



RE&S HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 201714588N)

Unaudited Financial Statements

For the financial year ended 30 June 2020

RE&S Holdings Limited (the “**Company**”) was listed on Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 22 November 2017. The initial public offering of the Company (the “**IPO**”) was sponsored by DBS Bank Ltd. (the “**Sponsor**” or “**DBS Bank**”).

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the Rules of Catalist. The Sponsor has not verified the contents of this announcement.

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.

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Background

The Company was incorporated on 26 May 2017 in Singapore under the Singapore Companies Act as a company limited by shares under the name of “RE&S Enterprise Holdings Pte. Ltd.”. On 31 July 2017, the Company was renamed “RE&S Holdings Pte. Ltd.”. The Company was converted into a public limited company and renamed “RE&S Holdings Limited” on 8 November 2017.

The Group comprising the Company and its subsidiaries (the “**Group**”) was formed pursuant to a restructuring exercise (the “**Restructuring Exercise**”) undertaken as part of a corporate reorganisation implemented for the purposes of the Company’s listing on Catalist. Please refer to the Company’s offer document dated 15 November 2017 (“**Offer Document**”) for further details on the Restructuring Exercise.

The Group is a concept owner and operator of F&B Outlets that provides customers with authentic Japanese cuisine and dining experiences. The Group business is undertaken primarily through two business segments, namely the Full-Service Restaurants and the Quick-Service Restaurants, Convenience and Others.

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2, Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENT

- 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.**

Consolidated Statements Of Profit Or Loss And Other Comprehensive Income

	Group		Increase / (decrease)	Group		Increase / (decrease)
	Unaudited 4QFY2020 S\$'000	Unaudited 4QFY2019 S\$'000	%	Unaudited FY2020 S\$'000	Audited FY2019 S\$'000	%
Revenue	13,874	33,614	(58.7%)	110,649	141,004	(21.5%)
Raw materials and consumables used	(5,154)	(9,192)	(43.9%)	(31,416)	(38,702)	(18.8%)
Changes in inventories of finished goods	743	(176)	N.M.	(82)	(220)	(62.7%)
Other operating income	9,420	753	N.M.	10,603	2,751	285.4%
Employee benefits expense ⁽²⁾	(7,509)	(11,940)	(37.1%)	(46,335)	(49,060)	(5.6%)
Operating lease expenses	(365)	(5,646)	(93.5%)	(1,301)	(24,933)	(94.8%)
Utilities expenses	(842)	(1,044)	(19.3%)	(3,860)	(4,350)	(11.3%)
Depreciation expense	(6,342)	(1,827)	N.M.	(27,381)	(8,062)	N.M.
Other operating expenses	(2,377)	(2,768)	(14.1%)	(9,804)	(9,697)	1.1%
Other expenses – Non-operating	(481)	(1,077)	(55.3%)	(3,032)	(3,099)	(2.2%)
Finance costs	(683)	(76)	N.M.	(3,661)	(288)	N.M.
Profit / (Loss) before income tax	284	621	(54.3%)	(5,620)	5,344	N.M.
Income tax income / (expense)	429	(37)	N.M.	274	(1,365)	N.M.
Profit / (Loss), net of income tax	713	584	22.1%	(5,346)	3,979	N.M.
Other comprehensive (loss) / income:						
Item that may be reclassified subsequently to profit or loss:						
Exchange differences on translating foreign operations, net of income tax	(17)	(15)	13.3%	21	(7)	N.M.
Total comprehensive income / (loss)	696	569	22.3%	(5,325)	3,972	N.M.
Profit / (Loss) attributable to owners of the Company, net of income tax	728	628	15.9%	(5,238)	4,041	N.M.
Loss attributable to non-controlling interest, net of income tax	(15)	(44)	(65.9%)	(108)	(62)	74.2%
Profit / (Loss) net of income tax	713	584	22.1%	(5,346)	3,979	N.M.
Total comprehensive income / (loss) attributable to owners of the Company	711	613	16.0%	(5,217)	4,034	N.M.
Total comprehensive loss attributable to non-controlling interest	(15)	(44)	(65.9%)	(108)	(62)	74.2%
Total comprehensive income / (loss)	696	569	22.3%	(5,325)	3,972	N.M.

N.M.: Not Meaningful

1(a) (ii) Profit before income tax is arrived at after charging / (crediting) the following:

	Group			Group		
	Unaudited	Unaudited	Increase/ (decrease)	Unaudited	Audited	Increase/ (decrease)
	4Q FY2020	4Q FY2019		FY2020	FY2019	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Government grants	(4,108)	(21)	N.M.	(4,782)	(705)	N.M.
Interest income	(125)	(86)	45.3%	(280)	(111)	152.3%
Other income:						
- Rental rebates and others	(5,187)	(646)	N.M.	(5,541)	(1,935)	186.4%
Depreciation expenses:						
- property, plant and equipment	1,603	1,827	(12.3%)	6,839	8,062	(15.2%)
- right-of-use assets ⁽¹⁾	4,739	-	N.M.	20,542	-	N.M.
Plant and equipment written off (Gain) / Loss on disposal of plant & equipment	125	662	(81.1%)	1,038	1,638	(36.6%)
	-	(70)	N.M.	44	(70)	N.M.
Finance costs:						
- interest expense on borrowings	47	76	(38.2%)	237	288	(17.7%)
- lease-related interest expense ⁽¹⁾	636	-	N.M.	3,424	-	N.M.
Share-based payment ⁽²⁾	-	-	N.M.	2,625	-	N.M.

Notes:

- (1) With effect from the financial year beginning 1 July 2019, the Group has adopted SFRS(I) 16 – Leases. The detailed impact from the adoption is presented in paragraph 5 of this announcement.
- (2) A non-recurring, non-cash expense incurred in accordance with SFRS(I) 2 relating to the transfer of shares from Mr. Yek Hong Liat John, Executive Director (“ED”), to Mr. Foo Kah Lee, Chief Executive Officer and ED, as well as Mr. Lim Shyang Zheng, Chief Operating Officer and ED, by way of gift on 29 August 2019. This transaction was accounted for under SFRS(I) 2 as a share-based payment transaction, as the shares were transferred to employees of the Company in exchange for services, although the shares were not transferred by the Company directly. The fair value of the shares of S\$2,625,000 has been recorded as an expense in the profit or loss with a corresponding increase in share-based payment reserve.

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.

Consolidated Statements of Financial Position

	Group		Company	
	Unaudited	Audited	Unaudited	Audited
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	32,573	33,711	-	-
Investment in subsidiaries	-	-	21,636	21,738
Other receivables, non-current	-	-	10,671	10,671
Other assets, non-current	3,825	3,027	-	-
Deferred tax assets	23	-	-	-
Right-of-use assets	76,085	-	-	-
Total non-current assets	112,506	36,738	32,307	32,409
Current assets				
Inventories	2,978	2,896	-	-
Trade and other receivables, current	2,019	2,627	5,096	-
Other assets, current	2,412	3,766	6	7
Cash and cash equivalents	14,918	18,183	312	2,758
Total current assets	22,327	27,472	5,414	2,765
Total assets	134,833	64,210	37,721	35,174
Equity and liabilities				
Share capital	32,307	32,307	32,307	32,307
Retained earnings	13,183	24,115	1,077	2,297
Merger reserve ⁽¹⁾	(18,149)	(18,149)	-	-
Share-based payment reserve ⁽²⁾	2,625	-	2,625	-
Foreign currency translation reserve	(34)	(55)	-	-
Equity attributable to owners of the parent	29,932	38,218	36,009	34,604
Non-controlling interest	(27)	36	-	-
Total equity	29,905	38,254	36,009	34,604

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.

Consolidated Statements of Financial Position (cont'd)

	Group		Company	
	Unaudited 30.06.2020	Audited 30.06.2019	Unaudited 30.06.2020	Audited 30.06.2019
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current liabilities				
Deferred tax liabilities	962	1,206	-	-
Provision, non-current	1,641	1,632	-	-
Other financial liabilities, non-current	8,415	9,353	-	-
Lease liabilities, non-current	61,955	-	-	-
Total non-current liabilities	72,973	12,191	-	-
Current liabilities				
Income tax payable	215	1,689	5	12
Trade and other payables	10,265	11,363	1,689	558
Other financial liabilities, current	875	626	-	-
Other liabilities	1,051	87	18	-
Lease liabilities, current	19,549	-	-	-
Total current liabilities	31,955	13,765	1,712	570
Total liabilities	104,928	25,956	1,712	570
Total equity and liabilities	134,833	64,210	37,721	35,174

Notes:

- (1) The negative merger reserve relates to the difference between the consideration paid by the Company and the equity of R E & S Enterprises Pte Ltd acquired in relation to the restructuring exercise undertaken in relation to the listing of the Company on the Catalist Board of the SGX-ST ("**Restructuring Exercise**"). The acquisition of R E & S Enterprises Pte Ltd by the Company was completed on 26 October 2017.
- (2) Share-based payment reserve relates to transfer of shares from Mr. Yek Hong Liat John, ED, to Mr. Foo Kah Lee, Chief Executive Officer and ED, as well as Mr. Lim Shyang Zheng, Chief Operating Officer and ED, by way of gift on 29 August 2019. This transaction was accounted for under SFRS(I) 2 as a share-based payment transaction, as the shares were transferred to employees of the Company in exchange for services, although the shares were not transferred by the Company directly. A corresponding entry has been taken up in employee benefit expense. This is a non-recurring and non-cash expense.

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

	Group Unaudited		Group Audited	
	30.06.2020		30.06.2019	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
(A) Amount repayable in one year or less, or on demand;	875	-	626	-
(B) Amount repayable after one year	8,415	-	9,353	-
	<u>9,290</u>	<u>-</u>	<u>9,979</u>	<u>-</u>

Details of any collaterals:

The banking facilities of the Group as at 30 June 2020 comprised short term and long term loans. These facilities were secured by:

- (i) Corporate guarantees from the Company;
- (ii) A legal mortgage of the subsidiary's leasehold building (for the bank loans); and
- (iii) Fixed deposits placed with the bank.

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.

Consolidated Statement of Cash Flows

	Group		Group	
	Unaudited 4Q FY2020 S\$'000	Unaudited 4Q FY2019 S\$'000	Unaudited FY2020 S\$'000	Audited FY2019 S\$'000
Cash flows from operating activities:				
Profit / (Loss) before income tax	284	621	(5,620)	5,344
Adjustments for:				
Interest income	(125)	(86)	(280)	(111)
Interest expense on borrowings	47	76	237	288
Lease-related interest expense	636	-	3,424	-
Plant and equipment written off	125	662	1,038	1,638
Reinstatement cost written off	-	(161)	-	(161)
Depreciation of property, plant and equipment	1,603	1,827	6,839	8,062
Depreciation of right of use assets	4,739	-	20,542	-
Share-based payment	-	-	2,625	-
Rental rebates from landlords	(4,823)	-	(4,823)	-
(Gain) / Loss on disposal of plant and equipment	-	(70)	44	(70)
Net effect of exchange rate changes in consolidating foreign operations	(5)	(11)	33	4
Operating cash flows before changes in working capital	2,481	2,858	24,059	14,994
Inventories	743	(264)	(82)	(220)
Trade and other receivables, current	(887)	157	608	(1,124)
Reinstatement cost utilised	(1)	51	(46)	(26)
Trade and other payables, current	(2,213)	322	(1,098)	412
Other assets, current	252	(2,086)	1,354	(888)
Other liabilities	974	(119)	964	(14)
Net cash flows from operations	1,349	919	25,759	13,134
Income tax refund (paid)	1	(332)	(1,467)	(1,812)
Net cash flows from operating activities	1,350	587	24,292	11,322
Cash flows from investing activities:				
Purchase of plant and equipment	(252)	(864)	(6,754)	(3,478)
Proceeds from disposal of plant and equipment	-	83	13	83
Other assets, non-current	77	1,914	(798)	953
Interest received	125	86	280	111
Net cash flows (used in) from investing activities	(50)	1,219	(7,259)	(2,331)
Cash flows from financing activities:				
Cash restricted over 3 months	(40)	(504)	(40)	(504)
Dividend paid to equity owner	-	-	(1,593)	(1,416)
Decrease in other financial liabilities	(218)	(1,178)	(689)	(2,727)
Lease liabilities – principal portion paid*	(425)	-	(17,862)	-
Capital contribution from a non-controlling interest	-	-	45	98
Non-controlling interest other payables waiver	38	-	38	-
Interest paid	(47)	(76)	(237)	(288)
Net cash flows used in financing activities	(692)	(1,758)	(20,338)	(4,837)
Net increase (decrease) in cash and cash equivalents	608	48	(3,305)	4,154
Cash and cash equivalents at beginning of year	12,106	15,971	16,019	11,865
Cash and cash equivalents at end of year	12,714	16,019	12,714	16,019

* - Net of rental rebates of S\$4.8 million

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.

Consolidated Statement of Cash Flows (cont'd)

	Group		Group	
	Unaudited	Unaudited	Unaudited	Audited
	4Q FY2020	4Q FY2019	FY2020	FY2019
	S\$'000	S\$'000	S\$'000	S\$'000
Notes to Statement of Cash Flows:				
Cash and cash equivalents in the statement of financial position	14,918	18,183	14,918	18,183
Cash restricted over 3 months	(2,204)	(2,164)	(2,204)	(2,164)
Cash and cash equivalents as shown above	12,714	16,019	12,714	16,019

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.

Statements of Changes in Equity

	Share capital S\$'000	Merger reserve S\$'000	Share-based payment reserve S\$'000	Foreign currency translation reserve S\$'000	Retained earnings S\$'000	Attributable to parent S\$'000	Non-controlling interest S\$'000	Total equity S\$'000
Group (Unaudited)								
Balance as at 1 July 2019, as previously reported	32,307	(18,149)	-	(55)	24,115	38,218	36	38,254
Impact of adopting SFRS(I) 16	-	-	-	-	(4,139)	(4,139)	-	(4,139)
Balance as at 1 July 2019 (Restated)	32,307	(18,149)	-	(55)	19,976	34,079	36	34,115
Total comprehensive income (loss) for the period	-	-	-	13	(3,512)	(3,499)	(83)	(3,582)
Capital contribution from a non-controlling interest	-	-	-	-	-	-	45	45
Share-based payments	-	-	2,625	-	-	2,625	-	2,625
Balance as at 30 September 2019	32,307	(18,149)	2,625	(42)	16,464	33,205	(2)	33,203
Total comprehensive loss for the period	-	-	-	(17)	(249)	(266)	(14)	(280)
Dividends paid	-	-	-	-	(1,593)	(1,593)	-	(1,593)
Balance as at 31 December 2019	32,307	(18,149)	2,625	(59)	14,622	31,346	(16)	31,330
Total comprehensive income (loss) for the period	-	-	-	42	(2,205)	(2,163)	4	(2,159)
Balance as at 31 March 2020	32,307	(18,149)	2,625	(17)	12,417	29,183	(12)	29,171
Total comprehensive income (loss) for the period	-	-	-	(17)	728	711	(15)	696
Non-controlling interest other payables waived	-	-	-	-	38	38	-	38
Balance as at 30 June 2020	32,307	(18,149)	2,625	(34)	13,183	29,932	(27)	29,905

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.

Statements of Changes in Equity (Cont'd)

	Share capital S\$'000	Merger reserve S\$'000	Foreign currency translation reserve S\$'000	Retained earnings S\$'000	Attributable to parent S\$'000	Non- controlling interest S\$'000	Total equity S\$'000
Group (Audited)							
Balance as at 1 July 2018	32,307	(18,149)	(48)	21,490	35,600	-	35,600
Total comprehensive income for the period	-	-	12	704	716	-	716
Balance as at 30 September 2018	32,307	(18,149)	(36)	22,194	36,316	-	36,316
Total comprehensive income for the period	-	-	4	1,447	1,451	-	1,451
Dividends paid	-	-	-	(1,416)	(1,416)	-	(1,416)
Balance as at 31 December 2018	32,307	(18,149)	(32)	22,225	36,351	-	36,351
Total comprehensive (loss) income for the period	-	-	(8)	1,262	1,254	(18)	1,236
Capital contribution from a non-controlling interest	-	-	-	-	-	98	98
Balance as at 31 March 2019	32,307	(18,149)	(40)	23,487	37,605	80	37,685
Total comprehensive (loss) income for the period	-	-	(15)	628	613	(44)	569
Balance as at 30 June 2019	32,307	(18,149)	(55)	24,115	38,218	36	38,254

- 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.

Statements of Changes in Equity (Cont'd)

	Share capital S\$'000	Other reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
<u>Company (Unaudited)</u>				
Balance as at 1 July 2019	32,307	-	2,297	34,604
Total comprehensive income for the period	-	-	(2,598)	(2,598)
<u>Contributions by and distributions to owners</u>				
Share-based payments	-	2,625	-	2,625
Balance as at 30 September 2019	32,307	2,625	(301)	34,631
Total comprehensive income for the period	-	-	25	25
Dividends paid	-	-	(1,593)	(1,593)
Balance as at 31 December 2019	32,307	2,625	(1,869)	33,063
Total comprehensive income for the period	-	-	21	21
Balance as at 31 March 2020	32,307	2,625	(1,848)	33,084
Total comprehensive income for the period	-	-	2,925	2,925
Balance as at 30 June 2020	32,307	2,625	1,077	36,009

- 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.

Statements of Changes in Equity (Cont'd)

	Share capital S\$'000	Retained earnings S\$'000	Total equity S\$'000
<u>Company (Audited)</u>			
Balance as at 1 July 2018	32,307	3,575	35,882
Total comprehensive income for the period	-	32	32
Balance as at 30 September 2018	32,307	3,607	35,914
Total comprehensive income for the period	-	39	39
Dividends paid	-	(1,416)	(1,416)
Balance as at 31 December 2018	32,307	2,230	34,537
Total comprehensive income for the period	-	32	32
Balance as at 31 March 2019	32,307	2,262	34,569
Total comprehensive income for the period	-	35	35
Balance as at 30 June 2019	32,307	2,297	34,604

- 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 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 issued share capital since 31 March 2020.

The Company has no treasury shares or subsidiary holdings or convertible instruments as at 30 June 2020 and 30 June 2019.

- 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.**

	Unaudited	Audited
	30.06.2020	30.06.2019
Total number of issued shares	354,000,000	354,000,000

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

The Company did not have any treasury shares during, and at the end of, the financial period reported on.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

The Company did not have any subsidiary holdings during, and at the end of, the financial period reported on.

- 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 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 as the figures have not been audited or reviewed by the Company's auditors.

- 3(a). Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion.**

Not applicable as there was no adverse opinion, qualified opinion or disclaimer of opinion in the Group's latest financial statements.

- 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 in the financial statements for the current period compared with the annual audited financial statements for the year ended 30 June 2019, except for the adoption of the new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") which are effective for its financial year beginning 1 July 2019. The impact of adopting the following SFRS(I) which are effective for the financial year beginning 1 July 2019, are detailed in section 5.

- 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 the applicable new and revised Singapore Financial Reporting Standards International ("SFRS(I)") and the related Interpretations ("SFRS(I)INT") that are mandatory for the accounting periods beginning on or after 1 July 2019. The impact of adopting the following SFRS(I) which are effective for the financial year beginning 1 July 2019, are detailed as follows:

SFRS(I) 16 – Leases

SFRS(I) 16 requires lessees to recognise most leases on statements of financial position. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. SFRS(I) 16 is effective for annual periods beginning on or after 1 January 2019. At commencement date of a lease, a lessee will recognise a liability to make a lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

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 adopted SFRS(I) 16 and elected to apply the standard retrospectively with the cumulative effect of initial application as an adjustment to the opening balance of retained earnings as at 1 July 2019. In addition, the Group elected the following practical expedients:

- (i) Not to reassess whether a contract is, or contains a lease at the date of initial application and to apply SFRS(I) 16 to all contracts that were previously identified as leases;
- (ii) To apply the exemption not to recognise right-of-use asset and liabilities to lease for which the lease term ends within 12 months as at 1 July 2019; and
- (iii) To apply a single discount rate to a portfolio of leases with reasonably similar characteristics.

Summary of Impact

Group S\$'000	1 July 2019	SFRS(I) 16	1 July 2019 (Restated)
Non-Current Assets			
Right-of-use assets	-	86,025	86,025
Non-Current Liabilities			
Lease liabilities	-	80,729	80,729
Current Liabilities			
Lease liabilities	-	9,435	9,435
Equity			
Retained earnings	24,115	(4,139)	19,976

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.

	Group			
	Unaudited 4Q FY2020	Audited 4Q FY2019	Unaudited FY2020	Audited FY2019
<u>Earnings / (Losses) per share ("EPS")</u>				
Profit / (Loss) attributable to owners of the Company (S\$'000)	728	628	(5,238)	4,041
(i) Based on weighted average number of ordinary shares in issue ('000)	354,000	354,000	354,000	354,000
(ii) On a basic and diluted basis (Singapore cents per share)	0.21	0.18	(1.48)	1.14

The basic and fully diluted earnings / (losses) per share were the same as there were no dilutive ordinary shares in issue as at 30 June 2020 and 30 June 2019.

7. **Net asset value (for the issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	Unaudited 30.06.2020	Audited 30.06.2019	Unaudited 30.06.2020	Audited 30.06.2019
Net asset value ("NAV") (S\$'000)	29,932	38,218	33,009	34,604
Number of ordinary shares in issue ('000)	354,000	354,000	354,000	354,000
Net asset value per ordinary share (Singapore cents per share)	8.46	10.80	9.32	9.78

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 affect the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

Consolidated Statement of Comprehensive Income

	Group		Increase/ (decrease) %	Group		Increase/ (decrease) %
	Unaudited 4Q FY2020 S\$'000	Unaudited 4Q FY2019 S\$'000		Unaudited FY2020 S\$'000	Audited FY2019 S\$'000	
Full-Service Restaurants	6,564	23,375	(71.9%)	72,202	99,259	(27.3%)
Quick-Service Restaurants, Convenience and Others	7,310	10,239	(28.6%)	38,447	41,745	(7.9%)
	<u>13,874</u>	<u>33,614</u>		<u>110,649</u>	<u>141,004</u>	

4Q FY2020 compared to 4Q FY2019

Revenue

The Group's revenue decreased by 58.7%, or approximately S\$19.7 million, from S\$33.6 million in 4Q FY2019 to S\$13.9 million in 4Q FY2020.

Revenue from Full-Service Restaurants ("FSR") and Quick-Service Restaurants, Convenience and Others ("QSR") segment declined by 71.9% or S\$16.8 million and 28.6% or S\$2.9 million respectively in 4Q FY2020.

The decline in revenue was mainly attributable to the prohibition of dine-services from 7 April 2020 to 18 June 2020, which resulted in a temporary closure of 32 outlets across all concepts. The closed outlets were progressively re-opened from 9 April 2020 to 22 June 2020 for takeaway and delivery sales, and subsequently dine-in services. In addition, the Group has also ceased operations at three outlets – Ichiban Sushi at Plaza Singapura and, Kuishin Bo and Sumiya at Suntec City in 4Q FY2020.

Raw materials and consumables used

Raw materials and consumables used (taking into account the changes in closing inventories) was 31.8% and 27.9% of total revenue for 4Q FY2020 and 4Q FY2019 respectively. The increase was mainly due to higher cost of sales arising from QSR segment, as sales contribution from QSR segment accounted for 52.7% of total sales in 4Q FY2020.

Consolidated Statement of Comprehensive Income (cont'd)
4Q FY2020 compared to 4Q FY2019 (cont'd)

Other operating income

Other operating income increased approximately S\$8.7 million from S\$0.8 million in 4Q FY2019 to S\$9.4 million in 4Q FY2020. This was mainly due to an increase in government and landlords support amounting to S\$4.2 million and S\$4.8 million respectively, in relation to the COVID-19 pandemic.

Employee benefits expense

Employee benefits expense decreased by 37.1%, or approximately S\$4.4 million from S\$11.9 million in 4Q FY2019 to S\$7.5 million in 4Q FY2020. This was mainly due to cost control measures undertaken by the company to reduce employee benefits expenses, in view of the COVID-19 pandemic. Such initiatives include pay adjustment across the board and reduction of temporary helpers.

Operating lease expenses

Operating lease expenses decreased by 93.5%, or approximately S\$5.3 million, from S\$5.6 million in 4Q FY2019 to S\$0.4 million in 4Q FY2020, mainly due to adoption of SFRS(I)16, where operating leases are accounted for as a "Right-of-use asset" and depreciated accordingly, with the expenses recognised as "Depreciation expense".

Utilities expenses

Utilities expenses decreased by 19.3%, or approximately S\$0.2 million, mainly attributable to decrease in usage of utilities as a result of lower revenue and closure of outlets during the period.

Depreciation expense

Depreciation expense increased by approximately S\$4.5 million, from S\$1.8 million in 4Q FY2019 to S\$6.3 million in 4Q FY2020, mainly due to adoption of SFRS(I)16, where operating leases are accounted for as a "Right-of-use asset" and depreciated accordingly, with the expenses recognised as "Depreciation expense". Excluding the impact of SFRS(I)16, depreciation expense decreased from S\$1.8 million in 4Q FY2019 to S\$1.6 million in 4Q FY2020.

Other operating expenses

Other operating expenses decreased by 14.1% or approximately S\$0.4 million, from S\$2.8 million in 4Q FY2019 to S\$2.4 million in 4Q FY2020. This was mainly attributed to a decrease in general expenses such as repair, maintenance, delivery and transportation.

Other expenses – Non-operating

Other expenses – non-operating decreased by approximately S\$0.6 million, from S\$1.1 million in 4Q FY2019 to S\$0.5 million in 4Q FY2020. This was mainly attributed to a decrease in plant and equipment written off of approximately S\$0.4 million in relation to interim closure of outlets at Great World City in 4Q FY2019.

Finance costs

Finance costs increased by approximately S\$0.6 million, from S\$0.1 million in 4Q FY2019 to S\$0.7 million in 4Q FY2020 mainly due to adoption of SFRS(I)16, where interest expense on lease liabilities is a component of finance cost. Excluding the impact of SFRS(I)16, finance costs remained relatively constant at approximately S\$0.1 million for 4Q FY2020 and 4Q FY2019.

Profit before income tax

Profit before income tax decreased by 54.3% or approximately S\$0.3 million, from S\$0.6 million in 4Q FY2019 to S\$0.3 million in 4Q FY2020, mainly due to impact of the COVID-19 pandemic, as mentioned above.

Income tax expense

Income tax expense decreased by approximately S\$0.5 million, from S\$0.04 million in 4Q FY2019 to an income tax income of S\$0.4 million in 4Q FY2020, mainly due to tax savings resulting from support provided by the government in relation to the COVID-19 pandemic being non-taxable.

Profit net of income tax

As a result of the foregoing, the Group recorded a profit net of income tax of S\$0.7 million in 4Q FY2020, representing an increase of 22.1%, or approximately S\$0.1 million compared to 4Q FY2019.

Consolidated Statement of Comprehensive Income (cont'd)
FY2020 compared to FY2019 (cont'd)

Revenue

The Group's revenue declined by 21.5% or approximately S\$30.4 million, from S\$141.0 million in FY2019 to S\$110.6 million in FY2020.

Revenue from FSR and QSR segments declined by 27.3% or S\$27.1 million and 7.9% or S\$3.3 million respectively in FY2020. The decline in revenue was mainly contributed by i) interim closure of Great World outlets due to the mall enhancement works since FY2019 and revamping of certain food concepts at Jurong Point in 1Q FY2020. The revamped outlets in Great World and Jurong Point have since re-opened in February 2020 and October 2019 respectively; ii) closure of 8 outlets comprising 3 FSR outlets and 5 QSR outlets during the year; iii) prohibition of dine-in services from 7 April 2020 to 18 June 2020, which resulted in a temporary closure of 32 outlets across all concepts. The closed outlets were progressively re-opened from 9 April 2020 to 22 June 2020 for takeaway and delivery sales, and subsequently dine-in services.

Raw materials and consumables used

Raw materials and consumables used (taking into account the changes in closing inventories) remained constant at approximately S\$31.5 million, representing 28.5% and 27.6% of total revenue for FY2020 and FY2019 respectively.

Other operating income

Other operating income increased by 285.4% or approximately S\$7.9 million, from S\$2.8 million in FY2019 to S\$10.6 million in FY2020. This was mainly due to an increase in government and landlords support amounting to S\$4.2 million and S\$4.8 million respectively, in relation to the COVID-19 pandemic.

Employee benefits expense

Employee benefits expenses decreased by 5.6%, or approximately S\$2.7 million, from S\$49.1 million in FY2019 to S\$46.3 million in FY2020. Employee benefits expense in FY2020 included a share-based payment amounting to approximately S\$2.6 million as a result of the transfer of shares from Mr. Yek Hong Liat John, Executive Director, to Mr. Foo Kah Lee, Chief Executive Officer and Executive Director ("ED"), as well as Mr. Lim Shyang Zheng, Chief Operating Officer and ED, by way of gift on 29 August 2019. This transaction was accounted for under SFRS(I) 2 as a share-based payment transaction, as the shares were transferred to employees of the Company in exchange for services, although the shares were not transferred by the Company directly.

Excluding the impact of this share-based payment, employee benefits expense in FY2020 would have decreased by 10.9% or approximately S\$5.4 million and as a proportion to revenue, employee benefits expense increased from 34.8% for FY2019 to 39.5% for FY2020. The increase was mainly due to continued payment of salaries despite the interim closures of the Group's outlets at Jurong Point and Great World and weaker consumer demand and measures imposed by the government due to the COVID-19 pandemic.

Operating lease expenses

Operating lease expenses decreased by 94.8% or approximately S\$23.6 million, from S\$24.9 million in FY2019 to S\$1.3 million in FY2020, mainly due to adoption of SFRS(I)16, where operating leases are accounted for as a "Right-of-use asset" and depreciated accordingly, with the expenses recognised as "Depreciation expense".

Utilities expenses

Utilities expenses decreased by 11.3%, or approximately S\$0.5 million, from S\$4.4 million in FY2019 to S\$3.9 million in FY2020, mainly attributable to decrease in usage of utilities as a result of lower revenue and closure of outlets during the year.

Depreciation expense

Depreciation expense increased by approximately S\$19.3 million, from S\$8.1 million in FY2019 to S\$27.4 million in FY2020, mainly due to adoption of SFRS(I)16, where operating leases are accounted for as a "Right-of-use asset" and depreciated accordingly, with the expenses recognised as "Depreciation expense".

Excluding the impact of SFRS(I)16, depreciation expense decreased from S\$8.1 million in FY2019 to S\$6.8 million in FY2020, mainly due to interim closure of outlets for revamp of certain food concepts at Jurong Point and Great World, which have since re-opened in October 2019 and February 2020 respectively.

Other operating expenses

Other operating expenses increased by 1.1%, or approximately S\$0.1 million, from S\$9.7 million in FY2019 to S\$9.8 million in FY2020 was mainly due to an increase in commission resulted from third party food delivery companies, offset by a decrease in general expenses such as repair, maintenance and cleaning expenses.

Consolidated Statement of Comprehensive Income (cont'd)
FY2020 compared to FY2019 (cont'd)

Other expenses – Non-operating

Other expenses – non-operating decreased by 2.2%, or approximately S\$0.1 million, from S\$3.1 million in FY2019 to S\$3.0 million in FY2020. This was mainly attributable to a decrease in plant and equipment written off of approximately S\$0.6 million, offset with an increase in professional fees of approximately S\$0.3 million, of which were in relation to the revamping of outlets at Jurong Point and Great World.

Finance costs

Finance costs increased by approximately S\$3.4 million, from S\$0.3 million in FY2019 to S\$3.7 million in FY2020 mainly due to adoption of SFRS(I)16, where interest expense on lease liabilities is a component of finance cost. Excluding the impact of SFRS(I)16, finance costs remained relatively constant at approximately S\$0.2 million and S\$0.3 million for FY2020 and FY2019 respectively.

(Loss) / Profit before tax

The Group recorded a loss before tax of S\$5.6 million in FY2020, largely attributable to (i) share-based payment of approximately S\$2.6 million which is non-recurring and non-cash expense, (ii) prohibition of dine-in services as a result of the COVID-19 pandemic and (iii) plant and equipment written off in relation to the partial revamp of certain food concepts at Jurong Point of approximately S\$0.9 million.

Income tax expense

Income tax expense decreased by approximately S\$1.6 million as the Group registered a loss for FY2020.

(Loss) / Profit net of income tax

As a result of the foregoing, the Group recorded a loss after tax of S\$5.3 million in FY2020.

Consolidated Statements of Financial Position

The comparative performance for both the assets and liabilities are based on the Group's financial statements as at 30 June 2020 and 30 June 2019.

Non-current assets

The Group's non-current assets increased by S\$75.8 million from S\$36.7 million as at 30 June 2019 to S\$112.5 million as at 30 June 2020 mainly due to (i) an increase in other assets, non-current of S\$0.8 million; and (ii) an increase in the right-of-use assets of S\$76.1 million, partially offset by a decrease in property, plant and equipment of S\$1.1 million.

Right-of-use assets increased by S\$76.1 million largely arising from the adoption of the SFRS(I) 16 on 1 July 2019. Other assets, non-current increased by S\$0.8 million mainly due to refundable rental deposits placed with the lessors for both renewal of existing leases and new leases. The decrease in property, plant and equipment was mainly due to the write-off of renovation and fixture for the closure of outlets of S\$1.0 million and depreciation of S\$6.8 million, partially offset by an addition of assets amounting to S\$6.8 million.

Current assets

The Group's current assets decreased by S\$5.1 million from S\$27.5 million as at 30 June 2019 to S\$22.3 million as at 30 June 2020. This was mainly due to (i) a decrease in cash and cash equivalents of S\$3.3 million; (ii) a decrease in trade and other receivables, current of S\$0.6 million; and (iii) a decrease in other assets, current of S\$1.4 million partially offset by an increase in inventories of S\$0.1 million.

The decrease in cash and cash equivalents was mainly attributable to fixtures paid for the revamped outlets at Jurong Point in 2Q FY2020 and re-opening of outlets at Great World in 3Q FY2020. The decrease in trade and other receivables, current was mainly due to decreases in amount owing from credit card companies and corporate customers. The decrease in other assets, current was mainly attributable to the renewal of existing leases for more than a year and refunds pending from lessors for the closed outlets in 4Q FY2020.

Non-current liabilities

The Group's non-current liabilities increased by S\$60.8 million from S\$12.2 million as at 30 June 2019 to S\$73.0 million as at 30 June 2020. This was mainly due to increase in lease liabilities arising from the adoption of SFRS(I) 16 of S\$62.0 million; partially offset by a decrease in other financial liabilities, non-current due to the repayment of bank borrowings of S\$0.9 million.

Current liabilities

The Group's current liabilities increased by S\$18.2 million from S\$13.8 million as at 30 June 2019 to S\$32.0 million as at 30 June 2020. This was mainly attributable to (i) an increase in lease liabilities of S\$19.5 million arising from the adoption of SFRS(I) 16; (ii) an increase of other financial liabilities, current of S\$0.2 million; and (iii) an increase in other liabilities of S\$1.0 million mainly attributable to the accounting treatment of deferring the Jobs Support Scheme Grant received in 4Q FY2020; partially offset by (i) a decrease in trade and other payables of S\$1.1 million mainly attributable to the decrease in GST payables, and (ii) a decrease in the provision for income tax of S\$1.5 million.

Consolidated Statements of Financial Position (cont'd)

The Group's negative working capital as at 30 June 2020 was mainly due to the adoption of SFRS(I) 16 on 1 July 2019 where lease liabilities were accounted as both current liabilities and non-current liabilities and its corresponding entry in right-of-use assets was accounted as non-current assets. Excluding the effects of SFRS(I) 16, the Group's net working capital as at 30 June 2020 was S\$9.9 million.

Consolidated Statements of Cash Flows

The Group's net cash flows generated from operating activities was S\$24.3 million in FY2020, mainly due to operating cash flows before changes in the working capital of S\$24.1 million, net working capital inflows of S\$1.7 million and income taxes paid of S\$1.5 million. The net working capital inflows were mainly due to (i) a decrease in trade and other receivables, current of S\$0.6 million; (ii) a decrease in other assets, current of \$1.4 million; and (iii) an increase in other liabilities of \$1.0 million; partially offset by a decrease in trade payables of S\$1.1 million.

The Group's net cash flows used in investing activities was S\$7.3 million in FY2020, mainly attributable to (i) the purchase of plant and equipment amounting to S\$6.8 million; (ii) an increase in other assets, non-current of S\$0.8 million; partially offset by (iii) interest received of S\$0.3 million.

The Group's net cash flows used in financing activities was S\$20.3 million in FY2020, mainly due to (i) repayment of bank borrowings of S\$0.7 million; (ii) lease payment of S\$14.4 million; (iii) interest portion of the lease liabilities of S\$3.4 million paid; (iv) dividend paid of S\$1.6 million; and (v) interest paid of S\$0.2 million.

As a result, cash and cash equivalents decreased by S\$3.3 million in FY2020.

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

The results are in line with the commentary made in item 10 in the 3Q2020 results announcement released to SGX-ST on 13 May 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.

Amidst the common high cost pressures posed by tight labour and rental market, the food and beverage ("F&B") industry is expected to face even greater challenges, intensified by the uncertainties of the COVID-19 situation which may include a sudden surge in community cases and consequently the implementation of new measures that may affect dine-in services and impact market sentiment. Nonetheless, with the increased efforts to conserve cash coupled with various forms of support from the government such as the Jobs Support Scheme, the Group remains committed to overcome the challenges through cautious and strategic expansions and further improve labour shortage issues by optimising the use of its Central Kitchen function.

The Group seeks to improve its performance by building on its online sales channels and new 'Ready-to-Eat' products while continuing to explore new market opportunities for the current climate. On the cost front, the management remains dedicated towards enhancing labour productivity via means of workflow improvements amidst labour shortages. The Group also seeks to explore further cost reduction through less reliance on frontline labour and further optimisation in the use of its Central Kitchen function.

11. Dividend

(a) Dividend proposed for the current financial period

Due to the Company's loss position for FY 2020 and in view of a challenging economic situation, the Board has taken a prudent stance to conserve its cash for operational use and has not recommended dividend for FY2020.

11. Dividend (Cont'd)

- (b) Corresponding Period of the Immediately Preceding Financial Year:** Any dividend declared for the corresponding period of the immediately preceding financial year?

Name of Dividend
Type of Dividend
Total number of Issued ordinary shares ('000)
Dividend per share

FY2019
Final Dividend Exempt (1-tier)
Cash
354,000
0.45 cent

- (c) The date the dividend is payable.**

Not applicable.

- (d) Record date.**

Not applicable.

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

Please refer to 11 (a) above.

- 13. If the Group has obtained 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 IPT.

- 14. PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**
Segmented revenue and results for operating 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.

14A. Profit or loss from continuing operations and reconciliations

	<u>Restaurants</u>	<u>Quick services</u>	<u>Unallocated</u>	<u>Elimination</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000	\$'000
<u>2020</u>					
Revenue by segment					
Total revenue by segment	72,202	38,447	–	–	110,649
Inter-segment sales	–	6,057	–	(6,057)	–
Total revenue	<u>72,202</u>	<u>44,504</u>	<u>–</u>	<u>(6,057)</u>	<u>110,649</u>
Recurring EBITDA	26,129	8,160	(8,867)	–	25,422
Depreciation	(16,017)	(8,939)	(2,425)	–	(27,381)
Finance costs	<u>(2,234)</u>	<u>(1,190)</u>	<u>(237)</u>	<u>–</u>	<u>(3,661)</u>
ORBT					(5,620)
Income tax income	–	–	274	–	274
Loss, net of income tax					<u>(5,346)</u>

14A. Profit or loss from continuing operations and reconciliations (cont'd)

	<u>Restaurants</u>	<u>Quick services</u>	<u>Unallocated</u>	<u>Elimination</u>	<u>Total</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
2019					
Revenue by segment					
Total revenue by segment	99,259	41,745	–	–	141,004
Inter-segment sales	–	6,103	–	(6,103)	–
Total revenue	<u>99,259</u>	<u>47,848</u>	<u>–</u>	<u>(6,103)</u>	<u>141,004</u>
Recurring EBITDA	16,112	5,171	(7,589)	–	13,694
Depreciation	(3,963)	(1,760)	(2,339)	–	(8,062)
Finance costs	–	–	(288)	–	(288)
ORBT					5,344
Income tax expense	–	–	(1,365)	–	(1,365)
Profit, net of income tax					<u>3,979</u>

The unallocated expenses mainly included the Group's headquarters expenses such as employee benefits expenses, operating lease expenses and utilities expenses.

14B. Assets and reconciliations

	<u>Restaurants</u>	<u>Quick services</u>	<u>Unallocated</u>	<u>Total</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Total assets for reportable segments:				
2020	<u>69,791</u>	<u>40,849</u>	<u>24,193</u>	<u>134,833</u>
2019	<u>26,536</u>	<u>12,080</u>	<u>25,594</u>	<u>64,210</u>

The unallocated assets mainly included the Group's headquarters property, plant and equipment.

14C. Liabilities and reconciliations

	<u>Restaurants</u>	<u>Quick services</u>	<u>Unallocated</u>	<u>Total</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Total liabilities for reportable segments:				
2020	<u>59,129</u>	<u>32,641</u>	<u>13,158</u>	<u>104,928</u>
2019	<u>7,257</u>	<u>4,105</u>	<u>14,594</u>	<u>25,956</u>

The unallocated liabilities mainly included the other financial liabilities for the Group's property, income tax payables and deferred tax liabilities.

14D. Other material items and reconciliations

	<u>Restaurants</u>	<u>Quick services</u>	<u>Unallocated</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000
<u>Expenditures for non-current assets:</u>				
2020	<u>1,151</u>	<u>5,123</u>	<u>535</u>	<u>6,809</u>
2019	<u>1,952</u>	<u>829</u>	<u>717</u>	<u>3,498</u>

14E. Geographical information

The Group operates primarily in Singapore with revenue generated mainly in Singapore. Accordingly, analysis of revenue and assets of the Group by geographical distribution has not been presented.

14F. A breakdown of sales

	Group	Increase/ (decrease)
	FY2020 S\$'000	FY2019 S\$'000
		%
Sales reported for:		
(a) First half of the financial year	66,478	71,883 (7.5%)
(b) Second half of the financial year	44,171	69,121 (36.1%)
	<u>110,649</u>	<u>141,004</u> (21.5%)
Operating (loss) / profit after tax deducting non-controlling interests reported for		
(a) First half of the financial year	(3,761)	2,151 N.M.
(b) Second half of the financial year	(1,477)	1,890 N.M.
	<u>(5,238)</u>	<u>4,041</u> N.M.

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Please refer to section 8 of this announcement for the review of the performance of the Group.

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

Annual dividend	<u>FY2020</u> \$'000	<u>FY2019</u> \$'000
Ordinary dividend – Final	-*	1,593

* Due to the Company's loss position for FY 2020 and in view of a challenging economic situation, the Board has taken a prudent stance to conserve its cash for operational use and has not recommended dividend for FY2020.

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

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Listing Manual.

18. 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(10). If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(10) of the Catalist Rules, the Company confirms that during FY2020 and up to the date hereof, there has not been any person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

For and on behalf of the Board

Foo Kah Lee
Executive Director and CEO
Date: 27 August 2020

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the Rules of Catalist. The Sponsor has not verified the contents of this announcement. 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.

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