



Incorporated in the Republic of Singapore | Registration No. 201608344N

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

Katrina Group Ltd. (the "Company") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 25 July 2016. The initial public offering (the "IPO") of the Company was sponsored by Hong Leong Finance Limited (the "Sponsor").

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("the SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by SGX-ST. The Sponsor and the SGX-ST assume 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.

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Background

The Company was incorporated in Singapore on 31 March 2016 under the Companies Act (Chapter 50) as a private company limited by shares under the name of Katrina Group Pte. Ltd. On 9 July 2016, the Company was converted into a public company limited by shares and the name was changed to Katrina Group Ltd. The Company and its subsidiary (the "Group"), were formed pursuant to a restructuring exercise which was conducted to rationalize the Group structure (the "Restructuring Exercise") prior to the Company's initial public offering ("IPO") and listing on Catalist of the SGX-ST. Please refer to the Company's offer document dated 15 July 2016 ("Offer Document") for further details on the Restructuring Exercise.

For the purpose of this announcement, the results of the Group for the financial year ended 31 December 2016 ("FY2016") and its comparative results of the Group for the financial year ended 31 December 2015 ("FY2015") have been prepared on the assumption that the Group's structure had been in place since 1 January 2015.

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

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

COMBINED INCOME STATEMENT AND COMPREHENSIVE INCOME

	Group		Increase/ (Decrease)
	FY2016 S\$'000	FY2015 S\$'000	
Revenue	56,823	51,895	9.5%
Cost of sales	(48,412)	(43,612)	11.0%
Gross profit	8,411	8,283	1.5%
Other income	778	579	34.4%
Selling and distribution costs	(1,058)	(843)	25.5%
Administrative expenses	(3,807)	(2,878)	32.3%
IPO expenses	(931)	-	N.M.
Interest expenses	(3)	(9)	(66.7%)
Other expenses	(278)	(16)	N.M.
Profit before tax	3,112	5,116	(39.2%)
Income tax expense	(744)	(854)	(12.9%)
Total comprehensive income, representing net profit	2,368	4,262	(44.4%)
Foreign currency translation	11	6	83.3%
Total comprehensive income attributable to equity holders	2,379	4,268	(44.3%)

1(a)(ii) Notes to the statement of comprehensive income

The Group's profit before tax was arrived after crediting/(charging) the following:

	Group		Increase/ (Decrease)
	FY2016 S\$'000	FY2015 S\$'000	
Employee benefits	(19,755)	(17,456)	13.2%
Government grants	547	423	29.3%
Depreciation of property, plant and equipment	(2,263)	(1,973)	14.7%
Fixed rental expense on operating leases	(12,812)	(11,362)	12.8%
Contingent rental expense on operating leases	(618)	(562)	10.0%
Write-off of property, plant and equipment	(38)	(321)	(88.2%)

N.M.- Not meaningful

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

COMBINED STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	As at 31 Dec 16 S\$'000	As at 31 Dec 15 S\$'000	As at 31 Dec 16 S\$'000	As at 31 Dec 15 S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	6,868	7,347	-	-
Intangible assets	2	2	-	-
Investment in subsidiary	-	-	1,165	-
Refundable deposits	4,082	3,511	-	-
Deferred taxation	62	5	-	-
	11,014	10,865	1,165	-
Current assets				
Trade receivables	553	242	-	-
Other receivables	232	418	-	-
Refundable deposits	1,153	1,326	-	-
Prepayments	249	342	60	-
Amount due from subsidiary	-	-	5,535	-
Cash and cash equivalents	11,367	10,290	3,471	-
	13,554	12,618	9,066	-
TOTAL ASSETS	24,568	23,483	10,231	-
LIABILITIES				
Current liabilities				
Trade and other payables	4,669	4,257	-	-
Other liabilities	1,354	996	63	-
Provision	211	300	-	-
Amount due to directors	1,713	-	-	-
Loans and borrowings	-	169	-	-
Provision for taxation	966	1,019	-	-
	8,913	6,741	63	-
Net current assets	4,641	5,877	9,003	-
Non-current liabilities				
Other payables	313	384	-	-
Provision	767	583	-	-
	1,080	967	-	-
Total liabilities	9,993	7,708	63	-
NET ASSETS	14,575	15,775	10,168	-
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	8,192	1,771	8,192	-
Reserves	11	-	-	-
Retained earnings	6,372	14,004	1,976	-
Total equity	14,575	15,775	10,168	-
TOTAL LIABILITIES AND EQUITY	24,568	23,483	10,231	-

⁽¹⁾There are no comparative figures at 31 December 2015 as the Company was incorporated on 31 March 2016

1(b)(ii) In relation to the aggregate amount of group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

Amount repayable in one year or less, or on demand

As at 31 Dec 2016		As at 31 Dec 2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	169	-

Amount repayable after one year

As at 31 Dec 2016		As at 31 Dec 2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	-

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

COMBINED STATEMENTS OF CASH FLOWS

	Group FY 2016 S\$'000	FY 2015 S\$'000
Operating activities:		
Profit before tax	3,112	5,116
Adjustments for:		
Depreciation of property, plant and equipment	2,263	1,973
Write-off of property, plant and equipment	38	321
Impairment loss	278	-
IPO expenses	931	-
Interest expense	3	9
Interest income	-	(42)
Currency realignment	30	(4)
Total adjustments	3,543	2,257
Operating cash flows before changes in working capital	6,655	7,373
Changes in working capital:		
Trade and other receivables	(125)	(186)
Refundable deposits	(398)	(537)
Prepayments	93	(218)
Trade and other payables	341	622
Amount due to directors	213	(838)
Other liabilities	358	479
Total changes in working capital	482	(678)
Cash flows from operations	7,137	6,695
Income tax paid	(854)	(853)
Interest paid	(3)	(9)
Interest received	-	42
Net cash flows generated from operating activities	6,280	5,875
Investing activities		
Purchase of property, plant and equipment	(2,016)	(2,772)
Acquisition of shares in a subsidiary	(602)	-
Net cash flows used in investing activities	(2,618)	(2,772)
Financing activities		
Repayments of loans and borrowings	(169)	(203)
Fixed deposit pledged	-	265
Dividend paid to the owners of the Company	(8,500)	-
Initial public offering (IPO) proceeds	7,518	-
IPO expenses	(1,422)	-
Net cash flows (used in)/generated from financing activities	(2,573)	62
Net increase in cash and cash equivalents	1,089	3,165
Effects of exchange rate changes on cash and cash equivalents	(12)	1
Cash and cash equivalents at beginning of the period	10,290	7,124
Cash and cash equivalents at end of the period	11,367	10,290

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.

COMBINED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company				
	Share capital	Statutory reserve fund	Foreign currency translation reserve	Retained earnings	Total
The Group	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2016	1,771	1	(1)	14,004	15,775
Profit for the period	-	-	-	2,368	2,368
Foreign currency translation	-	-	11	-	11
Total comprehensive income for the period	-	-	11	2,368	2,379
Dividend paid/payable to the then existing shareholders of a subsidiary	-	-	-	(10,000)	(10,000)
Elimination of share capital of a subsidiary upon restructuring	(606)	-	-	-	(606)
New shares issued pursuant to the IPO	7,518	-	-	-	7,518
IPO expenses capitalised	(491)	-	-	-	(491)
	6,421	-	-	(10,000)	(3,579)
Balance at 31 December 2016	8,192	1	10	6,372	14,575
Balance at 1 January 2015	1,771	1	(7)	9,742	11,507
Profit for the period	-	-	-	4,262	4,262
Foreign currency translation	-	-	6	-	6
Total comprehensive income for the period	-	-	6	4,262	4,268
Balance at 31 December 2015	1,771	1	(1)	14,004	15,775

	Attributable to owners of the Company				
	Share capital	Statutory reserve fund	Foreign currency translation reserve	Retained earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Company					
Balance at 31 March 2016⁽¹⁾	-	-	-	-	-
Issue of share for acquisition of subsidiary	1,165	-	-	-	1,165
New shares issued pursuant to the IPO	7,518	-	-	-	7,518
IPO expenses capitalised	(491)	-	-	-	(491)
	8,192	-	-	-	8,192
Total comprehensive income for the period					
Profit for the period	-	-	-	1,976	1,976
Balance at 31 December 2016	8,192	-	-	1,976	10,168

⁽¹⁾ Date of incorporation. There are no comparative figures for the Company as it was incorporated during the current financial period.

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.

The Company was incorporated with issued and paid up capital of two (2) shares of S\$1 each on 31 March 2016.

Details of the changes in the issued and paid-up share capital of the Company since incorporation and the resultant issued and paid-up share capital immediately after the IPO.

	Number of shares	Resultant issued and paid-up share capital S\$
Ordinary shares of the Company		
Issued and paid up capital as at incorporation	2	2
Issue of Shares pursuant to the Restructuring Exercise	1,165,004	1,165,006
Sub-division of Shares	195,721,008	1,165,006
Issue of New Shares pursuant to IPO	35,800,000	7,026,496 ⁽¹⁾
Paid-up share capital	231,521,008	8,191,502

⁽¹⁾ After taking into account the capitalisation of approximately S\$0.5 million, a portion of the listing expenses incurred in relation to the Invitation.

The Company did not have any outstanding options, convertibles or treasury shares as at 31 December 2016.

There are no comparative figures as at 31 December 2015 as the Company was incorporated on 31 March 2016.

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.

As at 31 December 2016, the Company's issued and paid-up share capital comprised 231,521,008 shares.

There are no comparative figures as at 31 December 2015 as the Company was incorporated on 31 March 2016.

1(d) (iv) A statement showing all sales, transfers, disposals, 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 by the auditors of the Company.

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.

Save as disclosed in Section 5 below, the Group has applied the same accounting policies and methods of computation in the Group's financial statements for the current financial period compared to the audited financial statements for the financial year ended 31 December 2015.

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

The Group has adopted all new and revised Singapore Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for the financial period on or after 1 January 2016, where applicable. The adoption of these new and revised standards from the effective date is not expected to result in any material adjustments to the financial statements of the Group for the current financial reporting period.

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 share ("EPS")	The Group	
	FY 2016	FY 2015
Profit attributable to equity holders of the Company (\$'000)	2,368	4,262
Weighted average number of ordinary shares ⁽¹⁾	211,316,076	195,721,008
Basic and diluted EPS (cents) ⁽²⁾	1.12	2.18

⁽¹⁾ For comparative purposes, the calculation of the basic and diluted EPS for FY2015 is based on the Pre-invitation share capital comprising 195,721,008 shares.

⁽²⁾ The basic and diluted EPS are the same as the Company and the Group did not have any potentially dilutive instruments for the respective financial periods.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued share 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 ("NAV") per ordinary share	Group		Company	
	31 Dec 16	31 Dec 15	31 Dec 16	31 Dec 15 ⁽¹⁾
NAV (\$'000)	14,575	15,775	10,168	-
Number of ordinary shares				
- Number of ordinary shares ⁽²⁾	231,521,008	195,721,008	231,521,008	-
NAV per ordinary share (cents)	6.30	8.06	4.39	N.M.

N.M. – Not Meaningful

Notes:

⁽¹⁾ There are no comparative figures as at 31 December 2015 as the Company was incorporated on 31 March 2016.

⁽²⁾ For comparative purposes, the calculation of the net asset value per share of the Group as at 31 December 2015 and 31 December 2016 is based on the Pre-invitation and Post- invitation share capital comprising of 195,721,008 shares and 231,521,008 shares respectively.

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.

REVIEW OF FINANCIAL PERFORMANCE

Revenue

The Group's revenue increased by 9.5% or S\$4.9 million, from S\$51.9 million in FY2015 to S\$56.8 million in FY2016 mainly due to the contribution from online sales and overall increase in revenue from its 3 brands namely Bali Thai, Streets and So Pho.

Cost of Sales

Cost of sales, which mainly comprised food and beverage, rental leases of restaurants, staff costs and depreciation, increased by 11.0% or S\$4.8 million from S\$43.6 million in FY2015 to S\$48.4 million in FY2016 in line with the revenue increase. The cost of sales as a percentage of revenue increased from 84.0% in FY2015 to 85.2% in FY2016 mainly due to higher depreciation and rental leases from four new outlets amounting to S\$0.2 million and S\$1.0 million respectively.

Gross profit

Gross profit increased by 1.5% or S\$0.1 million in line with the revenue increase.

Other Income

The increase in other income by 34.4% or S\$0.2 million was mainly attributed to the promotional support funds from the beverage suppliers.

Selling and distribution costs

Selling and distribution costs increased by 25.5% or S\$0.2 million from S\$0.8 million in FY2015 to S\$1.0 million in FY2016. This was due to increased marketing effort to promote our online ordering service to customers in FY2016.

Administrative expenses/IPO expenses

Administrative expenses increased by 32.3% or S\$0.9 million year on year which was mainly due to increase in administrative staff salary expenses and directors' remunerations. IPO expenses of S\$1.4 million (S\$0.5 million was capitalized) were incurred in FY2016 in connection with the IPO of the Group.

Interest expense

Due to the repayment of term loan, interest expenses have reduced to from S\$9K in FY2015 to S\$3K in FY2016.

Other expenses

Other expenses increased by S\$262K mainly due to impairment loss on the property, plant and equipment of non performing outlets, namely Streets One KM in Singapore and the two outlets in the People's Republic of China.

Profit after tax

Profit after tax decreased by 44.4% or S\$1.9 million from S\$4.3 million in FY2015 to S\$2.4 million in FY2016.

REVIEW OF FINANCIAL POSITION

Non-current assets

The Group's non-current assets increased from S\$10.9 million as at 31 December 2015 to S\$11.0 million as at 31 December 2016 mainly due to increase in refundable deposits for new outlets, offset by a decrease in property, plant and equipment due to the impairment provision on non-performing outlets.

Current assets

The Group's current assets increased from S\$12.6 million as at 31 December 2015 to S\$13.6 million as at 31 December 2016 mainly due to increase in trade receivables owed by online delivery vendors coupled with cash and cash equivalent from the IPO proceeds and receipts of government grants, offset by a decrease in refundable deposits due to reclassification to non-current assets.

Current liabilities

The Group's current liabilities increased by S\$2.2 million from S\$6.7 million as at 31 December 2015 to S\$8.9 million as at 31 December 2016. Trade and other payables increased by S\$0.4 million arising from the increased purchases of food ingredients, accrual of salaries and deferred rental. Other liabilities also increased due to accrual of staff bonus and unutilised leave. Amount due to directors increased by S\$1.7 million resulting from the dividend declared by a subsidiary prior to IPO and accrual of performance bonus. This was partially offset by lower provision for taxation and nil term loan balance.

Non-current liabilities

Non-current liabilities remained stable around S\$1.0 million as at 31 December 2016 which mainly comprised of deferred rental and provision for restoration costs of outlets.

Shareholders' equity

The Group's shareholders' equity decreased by S\$1.2 million as at 31 December 2016 mainly attributed to dividend payment to Katrina Singapore's shareholders of S\$10.0 million, offset by net IPO proceeds of S\$7.0 million, net profit for the year of S\$2.4 million and elimination of S\$0.6 million of share capital of a subsidiary pursuant to restructuring exercise.

REVIEW OF CASH FLOWS

The Group generated net cash from operating activities before changes in working capital of S\$6.7 million in FY2016. Net cash generated from working capital amounted to S\$0.5 million mainly due to increase in trade and other payables of S\$0.3 million, other liabilities of S\$0.4 million, amount due to directors of S\$0.2 million and partially offset by increase in refundable deposits of S\$0.4 million and trade and other receivables of S\$0.1 million. The Group also paid income tax of S\$0.9 million. As a result, net cash generated from operating activities was S\$6.3 million.

Net cash used in investing activities amounted to S\$2.6 million mainly due to the acquisition of property, plant and equipment and acquisition of equity interest in Beijing Bali Thai from the Company's CEO and Executive Director at an aggregate cash consideration of S\$0.6 million.

Net cash used in financing activities of S\$2.6 million was mainly attributed to the net proceeds from initial public offering ("IPO") amounting S\$6.1 million offset against net payment of dividend to directors S\$8.5 million.

As a result of the above, the net increase in cash and cash equivalents as at 31 December 2016 was S\$1.1 million.

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

There has not been any forecast or prospect statement in relation to the Group's results for FY2016 previously disclosed to shareholders.

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 Food and Beverage ("F&B") industry in Singapore faced some challenges in 2016 as uncertainties in the macro environment saw Singapore mark its weakest annual GDP growth rate since 2009.¹ Consequently, consumers' cautious spending in 2016 saw the Food & Beverage Services Index ("FSI") in Singapore decline 10 out of the 12 months in 2016 when compared at constant prices to the corresponding month in 2015.²

In view of these uncertainties, the Group has taken a cautious approach and restructured its growth plans. Apart from organic growth and expansion via strategic alliances, acquisitions or joint ventures, the Group is moving towards franchising, which is expected to support its growth while lowering the level of investment and risk involved. To build sustainable growth in existing operations, the Group will also evaluate the viability of its restaurant outlets that are reaching the end of their lease agreements. Currently, the Group has no intention to renew the lease agreement for its outlet in Gemdale Beijing.

The Group's first year expansion into online food ordering and delivery services showed promising results with the Group achieving revenue of S\$2.4 million for FY2016 and the Group expects this to continue to grow in FY 2017.

Complementing its expansion plans with existing cost management measures, the Group has also upgraded its business software solutions and embarked on plans to increase the use of consumer-focused technology like self-ordering devices. These measures will increase staff proficiency and productivity while lowering costs in the long run.

Overall, the Group expects to continue to grow its business in the next 12 months.

At the close of FY2016, the Group's nine proprietary restaurant brands were represented by 33 restaurants in Singapore and two restaurants in the PRC.

Notes:

¹ <http://www.channelnewsasia.com/news/business/singapore/singapore-s-economy-grows-1-8-in-q4-2016-gdp-at-1-8/3408294.html>

² http://www.singstat.gov.sg/docs/default-source/default-document-library/publications/publications_and_papers/services/mrsdec16.pdf

11. Dividend

(a) Any dividend declared for the current financial period reported on?

Name of dividend	Final
Dividend type	Cash
Dividend amount per ordinary share (cents)	0.61
Tax rate	Tax exempt (one-tier)

Note: The directors recommend the payment of 60% of the Company's net profits as final tax exempt dividend. The final dividend is subject to shareholders' approval at the forthcoming annual general meeting of the Company ("AGM").

(b) Corresponding period of the immediate preceding financial year?

No dividend was declared for FY2015 by the Company.

As disclosed on page 44 of the Offer Document dated 15 July 2016, a subsidiary has declared final dividends in respect of FY2015 of S\$10 million payable to the then existing shareholders of the Group of which S\$8.5 million has been paid out as at 31 December 2016. This dividend has been reflected in the statement of changes in equity of the Group as at 31 December 2016.

(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 dividends is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)

The proposed final dividend ("Final Dividend") of 0.61 cents per share will be tax exempt (one-tier).

(d) Date payable

Subject to shareholders' approval at the AGM, the date payable is to be advised.

(e) Books closure date

Subject to shareholders' approval at the AGM, the books closure date will be announced in due course.

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 interested persons transactions (“IPT”), 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 IPT.

Other than as disclosed under the amount due to directors (combined statement of financial position line item) and section 11(a) above, the following are the IPT transactions during the current financial period:

- a) Our CEO and Executive Chairman, Alan Goh, and our Executive Director, Catherine Tan, provided personal guarantees and securities for certain credit and trade facilities and leases granted to our Group.

Financial Institution / Landlord	Purpose	As at 31 December 2016 (S\$'000)
Novena Square Development Ltd	To secure the lease of the So Pho cafe at Novena Square	335 ⁽¹⁾
UOL Residential Development Pte. Ltd. and UOL Property Investments Pte. Ltd.	To secure the lease of the Streets cafe at One KM	257 ⁽¹⁾

Note:

- (1) The amounts disclosed are the minimum lease payments under operating leases (such as base rent, advertising and promotion fees, and service charges). Certain of the leases contained provision for payment components such as sales commission and percentages of gross turnover payable to the landlord, which were variable, were payable at different intervals and were also secured by the above-mentioned lease guarantees.

- b) The company is required to furnish to the MOM a security bond of S\$5,000 for each foreign worker the Company engages. Our Group has made arrangements with certain insurers for the insurers to issue letters of guarantee in lieu of the security bonds. Our CEO and Executive Chairman, Alan Goh, and our Executive Director, Catherine Tan, have in turn provided indemnities to the insurers in respect of any amounts claimed under the letters of guarantee.

Details of the aggregate indemnities provided by these Interested Persons in connection with the security bonds during the Relevant Period are as follows:

	As at 31 December 2016 (S\$'000)
Aggregate indemnity in connection with the security bonds	325

14. Negative confirmation pursuant to Rule 705(5)

Not required for announcement on full year results.

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

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

16. Use of IPO Proceeds

Proceeds from IPO and use of proceeds as at date of announcement:

Use of proceeds	Amount allocated (S\$'000)	Amount utilised (S\$'000)	Amount unutilised (S\$'000)
Business expansion	4,896	1,242	3,654
General working capital and corporate purposes	1,200	1,200	-
Net proceeds	6,096	2,442	3,654

Note :The Company wishes to clarify that the actual IPO expenses amounted to approximately S\$1.4 million and therefore, the actual net proceeds from IPO is approximately S\$6.1 million.

The use of proceeds has been used in accordance with the stated use.

An aggregate amount of S\$1.2 million had been used for general working capital and corporate purposes of the Group and details of principal disbursements are set below:

	(S\$'000)
Suppliers' payments	1,042
Salaries and related costs	6
Rental costs	33
Operating expenses	119
Total	1,200

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

Geographical Segment Revenue	Group	
	FY2016 (S\$'000)	FY2015 (S\$'000)
Singapore	54,941	49,508
People's Republic of China	1,882	2,387
Total	56,823	51,895

Non-current Assets *	FY2016 (S\$'000)	Group	FY2015 (S\$'000)
Singapore	6,798		7,098
People's Republic of China	70		249
Total	6,868		7,347

*The non-current assets comprised property, plant and equipment

18. 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 Section 8 for the review on the revenue for the Singapore geographical segment.

The decrease in the revenue of People's Republic of China (PRC) was mainly attributable to the following factors:

- 1) More competition from new F&B players arising from the conversion of retail outlets to restaurants; and
- 2) China VAT reform was effective from May 2016, with the 6% VAT tax impacting on sales.

19. Breakdown of revenue and net profit

	FY2016 S\$'000	Group FY2015 S\$'000	Increase/ (Decrease) %
Sales reported for :			
(a) First half of the financial year	28,091	24,509	14.6
(b) Second half of the financial year	28,732	27,386	4.9
	56,823	51,895	9.5
Net profit reported for :			
(a) First half of the financial year	1,388	2,089	(33.6)
(b) Second half of the financial year	980	2,173	(54.9)
	2,368	4,262	(44.4)

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

Annual dividend	FY2016 (S\$'000)	FY2015 (S\$'000)
Ordinary dividend - Final*	1,412	-

*The final dividend is subject to shareholders' approval at the AGM.

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

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Goh Keng Hwee	51	Brother of Alan Goh, CEO and Executive Chairman of the Company and brother-in-law of Catherine Tan, Executive Director of the Company.	Restaurant Manager with effect from 8 Nov 2010, responsible for the running of the restaurant BaliThai-NEX	No change

On behalf of the Board

Alan Goh
CEO and Executive Chairman

Catherine Tan
Executive Director

24 February 2017