



NO SIGNBOARD HOLDINGS LTD.

(Unique Entity Number: 201715253N)
Incorporated in the Republic of Singapore

Third Quarter Financial Statements and Dividend Announcement for the Period Ended 30 June 2018

Unless otherwise defined, capitalized terms used in this announcement shall have the same meaning as ascribed to them in the Offer Document of the Company dated 23 November 2017 (the “Offer Document”).

No Signboard Holdings Ltd. (the “**Company**”) was listed on Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 30 November 2017. The initial public offering (the “**IPO**”) of the Company was sponsored by RHT Capital Pte. Ltd. (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 SGX-ST, this being the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and 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 Khong Choun Mun, Registered Professional, RHT Capital Pte Ltd, 9 Raffles Place, #29-01, Republic Plaza Tower 1, Singapore 048619, telephone (65) 6381 6757

Background

The Company was incorporated in the Republic of Singapore on 1 June 2017 under the Companies Act (Chapter 50) of Singapore as a private limited company under the name No Signboard Holdings Pte. Ltd. On 6 November 2017, the Company changed its name to “No Signboard Holdings Ltd.” in conjunction with its conversion to a public company limited by shares.

The group comprising the Company and its subsidiaries (the “**Group**”) was formed pursuant to a restructuring exercise (the “**Restructuring Exercise**”) undertaken as part of its corporate re-organisation, under a restructuring agreement dated 20 October 2017 (the “**Restructuring Agreement**”). The **Restructuring Exercise** involves the acquiring from its holding company, GuGong Pte. Ltd. (“**GuGong**”), formerly known as No Signboard Seafood Restaurant Pte. Ltd., by the Company (i) the assets, liabilities, intellectual property, businesses and undertakings of the restaurant business; (ii) the entire share capital of Tao Brewery Pte. Ltd. (“**Tao Brewery**”); and (iii) 800,000 shares representing 80% of the share capital of Danish Breweries Pte. Ltd. (“**Danish Breweries**”), for a consideration of \$2,315,231. The consideration was based on the audited net assets value of the restaurant business, Tao Brewery and Danish Breweries as at 30 June 2017. The **Restructuring Exercise** was completed on 31 October 2017, and the consideration was satisfied by the allotment and issue of 2,315,231 shares to GuGong on that day.

Even though the transfer of the legal interest in the restaurant business and its subsidiaries to the Company was on 31 October 2017, the transfer of economic interest in the restaurant business was on 1 July 2017, hence all profits and receipts, and all losses and outgoing, accrual or payable in relation to the restaurant business from 1 July 2017 to 30 October 2017 (“**Interim Period**”) shall belong to the Company.

On 19 June 2018, the Group has acquired the remaining 20% shares in Danish Breweries through Tao Brewery for a consideration of \$400,000. The consideration was determined after arm’s length negotiations and by reference to the value of the Group’s acquisition of 80% of Danish Breweries in 2017. Following the completion of the Acquisition, Danish Breweries is now a wholly owned subsidiary of the Company.

Basis of Preparation and Comparative statements

The consolidated financial statements for the current period have been prepared based on the actual current Group that was formed subsequent to the Restructuring Exercise while the prior comparative consolidated financial statements are prepared on a combined basis and include the financial information of the restaurant business as if the current group structure had been in existence throughout the relevant years or from the date the entities are under common control, if later.

The directors are pleased to announce the unaudited consolidated results for the third quarter ended 30 June 2018.

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.

	Group					
	3rd Quarter ended 30 June		Increase/ (Decrease) %	9 months ended 30 June		Increase/ (Decrease) %
	2018	2017		2018	2017	
	\$	\$		\$	\$	
Revenue	6,804,348	7,084,748	(4.0)	17,645,700	16,736,960	5.4
Other income	112,016	1,139,939	(90.2)	2,777,276	1,176,350	136.1
Raw materials and consumables used	(2,436,959)	(1,657,583)	46.4	(5,828,490)	(3,662,755)	58.5
Changes in inventories	742	(6,328)		(11,162)	(21,297)	
Employee benefits expense	(1,833,476)	(1,117,274)	64.1	(5,445,704)	(3,756,102)	45.0
Operating lease expense	(729,661)	(644,188)	13.3	(1,923,321)	(1,876,680)	2.5
Depreciation expense	(73,995)	(104,627)	(29.3)	(212,085)	(239,435)	(11.4)
Other operating expenses	(925,459)	(249,721)	270.6	(2,450,436)	(878,071)	179.1
IPO expense	-	-	N.M.	(1,120,396)	-	N.M.
Finance costs	(16,163)	(570)	N.M.	(42,596)	(570)	N.M.
Profit before income tax	901,393	4,444,396	(79.7)	3,388,786	7,478,400	(54.7)
Income tax expense	(142,395)	(538,589)	(73.6)	(805,288)	(993,690)	(19.0)
Profit for the period	758,998	3,905,807	(80.6)	2,583,498	6,484,710	(60.2)
Items that may be reclassified subsequently to profit or loss						
Exchange differences on translation of foreign operations	(126)	(1,394)	N.M.	(303)	(1,394)	N.M.
Total comprehensive income for the period	758,872	3,904,413	(80.6)	2,583,195	6,483,316	(60.2)
Profit (Loss) attributable to:						
Owners of the Company	761,142	3,646,888	(79.1)	2,678,059	6,225,791	(57.0)
Non-controlling interests	(2,144)	258,919	N.M.	(94,561)	258,919	N.M.
	758,998	3,905,807	(80.6)	2,583,498	6,484,710	(60.2)
Total comprehensive income (loss) attributable to:						
Owners of the Company	761,016	3,645,494	(79.1)	2,677,756	6,224,397	(57.0)
Non-controlling interests	(2,144)	258,919	N.M.	(94,561)	258,919	N.M.
	758,872	3,904,413	(80.6)	2,583,195	6,483,316	(60.2)
Notes:						
Other income						
Interim Period profits from the acquired restaurant business	-	-		2,530,441	-	
Termination of distribution agreement	-	1,105,859		-	1,105,859	
Others	112,016	34,080		246,835	70,491	
	112,016	1,139,939		2,777,276	1,176,350	
Note: N.M.: Not meaningful						

1(a)(ii) Notes to the income statement.

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

	Group					
	3rd Quarter ended 30 June		Increase/ (Decrease)	9 months ended 30 June		Increase/ (Decrease)
	2018	2017	(Decrease)	2018	2017	(Decrease)
	\$	\$	%	\$	\$	%
Franchise fee income	(36,000)	-	N.M.	(96,000)	-	N.M.
Termination of distribution agreement	-	(1,105,859)	N.M.	-	(1,105,859)	N.M.
Government grants	(5,322)	(7,901)	N.M.	(38,225)	(43,479)	(12.1)
Interim Period profits from the acquired restaurant business	-	-	N.M.	(2,530,441)	-	N.M.
Depreciation expense	73,995	104,627	(29.3)	205,715	239,435	(14.1)
Amortisation of provision for reinstatement cost	-	-	N.M.	6,370	-	N.M.
Amortisation of upfront sponsorship	228,405	-	N.M.	714,592	-	N.M.
Interest expense	16,163	-	N.M.	42,596	-	N.M.
Foreign exchange gain	(40,454)	(3,058)	N.M.	(55,210)	(6,487)	N.M.
Income tax expense						
- Current tax expense	142,395	459,701	(69.0)	760,089	954,246	(20.3)
- Underprovision of current tax in respect of prior periods	-	78,888	N.M.	45,199	39,444	N.M.
Note:						
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.

	GROUP		COMPANY	
	30/6/2018	30/9/2017	30/6/2018	30/9/2017
	\$	\$	\$	\$
ASSETS				
Current assets				
Cash and cash equivalent	28,065,361	293,434	26,860,791	1,023
Trade receivables	1,151,554	1,297,866	105,982	-
Other receivables	1,024,801	1,285,288	143,654	379,064
Amount due from holding company	-	15,380,567	-	2
Amount due from subsidiaries	-	-	1,731,072	-
Inventories	174,023	188,431	121,101	-
Other assets	54,022	305,144	-	-
Total current assets	30,469,761	18,750,730	28,962,600	380,089
Non-current assets				
Security deposits	1,072,190	960,583	961,877	-
Goodwill	2,505,522	3,443,083	-	-
Intangible asset	620,000	620,000	-	-
Plant and equipment	865,312	823,474	267,919	-
Other assets	1,062,583	794,930	-	-
Investment in subsidiaries	-	-	1,780,106	-
Total non-current assets	6,125,607	6,642,070	3,009,902	-
Total assets	36,595,368	25,392,800	31,972,502	380,089
LIABILITIES AND EQUITY				
Current liabilities				
Short term loans	2,595,156	808,189	600,000	-
Trade payables	3,338,875	1,765,646	2,953,282	-
Other payables	2,254,005	2,566,092	663,853	-
Amount due to holding company	-	-	-	380,087
Finance lease	-	20,215	-	-
Provisions	1,814,802	1,758,828	114,040	-
Income tax payable	760,089	1,397,946	760,089	-
Total current liabilities	10,762,927	8,316,916	5,091,264	380,087
Non-current liabilities				
Provisions	199,538	199,538	161,327	-
Deferred tax liabilities	105,400	108,921	-	-
Finance lease	-	89,920	-	-
Total non-current liabilities	304,938	398,379	161,327	-
Capital, reserves and non-controlling interest				
Share capital	25,181,005	2	25,181,005	2
Capital reserve	(897,841)	-	-	-
Retained earnings	1,244,642	16,855,532	1,538,906	-
Translation reserve	(303)	208	-	-
Equity attributable to owner of the company	25,527,503	16,855,742	26,719,911	2
Non-controlling interests	-	(178,237)	-	-
Total equity	25,527,503	16,677,505	26,719,911	2
Total liabilities and equity	36,595,368	25,392,800	31,972,502	380,089

- 1(b)(ii) In relation to the aggregate amount of the 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 payable in one year one or less or on demand

As at 30/6/2018		As at 30/9/2017	
Secured	Unsecured	Secured	Unsecured
\$	\$	\$	\$
-	2,595,156	-	808,189

Amount repayable after one year

As at 30/6/2018		As at 30/9/2017	
Secured	Unsecured	Secured	Unsecured
\$	\$	\$	\$
-	-	-	-

Details of any collaterals.

Not applicable.

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.**

	GROUP			
	3rd Quarter ended		9 months ended	
	30 June		30 June	
	2018	2017	2018	2017
	\$	\$	\$	\$
Operating activities				
Profit before income tax	901,393	4,444,396	3,388,786	7,478,400
Adjustments for:				
Depreciation expense	73,995	104,627	205,715	239,435
Amortisation of upfront sponsorship	228,405	-	714,592	-
Amortisation of provision for reinstatement	-	-	6,370	-
Write-off of upfront sponsorship	-	-	10,208	-
Provision for promotional support	-	-	55,974	-
IPO expense	-	-	1,120,396	-
Interest expense	16,163	570	42,596	570
Operating cash flows before movements in working capital	1,219,956	4,549,593	5,544,637	7,718,405
Trade receivables	4,064	115,242	146,312	(250,596)
Other receivables	(468,109)	(201,640)	(118,079)	(165,935)
Inventories	26,283	(10,133)	14,408	4,838
Security deposits	(56,214)	(12,423)	(111,607)	(65,392)
Other assets	(313,128)	43,760	(549,544)	43,760
Trade payables	(15,464)	(307,795)	1,573,229	(358,521)
Other payables	54,317	(1,274,161)	(845,356)	(1,312,088)
Provisions	-	(45,577)	-	(45,577)
Cash generated from operations	451,705	2,856,866	5,654,000	5,568,894
Income tax paid	-	(454,430)	(45,199)	(1,200,071)
Net cash from operating activities	451,705	2,402,436	5,608,801	4,368,823
Investing activities				
Purchase of plant and equipment	(33,017)	(13,482)	(330,341)	(349,528)
Acquisition of subsidiary	(40,000)	(1,713,805)	(40,000)	(1,713,805)
Net cash used in investing activities	(73,017)	(1,727,287)	(370,341)	(2,063,333)
Financing activities				
Amount (to) from holding company	(3,249)	(1,752,956)	154,316	(2,926,366)
Repayment of finance lease	-	(1,604)	(110,135)	(1,604)
Proceeds from short-term loans	648,661	-	1,786,967	-
Proceeds from shares issuance of shares	-	-	23,850,000	-
IPO expenses paid	-	-	(1,671,668)	-
Dividends paid	-	-	(1,433,417)	-
Interest paid	(16,163)	(570)	(42,596)	(570)
Net cash from (used in) financing activities	629,249	(1,755,130)	22,533,467	(2,928,540)
Net increase in cash and cash equivalents	1,007,937	(1,079,981)	27,771,927	(623,050)
Cash and cash equivalents at beginning of period	27,057,424	1,127,511	293,434	670,580
Cash and cash equivalents at end of period	28,065,361	47,530	28,065,361	47,530

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.

	GROUP						
	Share capital	Capital reserve	Retained earnings	Translation reserve	Equity attributable to owners of the Company	Non-controlling interest	Total
	\$		\$	\$	\$	\$	\$
Balance at 1 October 2016	2	-	9,133,333	-	9,133,335	-	9,133,335
<i>Total comprehensive income for the period:</i>							
Profit for the period	-	-	924,082	-	924,082	-	924,082
Total	-	-	924,082	-	924,082	-	924,082
Balance at 31 December 2016	2	-	10,057,415	-	10,057,417	-	10,057,417
<i>Total comprehensive income for the period:</i>							
Profit for the period	-	-	1,654,821	-	1,654,821	-	1,654,821
Total	-	-	1,654,821	-	1,654,821	-	1,654,821
Balance at 31 March 2017	2	-	11,712,236	-	11,712,238	-	11,712,238
<i>Total comprehensive income for the period:</i>							
Profit for the period	-	-	3,646,888	(1,394)	3,645,494	258,919	3,904,413
Total	-	-	3,646,888	(1,394)	3,645,494	258,919	3,904,413
Non-controlling interest arising from the acquisition of a subsidiary, representing transaction with owners, recognised directly in equity	-	-	-	-	-	(405,446)	(405,446)
Balance at 30 June 2017	2	-	15,359,124	(1,394)	15,357,732	(146,527)	15,211,205
Balance at 1 October 2017	2	-	16,855,532	208	16,855,742	(178,237)	16,677,505
Issuance of new shares pursuant to restructuring exercise	5,165,231	-	(16,855,532)	(208)	(11,690,509)	(225,043)	(11,915,552)
Issuance of new Shares via IPO	21,000,000	-	-	-	21,000,000	-	21,000,000
Share issue expenses	(984,228)	-	-	-	(984,228)	-	(984,228)
	25,181,005	-	-	-	25,181,005	(403,280)	24,777,725
<i>Total comprehensive income for the period:</i>							
Profit for the period	-	-	1,442,836	-	1,442,836	1,639	1,444,475
Other comprehensive income for the period	-	-	-	(314)	(314)	-	(314)
Total	-	-	1,442,836	(314)	1,442,522	1,639	1,444,161
Balance at 31 December 2017	25,181,005	-	1,442,836	(314)	26,623,527	(401,641)	26,221,886
<i>Total comprehensive income for the period:</i>							
Profit for the period	-	-	474,081	-	474,081	(94,056)	380,025
Other comprehensive income for the period	-	-	-	137	137	-	137
Total	-	-	474,081	137	474,218	(94,056)	380,162
<i>Transaction with owners, recognised directly in equity</i>							
Dividends	-	-	(1,433,417)	-	(1,433,417)	-	(1,433,417)
Total	-	-	(1,433,417)	-	(1,433,417)	-	(1,433,417)
Balance at 31 March 2018	25,181,005	-	483,500	(177)	25,664,328	(495,697)	25,168,631
<i>Total comprehensive income for the period:</i>							
Profit for the period	-	-	761,142	-	761,142	(2,144)	758,998
Other comprehensive income for the period	-	-	-	(126)	(126)	-	(126)
Total	-	-	761,142	(126)	761,016	(2,144)	758,872
<i>Transaction with owners, recognised directly in equity</i>							
Arising from acquisition of remaining interest in subsidiary	-	(897,841)	-	-	(897,841)	497,841	(400,000)
Total	-	(897,841)	-	-	(897,841)	497,841	(400,000)
Balance at 30 June 2018	25,181,005	(897,841)	1,244,642	(303)	25,527,503	-	25,527,503

	COMPANY						
	Share capital	Capital reserve	Retained earnings	Translation reserve	Equity	Non-controlling interest	Total
					attributable to owners of the Company		
\$	\$	\$	\$	\$	\$	\$	
Issue of shares at date of incorporation on 1 June 2017 and balance at 30 June 2017	2	-	-	-	2	-	2
Balance as at 1 October 2017	2	-	-	-	2	-	2
Issuance of new shares pursuant to restructuring exercise	5,165,231	-	-	-	5,165,231	-	5,165,231
Issuance of new Shares via IPO	21,000,000	-	-	-	21,000,000	-	21,000,000
Share issue expenses	(984,228)	-	-	-	(984,228)	-	(984,228)
	25,181,005	-	-	-	25,181,005	-	25,181,005
<i>Total comprehensive income for the period:</i>							
Profit for the period	-	-	1,441,490	-	1,441,490	-	1,441,490
Total	-	-	1,441,490	-	1,441,490	-	1,441,490
Balance at 31 December 2017	25,181,005	-	1,441,490	-	26,622,495	-	26,622,495
<i>Total comprehensive income for the period:</i>							
Profit for the period	-	-	865,935	-	865,935	-	865,935
Total	-	-	865,935	-	865,935	-	865,935
<i>Transaction with owners, recognised directly in equity</i>							
Dividends	-	-	(1,433,417)	-	(1,433,417)	-	(1,433,417)
Total	-	-	(1,433,417)	-	(1,433,417)	-	(1,433,417)
Balance at 31 March 2018	25,181,005	-	874,008	-	26,055,013	-	26,055,013
<i>Total comprehensive income for the period:</i>							
Profit for the period	-	-	664,898	-	664,898	-	664,898
Total	-	-	664,898	-	664,898	-	664,898
Balance at 30 June 2018	25,181,005	-	1,538,906	-	26,719,911	-	26,719,911

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.

The Company was incorporated on 1 June 2017 with an issued and paid up capital of two (2) shares of S\$1 each, and it has raised additional capital during the period, during the IPO stage. The details of the changes in the issued and paid-up share capital of the Company and immediately after the IPO and the Cornerstone Shares, up to 30 June 2018, are as follows:

	Number of shares	Resultant issued and paid-up share capital (S\$)
Issued and paid-up share capital as at incorporation	2	2
Issue of 5,165,231 new shares pursuant to the Restructuring Exercise (excluding the Sub-division)	5,165,231	5,165,233
Issued and paid-up share capital immediately after the Restructuring Exercise (including the Sub-division)	387,392,475	5,165,233
Issue of 15,734,500 new shares pursuant to the Invitation and 59,265,500 Cornerstone Shares	75,000,000	21,000,000 ⁽¹⁾
Issued and paid-up share capital immediately after the completion of the Invitation and the issue of the Cornerstone Shares	462,392,475	26,165,233 ⁽¹⁾

⁽¹⁾ Based on the gross proceeds from the **Invitation** and the issue of the **Cornerstone Shares**, before taking into account the capitalisation of approximately S\$1.1 million being a portion of the listing expenses incurred in relation to the **Invitation** and the issue of the **Cornerstone Shares**.

There are no outstanding convertibles, shares held as treasury shares and subsidiary holdings as at 30 June 2018. There are no comparative figures for the Company as at the end of the corresponding period of the immediately preceding financial year as the Company was incorporated on 1 June 2017.

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

	30/6/2018	30/9/2017
Number of shares held as treasury shares	-	-
Total no. of issued shares (excluding treasury shares)	462,392,475	2

There are no comparative figures for the Company as at the end of the corresponding period of the immediately preceding financial year as the Company was incorporated on 1 June 2017.

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.

There are no treasury shares held by the Company.

- 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.**

During the financial period, there were no transaction pertaining to subsidiary holdings.

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

The figures have not been audited nor 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 matter).**

Not applicable.

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

The consolidated financial statements for the current period have been prepared based on the actual current Group that was formed subsequent to the Restructuring Exercise while the prior comparative consolidated financial statements are prepared on a combined basis and include the financial information of the restaurant business as if the current group structure had been in existence throughout the relevant years or from the date the entities are under common control, if later.

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.**

Not applicable.

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			
	3rd Quarter ended 30 June		9 months ended 30 June	
	2018	2017	2018	2017
Earnings per ordinary share:-				
(a) Based on the weighted average number of ordinary shares in issue; and	0.16 cents	0.79 cents	0.58 cents	1.35 cents
(b) On a fully diluted basis	0.16 cents	0.79 cents	0.58 cents	1.35 cents

For comparative and illustrative purposes, the earnings per share for the respective financial years have been computed based on the profit attributable to owners of the Company and the Company's enlarged share capital of 462,392,475 shares, assuming that the **Restructuring Exercise** and the issuance of 15,734,500 shares pursuant to the **Invitation** and 59,265,500 **Cornerstone Shares** had been completed as at the end of the respective financial period.

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	
	As at 30/6/2018	As at 30/9/2017	As at 30/6/2018	As at 30/9/2017
Net asset value per ordinary share based on existing issued share capital (cents)	5.52	3.65	5.78	NA
No. of shares	462,392,475	462,392,475	462,392,475	462,392,475

For comparative and illustrative purposes, the calculation of the net asset value per share for the respective financial years is based on the post-IPO share capital of 462,392,477 shares and the inclusion of net proceeds of approximately S\$19.3 million from the IPO.

There are no comparative figures for the Company as at the end of the corresponding period of the immediately preceding financial year as the Company was incorporated on 1 June 2017.

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.**

STATEMENT OF COMPREHENSIVE INCOME

As mentioned in the background, for the purpose of this announcement, the results of the Group for the third quarter ended 30 June 2018 ("3Q2018") and nine months ended 30 June 2018 ("9M2018") reflect the actual results of both the restaurant and beer businesses of the Group, formed after the completion of the Restructuring Exercise, i.e. from 1 November 2017 to 30 June 2018. In addition, 9M2018 also included the economic interest in the restaurant business from 1 July 2017 to 31 October 2017, per the terms set out in the Restructuring Agreement. The comparative results of the Group for the third quarter ended 30 June 2017 ("Proforma 3Q2017") and nine months ended 2017 ("Proforma 9M2017") have been prepared on the assumption that the Group's structure, following the completion of the Restructuring Exercise has been in place since 1 October 2016, which comprise the three months results (from 1 April 2017 to 30 June 2017) and the nine months results (from 1 October 2016 to 30 June 2017) of the restaurant business and the one month results (from 1 June 2017 to 30 June 2017) of the beer business.

FINANCIAL PERFORMANCE

3Q2018 vs 3Q2017

Revenue

The Group reported revenue of \$6.8 million in 3Q2018, which included the new revenue stream from the beer business of \$2.5 million, which represented a 4.0% decrease from the \$7.1 million revenue reported in 3Q2017. Revenue from the restaurant business has shown a 29.1% decline when compared to the same period last year, partly due to the sales promotional activities which has caused the average spending per customer to drop.

Other income

Other income decreased by 90.2% from \$1.1 million in 3Q2017 to \$0.1 million in 3Q2018, mainly due to the one-time recognition of other income that arose from the termination of distribution agreement recorded by the beer business in 3Q2017.

Raw materials and consumables used and changes in inventories

Total raw materials and consumables used and changes in inventories in 3Q2018 was \$2.4 million, a 46.4% increase from 3Q2017 of \$1.7 million. The increase was due to the new product mix arising from the newly acquired beer business, increased in beer sales as well as a general reduction in gross profit from the restaurant business.

Employee benefits expense

Group's employee benefits expense for 3Q2018 was \$1.8 million, which represented an increase of 64.1% when compared to \$1.1 million reported in 3Q2017, as it included the 5-month-contribution of \$0.5 million from the beer business, as well as increase in headcount in the Company following its admission on the Catalist.

Operating lease expense

Group's operating lease expense was \$0.7 million in 3Q2018, which represented a 13.3% increase from 3Q2017's operating lease expense of \$0.6 million, of which \$0.05 million was contributed by the beer business.

Depreciation expense

The Group's depreciation expense for 3Q2018 was \$0.07 million, a 29.3% drop from 3Q2017's depreciation expense of \$0.1 million, due to some assets had been fully depreciated.

Other operating expenses

Other operating expenses for 3Q2018 was \$0.9 million, an increase of 270.6% from \$0.2 million in 3Q2017, mainly due to the contribution of \$0.6 million from the beer business.

Profit before income tax and profit for the period

The Group reported profit before income tax of \$0.9 million and net profit of \$0.8 million in 3Q2018, which shown decreases of 79.7% and 80.6% when compared with the profit before income tax and net profit of \$4.4 million and \$3.9 million respectively in 3Q2017.

The decreases were largely due to decline in revenue from the restaurant business, coupled with decreased margin and increased operating costs as well as one-time recognition of other income that arose from the termination of distribution agreement recorded by the beer business in 3Q2017.

FINANCIAL PERFORMANCE (9M2018 vs 9M2017)

The statement of comprehensive income for 9M2018 covered the eight months period (i.e. November 2017 to June 2018) of income and expenses for both the restaurant and beer businesses, while the 9M2017 covered the nine months income and expenses for the restaurant business and the one-month income and expenses of beer business.

Revenue

The Group recorded revenue of \$17.6 million in 9M2018, which included the new revenue stream from the beer business of \$5.4 million, representing an 5.4% increase from the \$16.7 million revenue recorded in 9M2017. Revenue from the restaurant business has shown a 22.4% decline when compared to the same period last year, partly due to the sales promotional activities which has caused the average spending per customer to drop.

Other income

Other income in 9M2018 included the Interim Period profits from the restaurant business of \$2.5 million recognised pursuant to the Restructuring Agreement, while in 9M2017 it included the one-time recognition of other income that arose from the termination of distribution agreement recorded by the beer business.

Raw materials and consumables used and changes in inventories

Total raw materials and consumables used and changes in inventories in 9M2018 was \$5.8 million, a 58.5% increase from \$3.7 million in 9M2017. The increase was due to the new product mix arising from the newly acquired beer business.

Employee benefits expense

Group's employee benefits expense for 9M2018 was \$5.4 million, an increase of 45.0% when compared to \$3.8 million recorded in 9M2017, contributed mainly by the beer business and the increase in office personnel headcount following the Company's admission to Catalist.

Other operating expenses

Other operating expenses for 9M2018 was \$2.5 million, a 179.1% increased from \$0.9 million in 9M2017 due mainly to the contribution from the beer business and increased in professional fees incurred by the Company.

IPO expense

The Group recognised IPO expense of \$1.1 million in 9M2018 following its successful admission to Catalist on 30 November 2017.

Profit before income tax and profit for the period

The Group reported a \$3.4 million profit before income tax and \$2.6 million net profit for the period in 9M2018, which represented decreases of 54.7% and 60.2% respectively from 9M2017's profit before income tax and net profit of \$7.5 million and \$6.5 million respectively. The decreases were largely due to decline in revenue from the restaurant business coupled with decreased margin and increased operating costs as well as the losses contributed by the beer business, which has derived loss before income tax and net loss of both at \$0.3 million. The beer business has derived losses for 9M2018 as the revenue achieved (which failed to capitalise on increased demand as a result of logistical issues during the 2nd quarter of 2018) was not sufficient to cover the increase in operational costs. The Group is working on restructuring the operations of the beer business so as to turnaround its financial performance, as well as its brand position for expansion.

BALANCE SHEET

The Group

Assets

Trade receivables as at 30 June 2018 ("9M2018") was \$1.2 million, which decreased by \$0.1 million from \$1.3 million recorded as at 30 September 2017 ("FY2017"), due mainly to the quicker collection in amount owing from the beer distributors.

Other receivables as at 9M2018 stood at \$1.0 million, a drop from \$1.3 million reported as at FY2017. This was due to the recognition of the IPO expenses in the income statement during the current period, which was previously recorded as prepayments as at FY2017, and offset by other receivables contributed by the beer business.

The amount due from holding company as at FY2017 relates to amount owing from GuGong Pte. Ltd. which has been fully repaid following the completion of the Restructuring Exercise on 6 November 2017.

Total other assets pertained to the upfront sponsorships provided by the beer business to the beer and entertainment establishments based on the agreed contractual terms.

Security deposits was \$1.1 million as at 9M2018, an increase from \$1.0 million as at FY2017, due to the contribution from the beer business.

Goodwill arose in relation to the acquisition of Danish Breweries, which operates the beer business, has reduced from \$3.4 million as at FY2017 to \$2.5 million as at 9M2018. Goodwill as at FY2017 was computed on the basis that the effective date of acquisition of the beer business was 30 June 2017. Pursuant to the Restructuring Agreement, the actual completion date is 31 October 2017, as such the difference in the higher final net assets value as at 31 October 2017 acquired and the net assets value as at 30 June 2017 has been adjusted against the goodwill balance. Given that the goodwill has been computed based on provisional net asset value of Danish Breweries as at 31 October 2017, the Group will revisit the actual net assets value and make further necessary adjustments to goodwill within the required one-year period from the effective date of completion of the acquisition.

Liabilities

Short term loan stood at \$2.6 million as at 9M2018, which increased from \$0.8 million as at FY2017, due to loan drawdowns to meet the working capital needs of the beer business.

Trade payables increased from \$1.8 million as at FY2017 to \$3.3 million as at 9M2018, as both the restaurant and beer businesses were slower in paying off its suppliers and vendors.

Other payables decreased from \$2.6 million as at FY2017 to \$2.3 million as at 9M2018, as a result of the payments made for the sponsorships, which were offset against the provision that has been previously recorded, offset by the increased in amount owing for the acquisition of the remaining 20% shareholding interest from the minority shareholder of \$0.36 million, as the consideration of \$0.4 million is to be paid in ten equal monthly instalments.

The finance lease as at FY2017 has been fully repaid during the current period by way of loan.

Income tax payable as at 9M2018 pertained to the provision for income tax for the profits for the current period by the Group, whereas the income tax payable balance as at FY2017 pertained to the results for the full year of 2017.

Capital and non-controlling interest

Pursuant to the issuance of new shares and the successful listing of the Company during 9M2018, the Company has recorded an increased in share capital from \$2 as at FY2017 to \$25.2 million as at 9M2018 which has been offset by the capitalisation of IPO expenses of \$1.0 million.

Capital reserves of \$0.9 million recorded as at 9M2018 arose from the acquisition of the remaining 20% shareholding interest from the minority shareholder in June 2018 at the consideration of \$0.4 million and the offset of the \$0.5 million of the non-controlling interest in conjunction with the acquisition.

Retained earnings and non-controlling interests balance as at FY2017 included the retained earnings and non-controlling interests of the restaurant and beer business since the date the entities within the Group are under common control, whereas the retained earnings as at 9M2018 only consists of the profits of the actual Group since the completion of the Restructuring Exercise on 31 October 2017 till 30 June 2018.

The Company

The Company was incorporated on 1 June 2017 and was inactive prior to the completion of the Restructuring Exercise, hence it has only recorded the prepayments made for the IPO expenses as at FY2017. Subsequent to the completion of the Restructuring Exercise, the Company has since taken over the operations, as well as the relevant assets and liabilities of the restaurant business.

CASH FLOW STATEMENT

In 3Q2018, the Group recorded a net cash from operating activities of \$0.5 million, net cash used in investing activities of \$0.07 million and net cash from financing activities of \$0.6 million.

In 9M2018, the Group recorded a net cash from operating activities of \$5.6 million and net cash used in investing activities of \$0.4 million. The Group also recorded a net cash from financing activities of \$22.5 million, as it has raised additional capital of \$23.9 million during the current period, through its admission to the Catalyst, which was offset by the payment of IPO expenses of \$1.7 million.

The Company also paid dividends of \$1.4 million in 2Q2018.

As at 30 June 2018, the Group's cash and cash equivalents stood at \$28.1 million.

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

There was no forecast made.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group is in the midst of getting ready for the opening of new outlets under a fast food concept – Hawker QSR, which is currently under development, and the Little Sheep Hotpot brand in which the Group has been granted a license to develop and operate Little Sheep restaurant concept in Singapore under a franchise agreement. The Group also continues to work on the development of the new casual dining concept restaurants while it works to turnaround the operations of the beer business and its expansion.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes.

Name of dividend	Interim
Dividend type	Cash
Dividend Amount per Share (in cents)	0.26 cents per share
Tax Rate	Tax Exempt 1-tier

(b) Corresponding Period of the Immediately Preceding Financial Year

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

No.

(c) Date payable

27 August 2018

(d) Books closure date

17 August 2018

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

NA.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company has not obtained a general mandate from shareholders for Interested Person Transactions (“IPTs”).

The aggregate value of interested person transactions entered into during the nine months ended 30 June 2018 is as follows:

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders’ mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
GuGong Pte. Ltd.	\$162,646 ⁽¹⁾	Not applicable

Note:

⁽¹⁾ During the period, the Company has:

- (i) paid \$16,000 rent to GuGong Pte. Ltd. (“GuGong”) for the lease of the corporate office; and
- (ii) made purchase of \$146,646 of seafood products from GuGong.

14. Use of IPO proceeds

Pursuant to the Company’s IPO, the Company received net proceeds from the IPO of approximately S\$19.3 million (the “Net Proceeds”). Please refer to the Offer Document for further details. As at the date of this announcement, the Net Proceeds have been utilized as follows:

<u>Purpose</u>	Allocation of Net Proceeds (as disclosed in the Offer Document) \$’000	Net Proceeds utilised as at the date of this announcement \$’000	Balance of Net Proceeds as at the date of this announcement \$’000
Development of Beer Business	10,000	(292)	9,708
Establishing a new chain of casual dining restaurants	5,000	(258)	4,742
Development of Ready Meal Business	2,000	-	2,000
General working capital purposes	2,300	-	2,300
	<u>19,300</u>	<u>(550)</u>	<u>18,750</u>

15. Confirmation Pursuant to Rule 705(5) of SGX-ST Listing Manual Section B: Rule of Catalyst

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited financial results of the Company for the nine months ended 30 June 2018 presented in this announcement, to be false or misleading in any material respect.

16. 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 confirms that it has procured undertakings from all its Directors and Executive Officers in the required format.

BY ORDER OF THE BOARD

Lim Yong Sim (Lin Rongsen)
CEO and Executive Chairman

11 August 2018