48.59 million repayable after one year are both secured by the legal mortgage in favour of the banks over the following properties at:

- (i) 6A Wan Lee Road;
- (ii) 1, 3, 5, 7 & 9 Enterprise Road;
- (iii) 30B Quality Road;
- (iv) 14 Joo Koon Circle;
- (v) 50 Tuas Avenue 11 #02-12;
- (vi) 8A Admiralty Street #03-20;
- (vii) 8B Admiralty Street #02-16;
- (viii) 22 Senoko Way;
- (ix) 6 & 8 Jalan Istimewa 8, Ulu Tiram, Johor, Malaysia; and
- (x) 3343 Jalan Pekeliling Tanjung 27, Kulai, Johor, Malaysia.

The remaining bank borrowings of \$4.48 million repayable within one year or less or on demand, and \$14.87 million repayable after one year are both unsecured.

Finance lease payables

The Group's obligations under finance leases of \$1.83 million repayable within one year or less or on demand and \$2.62 million repayable after one year are secured by the leased assets.

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.

1(c) Consolidated Statement of Cash Flows

	Group	
	1H 2020/2021 (Unaudited) \$'000	1H 2019/2020 (Unaudited) \$'000
Operating activities		
Profit before income tax	20,106	2,581
Adjustments for:		
Allowance for impairment loss on third parties trade and other receivables	471	-
Bad third parties trade receivables written off	5	9
Reversal of allowance for impairment loss of trade receivables	(2)	(25)
Reversal of provision not utilised	(59)	-
Depreciation of property, plant and equipment	3,688	3,762
Depreciation of right-of-use assets	3,295	3,690
Depreciation of investment properties	12	24
Amortisation of intangible assets	400	417
Dividend income	-	(11)
Interest expense	1,652	2,165
Interest income	(70)	(101)
Inventories written off	10	5
Gain on disposal of plant and equipment	(3)	(81)
Gain on disposal of right-of-use assets	(39)	-
Plant and equipment written off	15	29
Share of profit of associate, net of tax	(263)	-
Operating cash flows before working capital changes	29,218	12,464
Working capital changes:		
Inventories	4,831	39
Trade and other receivables	5,800	(1,202)
Prepayments	(171)	(39)
Trade and other payables	(9,130)	2,760
Provisions	-	(82)
Cash generated from operations	30,548	13,940
Income tax paid	(651)	(884)
Net cash from operating activities	29,897	13,056
Investing activities		
Acquisition of additional equity interest in a subsidiary	(42)	-
Payment for previous acquisition of additional equity interest in a subsidiary	(1,400)	(1,850)
Deposit paid for purchase of plant and equipment	(708)	-
Purchase of property, plant and equipment	(8,091)	(8,550)
Purchase of intangible assets	(31)	(165)
Proceeds from disposal of plant and equipment	77	279
Proceeds from disposal of right-of-use assets	95	-
Interest received	70	101
Dividend received	-	11
Net cash used in investing activities	(10,030)	(10,174)

1(c) Consolidated Statement of Cash Flows (Continued)

	Group	
	1H 2020/2021	1H 2019/2020
	(Unaudited)	(Unaudited)
	\$'000	\$'000
Financing activities		
Issuance of ordinary shares by subsidiaries to non-controlling interests	304	-
Drawdown of bank borrowings	28,659	20,816
Loan from associate	1,000	-
Repayment of bank borrowings	(29,010)	(21,713)
Repayment of principal portion of lease liabilities	(3,697)	(3,837)
Repayment to a director	(541)	-
Repayment to a related party	(1,000)	-
Net repayment to third parties	(450)	-
Dividends paid	-	(482)
Dividends paid by a subsidiary to non-controlling interests	(290)	-
Interest paid	(897)	(1,389)
Interest portion of lease liabilities paid	(674)	(776)
Net cash used in financing activities	(6,596)	(7,381)
Net change in cash and cash equivalents	13,271	(4,499)
Effect of foreign exchange rate changes on cash and cash equivalents	26	14
Cash and cash equivalents at beginning of financial period	14,958	15,842
Cash and cash equivalents at end of financial period	28,255	11,357
Cash and cash equivalents comprise:		
	Group	
	As at	
	30/9/2020	30/9/2019
	(Unaudited)	(Unaudited)
	\$'000	\$'000
Cash on hand and at bank	28,150	14,637
Fixed deposits	258	554
Cash and cash equivalents as per statement of financial position	28,408	15,191
Less: Fixed deposits pledged	(153)	(401)
Less: Bank overdraft	-	(3,433)
Cash and cash equivalents as per consolidated statement of cash flows	28,255	11,357

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

1(d)(i) Statements of Changes in Equity

Group	Share capital \$'000	Merger and capital reserves \$'000	Fair value translation account \$'000	Foreign currency translation reserves \$'000	Retained earnings \$'000	Total equity attributable to owners of the parent \$'000	Non-controlling interests \$'000	Total equity \$'000
(Unaudited)								
Balance at 1 April 2020	8,664	(3,479)	(248)	273	36,384	41,594	4,020	45,614
Profit for the financial period	-	-	-	-	13,612	13,612	4,415	18,027
Other comprehensive income:								
Exchange differences arising from translation of foreign operations	-	-	-	31	-	31	(2)	29
Fair value gain on equity instruments at FVOCI	-	-	59	-	-	59	-	59
Total comprehensive income for the financial period	-	-	59	31	13,612	13,702	4,413	18,115
Changes in ownership interests in subsidiaries:								
Acquisition of additional equity interest in a subsidiary	-	14	-	-	-	14	(56)	(42)
Issuance of ordinary shares by subsidiaries to non-controlling interests	-	222	-	-	-	222	82	304
Total changes in ownership interests in subsidiaries	-	236	-	-	-	236	26	262
Transaction with non-controlling interests:								
Dividends paid by a subsidiary to non-controlling interests	-	-	-	-	-	-	(290)	(290)
Total transaction with non-controlling interests	-	-	-	-	-	-	(290)	(290)
Balance at 30 September 2020	8,664	(3,243)	(189)	304	49,996	55,532	8,169	63,701

1(d)(i) Statements of Changes in Equity (Continued)

Group	Share capital \$'000	Merger and capital reserves \$'000	Fair value translation account \$'000	Foreign currency translation reserves \$'000	Retained earnings \$'000	Total equity attributable to owners of the parent \$'000	Non-controlling interests \$'000	Total equity \$'000
(Unaudited)								
Balance at 1 April 2019	8,664	(1,291)	90	243	30,788	38,494	3,299	41,793
Profit for the financial period	-	-	-	-	2,321	2,321	(27)	2,294
Other comprehensive income:								
Exchange differences arising from translation of foreign operations	-	-	-	54	-	54	3	57
Fair value loss on equity instruments at FVOCI	-	-	(180)	-	-	(180)	-	(180)
Total comprehensive income for the financial period	-	-	(180)	54	2,321	2,195	(24)	2,171
Distribution to owners of the parent:								
Dividends	-	-	-	-	(737)	(737)	-	(737)
Total transaction with owners of the parent	-	-	-	-	(737)	(737)	-	(737)
Balance at 30 September 2019	8,664	(1,291)	(90)	297	32,372	39,952	3,275	43,227

1(d)(i) Statements of Changes in Equity

Company	Share capital \$'000	Fair value translation account \$'000	Retained earnings \$'000	Total equity attributable to owners \$'000
(Unaudited)				
Balance at 1 April 2020	8,664	(248)	5,833	14,249
Profit for the financial period	-	-	2,960	2,960
Other comprehensive income:				
Fair value gain on equity instruments at FVOCI	-	59	-	59
Total comprehensive income for the financial period	-	59	2,960	3,019
Balance at 30 September 2020	8,664	(189)	8,793	17,268
(Unaudited)				
Balance at 1 April 2019	8,664	90	5,662	14,416
Loss for the financial period	-	-	(641)	(641)
Other comprehensive income:				
Fair value loss on equity instruments at FVOCI	-	(180)	-	(180)
Total comprehensive income for the financial period	-	(180)	(641)	(821)
Distribution to owners:				
Dividends	-	-	(737)	(737)
Total transaction with owners	-	-	(737)	(737)
Balance at 30 September 2019	8,664	(90)	4,284	12,858

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

There has been no change in the Company's share capital for the half year ended 30 September 2020. There were no outstanding convertibles, treasury shares or subsidiary holdings held by the Company as at 30 September 2020 and 30 September 2019.

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

	Company	
	As at	
	30/9/2020	31/3/2020
Total number of issued shares excluding treasury shares	147,350,959	147,350,959

There were no treasury shares as at 30 September 2020 and 31 March 2020.

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

Not applicable as the Company did not hold 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.

Not applicable as the Company did not hold 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 nor reviewed by the Company's auditors.

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

Not applicable.

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

Except as disclosed in paragraph 5, the financial results for the current period have been prepared using the same accounting policies and methods of computation as presented in the Group's most recently audited financial statements for the financial year ended 31 March 2020.

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

The Group has adopted Singapore Financial Reporting Standards (International) ("SFRS(I)"), amendments to SFRS(I) and interpretations effective from 1 April 2020. The adoption of these new SFRS(I), amendments to SFRS(I) and interpretations did not result in significant changes on the financial statements of the Group.

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

Earnings per share ("EPS")	Group	
	1H 2020/2021 (Unaudited)	1H 2019/2020 (Unaudited)
Profit attributable to owners of the parent (\$'000)	13,612	2,321
Actual number of ordinary shares ⁽¹⁾	147,350,959	147,350,959
Basic and diluted EPS based on actual number of ordinary shares (cents) ⁽²⁾	9.24	1.58

Notes:

- (1) Basic EPS is computed by dividing the profit attributable to owners of the parent in each financial period by the actual number of issued ordinary shares outstanding during the respective financial periods.
- (2) Diluted EPS is the same as the basic EPS for all the periods under review as the Company did not have any outstanding instruments convertible into rights or subscribe for, and options in respect of its ordinary shares during the respective financial periods.

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of**
(a) current period reported on; and
(b) immediately preceding financial year

Net asset value ("NAV")	Group		Company	
	As at		As at	
	30/9/2020 (Unaudited)	31/3/2020 (Audited)	30/9/2020 (Unaudited)	31/3/2020 (Audited)
NAV (\$'000)	55,532	41,594	17,268	14,249
Number of ordinary shares	147,350,959	147,350,959	147,350,959	147,350,959
NAV per ordinary share (cents)	37.69	28.23	11.72	9.67

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 period reported on.**

Review of Financial Performance

Management has determined the operating segment based on the reports reviewed by the chief operating decision maker. For management reporting purposes, the Group has re-organised its business units based on its services into the following four reportable operating segments from 1 April 2020:

- (a) Catering business
- (b) Manufacturing business
- (c) Supplies and Trading business
- (d) Retail business

Other businesses which are individually not significant to the Group were reported under Catering business during 1H 2020/2021.

- (i) “Catering business” – Provides events catering services under a diversified range of catering brands to corporate, community or private functions. Catering business also provides daily meal delivery services to families, Halal-certified food as well as catering for last minute events or emergency orders.
- (ii) “Manufacturing business” – Manufactures, distributes and retails surimi-based seafood products and the “DoDo” brand of fishballs.
- (iii) “Supplies and Trading business” – Supplies food ingredients and products used in Catering, Manufacturing and Retail businesses. Supplies and Trading business also imports, exports and wholesale fruits, vegetables and frozen meat products to a wide customer base.
- (iv) “Retail business” – Operates a chain of food retail outlets specialising in Japanese cuisine.

1H 2020/2021 compared to 1H 2019/2020

The Group registered \$88.06 million in revenue for the half year ended 30 September 2020 (“**1H 2020/2021**”) as compared to \$91.11 million in the previous corresponding period ended 30 September 2019 (“**1H 2019/2020**”). The decrease was approximately \$3.05 million or 3.3%, which was mainly attributable to the decrease in revenue from Supplies and Trading business.

Catering business revenue increased by \$0.73 million or 1.7% from \$44.06 million in 1H 2019/2020 to \$44.79 million in 1H 2020/2021. The increase was mainly attributable to the short-term dormitory contracts and strengthening of our recurring income from the “tingkat” business, partially offset by the decline in the traditional catering business.

Manufacturing business revenue increased by \$2.55 million or 10.8% from \$23.62 million in 1H 2019/2020 to \$26.17 million in 1H 2020/2021. The increase was mainly due to higher sales from supermarkets and export business during 1H 2020/2021.

Supplies and Trading business revenue decreased by \$3.90 million or 25.1% from \$15.53 million in 1H 2019/2020 to \$11.63 million in 1H 2020/2021. This was mainly attributable to a reduction in low margin trading transactions in the frozen meat business.

Retail business revenue decreased by \$1.94 million or 26.1% from \$7.40 million in 1H 2019/2020 to \$5.46 million in 1H 2020/2021. This was mainly due to a significant drop in physical footfall at our retail outlets and malls during the pandemic.

Other income was recorded at \$9.17 million in 1H 2020/2021 as compared to \$0.97 million in 1H 2019/2020. The increased of \$8.20 million or 846.6% was mainly contributed by higher financial grants received from the government during 1H 2020/2021, in which \$8.00 million represents wages support and property tax rebates passed down by the landlords.

Purchases and consumables decreased by \$3.10 million or 8.3% to \$34.45 million in 1H 2020/2021 as compared to \$37.55 million in 1H 2019/2020. The decrease was in line with the overall decrease in our Group’s revenue.

Review of Financial Performance (Continued)

Delivery expenses decreased by \$1.12 million or 51.7% to \$1.04 million in 1H 2020/2021 as compared to \$2.16 million in 1H 2019/2020. The decrease was mainly due to the reduction in our outsourced delivery expenses for our Catering business.

Employee benefits expense decreased by \$5.05 million or 18.6% to \$22.15 million in 1H 2020/2021 as compared to \$27.20 million in 1H 2019/2020. This was mainly attributable to the improved workflow efficiencies and automated processes as a result of the operational and manpower reviews.

Advertising expenses decreased by \$0.91 million or 50.2% to \$0.90 million in 1H 2020/2021 as compared to \$1.81 million in 1H 2019/2020. The decrease was mainly due to the reduction in advertising and promotion activities in view of the Group's strong market standing and brand recognition.

Other expenses decreased by \$0.84 million or 11.0% to \$6.75 million in 1H 2020/2021 as compared to \$7.59 million in 1H 2019/2020. The decrease was mainly due to the decrease in credit card charges, repair and maintenance expenses, upkeep of motor vehicles as well as low value assets expensed off, partially offset by the allowance for impairment loss on third parties trade and other receivables during 1H 2020/2021.

Finance costs decreased by approximately \$0.52 million or 23.7% from \$2.17 million in 1H 2019/2020 to \$1.65 million in 1H 2020/2021. This was mainly attributable to the repayments and refinancing of the Group's debts with the banks through active debt structure reviews.

Income tax expense was recorded at \$2.08 million in 1H 2020/2021 as compared to \$0.29 million in 1H 2019/2020. This was mainly attributable to the higher profit in 1H 2020/2021. The effective income tax rate in 1H 2020/2021 remained comparable to 1H 2019/2020.

As a result of the above review, the Group's profit before and after tax increased by \$17.53 million or 679.0% from \$2.58 million in 1H 2019/2020 to \$20.11 million in 1H 2020/2021 and \$15.74 million or 685.8% from \$2.29 million in 1H 2019/2020 to \$18.03 million in 1H 2020/2021. The profit attributable to the owners of the parent was recorded at \$13.61 million, while profit attributable to non-controlling interests was recorded at \$4.42 million in 1H 2020/2021.

The Group's earnings before interest, tax, depreciation and amortisation ("**EBITDA**") increased by \$16.54 million or 132.0% from \$12.54 million in 1H 2019/2020 to \$29.08 million in 1H 2020/2021.

Review of Financial Position

The Group's current assets decreased by \$0.10 million from \$55.18 million as at 31 March 2020 to \$55.08 million as at 30 September 2020. The decrease was mainly due to the Group's efforts in controlling and reducing the Group's inventories of \$4.86 million and trade and other receivables of \$5.75 million for better working capital management, as well as the reduction in grant receivables, partially offset by the increase in the Group's cash and cash equivalents of \$10.35 million as at 30 September 2020 as explained in the review of cash flows.

The Group's non-current assets increased by \$2.66 million from \$148.49 million as at 31 March 2020 to \$151.15 million as at 30 September 2020. This was primarily attributable to the increase in property, plant and equipment of \$5.20 million mainly from the construction-in-progress of the Group's new headquarter at 30B Quality Road, net of depreciation charged during 1H 2020/2021. The increase in non-current assets was partially offset by the decrease in right-of-use assets of \$2.58 million as at 30 September 2020, which was mainly due to the depreciation charged during 1H 2020/2021, net of additions of right-of-use assets due to lease modifications.

Review of Financial Position (Continued)

The Group's current liabilities decreased by \$26.85 million from \$78.91 million as at 31 March 2020 to \$52.06 million as at 30 September 2020. The decrease was mainly attributable to a reduction in current lease liabilities, trade and other payables and bank borrowings of \$0.62 million, \$7.12 million and \$20.58 million respectively as at 30 September 2020, partially offset by the increase in income tax payable of \$1.51 million. The decrease in current lease liabilities was mainly attributable to lease repayments, whereas the decrease in trade and other payables was mainly due to the reduction in deferred grant income and lower purchases towards end of 1H 2020/2021. The decrease in current bank borrowings was mainly attributable to the repayments and refinancing of the Group's debts with the banks through active debt structure reviews.

The Group's non-current liabilities increased by \$11.31 million from \$79.15 million as at 31 March 2020 to \$90.46 million as at 30 September 2020. The increase was mainly due to an increase in non-current bank borrowings of \$17.28 million, partially offset by the decrease in non-current other payables and lease liabilities of \$3.68 million and \$2.20 million respectively as at 30 September 2020. The increase in non-current bank borrowings was mainly attributable to the additional borrowings obtained for our capital expenditure and refinancing of the Group's debts. The decrease in non-current other payables was mainly attributable to the repayments to a director, a related party and a third party, whereas the decrease in non-current lease liabilities was mainly due to lease repayments.

Review of Cash Flows

The Group's net cash generated from operating activities in 1H 2020/2021 was \$29.90 million, which resulted from positive operating cash flows before working capital changes of \$29.22 million as well as the reduction in net working capital changes of \$1.33 million, which was partially offset by the income tax paid of \$0.65 million during 1H 2020/2021. The reduction in net working capital was mainly due to the decrease in inventories and trade and other receivables of approximately \$4.83 million and \$5.80 million respectively, partially offset by a decrease in trade and other payables of approximately \$9.13 million.

The Group's net cash used in investing activities of \$10.03 million in 1H 2020/2021 was mainly due to the deposit paid of \$0.71 million for the purchase of plant and equipment, payment of \$1.40 million for the prior year acquisition of additional equity interest in Thong Siek Global Pte Ltd and additions to property, plant and equipment of \$8.09 million primarily attributable to the progress payment for construction-in-progress of the Group's new headquarter at 30B Quality Road.

The Group's net cash used in financing activities of \$6.60 million in 1H 2020/2021 was mainly due to the repayment of bank borrowings of \$29.01 million, repayment of principal portion of lease liabilities of \$3.70 million, repayment to a related party of \$1.00 million, interest payment of \$0.90 million and interest portion of lease liabilities of \$0.67 million. This was partially offset by the drawdown of bank borrowings of \$28.66 million and loan from associate of \$1.00 million during 1H 2020/2021.

As a result of the above, the net increase in cash and cash equivalents during 1H 2020/2021 was \$13.27 million.

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

The Group's profitability for the full financial year ending 31 March 2021, is in line with the expectation, as contained in Paragraph 10 of the Company's results announcement for the financial year ended 31 March 2020 as announced on 23 July 2020.

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 Catering business has gradually improved post-Circuit Breaker. However, the recovery depends on the relaxation of safe management measures, including the restriction on the number of participants at social events and gatherings. With the Group's multibrand strategy, we are confident in our ability to achieve a gradual recovery to prepandemic level of business upon the further relaxation of safe management measures and full re-opening of activities. Meanwhile, the Group will continue to focus on widening and strengthening its recurring income streams by pursuing institutional catering, expanding the range of cuisines and making available greater catering options such as party sharing set, lunch box, bento set, mini buffet, healthy and take-away meals. The Group aims to meet the changing consumer behavior during this period and is focused on obtaining contracts for corporate bento lunch. The Group will also strive to capture a larger market share in childcare and elderly segments, as well as the "tingkat" business.

The Manufacturing business is expected to continue to grow through an increasing demand from households for home-cooked and ready-to-eat products, as well as export sales expansion by leveraging on its global distribution network. The Group will also continue to improve profitability by increasing the manufacturing productivity through leveraging on automated machineries and technologies.

The Supplies and Trading business will continue to support and complement our existing catering, manufacturing, and retail businesses through cost discipline.

The Retail business has resumed operations for all outlets including dine-in services since Phase Two of the reopening of economy. While physical footfall and revenue of the outlets located in the heartlands have seen improvements upon Phase Two reopening, physical footfall at those outlets located near offices and down-town areas remained low. The Group will continue to perform business reviews by actively examining outlets performance and strategising lease renewal options with landlords, as well as exploring to introduce new food concepts. At the same time, the Group will also utilise online delivery platforms to enhance its revenue stream from delivery sales.

While the short-term dormitory contracts and financial grants have helped to mitigate the impact caused by the pandemic on the Group's performance in 1H 2020/2021, these are expected to be scaled down or to be discontinued in 2H 2020/2021. The effects of the pandemic will likely continue to pose further uncertainties and curtail its growth going forward. Nevertheless, the Group will continue to monitor the evolving situation of the pandemic and shall adjust and react proactively with appropriate countermeasures to minimise the financial impact to the Group. Barring any unforeseen circumstances, the Company expects the Group's operations to remain profitable for the financial year ending 31 March 2021.

11. Dividend

a. Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes, a proposed interim cash dividend of 1.0 Singapore cent per share was proposed for the financial year ending 31 March 2021.

b. Corresponding Period of the Immediately Preceding Financial Year

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

None.

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).

The proposed dividend is one-tier tax exempt.

11. Dividend (Continued)

d. The date the dividend is payable

The interim dividend will be paid on 27 November 2020.

e. Record date

The Share Transfer Books and Register of Members of Neo Group Limited (the "Company") will be closed at 5.00 p.m. on 17 November 2020 for the purpose of determining entitlement of ordinary shareholders to the one tier tax-exempt final dividend of 1.0 Singapore cent per ordinary share for the financial year ending 31 March 2021 (the "Interim Dividend").

Duly completed registrable transfers of the ordinary shares in the capital of the Company ("Shares") received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, up to 5.00 p.m. on 17 November 2020 will be registered to determine the shareholders' entitlements to the Interim Dividend.

Shareholders (being depositors) whose securities accounts with The Central Depository (Pte) Limited are credited with Shares at 5.00 p.m. on 17 November 2020, will be entitled to the Interim Dividend.

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision

Not applicable.

13. Interested person transactions

	Nature of relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) \$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) \$'000
Neo Kah Kiat			
(i) GUI Solutions Pte Ltd	#		
- Cost of goods and services purchased		202.0	-
- Rental and utilities income		12.0	-
(ii) Office premise lease expense ¹		49.2	-
(iii) Interest expense		2.2	-
Neo Kah Kiat and Liew Oi Peng			
(i) Office premise lease expense ²		97.5	-
(ii) Rental of hostel for staff welfare		6.0	-
(iii) Twinkle Investment Pte Ltd	#		
- Office premise lease expense ³		87.8	-
- Interest expense		9.4	-

These interested persons are regarded as associates of the Company's controlling shareholder under Chapter 9 of the Catalist Rules on interested person transactions.

13. Interested person transactions (Continued)

Notes:

The Group has not obtained any general mandate from shareholders for interested person transactions pursuant to Rule 920 of the SGX-ST Listing Manual.

- (1) The office premise lease expense paid to the Company's director, Neo Kah Kiat, in 1H 2020/2021 relates to #05-04 at Enterprise One amounting to approximately \$49,200. As the terms of the tenancy agreement for the office premise were supported by independent valuations and with lease period of 3 years, the lease thereunder is not required to comply with Catalist Rule 906 in relation to the approval of the shareholders of the Company as exempted under Catalist Rule 916 (1).
- (2) The office premise lease expense paid to the Company's directors, Neo Kah Kiat and Liew Oi Peng, in 1H 2020/2021 relates to lease expense for #05-03 and #05-05 at Enterprise One amounting to approximately \$97,500. As the terms of the tenancy agreements for the office premises were supported by independent valuations and with lease period of 3 years, the leases thereunder are not required to comply with Catalist Rule 906 in relation to the approval of the shareholders of the Company as exempted under Catalist Rule 916 (1).
- (3) The office premise lease expense paid to the Twinkle Investment Pte Ltd, which is jointly owned by Neo Kah Kiat and Liew Oi Peng, in 1H 2020/2021 partly relates to lease expense for #05-06 at Enterprise One and #03-21 at 8A Admiralty Street amounting to approximately \$87,800. As the terms of the tenancy agreement for the office premise were supported by independent valuations and with lease period of 3 years, the lease thereunder is not required to comply with Catalist Rule 906 in relation to the approval of the shareholders of the Company as exempted under Catalist Rule 916 (1).

14. Negative assurance confirmation on interim financial results pursuant to Rule 705 (5) of the Catalist Rules

We, Neo Kah Kiat, and Liew Oi Peng, being two directors of Neo Group Limited (the "**Company**"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited consolidated financial statements of the Group for the half year ended 30 September 2020 to be false or misleading in any material aspect.

Neo Kah Kiat
Chairman and Chief Executive Officer

Liew Oi Peng
Executive Director

15. Confirmation that the issuer has procured undertakings from all its directors and executive offices (in the format set out in Appendix 7H) under Rule 720 (1)

The Company hereby confirms that it has already procured undertakings from all of its Directors and executive officers in the format as set out in Appendix 7H of the Catalist Rules in accordance with Rule 720 (1) of the Catalist Rules.

ON BEHALF OF THE BOARD

Neo Kah Kiat
Chairman and Chief Executive Officer
9 November 2020

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch (the "**Sponsor**"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), Listing Manual Section B: Rules of Catalist.

This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr. Yee Chia Hsing, Head, Catalist. The contact particulars are 50 Raffles Place #09-01 Singapore Land Tower Singapore 048623, telephone: +65 6337 5115.