



UNLOCKING POTENTIAL
EMBRACING PROGRESS

Annual Report 2023

UNLOCKING POTENTIAL EMBRACING PROGRESS

Amidst a volatile operating environment, we are constantly making efforts to adapt to changes and adopt new technology to enhance productivity, embrace progress and unlock our growth potential.

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This Annual Report has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Ms. Lim Hui Ling, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.

CORPORATE PROFILE

Established in 1988, RE&S is a multi-concept owner and operator of Food & Beverage (“F&B”) outlets in Singapore and Malaysia that provides customers with authentic Japanese cuisine and dining experiences. Since its incorporation, RE&S has grown from a single restaurant into a network comprising more than 70 F&B outlets, a Corporate Headquarters at Tai Seng which houses the corporate office and central kitchen, as well as a procurement office in Japan.

Staying true to the RE&S brand promise of “Food for Life”, its diverse portfolio comprising over 20 distinct brands covers the full spectrum of varied market segments today; ranging from fine dining (Kuriya Dining) to family-style (Ichiban Boshi) and convenience (Kuriya Japanese Market). Supported by its ISO 22000:2018-certified Central Kitchen, RE&S is committed to maintaining a high standard of food consistency and quality for its customers alongside constant efforts in strategic innovation.

Since its establishment, RE&S has built a robust operating system and well-established business processes in terms of branding, operations, supply chain and human resources which form a strong foundation for growth over the past 35 years. Today, RE&S serves more than 7 million customers a year generating an average annual revenue of over S\$170 million. The company was listed on the Singapore Stock Exchange (“SGX”) on 22 November 2017.

For more information, please visit www.res.com.sg.



CHAIRMAN'S MESSAGE

Dear Valued Shareholders and Stakeholders,

It is my pleasure to present RE&S Holdings Limited's ("the Company") Annual Report for the financial year ended 30 June 2023 ("FY2023").

The economic backdrop to this year's Annual Report has been one of volatility and uncertainty. After decades of price stability, 2022 saw a surge in worldwide inflation with major central banks increasing interest rates at an unprecedented pace. Global growth has since slowed, and is projected to be subdued over the course of the coming year, impacted by tighter monetary policy and fiscal conditions.

In a year marked by financial instability and inflationary pressures, RE&S has stood strong, demonstrating the resilience and adaptability that define our brand. The Board joins me in commending the management and all RE&S employees for their performance over the past year. FY2023 has been one of significant achievements for the Group, driven by our corporate beliefs and strategic initiatives.

Innovation and Ambiance: RE&S understands the importance of providing an environment that complements our culinary offerings, and to excite our customers with new offerings. In the first half of FY2023, RE&S revamped part of our food street in Jurong Point to elevate the overall ambiance and experience for our patrons. Among the new concepts introduced at Jurong Point during the facelift was Tsukimi Hamburg.



“
THROUGH THE YEARS, THE GROUP HAS GROWN FROM
STRENGTH TO STRENGTH, BUT OUR FOCUS REMAINS THE
SAME – TO SERVE GOOD FOOD AT GOOD VALUE WITH
UNCOMPROMISING STANDARDS.
”

In the second half of FY2023, the Group unveiled the first official Mister Donut store in Singapore to much public anticipation. A household name with over 900 stores across Japan, Mister Donut is well-known for its iconic Pon de Ring, along with other popular donut varieties. Working hand-in-hand with our Japanese partners, we aim to introduce new flavours unique to the Singapore market in due course, and lift the brand to new heights.

Quality by Design: The Group believes that quality is a function of planning, and not coincidence. We adopt an integrated planning approach when designing a new product, taking into careful consideration market and customer needs. With a strong customer focus, stringent processes and controls are then put in place throughout various functions including procurement, production, training, logistics and operations to deliver an optimal product. It is with our customers in mind that we strive to provide food experiences that meet and exceed their expectations.

Digital and Cultural Transformation: Investing in and leveraging digital technology to gain a competitive edge has been an approach that the management has been mindful about. They have carefully adopted technology to enable and adopt best business practices, customer focus and speed to market. This adoption requires a workforce that is nimble, innovative and risk-taking. RE&S has been focusing its efforts on enabling this internally with culture transformation, aiming to become more agile in delivering new products, while better responding to customer pain points and needs.

Sustainability: RE&S is dedicated to sustainable practices, aiming to minimise our environmental impact and make responsible choices for a better future. To reduce paper consumption, the Group has implemented a thoughtful adjustment to napkin sizes at our Full-Service Restaurants. In addition, we installed SG Electric Savers across various restaurants and our Central Kitchen, enhancing the efficiency and management of our electrical consumption while moving towards responsible energy management.

2023 marks 35 years since the establishment of RE&S by our President Hiroshi Tatara. Through the years, the Group has grown from strength to strength, but our focus remains the same – to serve good food at good value with uncompromising standards. As RE&S continues to grow, we will strive to unlock the potential of our brands, and embrace progress with a team united by a single purpose.

In closing, I would like to express our appreciation to Mr. Samuel Guok (who stepped down from his role as Independent Director on 14 August 2023) for his contributions and guidance to the Company and Management during his tenure. I extend my deepest gratitude to our shareholders for their trust, our people for their dedication, and our customers for their continued support. Together, we will continue to enliven the Japanese dining scene in Singapore and beyond.

Ben Yeo Chee Seong

Non-Executive Chairman and Independent Director

CEO'S STATEMENT



Dear Shareholders, Partners, and Friends of RE&S,

It brings me immense pride to reflect on the journey we have embarked upon, as the Group continues to uphold its commitment to excellence. In the face of unprecedented challenges, RE&S has remained resilient and steadfast. We have not only navigated through uncertain times but have also emerged stronger and more united.

None of these would have been possible without the collective efforts of our team members. As we move forward, investing in our people's growth and well-being will remain a cornerstone of our corporate philosophy.

EXTERNAL OUTLOOK

After an unsettling 2022, worldwide economies are starting to see signs of recovery. Global inflation is expected to decline this year, and China's reopening has paved the way for a gradual rebound in economic activity. However, it is anticipated that a weak external environment will persist, amidst a protracted global electronics downturn.

FINANCIAL PERFORMANCE

Against this uncertain market and economic backdrop, the Group achieved a steady performance in the financial year ended 30 June 2023 ("FY2023"). Guided by RE&S' purpose and supported by a strong capital position, the Group continued to adapt to unpredictable times and the ongoing needs of our customers to deliver a profit after tax of \$7.6 million on the back of a record \$174.1 million revenue. Full-Service Restaurants (FSR) revenue

“ A TOTAL OF 8 NEW OUTLETS WERE OPENED IN FY2023, OF WHICH 7 WERE QSR CONCEPTS. THIS REFLECTS THE GROUP'S OVERALL STRATEGIC PLAN TO GROW THE QSR SEGMENT OF OUR BUSINESS. ”

increased 10.8% from the previous financial year to \$90.0 million, while revenue from Quick-Service Restaurants (QSR) increased a notable 14.2% to \$84.1 million, mainly due to the opening of new outlets in FY2023.

A FOCUS ON EXPANSION

A total of 8 new outlets were opened in FY2023, of which 7 were QSR concepts. This reflects the Group's overall strategic plan to grow the QSR segment of our business. While the management team sees significant opportunities to expand our footprint across Singapore, we recognize that this must be balanced with a sustainable and responsible growth strategy.

As the Group grows, forging new alliances and strategic partnerships has never been more important. In November 2022, RE&S successfully concluded a Master Franchise Agreement with Duskin Co., Ltd. to launch the first Mister Donut outlet in Singapore. The inaugural Mister Donut outlet was opened at Junction 8 in May 2023, followed closely by a second outlet at Velocity at Novena Square in July 2023. Both outlet openings were met with overwhelming response by the media and public. The Group is committed to open more Mister Donut stores in Singapore, and will be stepping up production capacity and training capabilities to meet this target.

In FY2023, RE&S also unveiled new QSR concept Tsukimi Hamburg with 3 outlets. In developing this “Seriously Good Hamburg”, the team aimed to create an extremely good taste with high consistency in product quality. This involves designing a core product that can be assembled at our Central Kitchen (CNK).

Be it Tsukimi Hamburg, Mister Donut or Gokoku Japanese Bakery, such business models need to go hand in hand with the remodelling of CNK which plays an important role in spurring the Group's next growth phase. In a tight labour market, CNK has been supporting our outlets with semi-finished and finished products, enabling operations to run more efficiently and smoothly. Centralised production together with technology adoption will not only reduce labour reliance at the outlets, but also help in maintaining the high quality of our food.



CEO'S STATEMENT



SEEDING RE&S NEW PHASE OF GROWTH

At the core of our business are our people. Along with the Group's digital transformation efforts, we want to upskill our employees, challenge mindsets, and stretch capabilities to create a more engaged and competitive workforce.

Greater efforts will be poured into strengthening senior leadership capabilities, enhancing training and staff retention at the outlets, and cultivating a more robust corporate culture with a focus on being "Employee Oriented" and "Customer Centric"; all these with the clear aim to deliver effective performance outcomes.

The foundations to our future are being laid with patient adjacent growth across new products and markets; ongoing investments in technology to support the Group's growth; a strong and conservative balance sheet; a proven risk management framework; and management commitment to build a robust culture.

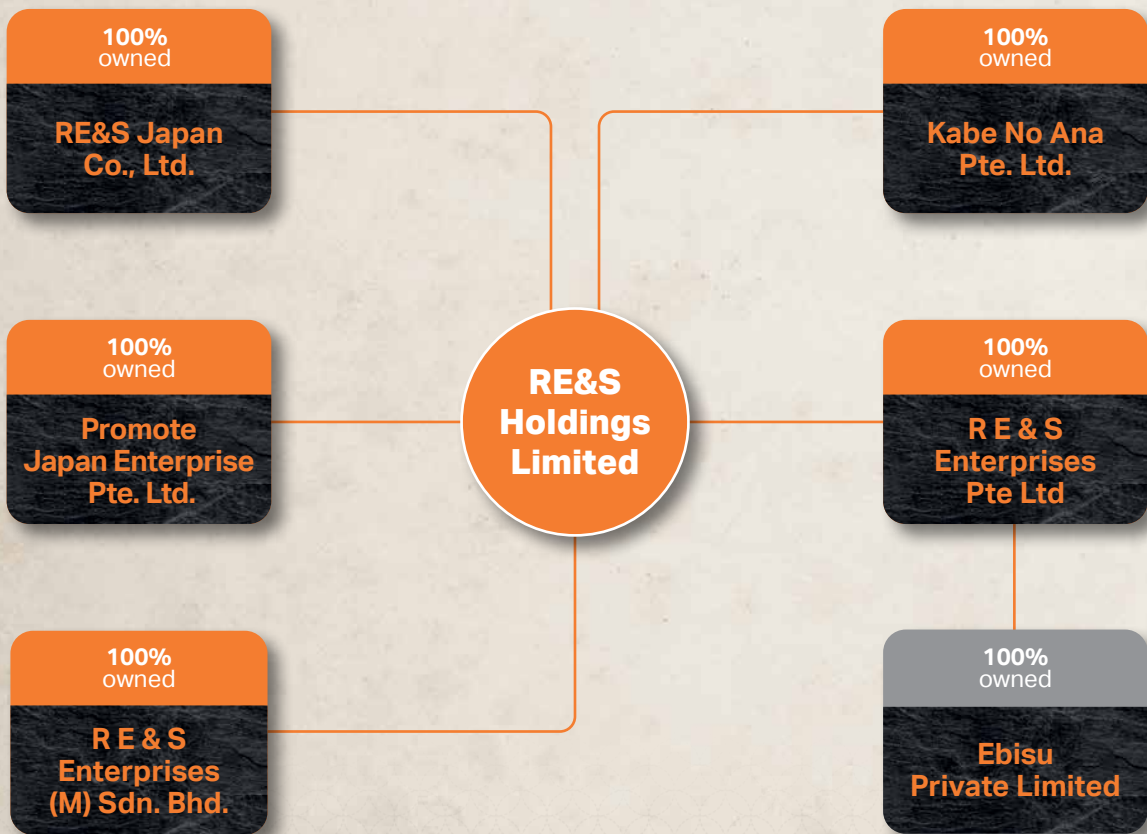
In an uncertain economic climate, RE&S continues to maintain a prudent stance, with a conservative approach to capital and liquidity. This should place us in a strong position to respond to the current environment.

On behalf of the RE&S management team, I would like to thank our people for their dedication in delivering this result in such tumultuous times, and to thank our shareholders and customers for their ongoing support.

Fenton Foo Kah Lee

Executive Director and Chief Executive Officer ("CEO")

GROUP STRUCTURE



BOARD OF DIRECTORS



Foo Kah Lee
*Executive Director and
Chief Executive Officer ("CEO")*



Ben Yeo Chee Seong
*Non-Executive Chairman and
Independent Director*



Hiroshi Tatara
*Executive Director and
President*



Lim Shyang Zheng
Executive Director and
Chief Operating Officer ("COO")

Yek Hong Liat John
Non-Executive and
Non-Independent Director

**Lee Lap Wah,
George**
Independent Director

BOARD OF DIRECTORS

Ben Yeo Chee Seong

Non-Executive Chairman and Independent Director

Mr. Yeo is the Group's Non-Executive Chairman and Independent Director. He was appointed to the Board on 30 October 2017 and last re-elected on 26 October 2020. Mr. Yeo also serves as the Chairman of the Audit Committee and Administration Committee.

Mr. Yeo has more than 40 years of experience working in various fields such as audit, manufacturing, engineering, financial services and real estate development.

Mr. Yeo is a member of the Institute of Singapore Chartered Accountants, an associate of the Association of Certified Accountants and a registered accountant of the Singapore Society of Accountants. He was also admitted as an associate of the Institute of Chartered Accountants in England and Wales in 1980. Mr. Yeo graduated from the Institute of Cost and Management Accountants.

Present Directorships in other Listed Companies:

- BHG Retail Trust Management Pte. Ltd., the Manager of BHG Retail REIT

Foo Kah Lee

Executive Director and Chief Executive Officer "CEO"

Mr. Foo is the Group's Executive Director and CEO. He was appointed to the Board on 1 July 2019 and last re-elected on 27 October 2021. Prior to the appointment, he held the position of Deputy CEO and Chief Financial Officer in the Group.

Currently, he is in charge of strategic planning of the Group driving new initiatives and partnerships to expand the Group's business portfolio while improving operational efficiency. He also actively steers overall business development to boost the Group's performance. As an affable and collaborative leader, he demonstrates dedication in mentoring young budding employees as part of long-term succession plan for the Group.

Before joining RE&S, Mr. Foo began his leadership roles in the food industry as Head of Corporate Planning at Food Empire Holdings Limited in 2002. Key position he held in other industries include CEO at PSL Holdings Limited.

Mr. Foo graduated from the University of Queensland with a Bachelor of Commerce.



Hiroshi Tatara*Executive Director and President*

Mr. Tatara is the founder of RE&S and currently holds two positions in the Group, namely Executive Director and President. He was appointed to the Board on 26 May 2017 and last re-elected on 26 October 2022. Mr Tatara plays a key role in overseeing the Group's overall corporate strategy and planning. As the pillar in reinforcing the Company vision, mission and core values, Mr. Tatara is instrumental to the Group's continued success and growth.

As a young engineer working in Southeast Asia in the 1970s, Mr. Tatara relocated to Singapore from Osaka, Japan and established his first restaurant in the late 1980s. A true entrepreneur and visionary leader, Mr. Tatara now spends his time mentoring and guiding the next-generation leaders.

Lim Shyang Zheng*Executive Director and Chief Operating Officer ("COO")*

Mr. Lim is the Group's Executive Director and Chief Operating Officer (COO) and he was appointed to the Board on 1 July 2019 and last re-elected on 27 October 2021. He oversees the Group's day-to-day business operations and organisational functions which include supply chain and retail operations.

Mr. Lim has been with RE&S since July 2010 undertaking various key positions in the Group which include Deputy Director and Chief Supply Chain Officer. Prior to joining the Group, Mr. Lim was with the Ministry of Manpower (MOM) where he formulated and implemented manpower policies.

Mr. Lim graduated with a Bachelor of Civil Engineering (Hons) from the National University of Singapore.



BOARD OF DIRECTORS

Yek Hong Liat John

Non-Executive and Non-Independent Director

Mr. Yek is the Group's Non-Executive Director and Non-Independent Director. He was appointed to the Board on 26 May 2017 and last re-elected on 26 October 2022. Mr. Yek also served as the Group's CEO from May 2017 to June 2019. A co-founder of the Group, Mr. Yek continues to provide guidance through mentorship to the management personnel.

Prior to joining the Group, Mr. Yek was a practicing advocate and solicitor.

Mr. Yek graduated with a Bachelor of Arts with Honours (Law) from the University of Kent at Canterbury. He was called to the Degree of the Utter Bar of the United Kingdom (Middle Temple) and was admitted as an advocate and solicitor of the Supreme Court of Singapore.

Lee Lap Wah, George

Independent Director

Mr. Lee is our Group's Independent Director and he was appointed to the Board on 30 October 2017 and last re-elected on 26 October 2022. Mr. Lee is also the Chairman of the Nominating Committee.

Mr. Lee has more than 35 years of experience working in the financial services industry. He has held several senior positions in OCBC Bank Singapore, heading its Capital Markets, Group Investment and Global Corporate Banking from 1999 to 2016, and subsequently served as an advisor in OCBC Bank (Malaysia) Berhad from 2016 to 2017.

Mr. Lee is a member of the advisory panel of the CFA Society Singapore. He graduated from the University of Singapore (current National University of Singapore) with a Bachelor of Business Administration (Second Class Upper) and obtained his Chartered Financial Analyst certification from the Institute of Chartered Financial Analysts, U.S.

Present Directorships in other Listed Companies:

- Bumitama Agri Ltd.
- Great Eastern Holdings Limited



KEY MANAGEMENT

Yap Fang Ling

Chief Financial Officer ("CFO")

Ms. Yap is the Group's CFO and she is responsible for the Group's overall financial reporting, financial planning, treasury and risk management functions. She also concurrently heads the Information Technology Department of the Group.

She has more than 20 years of experience in finance industry and has been with the Group since 2014. She first joined as an Accountant and rose through the ranks to her current appointment as the Group's CFO in January 2022. Ms. Yap graduated from Oxford Brookes University with a Bachelor of Science in Applied Accounting. She is also a fellow member of the Association of Chartered Certified Accountants and an associate member of the Institute of Singapore Chartered Accountants.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Ben Yeo Chee Seong
Non-Executive Chairman and
Independent Director

Mr. Foo Kah Lee
Executive Director and CEO

Mr. Hiroshi Tatara
Executive Director and President

Mr. Lim Shyang Zheng
Executive Director and COO

Mr. Yek Hong Liat John
Non-Executive and Non-Independent
Director

Mr. Lee Lap Wah, George
Independent Director

REGISTERED OFFICE

32 Tai Seng Street
#07-00 RE&S Building
Singapore 533972

COMPANY SECRETARY

Ms. Josephine Toh

SHARE REGISTRAR

**Boardroom Corporate &
Advisory Services Pte. Ltd.**
1 Harbourfront Avenue,
Keppel Bay Tower #14-07
Singapore 098632

INDEPENDENT AUDITOR

RSM Chio Lim LLP
8 Wilkie Road
#03-08 Wilkie Edge
Singapore 228095

Partner-in-charge:

Mr. Poh Chin Beng
(Appointed with effect from FY2023)

PRINCIPAL BANKERS:

DBS Bank Ltd.
Overseas-Chinese Banking Corporation Limited
United Overseas Bank Limited



OUR CORE BRANDS: FULL SERVICE



KURIYA DINING

Kuriya Dining is an award-winning restaurant specialising in authentic Japanese cuisine and exquisitely unique creations. Featuring airflown seasonal ingredients and thoughtfully curated Omakase menus, Kuriya Dining truly transcends the boundaries of Japanese gastronomy.

Outlet(s) in Singapore:

1. Great World



ICHIBAN BOSHI

Ichiban Boshi is a contemporary dining concept offering a wide selection of sushi, fresh sashimi and crowd-favourite combination set meals. Every Ichiban Boshi restaurant is unique in design and ambiance, and is distinguished from one another by exclusive specialty menus.

Outlet(s) in Singapore:

1. Causeway Point
2. Century Square
3. Great World
4. Jem
5. Jurong Point
6. Marina Bay Link Mall
7. NEX
8. Novena Square
9. Parkway Parade
10. United Square
11. VivoCity
12. Waterway Point

OUR CORE BRANDS: FULL SERVICE



ichiban sushi



ICHIBAN SUSHI

Ichiban Sushi is a family-friendly restaurant which serves a wide range of sushi, sashimi and value-for-money set meals at affordable prices.

Outlet(s) in Singapore:

1. Alexandra Retail Centre
2. AMK Hub
3. Bukit Panjang Plaza
4. Changi City Point
5. Clementi Mall
6. Compass One
7. Toa Payoh HDB Hub
8. Hougang Mall
9. IMM
10. West Mall



SHIMBASHI SOBA

At Shimbashi Soba, soba (buckwheat) noodle is prepared fresh daily using only pesticide-free buckwheat grown in Tasmania. Shimbashi Soba emphasises on a soba-making process known as San-tate, which comprises Hiki-tate (freshly milled), Uchi-tate (freshly made) and Yude-tate (freshly cooked).

Outlet(s) in Singapore:

1. Paragon

OUR CORE BRANDS: FULL SERVICE



YAKI YAKI BO

Be entertained and dazzled by the finesse of the chefs at Yaki Yaki Bo as they prepare and grill your meal right in front of you!

Enjoy teppanyaki favourites such as Okonomiyaki, Teppan Yakisoba, and a range of meat and seafood selections perfected to your delight.

Outlet(s) in Singapore:

1. NEX
2. Jurong Point



OUR CORE BRANDS: FULL SERVICE – NEW CONCEPT



HAKU SUSHI

Haku Sushi perfects its offerings of Kansai-style sushi, characterised by the use of signature seasonal sushi-zu (酢し) and lightly-pressed sushi rice in a sleek, stylish setting exuding elegance from every corner.

Outlet(s) in Singapore:

1. Great World (opened in July 2023)



KOU TEPPAN

Kou Teppan brings the art of teppanyaki through an experiential discovery with first-of-its-kind dual teppanyaki, featuring a personal teppan where your meal sizzles before your eyes.

Outlet(s) in Singapore:

1. Great World (opened in July 2023)

OUR CORE BRANDS: QUICK SERVICE



KURIYA JAPANESE MARKET

Kuriya Japanese Market is a fresh food and ingredients specialist offering seasonal seafood sourced from Japan and air-flown to Singapore thrice weekly. Customers can also pick up sashimi and sushi creations, along with Japanese food items such as frozen foods, sauces, and desserts in stores.

Outlet(s) in Singapore:

1. AMK Hub
2. Causeway Point
3. Chinatown Point
4. Great World
5. Guoco Tower
6. Jurong Point
7. NEX
8. Northpoint City
9. Paragon
10. Tiong Bahru Plaza
11. Waterway Point



ichiban bento



ICHIBAN BENTO

Ichiban Bento is a go-to place for a hearty traditional Japanese bento at great value. Enjoy popular selections like salmon teriyaki, gyū stamina don and all-time favourite Japanese curry whilst completing the meal with a comforting bowl of chawanmushi and miso soup.

Outlet(s) in Singapore:

1. Alexandra Retail Centre
2. Causeway Point
3. Chinatown Point
4. Guoco Tower
5. Jurong Point
6. Northpoint City
7. Tiong Bahru Plaza
8. Waterway Point

OUR CORE BRANDS: QUICK SERVICE



IDATEN UDON

At Idaten Udon, customers create their own bowl by mixing and matching from a variety of udon and tempura. Using udon imported from Japan, Idaten Udon offers both classic flavours and unique chef creations.

Outlet(s) in Singapore:

1. Changi City Point
2. Causeway Point
3. Jurong Point
4. NEX



WADORI

Yakitori (Japanese skewers), a popular street food in Japan, is served at Wadori. Customers can enjoy yakitori as a snack or pick from a wide range to make a meal.

Outlet(s) in Singapore:

1. Jurong Point

OUR CORE BRANDS: QUICK SERVICE



GOKOKU JAPANESE BAKERY

Originating from Kobe, Gokoku Japanese Bakery bakes authentic Japanese buns using quality ingredients and grains imported from Japan.

Outlet(s) in Singapore:

1. Great World
2. Jurong Point
3. Millenia Walk
4. NEX
5. Tampines Mall
6. Guoco Tower



SUSHI-GO

A buzzing, fun quick-service restaurant serving a delicious array of sushi and other Japanese food, delivered to your table on a network of mini robots on tracks at AMK Hub or on Shinkansen (Japanese bullet train) at Jurong Point. With a wide selection of more than 150 varieties, Sushi-GO will leave diners awed with taste and choices.

Outlet(s) in Singapore:

1. Jurong Point
2. AMK Hub

OUR CORE BRANDS: QUICK SERVICE



RAMEN KIOU

Established in 1995, Osaka's RAMEN KIOU serves up the original 'Taste of KIOU' – a harmony of 3 elements (Noodle, Chashu, Broth) made using original recipes from Japan in an honest bowl of time-honoured goodness.

Outlet(s) in Singapore:

1. Jurong Point
2. NEX



YAKINIKU-GO

Yakiniku-GO offers a quick, fuss-free and smoke-free grilling experience where customers can tuck into a wide selection of beef and pork cuts, chicken and seafood, sizzle their meat just the way they like it and dip it in house-special sauces.

Yakiniku-GO Plus at Suntec City serves premium meat cuts and platters in addition to the regular set meals. Diners at this premium outlet can enjoy good quality, value-for-money wagyu such as Japanese Miyazaki Wagyu.

Outlet(s) in Singapore:

1. Jurong Point
2. Jem
3. NEX
4. Parkway Parade
5. The Seletar Mall
6. Suntec City
7. Hougang Mall

OUR CORE BRANDS: QUICK SERVICE



UDON DON BAR

Located at UTown NUS, Udon Don Bar is a casual dining place for students and academic staff to hang out and enjoy simple, tasty udon and don all day. After 6pm, it transforms into a bright, lively bar serving craft beer and wines alongside delicious small bites.

Outlet(s) in Singapore:

1. National University of Singapore



SHABU-GO

Shabu-GO offers affordable and comforting Shabu Shabu set meals that are perfect for solo and couple dining with 10 over tantalising Japanese-style soup bases to choose from.

Outlet(s) in Singapore:

1. NEX

OUR CORE BRANDS: QUICK SERVICE



TSUKIMI HAMBURG

Tsukimi Hamburg serves a time-honoured menu of every Japanese household; the Hamburg Donburi.

The dish is an effortlessly elegant bowl of succulent hamburger steak, made of curated meats and cuts of Miyazaki Wagyu, Pork and Beef, that is set atop hot steamed Japanese rice and topped with a delightful orange Japanese egg yolk.

Nothing beats a bowl of non-pretentious, comfort food. Come on in for a seriously good hamburger steak!

Outlet(s) in Singapore:

1. Jurong Point
2. Hougang Mall
3. Capita Spring



MISTER DONUT

As an iconic Japanese chain with a remarkable presence of over 900 stores nationwide, Mister Donut has become a beloved fixture in Japan's vibrant food scene.

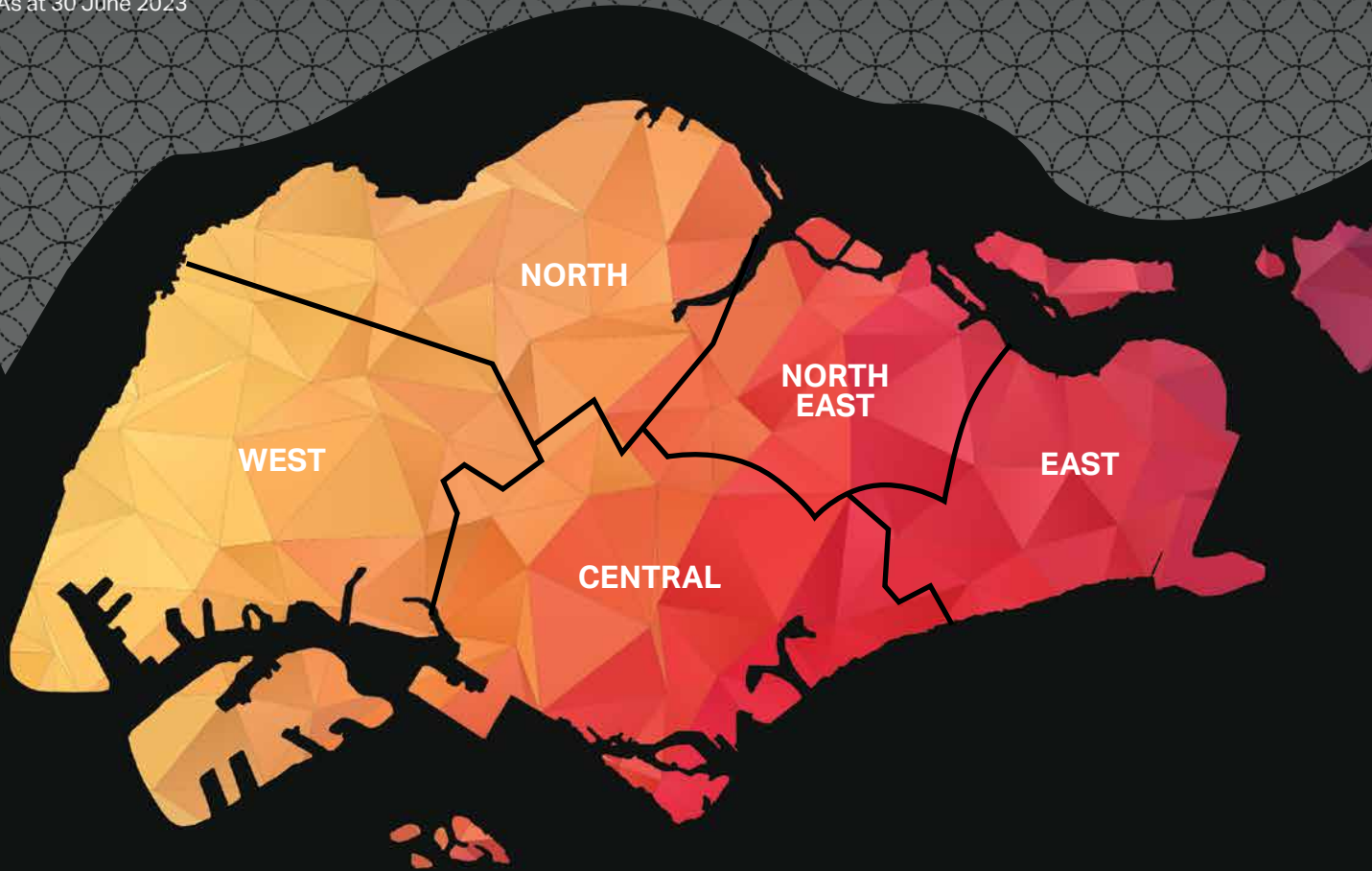
Now, it is finally here in Singapore to delight all donut enthusiasts. Mister Donut offers a diverse range of flavours, ranging from cherished classics to exclusive seasonal creations. With a menu boasting 20 classic flavours, all freshly made each day, there is something for everyone to savour.

Outlet(s) in Singapore:

1. Junction 8
2. Novena Square (opened in July 2023)

OUR NETWORK

As at 30 June 2023



78

F&B Outlets in
Singapore

4

F&B Outlets in
Malaysia

NORTH

- ④ Causeway Point
- ② Northpoint City

NORTH EAST

- ③ AMK Hub
- ① Compass One
- ③ Hougang Mall
- ⑧ NEX
- ① The Seletar Mall
- ③ Waterway Point

WEST

- ① Bukit Panjang Plaza
- ① Clementi Mall
- ① IMM
- ② Jem
- ①① Jurong Point
- ① NUS
- ① West Mall

EAST

- ① Century Square
- ② Changi City Point
- ② Parkway Parade
- ① Tampines Mall

CENTRAL

- ② Alexandra Retail Centre
- ① Capita Spring
- ② Chinatown Point
- ⑤ Great World
- ③ Guoco Tower
- ① Junction 8
- ① Marina Bay Link Mall
- ① Millenia Walk
- ① Novena Square
- ② Paragon
- ① Suntec City
- ② Tiong Bahru Plaza
- ① Toa Payoh HDB Hub
- ① United Square
- ① VivoCity

AWARDS & ACCOLADES

T.DINING'S BEST RESTAURANTS

Singapore Tatler
2019, 2020 - 2023
KURIYA DINING

EPICUREAN STAR AWARD

Restaurant Association of Singapore
BEST JAPANESE RESTAURANT CHAIN RESTAURANT, 2019
ICHIBAN BOSHI

BEST JAPANESE RESTAURANT CASUAL DINING, 2015
SHIMBASHI SOBA

BEST JAPANESE RESTAURANT FINE DINING, 2012
KURIYA DINING

READER'S DIGEST TRUSTED BRAND

Reader's Digest
GOLD AWARD, JAPANESE RESTAURANT CATEGORY,
2018 - 2022
ICHIBAN BOSHI

EXCELLENT SERVICE AWARD

**Restaurant Association of Singapore and other
industry lead bodies**
2005, 2006, 2014 - 2022
RE&S SINGAPORE

ENTERPRISE 50

The Business Times & KPMG
2017
RE&S SINGAPORE

SINGAPORE'S TOP RESTAURANTS

Wine & Dine
2016 - 2018
KURIYA DINING

ASIAONE PEOPLE'S CHOICE AWARDS

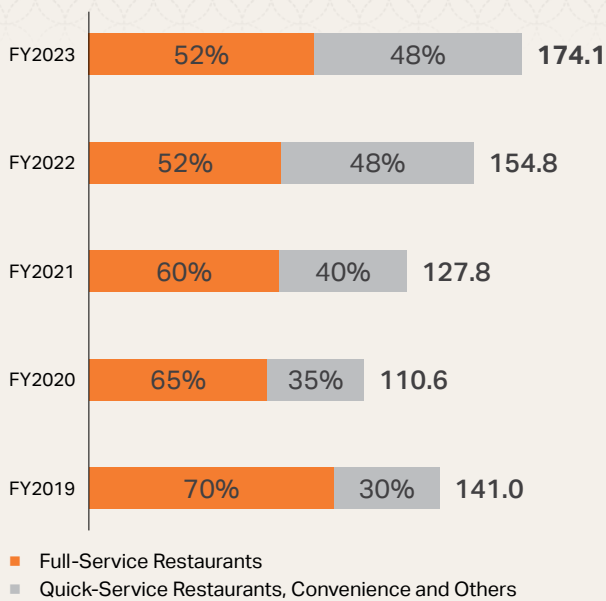
AsiaOne
TOP 3 BEST JAPANESE RESTAURANTS, 2015 - 2016
ICHIBAN BOSHI

TOP 3 / BEST JAPANESE RESTAURANTS, 2009 - 2015
KURIYA DINING

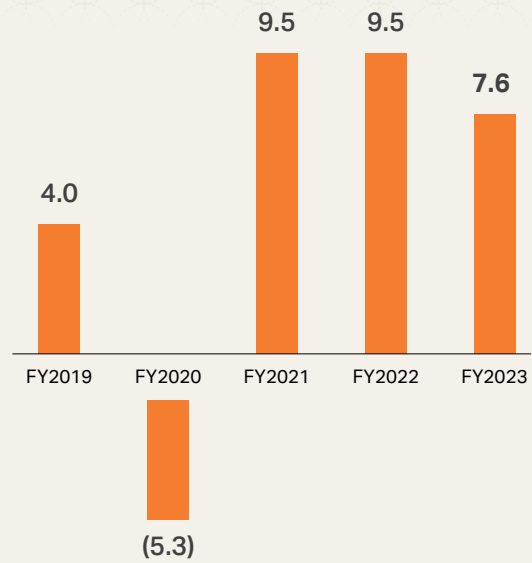


FINANCIAL HIGHLIGHTS

REVENUE (\$'MILLION)



PROFIT, NET OF INCOME TAX (\$'MILLION)



INCOME STATEMENT (\$'000)	FY2023	FY2022	FY2021	FY2020	FY2019
Revenue	174,057	154,835	127,833	110,649	141,004
Net profit (loss) before tax	9,898	11,303	10,877	(5,620)	5,344
Net profit (loss) after tax	7,645	9,451	9,490	(5,346)	3,979
EBITDA	39,728	40,996	39,408	25,422	13,694

FINANCIAL POSITION (\$'000)	FY2023	FY2022	FY2021	FY2020	FY2019
Total Assets	144,045	132,707	130,587	134,833	64,210
Total Liabilities	103,003	92,995	94,220	104,928	25,956
Total Shareholders' Equity	41,042	39,712	36,367	29,905	38,254
Cash and Cash Equivalents	17,618	24,595	25,878	14,918	18,183
Basic and diluted earnings (losses) per share (cents) ¹	2.16	2.67	2.68	(1.48)	1.14

Note 1 The basic and fully diluted earnings per share were the same as there were no dilutive ordinary shares in issue.

OPERATING AND FINANCIAL REVIEW

REVENUE

The Group's revenue increased by 12.4%, or approximately S\$19.2 million in FY2023 as compared to FY2022, primarily due to the increase in revenue contribution from the FSR and QSR.

Revenue from FSR increased by 10.8% from S\$81.2 million in FY2022 to S\$90.0 million in FY2023 mainly due to removal of COVID-19 social distancing restrictions in Singapore, which resulted in the reinstatement of seats for dine-in customers to maximise dine-in capacity.

Revenue from QSR increased by 14.2% from S\$73.6 million in FY2022 to S\$84.1 million in FY2023 mainly due to: 1) opening of new outlets in FY2023; 2) revamp of &JOY Japanese Food Street in Jurong Point in Aug'22; and 3) removal of COVID-19 social distancing restrictions in Singapore, which resulted in the reinstatement of seats for dine-in customers to maximise dine-in capacity.

RAW MATERIALS AND CONSUMABLES USED

Raw materials and consumables used (taking into account the changes in closing inventories) were 27.3% and 28.1% of total revenue for FY2023 and FY2022 respectively. This was mainly due to a lower food cost for certain QSR concepts.

OTHER OPERATING INCOME

Other operating income decreased mainly due to the absence of government and landlords' support in relation to COVID-19 pandemic.

EMPLOYEE BENEFITS EXPENSE

The Group's employee benefits expense represented 34.9% and 33.3% of total revenue for FY2023 and FY2022 respectively. The increase in employee benefits expense as a percentage of total revenue was mainly due to: 1) increase in hiring of workers due to the opening of new outlets; 2) salary adjustment across the board and; 3) increase in staff welfare such as providing meals to staff.

OPERATING LEASE EXPENSES

Operating lease expenses remains relatively constant and represented 1.5% and 1.2% of total revenue for FY2023 and FY2022 respectively.

UTILITIES EXPENSES

Utilities expenses increased mainly due to an increase in the electricity tariff and the increase of new outlets in FY2023.

DEPRECIATION EXPENSE

Depreciation expense increased mainly due to the increase in new outlets in FY2023.

OTHER OPERATING EXPENSES

Other operating expenses increased mainly due to i) increased expenses in marketing expense; ii) increased in repair and maintenance; and iii) increased in business travelling expenses.

OTHER EXPENSES – NON-OPERATING

Other expenses - non-operating decreased in FY2023 mainly due to absence of unrealised loss in investments at fair value through profit or loss ("FVTPL"). Excluding this loss in FY2022, other expenses – non operating increased S\$0.8 million in FY2023 as compared to FY2022. The increase was mainly due to increase in professional fees incurred in opening new outlets.

FINANCE COSTS

Finance cost remains relatively constant and represented 1.5% and 1.9% of total revenue for FY2023 and FY2022 respectively.

PROFIT BEFORE INCOME TAX

As a result of the above, profit before tax decreased approximately S\$1.4 million, from a profit before tax of S\$11.3 million in FY2022 to S\$9.9 million in FY2023.

OPERATING AND FINANCIAL REVIEW

INCOME TAX EXPENSE

Income tax expense increased by approximately S\$0.4 million, though profit before tax decreased, mainly due to absence of government grants – Job Support Scheme which is a non-taxable income.

PROFIT, NET OF INCOME TAX

As a result of the foregoing, the Group recorded a profit after tax of S\$7.6 million in FY2023.

NON-CURRENT ASSETS

The Group's non-current assets increased by S\$15.1 million from S\$95.2 million as at 30 June 2022 to S\$110.4 million as at 30 June 2023 mainly due to (i) an increase in the right-of-use assets ("ROU") of S\$14.6 million; (ii) an increase in other non-financial asset, non-current of S\$1.6 million and partially offset by a decrease in property, plant and equipment of S\$1.0 million.

The decrease in property, plant and equipment was mainly due to the write-off of renovation and fixtures for certain outlets and depreciation of S\$7.1 million; partially offset by an addition of plant and equipment amounting to S\$6.2 million. ROU assets increased by S\$14.6 million mainly due to the additions of leases. The increase in other non-financial assets, non-current was due to the renewal of existing leases and inception of new leases for new outlets.

CURRENT ASSETS

The Group's current assets decreased by S\$3.8 million from S\$37.5 million as at 30 June 2022 to S\$33.7 million as at 30 June 2023. This is mainly due to (i) a decrease in cash and cash equivalents of S\$7.0 million; offset by (ii) an increase in inventories of S\$0.5 million; (iii) an increase in trade and other receivables of S\$0.7 million and; (iv) an increase in other financial assets, current of S\$2.0 million.

The increase in inventories was mainly due to the increasing purchase of raw materials while the increase in trade and other receivables, current was mainly due to an increase in amount owing from credit card companies and external customers, in line with the increase with revenue. The increase in other financial assets, current was due to the additional investment in securities and increase in the fair value of the securities held. The decrease in cash and bank balances was mainly due to the full repayment of building loan and an increase in cash invested in investment in securities as explained earlier.

NON-CURRENT LIABILITIES

The Group's non-current liabilities increased by S\$4.6 million from S\$54.1 million as at 30 June 2022 to S\$58.7 million as at 30 June 2023. This was mainly attributable to an increase in lease liabilities of S\$11.2 million due to renewal of existing leases and inception of new leases offset by the repayment of building loan.

CURRENT LIABILITIES

The Group's current liabilities increased by S\$5.4 million from S\$38.9 million as at 30 June 2022 to S\$44.3 million as at 30 June 2023. This was mainly attributable to (i) an increase in lease liabilities of S\$3.0 million due to renewal of existing leases and inception of new leases and (ii) an increase in income tax payable of S\$0.9 million; (iii) an increase in trade and other payable of S\$2.4 million due to an increase in purchases from the suppliers; and partially offset by (iv) a decrease in other financial liabilities, current of S\$0.9 million.



SUSTAINABILITY
REPORT
FY 2023



SUSTAINABILITY REPORT BOARD STATEMENT



Dear Valued Stakeholders,

On behalf of the Board of Directors ("**Board**"), we are honoured to present the RE&S Holdings Limited ("**RE&S**" or the "**Group**") Sustainability Report for the financial year ended 30 June 2023 ("**FY2023**"). This report underlines our steadfast commitment to responsible governance, environmental stewardship, and sustainable growth in partnership with our valued stakeholders.

In FY2023, we installed SG Electric Savers at various restaurants and our Central Kitchen ("**CNK**"), optimising the management of electrical consumption and showcasing our alignment with global trends towards responsible energy management. Recognising the global shift towards green transportation, we also made strides in our sustainability efforts by installing an Electric Vehicle ("**EV**") Charging Panel at our headquarters. This move, coupled with our ongoing focus on responsible energy management, demonstrates our commitment to aligning with global sustainability trends.

Our business expansion in FY2023 has been marked by strategic growth and collaboration. The signing of a Master Franchise Agreement with Duskin Co., Ltd. led to the successful launch of the first "Mister Donut" outlet in Singapore. This expansion was preceded by the well-received operation of a pop-up kiosk at Jurong Point, and the opening of two new outlets in 2023 that shows our adaptability and innovation in the market.

Recognising the inherent risks of global supply chain disruptions, we have worked diligently to mitigate these challenges by maintaining higher buffer stock levels for our essential food ingredients. As part of our strategic plan to expand in the Quick-Service Restaurants

segment, we have plans to open new outlets including Gokoku Japanese Bakery, Tsukimi Hamburg, Yakiniku-GO, and Mister Donut.

We also acknowledge the increasing demand for our unique retail concepts like Kuriya Japanese Market and Gokoku Japanese Bakery outlets. While we see significant opportunities to open more of these outlets, we remain prudent in our approach. We will focus on the availability of suitable locations, taking a cautious stance on the opening of new outlets. More emphasis will be placed on leveraging our existing setup to drive higher sales, ensuring that our expansion aligns with our sustainable and responsible growth strategy.

Corporate responsibility continues to be at the heart of our operations. We remain deeply committed to the long-term viability of our business, and monitoring and managing our key economic, environmental, social, and governance ("**EESG**") factors. Our focus on continuous improvement in reducing environmental impacts while upholding high quality standards exemplifies our dedication to sustainable practices.

In conclusion, FY2023 was a year of robust growth, innovation, and increased focus on sustainability for RE&S. The Board extends its heartfelt gratitude and appreciation for your unwavering support and confidence in our endeavors. We pledge to maintain our momentum, embrace challenges, and continue to build a thriving, responsible, and sustainable business for the future.

Sincerely,
Board of Directors
RE&S Holdings Limited

SUSTAINABILITY REPORT ABOUT THIS REPORT

This sustainability report provides an overview of the Group's eco-friendly business practices, along with essential data on EESG factors crucial to both the Group's business and key stakeholders. The report aims to present an objective and impartial representation of the Group's impact on sustainable development, encompassing both positive and negative contributions.

This report is prepared with reference to the Global Reporting Initiative ("GRI") Standards 2021 as well as Rules 711A and 711B of the Listing Manual Section B: Rules of Catalyst ("Catalist Rules") by the Singapore Exchange Securities Trading Limited ("SGX-ST"), with reference to SGX-ST's sustainability reporting guide under Practice Note 7F of the Catalist Rules.

As the Group does not fall within the SGX-identified industries that were prioritised for mandatory Taskforce on Climate-related Financial Disclosures ("TCFD") disclosures, climate-related disclosures pursuant to Catalist Rule 711B(1)(aa) and Practice Note 7F Paragraph 4.11 are currently not included in this report but the Group plans on progressively including them in future sustainability reports.

External assurance has not been sought for this report, however it will be considered for certain sections of the sustainability report in the future. To ensure the accuracy of the disclosures, we have relied on internal data monitoring and verification. The processes behind our sustainability reporting for this Report have been reviewed by our internal auditor, CLA Global TS Holdings Pte. Ltd.



REPORTING PERIOD

This sustainability report focuses on the Group's sustainability efforts and strategies for the period 1 July 2022 to 30 June 2023 ("FY2023").



GRI STANDARDS

This sustainability report has been prepared with reference to the GRI Standards and its reporting principles of completeness, materiality, stakeholder inclusiveness and sustainability context.



FEEDBACK CHANNEL

We value all feedback from our stakeholders regarding the report or any aspect of our sustainability performance. Please send your feedback and enquiries to:

<https://www.res.com.sg/en/contact-us.html>

SUSTAINABILITY REPORT

ORGANISATIONAL PROFILE

RE&S is a leading regional food service company, founded in 1988 by Osaka native Mr Hiroshi Tatara, and holds a diversified portfolio in quality restaurants and food manufacturing. On 22 November 2017, the Group was proudly listed on the SGX-ST's Catalist Board.

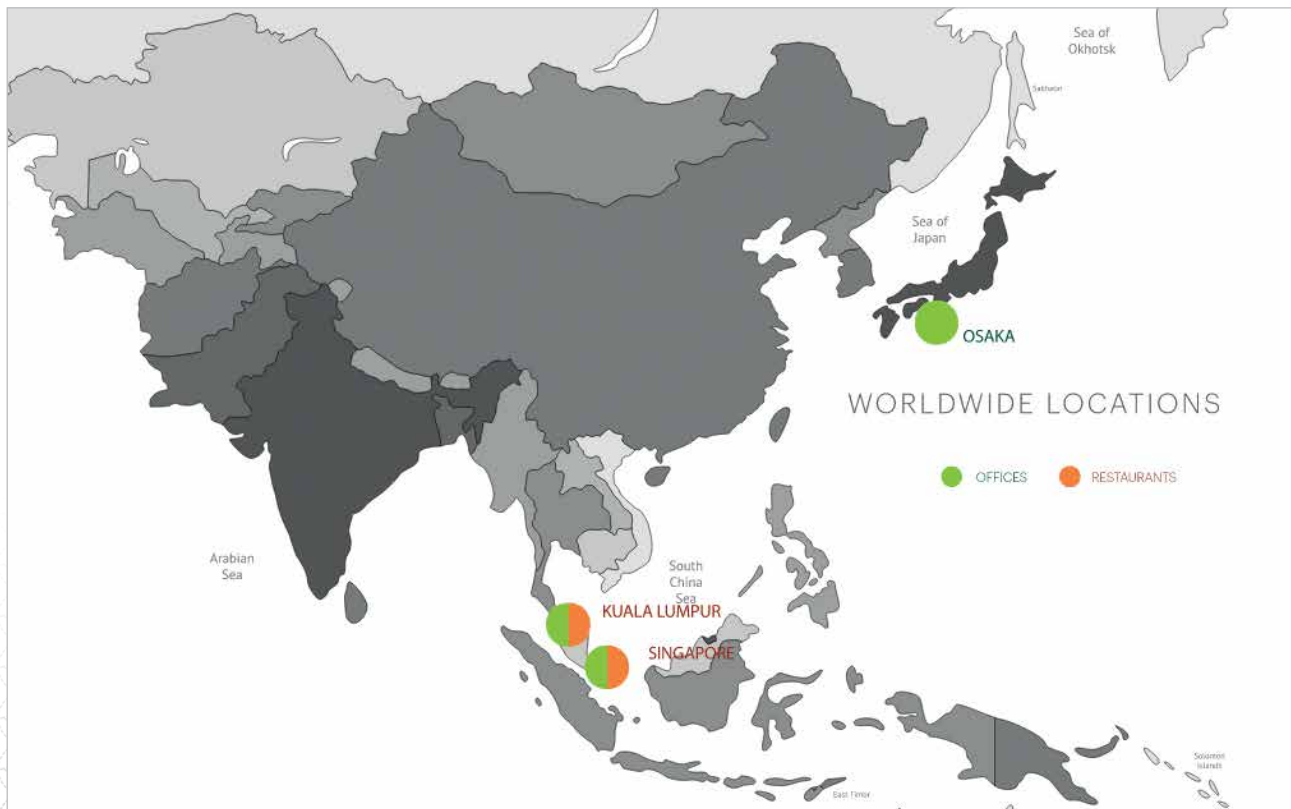
Starting from the establishment of Takashi and Fiesta restaurants, RE&S has since expanded our presence in the food service industry with the introduction of new brands and concept stores. We also carry specialty restaurants such as Shimbashi Soba, a fine dining brand (Kuriya Dining), and multi-concept food streets such as &JOY Japanese Food Street, family-style restaurants (Ichiban Boshi) and convenience stores like Kuriya Japanese Market. We currently run more than 70 outlets across Singapore and Malaysia. Our main corporate and procurement office, along with the CNK, is situated in Singapore. We also have a procurement office in Osaka that assists with sourcing and purchase of products from Japan.

Furthermore, CNK have earned the International Organisation for Standardisation ("ISO") certification for Food Safety Management (ISO 22000), which

underscores our dedication to upholding top-tier food quality for our patrons. However, it's important to clarify that our outlet is not under ISO22000, but rather under the SS590:2013, a Hazard Analysis and Critical Control Points ("HACCP") based locally recognised and accredited food safety management system in Singapore. This standard, which replaced and upgraded the previous Singapore Accreditation Council ("SAC") HACCP Document, serves as an intermediate step to attain ISO22000.

Our outlet is certified under SS590, and our Store Operations function under the SS590 Food Safety management system. Operations successfully passed the SS590 last September 2015, and we renew this certification every 3 years. Additionally, an annual surveillance check is conducted by TUV SUPD PSB (Singapore Accredited Auditor), as part of our ongoing efforts to ensure adherence to food safety standards. SS590 is the specific Food Safety certification for our operations, reflecting our unwavering dedication to upholding top-tier food quality.

OFFICES AND HEADQUARTERS



SUSTAINABILITY REPORT ORGANISATIONAL PROFILE

COMPANY VALUES



OUR VISION

"A leading international food service company that develops innovative dining concepts as well as food ingredients specialist."



OUR PRINCIPLES

"The RE&S Model for Excellence drives our business operations and is the foundation upon which we build a culture of business success, happy employees and satisfied customers."



RE&S MODEL FOR EXCELLENCE

OUTSTANDING CUSTOMER SERVICE

"We go above and beyond for our customers."

EMPLOYEES MATTER

"Not just meeting but setting the standard for employee welfare."

INDUSTRY LEADERSHIP

"Constantly developing newer, fresher ideas."

TOTAL QUALITY MANAGEMENT

"Steadfast to the exacting standards of HACCP, GMP and the 5S."

QUALITY BY DESIGN

"A name backed by safe products of high standards."

RESPONSIBLE SOURCING

"A transparent "Farm to chopsticks" approach ensuring quality and accountability."

ENVIRONMENTAL AND COMMUNITY SUSTAINABILITY

"Commitment to environmentally sustainable business practices that also contribute to community improvement."

EXTERNAL INITIATIVES

The Company is committed to contributing to society at large and has actively engaged in external initiatives during FY2023. Activities like 'Walk for Rice' and the sponsorship of cheesecakes to Kwong Wai Shiu Hospital

resonate with the company's core values, showcasing its continuous commitment to fostering a positive influence within the community.

SUSTAINABILITY REPORT

SUPPLY CHAIN MANAGEMENT



We acknowledge the prevalent supply chain challenges in our industry and keep abreast of significant global developments which may affect our supply chain. In response to global uncertainties, RE&S has redirected its attention to acquiring up-to-date market information and staying informed about recent developments. This proactive approach enables us to identify potential supply chain disruptions that could impact our business and enables us to secure our food ingredient supply before such information becomes publicly available. In addition, RE&S has implemented a practice of maintaining higher buffer of inventory levels to proactively prevent any potential out-of-stock situations.

To maintain low food costs, we adopt a dual-pronged approach to the procurement of food ingredients, as follows:

1. Purchase directly from respective countries of origin; and
2. Purchase from sizeable local supplier

Our strategy to keep costs low involves direct procurement from the country of origin, thereby eliminating middleman expenses. For instance, we source salmon directly from Norway, and our procurement office in Japan handles fish and vegetable sourcing. However, recognising the

potential risks of global supply chain disruptions, we have also established a partnership with a significant local supplier to ensure adequate stock levels. Despite facing disruptions in the global supply chain during FY2022, our effective procurement methods allowed us to maintain consistent food supplies. We consolidate the ingredients used throughout all our concept stores to optimise procurement and achieve economies of scale with bulk purchase discounts. This approach helps us achieve cost efficiencies while ensuring consistent quality across our locations.

Prior to engaging new suppliers, we conduct a comprehensive review of their Singapore Food Agency ("SFA") licensing and grading, SFA importer license (if applicable), Certificate of Analysis, as well as any relevant supplier's accreditation and compliance with regulatory requirements, track record, quality of services and reputation. By conducting these thorough checks on our supplier, we can be certain that we are purchasing high-quality ingredients suitable for our customers' consumption. Furthermore, we maintain quality standards by conducting random monthly audits on our suppliers. These audits verify that their facilities meet the requirements of ISO 22000 and ensure the consistent upkeep of quality and standards in their operations.

SUSTAINABILITY REPORT MEMBERSHIP OF ASSOCIATIONS

The Group has established strategic partnerships with various corporate members and organisations, as listed below. These partnerships offer valuable opportunities for our employees to network with peers and industry professionals, gain insights from best practices, exchange knowledge, and stay updated on the latest trends and developments within the industry.



Singapore National Employers
Federation



Restaurant Association of
Singapore



Singapore Business
Federation



The Japanese Association



Japanese Chamber of
Commerce and Industry,
Singapore



Singapore Institute of
Directors

RE&S remains dedicated to pursuing suitable partnerships and strategic collaborations with other industry bodies to enhance its presence and visibility within the industry.

OUR SUSTAINABILITY APPROACH

Our Group is committed to generating sustainable value for all our stakeholders, encompassing customers, suppliers, employees, investors, business partners, and local regulators in Singapore. To meet the expectations of these stakeholders, we have implemented a strong internal control framework, fostering accountability and transparency in our business operations.

Our management regularly evaluates our key sustainability areas, and we strategically prioritise

topics that have a significant EESG impact on RE&S and our stakeholders. Our sustainability strategy involves frequent interactions with stakeholders to comprehend their concerns, which are subsequently brought forward to our Board of Directors.

Our objective is to attain sustainability goals by minimising our environmental footprint and generating enduring value for our stakeholders through responsible practices.

SUSTAINABILITY REPORT

STAKEHOLDERS ENGAGEMENT

We have conducted an assessment and identified several key stakeholder groups, as outlined in the table below, who hold significant importance to the business and are heavily impacted by our business activities. We are committed to addressing their concerns, and we periodically engage them through different avenues to obtain their feedback.

STAKEHOLDER GROUP	ENGAGEMENT ACTIVITIES	STAKEHOLDER EXPECTATIONS	FREQUENCY
 CUSTOMERS	Provide exceptional customer service and ensure products served are of high quality.	Exceptional customer service and handling of products according to food quality standards.	Daily
 SUPPLIERS	Maintain business dealings with suppliers who are ethical, meet high standards of food safety, workplace and environment regulations.	Compliance with terms and conditions of purchasing policies and procedures, whilst maintaining ethical standards.	Periodic
 EMPLOYEES	Provide a conducive environment for work and implement training for employees.	Employees' rights and welfare, personal development, good working environment.	Daily
 INVESTORS	Publish unaudited half-yearly results on a timely basis to report economic performance.	Profitability, transparency, timely reporting, and fair purchasing practices.	Half-yearly
 BUSINESS PARTNERS	Maintain business dealings and amicable relations with business partners such as landlords and media partners.	Compliance with terms and conditions of the respective agreements.	Periodic
 GOVERNMENT AND REGULATIONS	Maintain good working relationship with regulators and disclose pertinent information on a timely basis.	Environmentally friendly business approach, compliance with regulations, timely reporting and resolution of issues.	Periodic

SUSTAINABILITY REPORT CORPORATE GOVERNANCE FRAMEWORK



RE&S upholds an unwavering commitment to the highest standards of corporate governance, recognising that ethical business practices are foundational to our sustained long-term success.

The Group’s corporate governance structure is led by the Board, chaired by the Non-Executive Chairman and Independent Director. Together with management and external professional service providers, the Board is responsible for the Group’s sustainability reporting and together with management, oversees and monitors policies and procedures related to EESG factors.

Annually, the Board exercises comprehensive supervision over the Group’s EESG performance, objectives, and initiatives. It also evaluates the effectiveness of current sustainability practices, ensuring they align with RE&S’s



business and sustainability goals. Senior management collaborates closely with the Board, incorporating stakeholder feedback and industry trends to refine and coordinate sustainability strategies. Significant developments in sustainability strategies are promptly communicated to the Board by senior management.

The Board has also complied with SGX’s new requirement for all Directors to undergo mandatory sustainability training in FY2023.

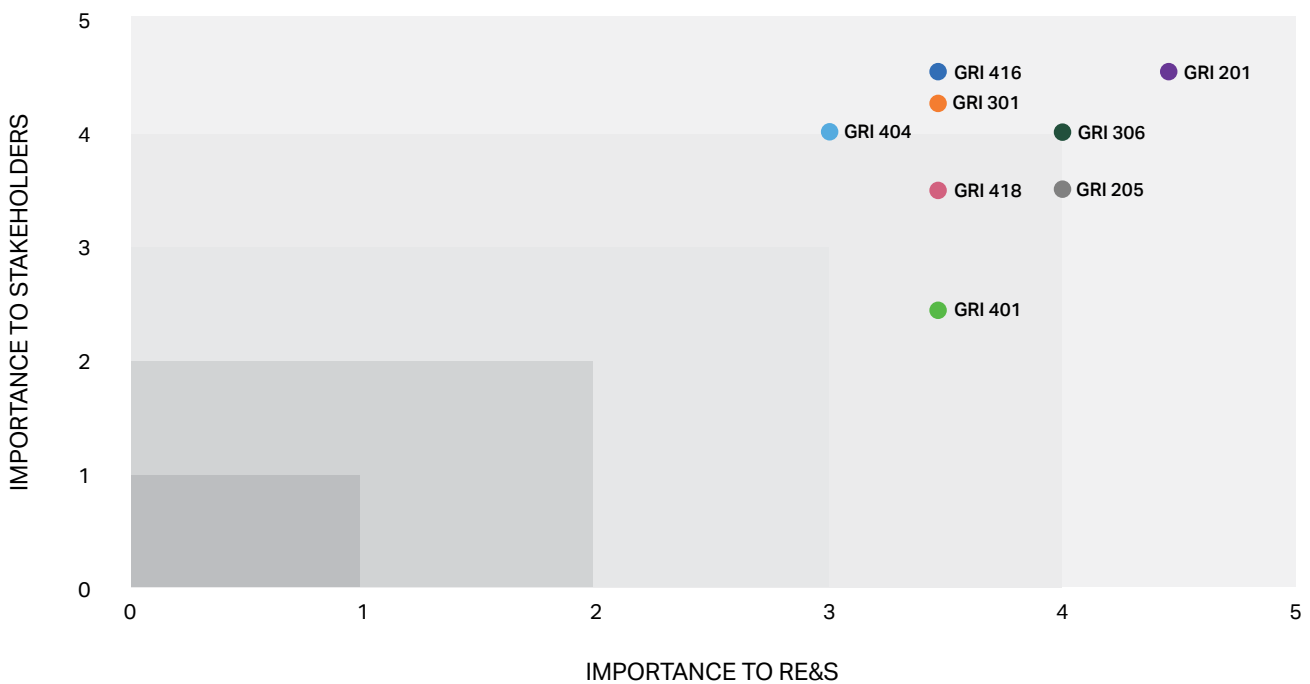
Across the Group, we have put in place effective and robust controls, reinforced by a range of policies and procedures. Additionally, we adhere to the guidelines set forth in the Code of Corporate Governance 2018, as appropriate, as part of our commitment to upholding accountability and transparency in all our business practices.

SUSTAINABILITY REPORT MATERIALITY ASSESSMENT

In our yearly materiality assessment, we carefully consider input from stakeholders, industry challenges, our enterprise risk management framework, and business objectives. This process helps us identify and prioritise material sustainability topics for disclosure, ensuring we

focus on issues that are most significant and relevant to both the Group and our stakeholders.

For FY2023, we have identified a total of 8 material topics to be covered in this report, which are as follows:



FY2023 MATERIAL SUSTAINABILITY TOPICS IDENTIFIED:

- **GRI 201**
ECONOMIC PERFORMANCE
- **GRI 306**
EFFLUENT AND WASTE
- **GRI 404**
TRAINING AND EDUCATION
- **GRI 205**
ANTI-CORRUPTION
- **GRI 418**
CUSTOMER PRIVACY
- **GRI 416**
CUSTOMER HEALTH AND SAFETY
- **GRI 301**
MATERIAL
- **GRI 401**
EMPLOYMENT

Our top priorities for this year continue to focus on the material sustainability topics that were reported in our previous sustainability report, except for Environmental Compliance (GRI 307) which has been withdrawn and replaced with Disclosure 2-27 GRI 2: General Disclosures 2021. Therefore, we will no longer reference this topic standard in the Sustainability Report/ GRI Content Index.

All targets related to material topics set in FY2022 for FY2023 have been successfully met.

SUSTAINABILITY REPORT ECONOMIC PERFORMANCE

GRI 201

Our commitment lies in generating long-term economic value for our stakeholders. This involves driving positive cash flow for the Company, providing better remuneration for employees, distributing dividends, and enhancing share value for shareholders. Moreover, we strive to create value for customers and society at large. Sustained profits contribute to maintaining a competitive advantage, directly benefiting our stakeholders. In the highly competitive food service industry, we recognise the importance of investing in and leveraging digital technology to gain a competitive edge.

Our accomplishments in FY2023 align with the targets we have set previously. Our primary focus was on improving or maintaining our financial performance, and we are pleased to report that we achieved positive outcomes in this regard. By implementing effective financial strategies and prudent cost management, we were able to strengthen our financial position and ensure the long-term sustainability of our operations.

GRI 201-1	FY2023	FY2022
Economic Value Generated (EVG):		
Revenue:	174.1 million	154.8 million
Economic Value Distributed (EVD):		
Operating costs	114.9 million	101.2 million
Employee wages and benefits	60.7 million	51.6 million
Payments to providers of capital	6.2 million	6.0 million
Economic Value Retained (EVG - EVD)		
Net Profit before income tax	9.9 million	11.3 million

Our revenue has grown from \$154.8 million in FY2022 to \$174.1 million in FY2023, indicating a 12.4% increase. Our profit before income tax in FY2023 has decreased from \$11.3 million to \$9.9 million due to an increase in hiring of workers due to the opening of new outlets, pay adjustment across the board and staff welfare initiatives such as the provision of meals. We received total of \$2.0 million in financial assistance/government grants in FY2023. Moving forward, we remain committed to exploring avenues that will increase operational productivity and efficiency. For more information, please refer to our Financial Highlights in our Annual Report.

We have also met our target by introducing a new concept store, Tsukimi Hamburg, to allow our diners to have an elegant bowl of succulent hamburger steak that is set atop hot steamed Japanese rice topped with a delightful orange Japanese egg yolk. To date, we have expanded to 3 stores.

The Group signed a Master Franchise Agreement with Duskin Co., Ltd., leading to the establishment of the first "Mister Donut" outlet in Singapore in Junction 8, Bishan. This move was led by a successful month-long operation of a Mister Donut pop-up kiosk at Jurong Point in July 2022. With the inauguration of the new outlet on 21 May 2023, followed by an additional outlet opening on 6 July 2023 at Novena Square, expectations are high that these locations will mirror the success of the pop-up store, potentially leading to a boost in earnings and overall revenue.

Over the past few years, RE&S has been making steady progress in digitising our business processes, aiming to reduce labor dependency and streamline operations. Some of the measures we have implemented include:

SUSTAINABILITY REPORT

ECONOMIC PERFORMANCE

GRI 201

- Since 2020, RE&S has integrated customer relationship management ("**CRM**") into their in-store dining experience, incorporating bring-your-own-device, kiosk order, and online ordering systems. This streamlining allows members to easily access and manage their membership details on digital platforms, facilitating reward earnings and redemptions. In June 2020, the Group launched a digital loyalty programme called &Rewards, which is available across all its brands except Kuriya Dining and has over 330,000 members. This programme aims to enhance outlet workflow, boost productivity by automating tasks like card and voucher management, elevate worker skills towards data analysis and marketing planning, develop business intelligence for targeted marketing, and decrease fraud risks from manual stamp card systems.
- To further enhance customer experience, RE&S invested in WiFi equipment in our outlets to allow customers to access the internet, facilitating their mobile ordering process. We have also deployed next generation CCTV in our CNK to monitor our production lines and identify alien objects and unauthorised users to our CNK, thus ensuring that all internal sanitisation and food safety protocols are abided.
- In FY2021, we have also launched a mobile productivity application, to help us improve operations and communication with our non-desk based frontline workers such as waiters at the restaurants.
- In FY2022, we have launched a new module in this application outlining our service standard operating procedures. This allows our new Front-of-House joiners to access our standard operating procedures more conveniently. Furthermore, we have also digitalised various employee forms, especially those pertaining to human resource functions, in the mobile application.



Targets for FY2024

- Improve or maintain our financial performance, subject to market conditions
- Continuous improvement by exploring and leveraging on our Japan network, market presence and our CNK
- To generate long-term economic value for stakeholders through positive cash flow, improved employee remuneration, increased dividend distribution, enhanced share value, and creating value for customers and society.

SUSTAINABILITY REPORT ANTI-CORRUPTION

GRI 205

Our Group maintains a strong emphasis on combating corruption, and we adopt a strict stance of zero tolerance towards any form of dishonesty, fraud, or corrupt practices.

We have put in place rigorous policies and protocols to uphold the utmost levels of business conduct and ethics across the organisation. These encompass our anti-corruption, conflict of interest, and whistle-blowing policies. We ensure that all our employees are well-informed about these policies during their onboarding process and will send periodic reminders as proactive measures to maintain compliance.

We provide our employees with an Employee Handbook that outlines the expected Code of Conduct, which we require them to follow diligently. This handbook provides comprehensive guidance on the expected behavior and outlines the available feedback channels in case of any instances where the Code of Conduct is not upheld.

Our Group's whistle-blowing policy establishes multiple anonymous channels through which employees can raise their concerns without fear of reprisal. In case of reports needing escalation, the Chairman of the Audit Committee ("**AC**"), the Head of Human Resources, and/or the COO are notified, leading to thorough investigations and appropriate follow-up actions as needed. We review all whistle-blowing complaints during quarterly meetings, and the policy has been communicated to all employees, and it is available on our website at: <https://res.listedcompany.com/>.

In FY2023, we are pleased to announce that there were no cases of whistle-blowing complaints received. Furthermore, there were also no corruption or fraud related reports in RE&S.



Targets for FY2024

- Maintain zero-incident record on non-compliance with laws and regulations relating to corruption or fraud.

SUSTAINABILITY REPORT

CUSTOMER HEALTH AND SAFETY

GRI 416

RE&S has consistently made the health and safety of our customers our foremost priority.

At our CNK, restaurants, and outlets, we maintain strict measures to uphold food safety and hygiene. We believe it is our utmost responsibility to guarantee that all the food and beverages we serve are entirely safe for consumption, following comprehensive health and safety guidelines. To achieve this, we have established protocols that cover every step of the value chain, including procurement, warehouse, and logistics, as well as CNK operations, ensuring proper handling of food at all stages.

PROCUREMENT ASPECT

At RE&S, we have a stringent evaluation and verification process for all new suppliers. We conduct thorough checks to assess their accreditation, compliance with relevant regulatory authorities, reputation, and service quality. Local suppliers must possess Singapore Food Agency ("SFA") food processing license to ensure their food handling processes meet established standards.

For our overseas suppliers, they must possess a food export license, ensuring they have the necessary knowledge and skills to handle hygienic food exportation. When procuring new ingredients, we follow a strict procurement process. Suppliers are asked to provide product specifications and Certificate of Analysis or lab test reports for all new ingredients before any purchase is made, ensuring the quality and safety of the products we source.



WAREHOUSE AND LOGISTICS

To preserve food quality and safety, we enforce strict time-temperature control throughout the supply chain. Our policy ensures that no food products or ingredients are left unattended, and our employees are well-trained to handle chilled and frozen items promptly, reducing temperature fluctuations during ingredient delivery.

To maintain the freshness of our food ingredients, we carefully manage temperatures in our warehouse using freezers and chillers. Our stock management follows the First Expire, First Out ("FEFO") principle, minimising the risk of spoilage for perishable items by ensuring they are used in the order they were purchased, with shorter periods between purchase and usage. To visually facilitate this process, we position food products with the earliest expiration dates at the front of our inventory storage. Regular checks are conducted to monitor expiration dates and storage conditions for all food ingredients. Any expired food products are promptly disposed of to prevent their usage. By adhering to these practices, we uphold our commitment to maintaining the quality and safety of the food we provide.

FOOD QUALITY

Ensuring the quality of our food is our top priority. Since food ingredients are perishable, we have implemented a delivery schedule for each outlet, ranging from once to thrice a week, to maintain freshness of our ingredients. Moreover, our employees are well-trained to inspect the freshness of all raw ingredients before use.

To further guarantee the safety and quality of our products, all finished goods undergo a rigorous evaluation process. This includes both physical tests, such as pH, Brix, salt content, viscosity, and texture analysis, as well as sensory evaluation conducted in the laboratory. These measures are taken to ensure that everything served from our CNK is safe for consumption.

FOOD SAFETY POLICY

Our commitment to delivering high-quality food to our customers is evident in our Food Safety Policy. We adhere rigorously to food safety and hygiene standards as required by law and our customers. Meeting customer demands and ensuring their trust is paramount, and we achieve this by being reliable, efficient, and flexible to guarantee customer satisfaction. Above all, the safety of our food is our top priority, and we consistently meet the expectations set by both regulations and our customers. To maintain this standard, all food handlers must undergo Basic Food Hygiene course training, and new employees receive a comprehensive Good Hygiene Practice/ Good Manufacturing Practice briefing from the employee handbook before they begin their work.

Food Safety Objectives

- Zero food safety complaints and food poisoning incidents
- Less than 1% total product recall
- Less than 3% total product complaint
- Zero non-compliance with National Environmental Agency ("NEA") and SFA regulations

CNK

In FY2022, our CNK achieved ISO22000 certification and received the SFA Grade A certificate. We are dedicated to maintaining manufacturing practices that adhere to rigorous standards, ensuring proper food safety systems are in place.

To maintain these standards, all staff must follow our standard operating procedures, including wearing hair nets and masks during food preparation. Our employees receive training on maintaining workspace cleanliness to minimise food-borne hazards. We have housekeeping and cleaning checklists to ensure a clean and safe working environment in the CNK. Additionally, we conduct periodic pest control and flush treatments in the facility.

OUTLETS

To prioritise the health and safety of our customers, we have implemented several control procedures that our food handlers must strictly adhere to. Below are the measures we take to ensure the health and safety of our customers:

1. Prior to commencement of work, all food handlers are required to attend Food Safety Course Level 1 ("FSC L1") to be equipped with the basic knowledge on proper food handling.
2. All new employees will attend Company's orientation to familiarise themselves with their workplace.
3. Our store management is responsible for conducting briefing to ground staff before each shift, giving periodic reminders to outlet staff on food hygiene and safety matters.
4. To maintain consistent standards, a monthly food safety audit is conducted at all our outlets, ensuring that the required safety measures are in place.

We believe that placing strong emphasis on customer health and safety enhances RE&S' reputation as well as meets our customers' expectations of quality food and services.

In FY2023, we are pleased to announce that there were no significant fines and warnings relating to non-compliance with health hygiene and safety standards. Furthermore, we successfully passed the SS590 audit (Food Safety Certification for Operations) conducted by TUV SUPD PSB (Singapore Accredited Auditor), without any major non-compliance issues, and met our FY2023 target set in FY2022 of zero non-compliance with NEA and SFA regulations.



Targets for FY2024

- To achieve the "GOLD" award under the new SFA Safety Assurance for Food Establishments ("SAFE") Framework
- To ensure compliance to our Food Safety Management System
- To ensure a continuous record of compliance without any non-compliance issues and meet our food safety objectives.
- Upgrade our certification from ISO22000 to FSSC22000, to facilitate our dealings with our customers

SUSTAINABILITY REPORT EMPLOYMENT

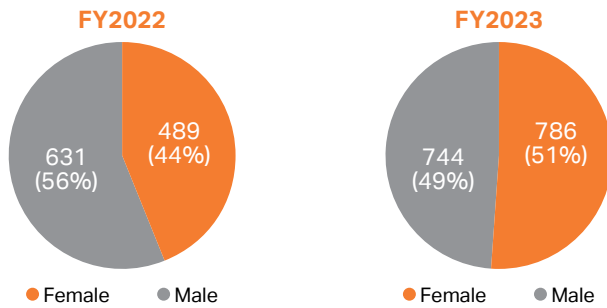
GRI 401

At RE&S, we recognise the importance of a skilled and diverse workforce. In the food service industry, exceptional customer service is pivotal to a delightful dining experience. We firmly believe that the contentment of our employees with their workplace directly influences the quality of customer service they deliver. Consequently, we have implemented multiple strategies to improve our talent attraction, development, and retention efforts.

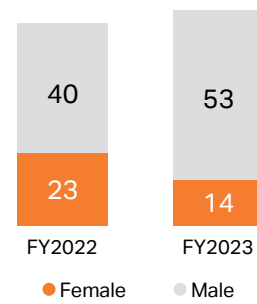
We fully embrace diversity and are dedicated to cultivating an inclusive environment that promotes equality among our employees. Regardless of race and religion, we treat all our employees with respect and ensure equal opportunities for everyone. We are proud to announce that in FY2023, there were no reported cases of gender discrimination.

As of FY2023, the following charts represent our current workforce. For more information on our Board Diversity Policy, please refer to the Corporate Governance section in our Annual Report.

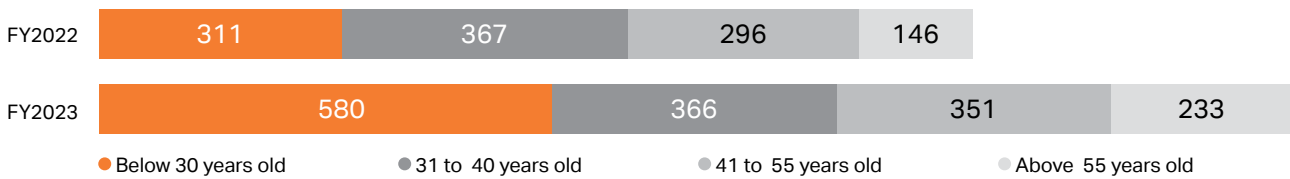
**WORKFORCE BY GENDER
(NO. OF EMPLOYEES)**



**WORKFORCE BY GENDER IN
SENIOR MANAGEMENT**



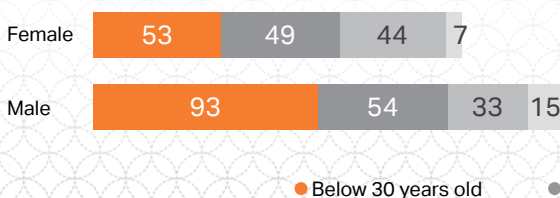
WORKFORCE BY AGE GROUP



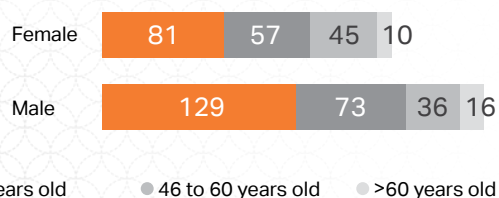
High employee turnover remains a challenge in the F&B industry. Among our talent retention strategies are regular reviews of remuneration packages to match market rates and the provision of employee benefits such

as insurance, medical coverage, sales incentives, staff meals and parental leave entitlements. Having a high level of employee satisfaction will lead to higher productivity and a more fulfilling work environment.

**FULL-TIME EMPLOYEE TURNOVER
BY GENDER AND BY AGE GROUP
IN FY2023 (NUMBER OF EMPLOYEES)**



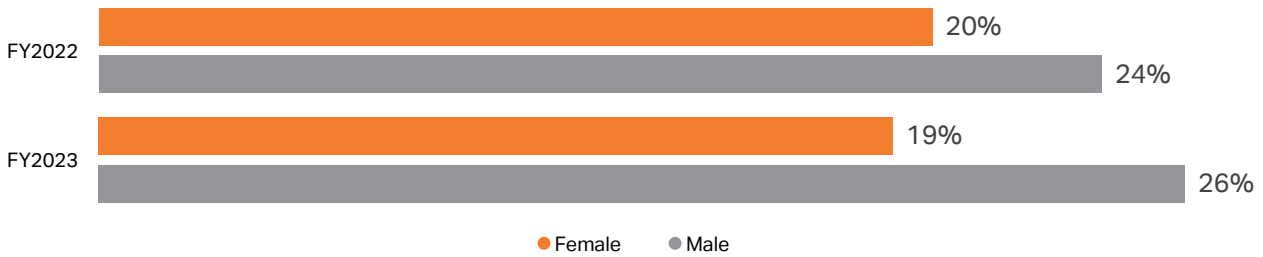
**FULL-TIME NEW HIRES
BY GENDER AND BY AGE GROUP
IN FY2023 (NUMBER OF EMPLOYEES)**



SUSTAINABILITY REPORT EMPLOYMENT

GRI 401

EMPLOYEE TURNOVER RATE FOR FY2022 AND FY2023



There is not much significant difference in the turnover rate for FY2023 when compared to FY2022. To bolster our efforts in retaining talent, RE&S has embarked on several initiatives. These include providing competitive salary packages and flexible work hours to our employees, and increasing the frequency of training programs, for which

we have successfully met our training targets for FY2023. Furthermore, we equip our staff with essential skills for their roles and have enlisted the expertise of a consultant to evaluate our company culture and recommend enhancements for a more favorable working environment for our team members.

Year	FY2023		FY2022	
	Female	Male	Female	Male
Number of employees entitled to parental leave	10	7	3	5
Number of employees who took parental leave during the reporting period	10	7	3	5
Number of employees that returned to work in the reporting period after parental leave ended	9	7	3	5
Number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	8	7	3	5
Return to work rate	90%	100%	100%	100%
Retention rate	80%	100%	100%	100%



Targets for FY2024

- Maintain diversity in our employment practices and achieve zero reported cases of gender discrimination.

SUSTAINABILITY REPORT TRAINING & EDUCATION

GRI 404

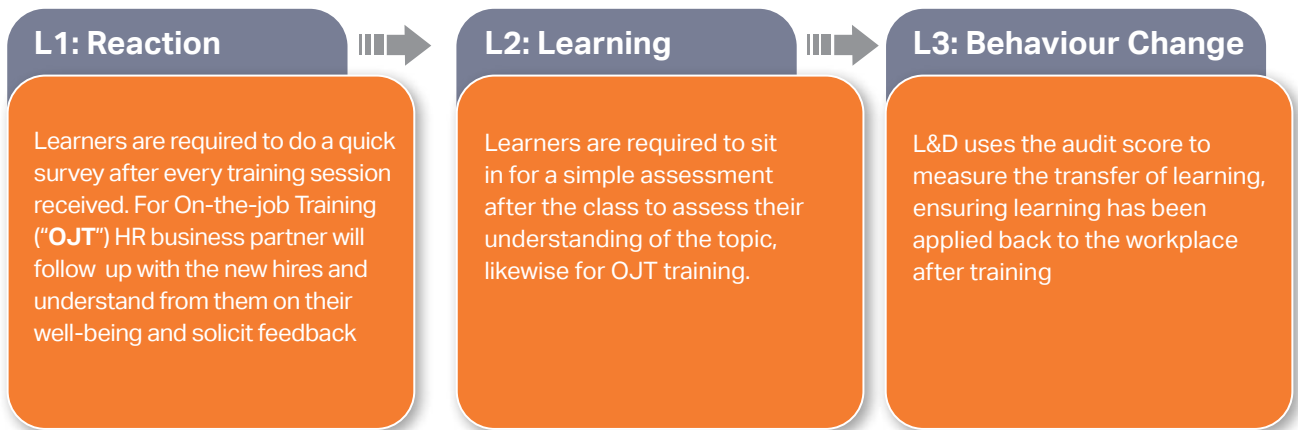
Our people form the essence of our business. With the advancement of technology, employers and employees must stay relevant and continuously improve their knowledge, skills and abilities. Companies can improve performance and results in the workplace by providing employees with suitable and consistent training. We are committed to develop our employees through training and continuous development programs to build a resilient and competitive workforce.

At RE&S, we have consistently championed the cause of digitalisation, which led to the introduction of our knowledge management system through a mobile app in February 2021. This application serves as our internal system for disseminating training modules across the entire company. Employees can now attend courses on-the-go, needing only an internet connection. Through various technological means, participating in courses without physical presence is not just possible, but simpler. This puts RE&S on the path to establishing a culture of lifelong learning within the organisation. Recognising that we have a significant number of rank & file team members who may be less acquainted with

technology, we have incorporated on-the-job training, facilitated with the use of materials from the mobile application. This thoughtful approach allows them time to become comfortable with the technology while simultaneously receiving vital training to enhance their work performance.

The company has expanded its kitchen training opportunities to a broader range of hires, encompassing various brands and concepts, from Full-Service Restaurants ("FSR") to Quick-Service Restaurants ("QSR"). As part of its vision for the future, the company aims to develop more on-the-job trainers to ensure consistent and effective training delivery and performance outcomes. Between FY2022 and FY2023, the HR team took significant steps to craft well-defined job descriptions and outline clear learning roadmaps for each level of the organisation. This initiative has paved the way for talent management plans that offer equal opportunities to everyone within the company.

We have adopted the following KirkPatrick model for the measurement of training effectiveness.



SUSTAINABILITY REPORT TRAINING & EDUCATION

GRI 404

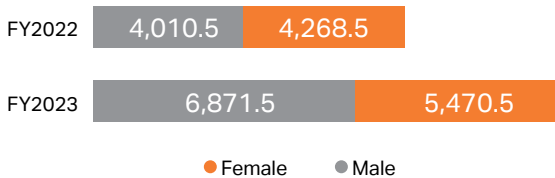
In FY2023, our Human Resource department developed a training work plan and carried out a variety of training programs for our employees. The Learning and Development (“L&D”) department collaborated closely with the operations team to ensure that the

knowledge gained was integrated and applied back in the workplace. Additionally, we gathered anonymous feedback to confirm that the trainings aligned with the content requirements and fulfilled the expectations of the learners.

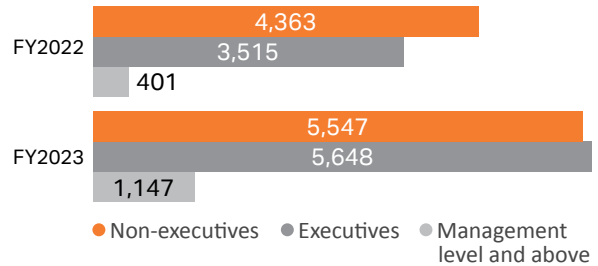
In-house programs	On-the-job Training
<ul style="list-style-type: none"> • WSQ Food Safety Course L1 for all new hires • Re-DISCover Yourself to build a More Effective Team • Stress Management • Lead the Team with Confidence • Basic Service Training • Human Relation Skills • Be a Service Coach 	<ul style="list-style-type: none"> • Kitchen Training for Ichiban Boshi and Ichiban Sushi (Age station/Kaiten Station/ Hot side station) • Kitchen Training for QSR (Kuriya Japanese Market and Ichiban Bento) started in June 2023 • Service SOP training by Restaurant Manager

As of FY2023, the following charts represents the training hours for our employees.

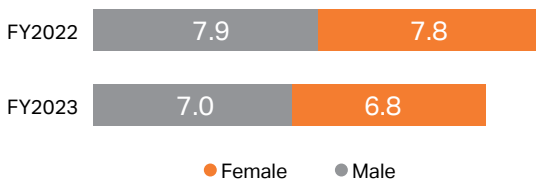
TOTAL TRAINING HOURS BY GENDER



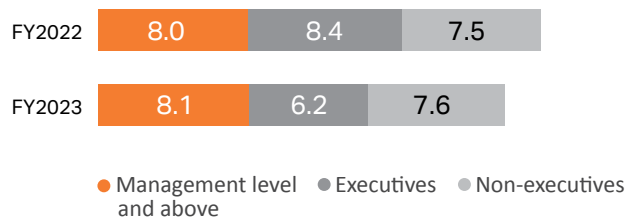
TOTAL TRAINING HOURS PROVIDED BY EMPLOYEE CATEGORY



AVERAGE TRAINING HOURS PROVIDED BY GENDER



AVERAGE TRAINING HOURS PROVIDED BY EMPLOYEE CATEGORY



SUSTAINABILITY REPORT TRAINING & EDUCATION

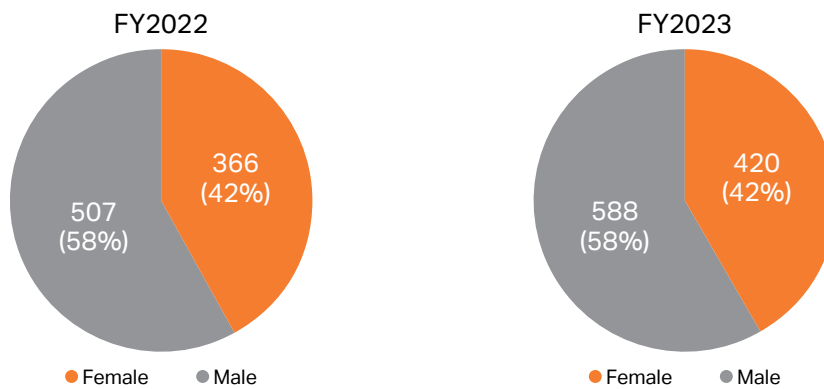
GRI 404

EMPLOYEES' ANNUAL PERFORMANCE REVIEW

Every year, we conduct an annual performance appraisal exercise for our full-time employees to identify potential candidates for promotions. These evaluations cover

various key topics, such as assessing employees' performance against their goals, setting targets for the upcoming year, discussing career development plans, and exploring growth opportunities.

TOTAL NUMBER OF EMPLOYEES RECEIVED ANNUAL PERFORMANCE REVIEW



Targets for FY2024

- To ensure on-the-job training is provided to new hires, allowing them to perform their tasks and maintain basic standards to provide consistent service and food quality.
- To identify potential individuals to be groomed as outlet trainers, ensuring that the training they provide will be consistent.
- To enhance the mobility of our workforce for various exposures, and to cultivate a more robust corporate culture with a focus on being "Employee Oriented" and "Customer Centric".

SUSTAINABILITY REPORT MATERIALS

GRI 301

For RE&S, environmental sustainability has always been a core value, alongside economic and social factors. A significant focus for the Group is on minimising packaging material and waste, as it plays a crucial role in our efforts toward environmental sustainability.

PACKAGING

Plastic Materials

In the food and beverage sector, single-use plastic items such as bags, takeaway containers, and utensils are widely used. RE&S has recognised this issue and taken concerted efforts to reduce plastic consumption by carefully exploring various alternatives and solutions.

In order to reduce the consumption of single-use plastics, some of our bento boxes are now in biodegradable materials, and disposable cutlery and plastic straws are only provided upon request for delivery or takeaway orders. By using biodegradable materials whenever possible and actively cutting down on plastic usage, we contribute to the reduction of carbon emissions from waste incineration. Since biodegradable plastics are derived from plant-based materials, they generate fewer greenhouse gases compared to their non-biodegradable counterparts. Additionally, we have implemented a charge for takeaway plastic bags, encouraging customers to opt for reusable bags and further promoting the reduction of single-use plastics. In FY2023, we achieved our target of reducing plastic usage, achieving a reduction from 382MT to 346MT.

Paper Usage

As part of our ongoing efforts to reduce paper usage, electronic menus are offered at all Yakiniku-GO outlets. Additionally, we have made a deliberate decision to reduce waste by modifying the napkin sizes which has been successfully implemented in our FSR. This thoughtful adjustment to the napkin sizes not only aligns with our target for FY2023 but also directly leads to a decrease in our overall paper consumption, reflecting our ongoing commitment to sustainability.

Mandatory Packaging Reporting Scheme

From 2022, National Environment Agency (“NEA”) of Singapore implemented Mandatory Packaging Reporting Scheme (“MPR”) to raise companies’ awareness on the

benefits of reducing packaging materials. The scheme is made mandatory by NEA for companies with an annual turnover of more than \$10 million and is part of Singapore’s Zero Waste Masterplan in becoming a sustainable, resource-efficient, and climate-resilient nation. Under this scheme, RE&S is required to provide their annual packaging usage and their 3R (reduce, reuse, recycle) plans to NEA on a yearly basis. This encompasses information concerning the types of packaging materials used (such as plastic, paper, metal, glass), the form of packaging (including carriers, bottles), their corresponding weights, and the development and execution of 3R plans.

In the FY2023 proposal submitted to NEA, RE&S has embraced a strategy to recycle beverage containers across our dining establishments. This initiative is slated for a three-year duration, culminating in full implementation by 2026. During this period, from the present until 2026, RE&S will continue to provide NEA with annual reports on our packaging consumption, in accordance with MPR regulations. Regarding the 3R plan segment, there is no need for a new submission, as the 2023 plan is designed to span three years. We will, however, keep NEA informed of our progress and will submit a new plan if we decide to launch any additional 3R initiatives between 2024 and 2026.

We have taken additional measures to reduce waste by collaborating with external recycling providers to compress cardboard into smaller sizes, thus minimising the total volume of waste generated. In FY2023, we maintained the existing number of recycling bins across RE&S, but as part of our ongoing campaign to promote proper recycling practices, we have set a goal to gradually increase the number of recycling bins in our building and outlets in the upcoming year.



Targets for FY2024

- Reduce usage of plastic bags
- Increase the quantity of recycling bins in our buildings relative to bins for general waste

SUSTAINABILITY REPORT EFFLUENTS & WASTE

GRI 306

RE&S is committed to safeguarding the environment and minimising negative environmental consequences through responsible waste management. RE&S waste types are illustrated below.



Packaging

e.g., Plastic containers/ bags, papers, cans



Chemical residue

e.g., Washing of machinery and utensils after use, cleaning of facilities



Food waste

e.g., Food waste after processing i.e., salmon scales, chicken/ pork bones

We have complied with the Public Utilities Board ("**PUB**") to oversee the management and disposal of our food and general waste, in compliance with both contractual agreements and legal requirements.

In FY2023, we achieved both of our objectives set for FY2023. As part of our planned initiatives, we commenced the implementation of reduced-size paper napkins at our FSR, aligning with our commitment to sustainability. In addition, we installed SG Electric Savers across various restaurants and our CNK, enhancing the efficiency and management of our electrical consumption. SG Electric Saver is a device containing capacitors that averages out the irregular pattern of energy use by inductive loads, to reduce electrical consumption.

Furthermore, we took the initiative to install an EV Charging Panel at our headquarters to facilitate the charging of electric vehicles. These achievements reflect our commitment to sustainability and responsible energy management.

Total volume of waste generated	
FY2023	13,005.80m ³
FY2022	15,300.94 m ³

We are pleased to report that the total volume of general waste generated in FY2023 was reduced by 15% compared to FY2022.



Targets for FY2024

- Increase the number of recycle bins at RE&S
- To reduce total general waste generated by RE&S

SUSTAINABILITY REPORT CUSTOMER PRIVACY

GRI 418

At our Group, safeguarding the personal data of our customers and employees is of utmost importance. As we advance in our digitalisation journey, ensuring the data privacy of both customers and employees becomes paramount.

Our Personal Data Protection Act (“**PDPA**”) policy, detailing our commitment to data protection, is readily available on our corporate website for stakeholders to access. Our PDPA compliance and data protection responsibilities are overseen by the COO, who is also our Data Protection Officer.

We ensure the safety and privacy of our customers' data by continuously improving the security measures of our Group's servers and IT systems. Strict access controls are implemented for all systems and servers used by the

Group. Our secure databases are fortified with password controls, anti-virus software, and firewalls to proactively thwart potential security breaches and protect customer data. Before obtaining personal data from customers, we obtain their consent through acknowledgment of our general terms of use.

We ensure compliance with data protection for our employees by obtaining their consent through the acknowledgment of a personal data consent form. New employees receive an on-boarding briefing on our company's PDPA policy, while existing employees undergo PDPA training provided by an external service provider.

In FY2023, there were zero reported cases or complaints regarding breaches of customer privacy or losses of customer data.



Targets for FY2024

- We aim to continue our excellent record of no reported incidents involving the violation of personal data or breaches of customer privacy.

SUSTAINABILITY REPORT

GRI CONTENT INDEX

Statement Of Use	RE&S Holdings Limited has reported with reference to the GRI Standards for the period, 1 July 2022 to 300 June 2023.
GRI 1 Used	GRI 1: Foundation 2021

GRI Standard	Disclosure		Page No.
GRI 2: General Disclosures 2021	2-1	Organisational details	34 – 35
	2-2	Entities included in the organisation's sustainability reporting	34
	2-3	Reporting period, frequency and contact point	33
	2-4	Restatements of information	N.A.
	2-5	External assurance	33
	2-6	Activities, value chain and other business relationships	36
	2-7	Employees	46 – 47
	2-9	Government structure and composition	39
	2-12	Role of the highest governance body in overseeing the management of impacts	39
	2-14	Role of the highest governance body in sustainability reporting	39
	2-15	Conflicts of interest	43
	2-16	Communication of critical concerns	43
	2-17	Collective knowledge of the highest governance body	32
	2-22	Statement on sustainable development strategy	37
	2-25	Processes to remediate negative impacts	33
	2-26	Mechanisms for seeking advice and raising concerns	43
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2-28	Membership of associations	37	
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SUSTAINABILITY REPORT

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	3-3	Management of material topics	40
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	3-3	Management of material topics	41 – 42
	201-1	Direct economic value generated and distributed	41
	201-4	Financial assistance received from government	41
GRI 205: Anti-corruption 2016	Anti-Corruption		
	3-3	Management of material topics	43
	205-2	Communication and training about anti-corruption policies and procedures	43
	205-3	Confirmed incidents of corruption and actions taken	43
GRI 301: Materials 2016	Materials		
	3-3	Management of material topics	51
	301-3	Reclaimed products and their packaging materials	51
GRI 306: Waste 2020	Waste Management		
	3-3	Management of material topics	52
	306-2	Management of significant waste-related impacts	52
	306-3	Waste generated	52
GRI 401: Employment 2016	Employment		
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	401-1	New employee hires and employee turnover	46 – 47
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	46
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SUSTAINABILITY REPORT

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	404-2	Programs for upgrading employee skills and transition assistance programs	49
	404-3	Percentage of employees receiving regular performance and career development reviews	50
GRI 416: Customer Health and Safety 2016	Customer Health and Safety		
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	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	45
GRI 418: Customer Privacy 2016	Customer Privacy		
	3-3	Management of material topics	53
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	53

CORPORATE GOVERNANCE REPORT

RE&S Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") are committed to achieving and maintaining high standards of corporate governance by setting in place a framework of practices and policies that complies with the principles and provisions of the Code of Corporate Governance 2018 (the "Code"). The Group believes that this is essential to the sustainability of the Group's business and critical in protecting and enhancing shareholders' interests in the long term.

This report sets out the Group's corporate governance practices for the financial year ended 30 June 2023 ("FY2023") with specific reference to the principles and provisions of the Code. The Board is pleased to report that the Group have complied with the principles set out in the Code, and also, in material aspects, with the provisions that underpin the principles of the Code. Where there are deviations from the provisions of the Code, appropriate explanations are provided. The report should be read in its entirety instead of separately under each principle of the Code and the provisions therein.

Outlined below are the policies, processes and practices adopted by the Group in compliance with the Code.

(A) BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

Principle 1: *The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.*

Directors' Fiduciary Duties and Conflicts of Interest (Provision 1.1)

The Board objectively discharges its duties and responsibilities at all times in the interests of the Company and holds Management accountable for the overall performance for long-term success of the Group. Its primary responsibility is the preservation and enhancement of long-term value and returns for the shareholders.

The Board is obliged to exercise reasonable due diligence and independent judgement when making decisions. It sets appropriate tone-from-the-top and desired organisational culture and ensures proper accountability within the Group. If there is any conflict of interest, Directors will and had voluntarily recuse themselves from all discussions and decisions involving the issues of conflict.

Board Reserved Matters (Provision 1.3)

The Board has adopted a set of internal guidelines setting forth matters that require Board's approval. Matters which are specifically reserved for the Board's decisions include those involving mergers and acquisitions, investments and divestments, acquisition and disposal of assets, corporate or financial restructuring, budget, capital expenditure, share issuance, Board and key management personnel ("KMP") succession plans, compensation for KMP, interim dividends, release of the Group's half year and full year results announcements, interested person transactions and substantial transactions which have a material impact on the Group. Management understands that these matters require the Board's approval. The Board will review these internal guidelines on a periodic basis to ensure their relevance to the operations of the Group. Below the Board level, there is appropriate delegation of authority and approval sub-limits at Management level, to facilitate operational efficiency.

CORPORATE GOVERNANCE REPORT

In addition to its statutory duties, the Board also:

1. Provides entrepreneurial leadership and sets the strategic plans and performance objectives of the Group;
2. Reviews the adequacy and effectiveness of the Group's risk management and internal controls framework including financial, operational, compliance and information technology control and establishes risk appetite to safeguard shareholders' interests and the Group's assets;
3. Reviews the performance of the Group's KMP;
4. Approves the annual budgets, significant capital expenditure, acquisitions and divestment proposals;
5. Approves the nomination and appointment/re-appointment of Directors, Board Committees' members and KMP;
6. Approves the release of the Group's half year and full year financial results and interested person transactions;
7. Reviews sustainability issues such as environmental, social and governance factors, as part of its strategic formulation;
8. Identifies key stakeholder groups and recognise that their perceptions affect the Company's reputation;
9. Sets the Board diversity policy;
10. Sets the Group's ethical values and standards to ensure that obligations to shareholders and other stakeholders are understood and met; and
11. Assumes responsibility for and ensuring the Group's compliance with good corporate governance practices.

Delegation of Authority by the Board to its Board Committees (Provision 1.4)

To assist in the execution of its responsibilities, the Board has established and delegated certain functions to its various Board Committees, namely, the Audit Committee (the "AC"), the Nominating Committee (the "NC"), the Remuneration Committee (the "RC") and the Administration Committee.

Each Board Committee is chaired by an Independent Director and all of the members are Independent Directors. Functions of these Board Committees including their compositions, authorities and duties are clearly written in its terms of reference ("TOR"), which have been approved by the Board. The effectiveness of each Board Committee is constantly monitored and reviewed on a regular basis to ensure their continued relevance. The TOR in relation to the responsibilities and functions of the Directors in each Board Committee is provided in this Report.

Directors' Orientation, Induction, Training and Development (Provision 1.2)

The Company provides formal letter of appointment to each newly appointed Director setting out his roles, responsibilities and obligations as a member of the Board. Newly appointed Directors will also meet with Management of the Company to be briefed on the Group's business, operations, structure as well as its history, core values, strategic directions, industry specific knowledge and the Group's governance practices relating to, inter alia, disclosure of interests in the Company's securities, prohibition on dealings in the Company's securities and restrictions on the disclosure of price sensitive information.

CORPORATE GOVERNANCE REPORT

The Company also ensures that any newly appointed Director who does not have prior experience or is not familiar with the duties and obligations required of a Director of a listed company in Singapore, will undergo mandatory training pursuant to Rule 406(3)(a) of the Listing Manual – Section B: Rules of Catalist (“Catalist Rules”) of the Singapore Exchange Securities Trading Limited (“SGX-ST”) in the roles and responsibilities of a listed company director.

During FY2023, Management has kept the Board up-to-date on all pertinent developments in the business of the Group during Board and/or Board Committee meetings to facilitate the discharge of duties by the Directors. From time to time, the Group’s internal and external auditors, legal advisors and the Company Secretary updates the Board on changes to the Catalist Rules of the SGX-ST or changes to the laws and guidance pertaining to corporate governance practices, risk management, insider trading and changes to financial reporting standards so that the Directors may discharge their fiduciary duties effectively. In addition, articles, press releases and reports released by SGX-ST and ACRA which are relevant to the Group are circulated to the Board.

The Group welcomes Directors to seek explanations or clarifications from and/or request for informal discussions with the Management on any aspect of the Group’s operations or business. The Group is responsible for encouraging and funding the training of its Directors to enhance their skills and knowledge and provides the budget and ongoing opportunities for the Directors to receive further training.

To ensure Directors can fulfil their obligations and to continually improve the performance of the Board, all Directors are encouraged to undergo regular training and participate in conferences, seminars or any training programme in connection with their duties to keep abreast of a dynamic business environment during their term of appointment.

During FY2023, certain Directors had attended SID directors conference, sustainability and ESG programmes. A training register is maintained by the Company with respect to the courses/seminars attended by each Director.

At the end of FY2023, all of the Directors have completed the required training on sustainability matters as prescribed by the SGX-ST.

Board and Board Committees Meetings and Attendance (Provision 1.5)

The Board and AC conduct regular scheduled meetings each year to review the financial results and holds additional or ad hoc meetings at such other times as is necessary to address significant matters that may arise. Each of the NC and RC conducts at least one scheduled meeting each year. The meetings are scheduled in advance to facilitate the individual Directors’ planning in view of their on-going commitments. All agendas for meetings are reviewed by the Chairman of the Board and the Chairman of the respective Board Committees. Board papers incorporating sufficient information from Management are forwarded to Board members in advance of a Board meeting and on an on-going basis to enable each member to make informed decisions and discharge their duties and responsibilities. Management is invited to attend the meetings to present information and/or render clarification when required. Directors may request for explanations, briefings by or discussions with Management on any aspect of the Group’s operations or business. When circumstances require, Board members exchange views outside the formal environment of Board meetings.

The Company’s Constitution allows a Board meeting to be conducted by telephone conference, video conference, audio visual or through other communication equipment via which all persons participating in the meeting can communicate with each other simultaneously and instantaneously.

In lieu of physical meetings, Board decisions are also made via written resolutions circulated to the members for their approvals.

CORPORATE GOVERNANCE REPORT

The number of Board, Board Committees meetings and General Meeting(s) held during FY2023 as well as the attendance of each Director and KMP at each of these meetings is set out below:

Meetings	Board	AC	NC	RC	General Meeting
Total held in FY2023	4	2	1	1	1
Directors					
Ben Yeo Chee Seong	4	2	1	1	1
Hiroshi Tatara	4	2 ⁽¹⁾	–	–	1
Yek Hong Liat John	4	2 ⁽¹⁾	1 ⁽¹⁾	1 ⁽¹⁾	1
Lee Lap Wah, George	4	2	1	1	1
Guok Chin Huat Samuel*	4	2	1	1	1
Foo Kah Lee	4	2 ⁽¹⁾	–	–	1
Lim Shyang Zheng	4	2 ⁽¹⁾	–	–	1
No. of Meetings attended by KMP					
Yap Fang Ling (Chief Financial Officer)	4 ⁽¹⁾	2 ⁽¹⁾	–	–	1

⁽¹⁾ By Invitation

* Mr. Guok Chin Huat Samuel resigned from the Board effective on 14 August 2023

Note: General Meeting refers to the Annual General Meeting held on 26 October 2022. There was no Administration Committee Meeting held during FY2023.

Access to Information (Provision 1.6)

Board members are provided with adequate and timely information prior to all Board and Board Committee meetings through detailed Board papers that will be circulated to brief the Directors or provide progress reports on the Group's business, strategies, risk analysis, financial impact, regulatory or corporate governance issues and other matters requiring the Directors' attention and mandate.

At each AC and/or Board meeting, the Executive Directors and Management will provide the reports on the Group's performance and financial results and consult the Board on any significant development or transactions relating to the Group's operations.

Access to Management and Company Secretaries (Provision 1.7)

The Board has separate and independent access to Management and external advisors (whenever necessary) at the Company's expense. Management will be invited to attend the Board meetings to participate in the discussions on the Group's operations.

The Directors also have separate and independent access to the Company Secretary or her representative who attends and records the minutes of all Board and Board Committee meetings. The Company Secretary assists the Chairman of the Board and of each Board Committee in ensuring that Board procedures are followed and reviewed in accordance with the Company's Constitution and regulatory laws. The Company Secretary's role is to advise the Board on all governance matters and the appointment and removal of the Company Secretary is subject to the approval of the Board as a whole.

CORPORATE GOVERNANCE REPORT

BOARD COMPOSITION AND GUIDANCE

Principle 2: *The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.*

Independent Directors and Non-Executive Directors Comprise a Majority of the Board (Provisions 2.1 to 2.3)

The Board currently comprises six (6) Directors, two (2) of whom are Independent Directors; one (1) of whom is a Non-Executive Non-Independent Director; and three (3) of whom are Executive Directors. The Independent Directors and Non-Executive Non-Independent Director, collectively make up half of the Board. The Chairman of the Board is independent.

The composition of the Board is as follows:

Mr. Ben Yeo Chee Seong	(Non-Executive Chairman and Independent Director)
Mr. Foo Kah Lee	(Executive Director and Chief Executive Officer)
Mr. Hiroshi Tatara	(Executive Director and President)
Mr. Lim Shyang Zheng	(Executive Director and Chief Operating Officer)
Mr. Yek Hong Liat John	(Non-Executive Non-Independent Director)
Mr. Lee Lap Wah, George	(Independent Director)

The Board assesses the independence of Independent Directors in accordance with the requirements of the Code to ensure that the Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Group.

Under the Code, an Independent Director is one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its shareholder who hold 5.0% or more of the voting shares (the "Substantial Shareholders") or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgement in the best interest of the Company and the Group.

The NC had reviewed the independence of each Independent Director and determined that these Directors are independent. The NC and the Board are also of the view that no individual or small group of individuals dominates the Board's decision-making process.

There is no Independent Director who has served beyond 9 years since the date of his first appointment.

The Independent Directors exercise no management function in the Group.

The Non-Executive Director is neither Management nor employee of the Group. The Non-Executive Director is expected to be familiar with the Group's business and stay informed of its activities so that he may constructively challenge Management.

In addition to the role and duties of the Non-Executive Director, the Independent Directors provide an independent and objective check on Management and, together with the rest of the Board, safeguard the interests of minority shareholders.

CORPORATE GOVERNANCE REPORT

Board Composition and Diversity (Provisions 2.4)

The Board recognises the benefit of diversity in fostering robust discussions and guarding against groupthink which in turn leads to better decision-making. The Company has adopted a Board Diversity Policy since 13 May 2020 which commits to giving due consideration to the benefits of diversity when seeking to appoint candidates to the Board.

The Board Diversity Policy defines "diversity" from various aspects, including but not limited to the following:

- (a) gender;
- (b) age;
- (c) nationalities;
- (d) ethnicity;
- (e) cultural background;
- (f) educational background;
- (g) experience;
- (h) skills;
- (i) knowledge;
- (j) independence (if applicable); and
- (k) length of service.

Guided by the Company's Board diversity policy, the NC is cognisant of achieving an appropriately balanced mix of talent on the Board, comprising Directors with diverse but complimentary backgrounds and experiences. Selection of candidates will be based on a range of diversity including other relevant personal attributes important in providing a range of perspectives, insights and challenges needed to support good decision-making. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

In the terms of Gender diversity, the Board aims to have at least one female representation on the Board, taking into account the skills, experience and other diversity requirements on the Board.

Besides gender diversity, the Board strives towards achieving diversity more broadly, including diversity in terms of its skill sets, age and sectoral experience, within the Board to enhance effective stewardship and oversight of the Group. For FY2023, the Board has a good mix of Directors in different age groups, skill sets and experience.

DIRECTORS BY AGE GROUP



CORPORATE GOVERNANCE REPORT

Directors Experience / Skills Matrix	Food & Beverages	Engineering	Entrepreneur	Audit & Accounting	Manufacturing	Financial Services	Legal	Real Estate Development	Supply Chain & Retail Operations
Mr. Ben Yeo Chee Seong		✓		✓		✓		✓	
Mr. Foo Kah Lee	✓								
Mr. Hiroshi Tatara		✓	✓						
Mr. Lim Shyang Zheng	✓								✓
Mr. Yek Hong Liat John	✓						✓		
Mr. Lee Lap Wah, George						✓			
Mr. Guok Chin Huat Samuel*						✓			

* Resigned on 14 August 2023

As at the date of this report, 50% of the Board are Non-Executive Directors. The size and composition of the Board and Board Committees are reviewed on an annual basis by the NC to ensure that it has an appropriate balance and mix of skills, knowledge, age, expertise and experience, to avoid groupthink and foster constructive debate. The NC also ensures that the Board collectively possesses the necessary core competencies for effective functioning and informed decision making, which the Group may tap on for assistance in furthering its business objectives and shaping its business strategies. The NC strives to ensure that the size of the Board is conducive for discussions and facilitates effective decision making.

The Board and its Board Committees comprise respected individuals from diverse backgrounds with core competencies in accounting or finance, business and management, real estate, industry knowledge, strategic planning expertise and customer-based experience. There is a balance of skills, experience and background that will provide competent and effective stewardship of shareholders interest and governance of the Group's business. There is no alternate Director on the Board. The NC, with the concurrence of the Board is of the view that the size of the Board and Board Committees for FY2023 is adequate, taking into account the scope of the Group's operations.

As part of the Company's effort towards in promoting and achieving its gender diversity target, the NC and the Board have reviewed the experience and credentials of Ms. Heng Mui Mui, whose appointment as a new Independent Director of the Company, will be put forth for approval by shareholders at the upcoming Annual General Meeting ("AGM").

Shareholders' approval is sought for Ms. Heng Mui Mui appointment as an additional Director pursuant to Regulation 103 of the Company's Constitution.

Please refer to pages 81 to 82 of the Annual Report for the detailed information on Ms. Heng Mui Mui.

Meeting of Independent Directors without Management (Provisions 2.5)

The role of the Independent Directors is to review Management's performance, monitor the reporting of the Group's performance by the Management and constructively challenge and help to develop strategic goals. The Non-Executive Directors, led by the Independent Chairman, have met at least once in the absence of Management in FY2023 and provides feedback to the Board as appropriate.

CORPORATE GOVERNANCE REPORT

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: *There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision making.*

Separation of Roles of the Chairman and Chief Executive Officer (Provisions 3.1 and 3.2)

The Company has a separate Chairman and Chief Executive Officer of the Group (the “CEO”). This ensures an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision-making.

Mr. Ben Yeo Chee Seong, the Independent Chairman, is responsible for the high standards of corporate governance and ensuring a rigorous compliance with the Code as he leads the Board in providing the strategic direction for the Group’s operations through constructive and participative relations with Management and the active contribution of Independent Directors. As the Chairman, he sets the Board’s meeting agendas in consultation with Management and the Company Secretary, ensuring that the Directors receive accurate, timely and clear information in preparation for each meeting, facilitates a balance of viewpoints and perspectives in Board discussions on strategic, tactical, business, financial and planning issues. The Chairman often takes the lead in discussions on strategy, facilitating a lively exchange among Board members, encouraging constructive relations between Board and Management and effective communication with shareholders.

Mr. Foo Kah Lee, the CEO and Executive Director of the Company, leads Management of the Group in its business operations, development, performance and growth, ensuring that objectives are achieved through the effective working relationship and communications between the Board and Management of the Company. The CEO also ensures that the information that is shared with the Board is timely, appropriate and of the requisite quality so that the Board can discharge its duties and responsibilities effectively.

The Board has established in writing the division of responsibilities and duties between the Chairman and the CEO pursuant to Provision 3.2 of the Code which sets a clear separation of responsibilities between the Chairman and the CEO, to maintain an appropriate balance of power and authority. The Chairman and the CEO are not related to each other. There is a clear balance of authority and decision making in the alignment of responsibilities between the Board and Management to ensure that no individual holds a concentration of power.

Appointment of Lead Independent Director (Provision 3.3)

With Mr. Ben Yeo Chee Seong as an Independent Chairman and given the desire to maintain at least three (3) Independent Directors* on the Board and the Board Committees, there are adequate checks and balances in place to ensure that the process of decision-making by the Board is based on collective decision of Directors, without any concentration of power residing in any individual. In view thereof, there is no need for the Company to have a Lead Independent Director. Shareholders may contact the Independent Chairman at ben.yeo@res.com.sg when they have concerns and for which contact through normal channels with Management are inappropriate and inadequate.

* The proposed appointment of Ms. Heng Mui Mui as the third Independent Director of the Company will be tabled at the upcoming AGM.

BOARD MEMBERSHIP

Principle 4: *The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.*

The Board through the delegation of its authority to the NC has ensured that there is a formal and transparent process in the appointment and re-appointment of Directors who possess the relevant background, experience and knowledge in business, finance and management skills.

CORPORATE GOVERNANCE REPORT

Composition of the Nominating Committee (Provision 4.2)

The NC currently comprises two (2) Independent Directors as follows:

Mr. Lee Lap Wah, George (Chairman)
Mr. Ben Yeo Chee Seong
Mr. Guok Chin Huat Samuel*

* Resigned from the Board on 14 August 2023

Role and Responsibilities of the Nominating Committee (Provision 4.1)

The responsibilities of the NC in accordance with its TOR are as follows:

- (a) Recommend to the Board the appointment of new Directors (including alternate Directors, if applicable) and KMP, including re-nominations of existing Directors for re-election in accordance with the Constitution of the Company, taking into account the Director's contribution and performance;
- (b) Review and approve any new employment of persons related to the Directors/CEO and/or substantial shareholders of the Company and proposed terms of their employment;
- (c) Determine on an annual basis whether or not a Director is independent bearing in mind the circumstances set forth in the Code as well as the relationship or circumstances which would deem a Director not independent;
- (d) Review and decide whether or not a Director is able to and has been adequately carrying out his duties as Director, having regard to the competing time commitments that are faced by the Director when serving on multiple boards and discharging his duties towards other principal commitments;
- (e) Review the training and professional development programmes for the Board and its Directors;
- (f) Review succession plans for Directors, in particular, the Chairman of the Board, the CEO and KMP;
- (g) Review the Directors' mix of skills, experience, gender, core competencies and knowledge of the Group which the Board requires to function competently and efficiently;
- (h) Determine and recommend to the Board the maximum number of listed company board representations which any Director may hold;
- (f) Develop a process for evaluation of the performance of the Board, its committees and the Directors and propose objective performance criteria, as approved by the Board, that allows comparison with its industry peers;
- (g) Address how the Board has enhanced long-term shareholders' value and assessing the contribution of each Director to the effectiveness of the Board; and
- (h) Review its terms of reference.

The NC has also reviewed and monitored the Board Diversity Policy as enumerated under Provision 2.4.

CORPORATE GOVERNANCE REPORT

Selection, Appointment and Re-appointment of Directors (Provision 4.3)

The NC is responsible for identifying and selecting potential new Directors based on their core competencies and relevant experience critical to the Group's business and may engage professional consultants and independent experts to undertake research on or assess candidates for new positions on the Board. The search criteria include integrity, diversity and the ability to commit time and referrals or recommendations from personal contacts and business associates may also be sought. The NC meets with the short-listed Board candidates to assess their suitability and availability. The NC then makes recommendations to the Board for its consideration and approval.

The NC and Board are pleased to propose Ms. Heng Mui Mui as Director of the Company for shareholders' approval at the coming Annual General Meeting ("AGM"). Ms. Heng has over 25 years of banking experience. She was with DBS Bank Ltd. from 1995 to 2020 where her last held position was Managing Director, Capital Markets. She specialised in equity fund raisings and has extensive experience in advising and executing IPOs for issuers on the Singapore Exchange, as well as follow-on equity offerings such as rights issues and placements. The NC has assessed Ms. Heng's qualifications and experience and believe that she will add relevant knowledge, skills and experience to the Board. The Board has considered the NC's recommendation and concurred to table Ms. Heng Mui Mui's appointment as Independent Director of the Company for shareholders' approval at the AGM.

In accordance with Regulation 97 of the Company's Constitution and the Catalist Rules, all Directors shall retire from office at the Company's AGM at least once every three (3) years. At each AGM, one-third of the Directors for the time being shall retire from office by rotation. The retiring Directors are eligible to offer themselves for re-election.

In accordance with Regulation 103 of the Company's Constitution, newly appointed Directors by the Board during the year are subject to re-election at the AGM. A retiring Director shall be eligible for re-election at the AGM at which he retires.

The NC had recommended to the Board that Mr. Ben Yeo Chee Seong and Mr. Foo Kah Lee (the "Retiring Directors") shall retire in accordance with Regulation 97 of the Company's Constitution and be nominated for re-election at the forthcoming AGM. The Board had accepted the NC's recommendation. The Retiring Directors has each consented to and offered themselves for the re-election.

The Retiring Directors had each abstained from the discussions and taking a decision in respect of their own nomination.

Please refer to pages 81 to 82 of the Annual Report for the detailed information on the Directors who are being nominated for re-election pursuant to Rule 720(5) of Catalist Rules.

Determining Directors' Independence (Provision 4.4)

The NC is also responsible for determining annually, and as and when circumstances arise, the independence of Directors. On an annual basis, each ID is required to complete a declaration of independence based on the provisions in the Code and the Catalist Rules, for the NC's review. The NC takes into account the principles and guidelines set out in the Code and the Catalist Rules and assessed the independence of Directors based on the following considerations:

- (a) whether the Director has a relationship with the Company or its related corporations, substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere with the exercise of his/her independent judgement in the best interests of the Company;
- (b) whether the Director is or has been employed by the Company or any of its related corporations in the current or immediate past three financial years;
- (c) whether the Director has an immediate family member who is or has been employed by the Company or any of its related corporations in the current or any of the past three financial years, and whose remuneration is or was determined by the RC;

CORPORATE GOVERNANCE REPORT

- (d) whether the Director or his/her immediate family member has, in the current or immediate past financial year, provided to or received from the Company or any of its subsidiaries any significant payments or material services, other than compensation for Board service;
- (e) whether the Director or a Director whose immediate family member, in the current or immediate past financial year, is or was, a Substantial Shareholder or a partner in (with 5% or more stake), or an executive officer of, or a director of, any organisation which provided to or received from the Company or any of its subsidiaries any significant payments or material services;
- (f) whether the Director has been a Director on the Board for an aggregate period of more than nine years; and
- (g) any other applicable circumstances.

The NC has reviewed and ascertained that Mr. Ben Yeo Chee Seong and Mr. Lee Lap Wah, George continue to remain independent having considered their confirmation that they do not have any relationship with the Company, its related companies, substantial shareholders, or officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgement with a view to the best interests of the Company and Group, and the other considerations set out above.

The NC has also reviewed and ascertained the independence of Ms. Heng Mui Mui, the proposed Director, whose appointment will be tabled for shareholders' approval at the AGM.

Directors' Time Commitments and Multiple Directorships (Provision 4.5)

Although some of the Directors have other listed company board representations, the NC, having considered the contribution of the Directors to the Group, and the full attendance and participation of the Directors at meetings for FY2023, is satisfied that each individual Director had been diligently carrying out their duties by devoting sufficient time and attention to the affairs of the Company and contribute significant expertise through their governance and guidance on the operational and financial performance of the Group. Currently, the maximum number of listed company board representations for the Directors is set at six (6). For the period under review, no Director has exceeded such limit.

For FY2023, every Director achieved full attendance for Board and Board Committee meetings. The meeting attendance records of all Directors and the key information regarding the Directors up to the date of this report are fully disclosed in the Annual Report.

BOARD PERFORMANCE

Principle 5: *The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.*

Assessing the Effectiveness of the Board, Board Committees and Individual Director (Provisions 5.1 and 5.2)

The NC is responsible for recommending the objective performance criteria to the Board for approval and implementing a process to assess the performance and effectiveness of the Board as a whole and its Board Committees separately as well as evaluating the performance of the Chairman and each Director in his contribution to the effectiveness of the Board. This is carried out on an annual basis.

Assessment and evaluation forms designed as a questionnaire have been developed and adopted for the process to determine the strengths and capabilities of the Board, the Board Committees and each of the Directors. The criteria for the evaluation were based on size and composition of the Board, attendance, participation in constructive discussions and communication, quality of decision making, timeliness of board papers, conduct, internal controls and other specific criteria relevant to the determination of efficacies. The forms were completed by the Directors and were then collated by the Company Secretary and presented to the NC as a summary report.

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The performance criteria will not be changed from year to year unless circumstances deem it necessary for any of the criteria to be changed and the onus should be on the Board to justify the decision. The NC will review the need for industry peer comparison criteria in the Board evaluation when appropriate.

Following the evaluation exercise for FY2023 completed by all Directors, the NC is satisfied that the Board, its Board Committees and each of the Directors are performing effectively and have met their respective performance objectives. All NC members have abstained from the voting and review of any matter in connection with the assessment of his performance. No external facilitator was engaged for the evaluation exercise.

(B) REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: *The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.*

Composition of the Remuneration Committee (Provision 6.2)

The RC currently comprises two (2) Independent Directors as follows:

Mr. Guok Chin Huat Samuel* (Chairman)
Mr. Ben Yeo Chee Seong
Mr. Lee Lap Wah, George

* Resigned from the Board on 14 August 2023

Role and Responsibilities of the Remuneration Committee (Provision 6.1)

The RC's principal responsibilities are to review and recommend to the Board, a framework of remuneration for the Board and KMP and to determine specific remuneration packages and terms of employment for each Director and KMP to ensure that the remuneration packages are fair, competitive and sufficient to attract, retain and motivate senior management of the required quality to run the Company successfully.

The duties of the RC in accordance with its TOR are set out as follows:

- (a) Review and approve the Company's policy for determining executive remuneration including the remuneration of the CEO and KMP;
- (b) Review the on-going appropriateness and relevance of the executive remuneration policy and other benefit programmes;
- (c) Consider, review and approve and/or vary (if necessary) the entire specific remuneration package and service contract terms for each KMP and employees who are related to Directors/CEO and substantial shareholders (including salaries, allowances, bonuses, payments, options, benefits in kind, retirement rights, severance packages and service contracts);
- (d) Consider and approve termination payments, retirement payments, gratuities, ex-gratia payments, severance payments and other similar payments to KMP;
- (e) Review and approve the design of all option plans, stock plans and/or other equity based plans;

CORPORATE GOVERNANCE REPORT

- (f) For each equity based plan, determine each year whether awards will be made under that plan;
- (g) Review and approve each award as well as the total proposed awards under each plan in accordance with the rules governing each plan, including awards to Directors and each KMP;
- (h) Review, approve and keep under review performance hurdles and/or fulfilment of performance hurdles for each equity based plan;
- (i) Approve the remuneration framework (including Directors' fees) for Independent Directors of the Company; and
- (j) Review its terms of reference

Remuneration Framework (Provision 6.3)

There is a formal and transparent process for developing executive remuneration and for determining the remuneration packages of individual Directors. No Director is involved in deciding his own remuneration.

The RC reviews all matters concerning remuneration to ensure that the remuneration commensurates with their contributions, responsibilities and market benchmarks.

The RC also reviews the Company's obligations, if any, arising in the event of termination of the Executive Directors and/or KMP's contract of services to ensure that the termination clauses contained in the contracts of service for Executive Directors and/or KMP are fair and reasonable and not overly generous. The RC aims to be fair and avoid rewarding poor performance.

RC access to Expert Professional Advice (Provision 6.4)

The RC has full authority to engage any external professional advisors, as and when the need arises, on matters relating to remuneration and the cost of such engagement shall be borne by the Company. There were no external professional advisors engaged for FY2023.

LEVEL AND MIX OF REMUNERATION

Principle 7: *The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.*

The remuneration policy of the Company is designed to align the interests of Executive Directors and KMP with those of shareholders and stakeholders, and promotes long-term success of the Group. The policy seeks to attract, retain and motivate the Directors to provide good stewardship of the Company and KMP with competitive remuneration packages based on the scope of responsibilities, prevailing market conditions and comparable industry benchmarks.

Remuneration of Executive Directors and Key Management Personnel (Provisions 7.1 and 7.3)

In determining remuneration packages, the RC takes into consideration the Code's principles and provisions on the level and mix of remuneration and ensures that a significant and appropriate proportion of the remuneration is linked to the individual's and the Group's performance. The Company has formulated a remuneration policy that sets a base salary as a fixed component of the remuneration and a variable bonus linked to the performance of the Company and the employees.

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Annual review of the remuneration including the variable bonus of KMP and Executive Directors are conducted by the RC to ensure that the remuneration commensurates with the performance of each employee, taking into account the respective key performance indicators and the Group's financial results and risk policies. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promote the long-term success of the Group.

The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors and KMP in exceptional circumstances of misstatement of financial results or misconduct resulting in financial loss to the Company. The Company will avail itself of legal processes for recovery against the employees. As Executive Directors owe a fiduciary duty to the Company, the Company may avail itself of legal remedies in the event of such breach of fiduciary duties.

The Company had entered into service agreement dated 31 October 2017 with Mr. Hiroshi Tatara, Executive Director and President, taking effect from the date of admission of the Company to the Catalist of Singapore Exchange Securities Trading Limited on 22 November 2017 for an initial period of three (3) years and shall be automatically renewed on a yearly basis thereafter. Mr. Hiroshi Tatara's service agreement may be terminated by not less than 6 months' notice in writing by either party and does not contain onerous removal clauses.

Each of Mr. Foo Kah Lee, Mr. Lim Shyang Zheng and Ms. Yap Fang Ling has an existing service agreement/ employment contract with the Company which may be terminated by not less than 6 months' notice in writing and do not contain onerous removal clauses.

Remuneration of Independent Directors or Non-Executive Directors (Provisions 7.2)

Each Independent Director was issued a letter of appointment. The RC has recommended a fixed fee for the efforts and responsibilities of and the time spent by each Independent Director serving on the Board and Board Committees. Other than Directors' fees, which have to be approved by shareholders at every AGM, the Independent Directors do not receive other form of remuneration from the Company. The RC has recommended to the Board Directors' fees of up to S\$199,000 for the financial year ending 30 June 2024, to be paid quarterly in arrears.

The Directors' fees are reviewed by the RC and recommended to the Board which is of the view that the Directors fee is appropriate to the level of contribution by the Independent Directors, who are not over-compensated to the extent that their independence may be compromised. No member of the RC is involved in deliberating and deciding in respect of any remuneration, compensation or any form of benefits to be granted to him. The Directors' fees are subject to the approval of the shareholders at an AGM.

As a substantial shareholder of the Company, Mr. Yek Hong Liat John, the Non-Independent Non-Executive Director, had voluntarily waived his Directors' fees for the interest of the Company and its' shareholders. The Board recorded its appreciation to Mr. Yek for his contribution and support to the Company and guidance provided to Management.

The Executive Directors do not receive Directors' fees.

CORPORATE GOVERNANCE REPORT

DISCLOSURE ON REMUNERATION

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Disclosure of the Remuneration of Directors and Key Management Personnel (Provisions 8.1 and 8.3)

A breakdown showing the level and mix of each Director's and KMP's remuneration for FY2023 is set out below:

Name of Director	Salary	Performance Bonus	Director's Fees	Total
Above S\$500,000				
Mr. Foo Kah Lee ("CEO")	74.8%	25.2%	–	100%
Mr. Lim Shyang Zheng ("COO")	74.1%	25.9%	–	100%
S\$250,000 – S\$500,000				
Mr. Hiroshi Tatara	86.1%	13.9%	–	100%
Below \$250,000				
Mr. Ben Yeo Chee Seong	–	–	100%	100%
Mr. Lee Lap Wah, George	–	–	100%	100%
Mr. Guok Chin Huat Samuel	–	–	100%	100%
Mr. Yek Hong Liat John ⁽¹⁾	–	–	–	–

Note:

⁽¹⁾ Mr. Yek had voluntarily waived his Director's fee for the interest of the Company and its shareholders.

The Company is of the view that in a small and medium size enterprise environment, disclosure of the Executive Directors' remuneration in bands of S\$250,000 should be sufficient to provide an insight into the link between compensation and performance of the Executive Directors and further details are deemed to be not in the interest of the Company due to the sensitivities and confidentiality of remuneration.

Name of Key Management Personnel	Salary	Bonus	Total
Below \$250,000			
Ms. Yap Fang Ling	84.7%	15.3%	100%

Notwithstanding Provision 8.1 of the Code, there was only one (1) KMP (who are not Directors or the CEO) during FY2023. In view of sensitivity and confidentiality of remuneration, the Board was of the view not to disclose the aggregate total remuneration paid to the KMP for FY2023. Furthermore, there is keen competition for talent in the Food and Beverage Industry and it is important that the Company retains its competent and committed staff to ensure the stability and continuity of business and operations of the Group.

Taking into account the disclosure of the fixed fee component for Non-Executive Director and Independent Directors, and the remuneration policies, composition of remuneration and performance metrics which go towards determination of the total remuneration packages of the CEO and KMP, the Board has determined that there is sufficient transparency and information on the remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation consistent with the intent of Principle 8 of the Code.

There were no termination, retirement or post-employment benefits granted to Directors and Key Management Personnel.

CORPORATE GOVERNANCE REPORT

Disclosure of the Remuneration of Employees who are Substantial Shareholders of the Company, Immediate Family Members of a Director, the CEO or a Substantial Shareholder of the Company (Provision 8.2)

Other than Mr. Hiroshi Tatara, the Company does not have employees who are substantial shareholders of the Company or immediate family members of a Director, the CEO or a substantial shareholder of the Company whose remuneration exceeds S\$100,000 during FY2023.

Long-term Incentive Scheme

The Company had on 26 October 2017 adopted the RE&S Employee Share Option Scheme (the "ESOS") as set out in the Company's offer document. Eligible participants (the "Participants") under the ESOS will have the opportunity to participate in the equity of the Company, thereby aligning the interests of the Participants with the interests of the Company and the shareholders, motivating them towards long-term growth and profitability of the Group and better performance through increased dedication and incentives. The ESOS also enables the Group greater flexibility in structuring compensation packages of eligible Participants so that the Group is able to offer compensation packages that are competitive in order to motivate and retain its employees. The Independent Directors and KMP of the Company are eligible to participate in the ESOS which is designed to reward and retain the participants and to foster a long-term commitment and dedication to the business of the Group. Mr. Hiroshi Tatara and Mr. Yek Hong Liat John, being controlling shareholders of the Company are not eligible to participate in the ESOS.

The ESOS is currently administered by the Administration Committee comprising members of the NC and RC, namely Mr. Ben Yeo Chee Seong and Mr. Lee Lap Wah, George. Mr. Guok Chin Huat Samuel has resigned from the Board on 14 August 2023. In compliance with the requirements of the Catalist Rules, a Participant who is a member of Administration Committee shall not be involved in the deliberation or decision in respect of ESOS to be granted to that member of the Administration Committee.

The responsibilities of the Administration Committee in accordance with its TOR are as follows:

- (a) To determine and award the number of shares in respect of which options are to be granted to Directors and employees of the Group as defined under the ESOS (collectively "the Participants");
- (b) To determine the eligibility of the Participants to participate in the ESOS;
- (c) To grant share options to the participants at any time during the period when the ESOS is in force;
- (d) To determine the exercise price for each share in respect of which a share option is exercisable in accordance with Rule 7 of the ESOS; (Please refer to page 175 of the Company's prospectus dated 15 November 2017.)
- (e) To make and vary, from time to time, such regulations (not being inconsistent with the ESOS) for the implementation and administration of the ESOS as it deems fit and any decision or determination of the Administration Committee made pursuant to any provision of the ESOS (other than a matter to be certified by the Auditors) shall be final, binding and conclusive; and
- (f) To modify and/or alter any or all the provisions of the ESOS at any time and from time to time by resolution of the Administration Committee subject to Rule 15 of the ESOS.

The ESOS shall continue in force at the discretion of the Administration Committee, subject to a maximum period of ten (10) years commencing on the date on which the ESOS was adopted by the Company in a general meeting, provided always that the ESOS may continue beyond the above stipulated period with the approval of its Shareholders by ordinary resolution in a general meeting and of any relevant authorities which may then be required.

As at the date of this report, no options have been granted under the ESOS since its commencement.

CORPORATE GOVERNANCE REPORT

(C) ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: *The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.*

Design, Implementation and Monitoring of Risk Management and Internal Control Systems and Written Assurances on Their Adequacy and Effectiveness (Provisions 9.1 & 9.2)

Separate Risk Committee

As the Company does not have a Risk Management Committee, the Board oversees the governance of risks in the Group and ensures that Management maintains a sound system of risk management and internal controls to safeguard the Company's assets and the interests of shareholders. The Board however recognises that no cost-effective system can totally preclude against errors and irregularities such as human errors, poor judgement in decision making, losses or fraud. The Group's system of internal controls and risk management therefore do not provide an absolute assurance that there will be no adverse events or circumstances faced by the Company in its operations or results.

Risk management and internal control systems

The Group has in place an enterprise risk management ("ERM") framework. This ERM framework has five (5) principal risk categories, namely strategic, financial, information technology, operational and compliance risks. The Group's risk management framework is aligned with the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Internal Controls Integrated Framework.

The ERM framework enables the Company to identify risks and adopt effective and expedient measures to control, alleviate or mitigate the risks. The ownership of the risks lies with the respective heads of departments who will implement appropriate risk management solutions and policies and continually monitor the risk profiles and refine the outcomes.

Adequacy and effectiveness

In FY2023, the Company's internal auditor has conducted a review of the Group's key strategic, operational, financial, compliance and information technology risks and risks responses relevant to the achievement of the Group's objectives.

The Group's external auditor has also carried out in the course of their statutory audit a review of the Group's material internal controls. The AC has noted the recommendations of both the internal and external auditor with regard to the Company's risk management and will monitor the effectiveness of the actions taken by Management based on the recommendations of the auditors.

For FY2023, the Board has obtained assurance from:

- (a) the CEO and the Chief Financial Officer ("CFO") that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
- (b) the CEO and other Key Management Personnel who are responsible, that the Group's risk management systems and internal control systems are adequate and effective.

Based on the internal controls established and maintained by the Group and reviewed by Management on an on-going basis, the review conducted by the internal auditor, the statutory audit carried out by the external auditor, information and reports provided to the Board and the AC and the written assurance from the CEO and CFO, the Board with the concurrence of the AC is of the opinion that for FY2023, the Group's internal controls addressing financial, operational, compliance risks, and the Group's information technology control and risk management systems were adequate and effective for FY2023.

CORPORATE GOVERNANCE REPORT

While the Board acknowledges that the system of internal controls and risk management established by Management provides reasonable, but not absolute assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it endeavours to achieve its business objectives, it is also mindful that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against poor judgement in decision-making, human error, fraud or other irregularities.

Accordingly, the Company has complied with Catalist Rule 1204(10).

AUDIT COMMITTEE

Principle 10: *The Board has an Audit Committee which discharges its duties objectively.*

Composition of the AC (Provision 10.2)

The AC currently comprises two (2) Independent Directors as follows:

Mr. Ben Yeo Chee Seong (Chairman)
Mr. Lee Lap Wah, George
Mr. Guok Chin Huat Samuel*

* Resigned from the Board on 14 August 2023

All the AC members have recent and relevant accounting experience or related financial management expertise. Mr. Ben Yeo Chee Seong, Chairman of the AC is a registered accountant and member of the Institute of Singapore Chartered Accountants. Both Mr. Lee Lap Wah, George and Mr. Guok Chin Huat Samuel* have extensive experience in the banking and financial services industry.

Former Partner or Director of the Company's Existing Auditing Firm (Provision 10.3)

In compliance with the Code, none of the members of the AC is a former partner or Director of the Company's current auditing firm, RSM Chio Lim LLP.

Authority of the AC

The role of the AC is to assist the Board in discharging its corporate governance responsibility of safeguarding the Group's assets, maintaining adequate accounting records and developing and ensuring effective systems of internal controls in the Company. The AC is also authorised by the Board to investigate or commission investigations into the Group's accounting, auditing, internal controls, financial practices or any related matter thereto with full access to records, resources and personnel in order to discharge its functions effectively.

The AC has full access to co-operation by Management, unrestricted access to information relating to the Group and the full discretion to invite any Director or Management to attend its meetings.

Duties of AC and Activities of the AC (Provision 10.1)

The AC met twice in FY2023 and performed its functions guided by AC's TOR as follows:

- (a) Assisted the Board in the discharge of its responsibilities on financial and reporting matters;
- (b) Reviewed, with the Company's internal and external auditors, the audit plans, scope of work, the evaluation of the system of internal accounting controls, their management letter and Management's response, and results of the audits compiled by the internal and external auditors, and shall review at regular intervals with the management on the implementation by the Group of the internal control recommendations made by the internal and external auditors;

CORPORATE GOVERNANCE REPORT

- (c) Reviewed the periodic financial statements and results announcements, focusing, in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with financial reporting standards, the Catalist Rules and any other statutory/regulatory requirements, as well as concerns and issues arising from the audit, including any matters which the auditors may wish to discuss in the absence of Management, where necessary, before submission to the Board for approval;
- (d) Reviewed significant financial reporting issues and judgments with the CFO and the external auditor so as to ensure the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance before their submission to the Board;
- (e) Reviewed and reported to the Board, at least annually, the effectiveness and adequacy of the Company's internal control and risk management systems, addressing financial, operational, information technology and compliance risks and discuss issues and concerns, if any, arising from the internal audits;
- (f) Reviewed the adequacy, effectiveness, independence and objectivity of the internal and external auditors as well as consider the appointment or re-appointment of internal and external auditors, including approving the remuneration and terms of engagement of the internal and external auditors;
- (g) Reviewed and discussed with the external auditor any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations which has or is likely to have a material impact on the Group's operating results or financial position, and Management's response;
- (h) Reviewed the Group's financial risk areas, with a view to providing an independent oversight of the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or, if the findings are material, to be immediately announced via SGXNET;
- (i) Review the assurance provided by the CEO and CFO that the financial records have been properly maintained, and that the financial statements give a true and fair view of the Company's operations and finances;
- (j) Reviewed the cooperation given by Management to the Company's internal and external auditors;
- (k) Made recommendations to the Board on (i) the proposals to the shareholders on the appointment, re-appointment and removal of the external auditor; and (ii) the remuneration and terms of engagement of the external auditor;
- (l) Reviewed and approved transactions falling within the scope of Chapter 9 and Chapter 10 of the Catalist Rules (if any);
- (m) Reviewed any potential conflicts of interest and interested person transactions;
- (n) Reviewed the cash management processes of the Group;
- (o) Reviewed any whistle-blowing complaints at its meetings;
- (p) Reviewed its terms of reference
- (q) Met once with the Company's external and internal auditors without the presence of Management and reviewed the overall scope of the external audit, the internal audit and the assistance given by Management to the auditors.

CORPORATE GOVERNANCE REPORT

Internal Audit (Provision 10.4)

The Company has outsourced its internal audit function to CLA Global TS Risk Advisory Pte Ltd ("Global TS" – formerly known as Nexia TS Risk Advisory Pte Ltd), to assist the Company in reviewing the design and effectiveness of key internal controls which address financial, operational, compliance and information technology risks and the Company's risk management policy and system as a whole. Global TS reports directly to the AC on audit matters and CEO on administrative matters.

The Board recognises that it is responsible for maintaining a system of internal controls to safeguard shareholders' investments and the Company's business and assets while Management is responsible for implementing the internal control procedures in a timely and appropriate manner. The internal auditor has unfettered access to the documents, records, properties and personnel of the Group including the AC and procedures are in place for the internal auditor to report their findings and recommendations to the AC for its review. Management will update the AC on the implementation and status of action plans recommended by the internal auditor.

The AC will review and approve the annual internal audit plan and the appointment and remuneration of the internal auditor to ensure the adequacy and effectiveness of the internal audit function of the Company. For FY2023, an internal audit was performed and completed in accordance with the approved internal audit plan by Global TS. The AC has conducted a meeting with Global TS without the presence of Management to review the Company's internal controls and risk management.

The AC is of the opinion that the internal audit function is independent, effective and that Global TS is adequately resourced and staffed by suitably qualified and experienced professionals who has appropriate standing in the industry. Global a TS is a member of the Institute of Internal Auditors ("IIA"). The internal audit work carried out is guided by the International Standards for the Professional Practice of Internal Auditing set by IIA.

Global TS also assists the Group in the internal review of the Sustainability reporting processes.

External Audit

RSM Chio Lim LLP is the external auditor of the Company. The external auditor provides regular updates and briefings to the AC and changes to accounting standards and other financial issues to enable the AC to keep abreast of such changes and its corresponding impact on the financial statements, if any. AC members are encouraged to attend seminars on updates to Financial Reporting Standards ("FRS"), when required. In the review of the financial statements for FY2023, the AC is of the view that the financial statements are fairly presented in conformity with the relevant FRS of Singapore in all material respects.

The AC has considered and accepted the report from the external auditor, including their findings and discussions with Management on significant risks and audit focus areas which have been set out as Key Audit Matters in the audit report for FY2023 and in pages 91 to 92 of this Annual Report.

Independence of EA

The AC has considered the independence of the external auditor and undertaken a review of all the non-audit services performed by the external auditor. The AC is satisfied that the non-audit fees incurred does not, in the opinion of the AC, affect the independence and objectivity of the external auditor who have carried out these non-audit services efficiently and with the relevant knowledge and skills required. The aggregate amount of fees paid to the external auditor and a breakdown of the fees paid in total for audit and non-audit services are set out in page 114 of this Annual Report.

The Company has complied with Rules 712 and 715 of the Catalist Rules in the appointment of its external auditor and has recommended to the Board the re-appointment of RSM Chio Lim LLP as its external auditor at the forthcoming AGM.

CORPORATE GOVERNANCE REPORT

Whistle Blowing Policy

The Group has in place a whistle blowing policy which includes the requirements under Catalist Rule 1204(18B). Employees, external parties who have business relations with the Company such as customers, suppliers or any other person, may, without fear of reprisals and in good faith raise concerns or report on irregularities with regards to financial reporting or suspected acts of misconduct or any other improprieties, through a confidential channel and well defined process to the Chairman of the AC, the Head of Human Resource and/or the Chief Operating Officer. If a report concerns the Head of Human Resource or the Chief Operating Officer, the report is escalated to the AC Chairman who may delegate investigation of such report to any person deemed fit by the AC Chairman. Depending on the complexity and the nature of the reports, external service providers may be engaged to assist in the investigations. Whistleblowers may identify themselves or make anonymous reports. The policy further provides that reports and investigations, as well as the identity of the whistleblower, are kept confidential to the extent practicable or permitted by law. The policy has been communicated to all employees and details of the policy may also be found at the Company's website at www.res.com.sg. New employees are briefed on the policy. The Group is committed to a high standard of ethics and adopts a zero tolerance approach towards fraud or other improprieties. The AC ensures that there are unobstructed channels for investigations to be overseen by the AC, where necessary and will review appropriate follow-up action as warranted.

No whistle blowing reports were received in FY2023.

Meeting with EA and IA (Provision 10.5)

The AC has met with internal and external auditors without the presence of Management once during FY2023 to review various audit matters, including reviewing the audit plans, and evaluating the internal accounting controls, the audit reports, and the assistance given by Management to the internal and external auditors.

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11: *The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.*

Conduct of Shareholders' Meetings (Provision 11.1)

All shareholders are encouraged to attend the Company's general meetings to ensure a high level of accountability and to stay informed of the Company's strategy and goals. Shareholders are informed of general meetings through notices, through reports or circulars released via SGXNET. Shareholders are also given the necessary information on the relevant resolutions so as to enable them to exercise their votes on an informed basis. At general meetings, shareholders are given the opportunity to participate effectively and vote, where relevant rules and procedures governing such meetings, such as voting procedure, are clearly communicated prior to the start of the meeting.

The Company's AGM in respect of the financial year ended 30 June 2022 was held virtually pursuant to the COVID-19 (Temporary Measures)(Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts, Unit Trusts and Debenture Holders) Order 2020 ("the Order"). The Order was ceased on 1 July 2023.

Following the legislative amendments and taking into account the SGX guidance, the Company's AGM in respect of FY2023 will be held wholly in physical format.

CORPORATE GOVERNANCE REPORT

Absentia voting (Provision 11.4)

The Company is not implementing absentia voting methods (such as voting via mail, email or fax) until issues such as the authentication of shareholder identity and other related security and integrity of such information can be resolved. Notwithstanding the foregoing, the Company's Constitution allows the shareholder to appoint proxies to attend and vote on behalf of him/her/it, if he/she/it is unable to attend the general meetings.

Separate Resolutions at General Meetings on Each Substantially Separate Issue (Provision 11.2)

Each item of special business included in the notice of the general meetings will be accompanied, where appropriate, by an explanation for the proposed resolution. Separate resolutions will be proposed for substantially separate issues at a general meeting.

Attendance at General Meetings (Provision 11.3)

The Directors including Chairman of the Board and Board Committees, the CEO, Management and the external auditor, will endeavor to be present at the general meetings. The attendance of the Directors and KMP at the Company's general meeting held in FY2023 is disclosed on page 60 of the annual report.

Shareholders are briefed by independent polling agent on the rules and voting procedures at the beginning of general meetings.

All resolutions at general meetings are put to vote by poll. The detailed results showing the number of votes cast for and against each resolution and the respective percentages will be announced via SGXNET after the general meetings.

Minutes of General Meetings (Provision 11.5)

Substantial and relevant comments or queries relating to the agenda of the AGM received from shareholders prior to the meeting together with responses from the Board and Management will be prepared by the Company and announced via SGXNET prior to or during the AGM.

The minutes of the AGM for FY2023 which capture the attendance of Board members at the meeting, substantial and relevant comments or queries raised by shareholders during the meeting, matters approved by shareholders and voting results will be prepared by the Company. The same will be announced via SGXNET within one (1) month from the date of the AGM and shall be made available on the Company's website.

Dividend Policy (Provision 11.6)

The Company does not have a fixed dividend policy. In line with the Board intention to declare and/or recommend a dividend payout ratio of at least 60.0% of the Group's profit after tax to the shareholders for each financial year, the Board is pleased to recommend a tax-exempt one tier final dividend of 0.90 Singapore cent for FY2023 to reward shareholders for their investment in the Company. Together with the tax-exempt one tier interim dividend of 0.90 Singapore cent per share, the total dividend of 1.8 Singapore cents per share, will represent approximately 83.3% payout of the Group's FY2023 net profit.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: *The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.*

CORPORATE GOVERNANCE REPORT

Communication with Shareholders (Provision 12.1)

The Company upholds the best practices of transparency and accountability to its shareholders. The Board ensures that all shareholders are treated fairly and equitably and the rights of all investors including non-controlling shareholders are safeguarded and protected.

The Company does not practice selective disclosure and ensures that all shareholders are informed on a timely basis via SGXNET of all major developments that impact the Group or could materially affect its share price.

In accordance with the Catalist Rules, the Board is committed to keeping the Company's shareholders informed of all major developments that affect the Group. The Company ensures that its shareholders are informed of all major developments, financials and price sensitive information relating to the Group on a timely basis through SGXNET and the press. In addition, if the need arises, the Company may organise media/analyst briefings to enable a better appreciation of the Group's performance and developments, which will also act as platforms to solicit and understand the views of shareholders and investors.

Investor Relations Policy (Provisions 12.2 & 12.3)

Communication with shareholders is made through:

- Annual reports and/or circulars issued to all shareholders within the mandatory period;
- Results announcements containing a summary of the financial information and affairs of the Group via the press and SGXNET;
- Public announcements via SGXNET;
- Press releases on major developments;
- Notices of shareholders' meetings advertised in a newspaper in Singapore; and
- Company's corporate website at www.res.com.sg

The Group does not have a formal investor relations policy. Notwithstanding, the Group's investor relations is led by the CEO and when necessary and appropriate, Management will meet investors, analysts and shareholders who seek to have a better understanding of the Group's business and operations. This effort enables the Company to receive feedback and insights from the investment community that are relevant to the Company's strategic plans and development. There were 2 sessions of analyst briefings held for FY2023. The Company will review the need for analyst briefings, investor road shows or Investors' Day Briefing when necessary. Shareholders may contact the Company via its corporate website at www.res.com.sg.

(E) MANAGING STAKEHOLDERS RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS

Principle 13: *The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.*

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Group are served.

Material Stakeholder Groups (Provisions 13.1)

The Group has identified key stakeholders as those who are impacted by the Group's business and operations as well as those who have a material impact on the Group's business and operations such as customers, suppliers, employees, regulators, shareholders and investors.

CORPORATE GOVERNANCE REPORT

Management of Stakeholder Relationships (Provision 13.2)

The Company ensures engagement and communication with the relevant stakeholders through the various means to ensure that the business interests of the Group are balanced against the needs and interests of its stakeholders. Details of the areas of focus, methods of engagement and stakeholders' response can be found in our Sustainability Report on page 38 of this Annual Report.

Corporate Website to Communicate and Engage with Stakeholders (Provision 13.3)

The Company maintains a corporate website www.res.com.sg to communicate and engage with stakeholders.

(F) CODE OF CONDUCT AND ETHICS

All employees of the Group are required to observe and maintain high standard of integrity, as well as to comply with laws, regulations and the Group's policies. The Group's employee handbook and internal policies set out the standards of ethical conduct which covers all aspects of the business operation of the Group such as work ethics, personal conflicts of interest, and confidentiality of information, related party transactions, gifts and dealings in the Company's securities.

(G) DEALINGS IN SECURITIES

In compliance with Rule 1204(19) Catalist Rules, the Company has adopted an internal compliance code on dealings in the Company's securities. All Directors and officers of the Group are prohibited from dealing in the Company's securities during the period commencing two (2) weeks before the announcement of the Group's quarterly financial results (whether on a voluntary basis or if required to do so under the relevant Catalist Rules) and the period commencing one (1) month before the announcement of its half-year results (if the Company does not announce its quarterly financial statements) and full-year results. They are expected to observe insider trading laws at all times even during the permitted trading periods or when they are in possession of unpublished price sensitive information and are also not to deal in the Company's securities on short term considerations. Directors and the CEO are required to notify their dealings in the Company's securities within two business days.

(H) INTERESTED PERSON TRANSACTIONS

The Company has adopted an internal policy in respect of any transactions with interested persons ("IPTs") and has established procedures for review and approval of IPTs entered into by the Group. All IPTs will be review by the AC to ensure that they were conducted on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

There was no interested person transaction with value of more than S\$100,000 entered into during FY2023. The Group does not have a general mandate for interested person transactions.

(I) MATERIAL CONTRACTS

There were no material contracts entered into by the Company or its subsidiaries involving the interests of the CEO, any Director or controlling shareholder of the Company which are either still subsisting at the end of FY2023 or if not then subsisting, entered into since the end of the previous financial year.

(J) NON-SPONSOR FEES

The Company is currently under the SGX-ST Catalist sponsor supervised regime. There were no non-sponsor fees paid to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. for FY2023.

CORPORATE GOVERNANCE REPORT

Information of Mr. Ben Yeo Chee Seong and Mr. Foo Kah Lee, Directors who are retiring and being eligible, offer themselves for re-election at the forthcoming AGM and Ms. Heng Mui Mui whose appointment as Independent Director will be tabled for shareholders' approval at the AGM:

Details required under Appendix 7F of the Catalist Rules	Name of Directors		
	Mr. Ben Yeo Chee Seong	Mr. Foo Kah Lee	Ms. Heng Mui Mui (Proposed Director)
Date of Appointment	30 October 2017	1 July 2019	25 October 2023 (Proposed)
Date of last re-appointment (if applicable)	26 October 2020	27 October 2021	Not applicable
Age	72	55	50
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Board of the Company accepts the recommendation of the NC who has reviewed and considered Mr. Yeo's qualifications, work experience, skills and contribution as Non-Executive Independent Director of the Company.	The Board of the Company accepts the recommendation of the NC, who has reviewed and considered Mr. Foo's qualifications, work experience, skills and contribution as Executive Director and CEO of the Company.	The Board has considered the NC's recommendation of Ms. Heng's qualifications and experience, is of the view that Ms. Heng will add relevant knowledge, skills and experience to the Board. The NC and Board have also agreed to table Ms. Heng's appointment for shareholders' approval at the AGM.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive Chairman and Independent Director, Chairman of Audit Committee and member of Nominating Committee, Remuneration Committee and Administration Committee	Chief Executive Officer of the Group, Executive Director	Independent Non-Executive Director, Chairman of the Remuneration Committee, member of Audit Committee and Nominating Committee
Professional Qualifications	Institute of Singapore Chartered Accountants Association of Certified Accountants Institute of Chartered Accountants in England and Wales	Bachelor of Commerce, University of Queensland	Master of Science (Applied Finance), National University of Singapore Bachelor of Business Administration (Honours), National University of Singapore Chartered Financial Analyst (CFA) Charterholder
Working experience and occupation(s) during the past 10 years	<ul style="list-style-type: none"> Guthrie GTS Pte. Ltd. (1987 – 2014), Managing Director 	<ul style="list-style-type: none"> RE&S Holdings Limited (2019 – Present), Chief Executive Officer of the Group and Executive Director RE&S Holdings Limited (2016–2019), Chief Financial Officer ISDN Resources Pte Ltd (2014 – 2016), General Manager PSL Holdings Limited (2011 – 2014), Chief Executive Officer 	Ms. Heng has over 25 years of banking experience. She was with DBS Bank Ltd. from 1995 to 2020 where her last held position was Managing Director, Capital Markets. She specialised in equity fund raisings and has extensive experience in advising and executing IPOs for issuers on the Singapore Exchange, as well as follow-on equity offerings such as rights issues and placements.

CORPORATE GOVERNANCE REPORT

Details required under Appendix 7F of the Catalist Rules	Name of Directors		
	Mr. Ben Yeo Chee Seong	Mr. Foo Kah Lee	Ms. Heng Mui Mui (Proposed Director)
Shareholding interest in the listed issuer and its subsidiaries	2,999,985 shares	9,000,000 shares	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or any of its principal subsidiaries	Nil	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Other Principal Commitments* Including Directorships#			
* "Principal Commitments" has the same meaning as defined in the Code.			
# These fields are not applicable for announcements of appointments pursuant to Catalist Rule 704(8)			
Past (for the last 5 years)	Directorships: Nil	Directorships: • Otento Food Services Pte. Ltd.	Nil
Present	Directorships: • Ginkgo Tree Asset Management Pte. Ltd. • Anguillia Development Pte. Ltd. • BHG Retail Trust Management Pte. Ltd. • Muse Capital Pte. Ltd. • Muse (Carpenter) Pte. Ltd. • T.K. Yeo (Private) Limited • TCRE Partners Private Limited • Y Developments Pte. Ltd. • Y Hospitality Pte. Ltd. • Y Properties Pte. Ltd. • Y (Hai Hin) Pte. Ltd. • Yeo Hiap Seng Holdings Pte. Limited. (in liquidation)	Principal Commitments: • RE&S Holdings Limited, Chief Executive Officer Directorships: • R E & S Enterprises Pte Ltd • R E & S Enterprises (M) Sdn. Bhd. • Kabe No Ana Pte. Ltd. • Promote Japan Enterprise Pte. Ltd. • Ebisu Private Limited	Nil

CORPORATE GOVERNANCE REPORT

Information required

Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.

- (a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?
- (b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?
- (c) Whether there is any unsatisfied judgment against him?
- (d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?
- (e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?
- (f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?
- (g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?
- (h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?
- (i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?
- (j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:
- (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or
 - (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or
 - (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or
 - (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,
- in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?
- (k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?

Mr. Yeo, Mr. Foo and Ms. Heng have individually given a negative disclosure on each of the above items (a) to (k).

CORPORATE GOVERNANCE REPORT

Disclosure applicable to the appointment of Director only.

Any prior experience as a director of an issuer listed on the Exchange? If yes, please provide details of prior experience.

No

If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.

Ms. Heng has no prior experience in being a director of a listed issuer on the Exchange. She will be attending training on the roles and responsibilities of a director of a listed company prescribed by the Exchange.

Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).

Not applicable

The above disclosure pertains to Ms. Heng. The above section is not applicable for each of the proposed re-election of Mr. Yeo and Mr. Foo.

STATEMENT BY DIRECTORS

The directors of the company are pleased to present the accompanying financial statements of RE&S Holdings Limited (the "company") and its subsidiaries (the "group") for the reporting year ended 30 June 2023.

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

- (a) the accompanying financial statements and the consolidated financial statements are drawn up so as to give a true and fair view of the financial position and performance of the company and, of the financial position and performance of the group for the reporting year covered by the financial statements or consolidated financial statements; and
- (b) at the date of the statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.

2. DIRECTORS

The directors of the company in office at the date of this statement are:

Hiroshi Tatara	(Executive Director and President)
Yek Hong Liat John	(Non-Executive and Non-Independent Director)
Ben Yeo Chee Seong	(Chairman and Independent Director)
Lee Lap Wah, George	(Independent Director)
Foo Kah Lee	(Executive Director and Chief Executive Officer)
Lim Shyang Zheng (Lin Xiangzheng)	(Executive Director and Chief Operating Officer)

STATEMENT BY DIRECTORS

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the company holding office at the end of the reporting year had no interests in shares in or debentures of the company or other related body corporate as recorded in the register of directors' interests in shares in or debentures kept by the company under section 164 of the Companies Act 1967 (the "Act") except as follows:

Name of directors and companies in which interests are held	Direct interests		Deemed interests	
	At beginning of the reporting year	At end of the reporting year	At beginning of the reporting year	At end of the reporting year
<u>The company</u>			<u>Number of shares of no par value</u>	
Hiroshi Tatara	–	–	220,503,130	220,503,130
Yek Hong Liat John	60,000,000	60,000,000	–	–
Ben Yeo Chee Seong	–	–	2,999,985	2,999,985
Foo Kah Lee	9,000,000	9,000,000	–	–
Lim Shyang Zheng (Lin Xiangzheng)	7,834,000	7,834,000	–	–

By virtue of section 7 of the Act, Hiroshi Tatara is deemed to have an interest in the company and in all the related body corporates of the company.

The directors' interests as at 21 July 2023 were the same as those at the end of the reporting year.

4. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the reporting year nor at any time during the reporting year did there subsist arrangements to which the company is a party, being arrangements whose objects are, or one of whose objects is, to enable directors of the company to acquire benefits by means of the acquisition of shares in or debentures of the company or any other body corporate except as mentioned below.

STATEMENT BY DIRECTORS

5. EMPLOYEE SHARE OPTION SCHEME

At a shareholder meeting held on 26 October 2017, the shareholders of the company approved the "RE&S Employee Share Option Scheme" (the "ESOS").

The ESOS provides eligible participants with an opportunity to participate in the equity of the company as well as to motivate them to perform better through increased loyalty and dedication to the group. The ESOS, which forms an integral and important component of the group's remuneration and compensation plan, is designed to primarily reward and retain executive directors and employees whose services are essential to the group's well being and prosperity.

Executive and independent directors and full-time employees of the group are eligible to participate in the ESOS. Directors who are controlling shareholders of the company and their associates are not eligible to participate in the ESOS.

The total number of shares over which options may be granted shall not exceed 15% of the issued share capital of the company on the day preceding the date of the relevant grant.

The Administration Committee is charged with the administration of the ESOS in accordance with the rules of the ESOS. The Administration Committee consists of members of the Nominating Committee and Remuneration Committee of the company, with powers to make and vary the regulations (not being inconsistent with the ESOS) for the implementation and administration of the ESOS as they think fit. A member of the Administration Committee who is also a participant of the ESOS must not be involved in its deliberation in respect of options granted or to be granted to him.

The exercise price for each share in respect of which an option is exercisable shall be determined by the Administration Committee at its absolute discretion at: (a) a price equal to the average of the last dealt prices for a share on the Catalist for the period of five consecutive trading days immediately prior to the relevant date of the grant ("market price") but not less than its par value ("market price options"); or (b) a price which is set at a discount to the market price, provided that the maximum discount shall not exceed 20% of the market price. Options granted at a discount are exercisable after 2 years from the date of grant. Other options are exercisable after one year from date of grant.

Options must be exercised before the expiry of 10 years from the date of grant in the case of employees and before the expiry of 5 years in the case of independent directors or such earlier date as may be determined by the Administration Committee.

During the reporting year, no option to take up unissued shares of the company was granted.

During the reporting year, there were no shares issued by virtue of the exercise of an option to take up unissued shares.

At the end of the reporting year, there were no unissued shares under option.

6. INDEPENDENT AUDITOR

RSM Chio Lim LLP has expressed willingness to accept re-appointment.

STATEMENT BY DIRECTORS

7. REPORT OF AUDIT COMMITTEE

The members of the Audit Committee at the date of this report are as follows:

Ben Yeo Chee Seong	(Chairman of Audit Committee and Independent Director)
Lee Lap Wah, George	(Independent Director)

The Audit Committee performs the functions specified by section 201B (5) of the Act. Among other functions, it performed the following:

- Reviewed with the independent external auditor their audit plan;
- Reviewed with the independent external auditor their evaluation of the company's internal accounting controls relevant to their statutory audit, and their report on the financial statements and the assistance given by management to them;
- Reviewed with the internal auditor the scope and results of the internal audit procedures (including those relating to financial, operational and compliance controls and risk management) and the assistance given by the management to them;
- Reviewed the financial statements of the group and the company prior to their submission to the directors of the company for adoption; and
- Reviewed the interested person transactions (as defined in Chapter 9 of the Singapore Exchange Securities Trading Limited's Listing Manual).

Other functions performed by the Audit Committee are described in the Corporate Governance Report included in the annual report of the company. It also includes an explanation of how independent external auditor's objectivity and independence are safeguarded where the independent external auditor provides non-audit services.

The Audit Committee has recommended to the board of directors that the independent auditor, RSM Chio Lim LLP, be nominated for re-appointment as the independent auditor for the ensuing year at the forthcoming annual general meeting of the company.

8. DIRECTORS' OPINION ON THE ADEQUACY OF INTERNAL CONTROLS

Based on the internal controls established and maintained by the company, work performed by the internal and external auditors, and reviews performed by management, other committees of the board and the board, the board, with the concurrence of the Audit Committee, is of the opinion that the company's internal controls (including financial, operational, compliance and information technology controls), and risk management systems were adequate and effective as at 30 June 2023 to address the risks that the company considers relevant and material to its operations.

STATEMENT BY DIRECTORS

9. SUBSEQUENT DEVELOPMENTS

There are no significant developments subsequent to the release of the group's and the company's preliminary financial statements, as announced on 23 August 2023, which would materially affect the group's and the company's operating and financial performance as of the date of this report.

On behalf of the directors

Foo Kah Lee
Director

4 October 2023

Lim Shyang Zheng (Lin Xiangzheng)
Director

INDEPENDENT AUDITOR'S REPORT

To the Members of RE&S HOLDINGS LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of RE&S Holdings Limited (the "company") and its subsidiaries (the "group"), which comprise the consolidated statement of financial position of the group and the statement of financial position of the company as at 30 June 2023, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the group, and statement of changes in equity of the company for the reporting year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the group and the financial position of the company as at 30 June 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the group and the changes in equity of the company for the reporting year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT

To the Members of RE&S HOLDINGS LIMITED

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current reporting year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(1) Accounting for leases and right-of-use assets

Refer to Note 2 for the relevant accounting policy and Notes 15 and 28 for the disclosure of right-of-use assets and lease liabilities respectively.

Key Audit Matter

We refer to Notes 15 and 28 to the financial statements on the recognition of right-of-use assets and lease liabilities respectively. As at 30 June 2023, the group had recognised right-of-use assets and lease liabilities for leases with carrying amounts of \$72,961,000 and \$78,325,000 respectively. We determined this to be a key audit matter because it requires management to exercise significant judgements for specific assumptions applied in determining right-of-use assets and lease liabilities. The specific assumptions include the determination of appropriate discount rates and assessment of lease terms, including renewal options of the leases.

How we addressed the matter in our audit

Our audit procedures focused on evaluating the key assumptions and estimates used by the management in accounting for leases. These procedures included:

- Discussed with management to understand the group's process in identifying lease contracts, or contracts which contained leases;
- Assessed the appropriateness of the discount rates applied in determining lease liabilities based on the lease contracts and relevant inputs;
- Assessed the appropriateness of the assumptions applied in determining the lease terms of the lease liabilities, including renewal options of the leases; and
- Assessed the accuracy of the underlying lease data by agreeing a representative sample of leases to original contracts or other supporting documents.

We also found the disclosures in the consolidated financial statements are appropriate.

INDEPENDENT AUDITOR'S REPORT

To the Members of RE&S HOLDINGS LIMITED

Key audit matters (cont'd)

(2) Completeness of revenue

Refer to Note 2 for the relevant accounting policy and Note 5 for the disclosure of revenue.

Key Audit Matter

The group's revenue from sale of food and beverages amounted to \$173,853,000, which represents 99.9% of the group's total revenue for the reporting year.

We determined this to be a key audit matter as the revenue recognised from sales generated from retail outlets are material to the group and poses a higher risk of material misstatement to the financial statements on the timing and amount of revenue recognised due to the magnitude of the sales transactions, which involves large volume of low value transactions.

How we addressed the matter in our audit

Our audit procedures focused on the design and the operating effectiveness of internal controls surrounding sales and obtain evidence that postings to the accounts were reliable. These procedures included:

- Tested key controls over the revenue cycle and assessed recognition of the related revenue;
- Performed tests of completeness and revenue cut-off procedures using data analytics tools to test the correlation of sales transactions from point-of-sales system to general ledger to evaluate the completeness of revenue recorded for all outlets for the reporting year; and
- Performed procedures by tracing samples of sales transactions against cash receipts deposited to financial institutions and the statements from financial institutions.

We also found the disclosures in the consolidated financial statements are appropriate.

Other information

Management is responsible for the other information. The other information comprises the information included in the statement by directors and the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

To the Members of RE&S HOLDINGS LIMITED

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT

To the Members of RE&S HOLDINGS LIMITED

Auditor's responsibilities for the audit of the financial statements (cont'd)

- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Poh Chin Beng.

RSM Chio Lim LLP

Public Accountants and
Chartered Accountants
Singapore

4 October 2023

Engagement partner – effective from Year Ended 30 June 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year Ended 30 June 2023

	Notes	2023 \$'000	2022 \$'000
Revenue	5	174,057	154,835
Other operating income	6	3,730	7,205
Raw materials and consumables used		(47,038)	(42,990)
Changes in inventories of finished goods		(456)	(548)
Employee benefits expense	7	(60,665)	(51,613)
Depreciation of property, plant and equipment	14	(6,711)	(6,336)
Depreciation of right-of-use assets	15	(20,540)	(20,369)
Operating lease expenses	28	(2,596)	(1,921)
Utilities expenses		(6,373)	(4,846)
Finance costs	8	(2,579)	(2,988)
Other operating expenses	9	(18,032)	(16,162)
Other expenses	10	(2,899)	(2,964)
Profit before income tax		9,898	11,303
Income tax expense	11	(2,253)	(1,852)
Profit, net of income tax		7,645	9,451
Other comprehensive loss:			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations, net of income tax		(78)	(88)
Other comprehensive loss for the year, net of income tax		(78)	(88)
Total comprehensive income for the year		7,567	9,363
		Cents	Cents
Basic and diluted earnings per share	13	2.2	2.7

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2023

	Notes	Group		Company	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
ASSETS					
Non-current assets					
Property, plant and equipment	14	31,215	32,200	–	–
Right-of-use assets	15	72,961	58,398	–	–
Investment in subsidiaries	16	–	–	21,868	21,868
Other receivables	17	–	–	10,671	10,671
Other non-financial assets	18	6,159	4,532	–	–
Deferred tax assets	11	15	92	–	–
Total non-current assets		110,350	95,222	32,539	32,539
Current assets					
Inventories	19	4,276	3,820	–	–
Trade and other receivables	20	2,536	1,786	3,958	3,891
Other financial assets	21	6,155	4,178	–	–
Other non-financial assets	22	3,110	3,106	9	5
Cash and cash equivalents	23	17,618	24,595	618	528
Total current assets		33,695	37,485	4,585	4,424
Total assets		144,045	132,707	37,124	36,963
EQUITY AND LIABILITIES					
Share capital	24	32,307	32,307	32,307	32,307
Treasury shares	24	(42)	–	(42)	–
Merger reserve	25	(18,149)	(18,149)	–	–
Retained earnings		27,145	25,695	4,182	3,905
Foreign currency translation reserve		(219)	(141)	–	–
Total equity		41,042	39,712	36,447	36,212
Non-current liabilities					
Deferred tax liabilities	11	1,148	1,293	–	–
Provisions	26	1,585	1,521	–	–
Other financial liabilities	27	–	6,529	–	–
Lease liabilities	28	56,009	44,765	–	–
Total non-current liabilities		58,742	54,108	–	–
Current liabilities					
Income tax payable		2,193	1,244	20	8
Trade and other payables	29	19,720	17,329	657	743
Other financial liabilities	27	–	940	–	–
Other non-financial liabilities	30	32	46	–	–
Lease liabilities	28	22,316	19,328	–	–
Total current liabilities		44,261	38,887	677	751
Total liabilities		103,003	92,995	677	751
Total equity and liabilities		144,045	132,707	37,124	36,963

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year Ended 30 June 2023

Group	Total equity \$'000	Share capital \$'000	Treasury shares \$'000	Merger reserve \$'000	Retained earnings \$'000	Foreign currency translation reserve \$'000
Current year:						
Opening balance at 1 July 2022	39,712	32,307	–	(18,149)	25,695	(141)
Changes in equity:						
Acquisition of treasury shares	(42)	–	(42)	–	–	–
Total comprehensive income (loss) for the year	7,567	–	–	–	7,645	(78)
Dividends paid (Note 12)	(6,195)	–	–	–	(6,195)	–
Closing balance at 30 June 2023	41,042	32,307	(42)	(18,149)	27,145	(219)
Previous year:						
Opening balance at 1 July 2021	36,367	32,307	–	(18,149)	22,262	(53)
Changes in equity:						
Total comprehensive income (loss) for the year	9,363	–	–	–	9,451	(88)
Dividends paid (Note 12)	(6,018)	–	–	–	(6,018)	–
Closing balance at 30 June 2022	39,712	32,307	–	(18,149)	25,695	(141)

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year Ended 30 June 2023

Company	Total equity \$'000	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000
Current year:				
Opening balance at 1 July 2022	36,212	32,307	–	3,905
Changes in equity:				
Acquisition of treasury shares	(42)	–	(42)	–
Total comprehensive income for the year	6,472	–	–	6,472
Dividends paid (Note 12)	(6,195)	–	–	(6,195)
Closing balance at 30 June 2023	36,447	32,307	(42)	4,182
Previous year:				
Opening balance at 1 July 2021	36,107	32,307	–	3,800
Changes in equity:				
Total comprehensive income for the year	6,123	–	–	6,123
Dividends paid (Note 12)	(6,018)	–	–	(6,018)
Closing balance at 30 June 2022	36,212	32,307	–	3,905

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended 30 June 2023

	2023	2022
	\$'000	\$'000
<u>Cash flows from operating activities</u>		
Profit before income tax	9,898	11,303
Adjustments for:		
Interest income	(201)	(15)
Interest expense on borrowings	181	96
Interest expense on lease liabilities	2,398	2,892
Depreciation of property, plant and equipment	6,711	6,336
Depreciation of right-of-use assets	20,540	20,369
Covid-19 related rent concessions from lessors	–	(536)
Loss on remeasurement of right-of-use assets	134	133
Loss on disposal of property, plant and equipment	–	2
Property, plant and equipment written off	422	362
Unrealised (gain) loss on financial assets at fair value through profit or loss ("FVTPL")	(875)	830
Loss on disposal of financial assets at FVTPL	356	276
Net effect of exchange rate changes in consolidating foreign operations	(69)	(86)
Operating cash flows before changes in working capital	39,495	41,962
Inventories	(456)	(548)
Trade and other receivables	(750)	122
Other non-financial assets	(4)	163
Trade and other payables	2,391	4,594
Other non-financial liabilities	(14)	(933)
Net cash flows from operations	40,662	45,360
Income taxes paid	(1,372)	(1,536)
Net cash flows from operating activities	39,290	43,824
<u>Cash flows used in investing activities</u>		
Purchase of property, plant and equipment (Note 23B)	(6,048)	(9,373)
Disposal of property, plant and equipment	–	6
Reinstatement cost utilised	(47)	–
Other non-financial assets	(1,627)	(765)
Purchase of other financial assets	(3,381)	(6,953)
Disposal of other financial assets	1,923	1,669
Interest received	201	15
Net cash used in investing activities	(8,979)	(15,401)
<u>Cash flows used in financing activities</u>		
Cash restricted in use	166	–
Dividends paid to equity owners	(6,195)	(6,018)
Decrease in other financial liabilities	(7,469)	(914)
Purchase of treasury shares	(42)	–
Lease liabilities – principal and interest paid	(23,401)	(22,678)
Interest paid	(181)	(96)
Net cash flows used in financing activities	(37,122)	(29,706)
Net decrease in cash and cash equivalents	(6,811)	(1,283)
Cash and cash equivalents, statement of cash flows, beginning balance	24,429	25,712
Cash and cash equivalents, statement of cash flows, ending balance (Note 23A)	17,618	24,429

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

1. GENERAL

RE&S Holdings Limited (the “company”) is incorporated in Singapore with limited liability. It is listed on the Catalist Board (the “Catalist”) of Singapore Exchange Securities Trading Limited.

The financial statements are presented in Singapore Dollar and they cover the company (referred to as “parent”) and its subsidiaries (“group”). All financial information have been rounded to the nearest thousand (“000”), except when otherwise stated.

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors. The directors have the power to amend and reissue the financial statements.

The principal activities of the company are those of investment holding and providing management services to the subsidiaries in the group.

The principal activities of the subsidiaries are disclosed in Note 16 to the financial statements.

The registered office is: 32 Tai Seng Street, #07-00 RE&S Building, Singapore 533972. The company is situated in Singapore.

As at the end of the reporting year, the group’s current liabilities exceeded the current assets by \$10,566,000 (2022: \$1,402,000) due to the lease liabilities classified as current. Excluding lease liabilities of \$22,316,000 (2022: \$19,328,000), the group had a positive working capital of \$11,750,000 (2022: \$17,926,000). The financial position of the entity, its cash flows, liquidity position and borrowing facilities are described in the notes to the financial statements. In addition, the notes to the financial statements include the objectives, policies and processes for managing capital, the financial risk management objectives, details of its financial instruments, availability of borrowing facilities and its exposures to credit risk and liquidity risk. The group is able to generate adequate cash flows to manage its current liabilities.

The financial statements have been prepared on a going concern basis, which assumes that the group will be able to meet its obligations as and when they fall due in the next twelve months. The group also had net operating cash inflows in 2023 and 2022.

After consideration of the above, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)s”) and the related Interpretations to SFRS(I) (“SFRS(I) INT”) as issued by the Accounting Standards Committee under ACRA. They comply with the provisions of the Companies Act 1967 and with the International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (“IASB”).

Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

1. GENERAL (cont'd)

Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Changes in estimates are reflected in profit or loss in the reporting year they occur. Apart from those involving estimations, management has made judgements in the process of applying the accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are material to the financial statements, are disclosed in Note 2C below, where applicable.

Basis of presentation and principles of consolidated

The consolidated financial statements include the financial statements made up to the end of the reporting year of the company and all of its subsidiaries. The consolidated financial statements are the financial statements of the group (the parent and its subsidiaries) presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee. They are de-consolidated from the date that control ceases.

Changes in the group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the group loses control of a subsidiary, it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date when control is lost and is subsequently accounted as equity investments financial assets in accordance with the financial reporting standard on financial instruments.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

2A. Significant accounting policies

Revenue and income recognition

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, and modifications), net of any related taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient, the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

Sales of food and beverage – Revenue is recognised upon the satisfaction of each performance obligation which is usually on serving or delivery of food and beverages to customers at a point in time.

Rental income – Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis.

Interest income – Recognised using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (cont'd)

2A. Significant accounting policies (cont'd)

Government grants

Government grants are recognised at fair value when there is reasonable assurance that the conditions attaching to them will be complied with and that the grants will be received. Grants in recognition of specific expenses are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate.

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute for the Singapore employees to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). Certain subsidiaries overseas have defined contribution retirement benefit plans in which employees are entitled to join upon fulfilling certain conditions. The assets of the fund may or may not be held separately from those of the reporting entity in an independently administered fund. The entity contributes a fixed percentage of the salary of each participating employee. For employee leave entitlement, the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowings. Interest expense is calculated using the effective interest rate method. Borrowing costs are recognised as an expense in the period in which they are incurred.

Foreign currency transactions

The functional currency is the Singapore Dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. The presentation is in the functional currency.

Translation of financial statements of other entities

Each entity in the group determines the appropriate functional currency as it reflects the primary economic environment in which the relevant reporting entity operates. In translating the financial statements of such an entity for incorporation in the consolidated financial statements in the presentation currency, the assets and liabilities denominated in other currencies are translated at end of the reporting year rates of exchange and the income and expense items for each statement presenting profit or loss and other comprehensive income are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant reporting entity.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (cont'd)

2A. Significant accounting policies (cont'd)

Income tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. For items recognised outside profit or loss, the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised.

A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries, associates and joint arrangements except where the reporting entity is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

Property, plant and equipment

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line method to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets (or, for leasehold improvements and certain leased assets, the shorter lease term). The annual rates of depreciation are as follows:

Leasehold property	–	Over lease term or 3.33%
Plant and equipment	–	5% to 33%

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising from the derecognition of an item of property, plant and equipment is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (cont'd)

2A. Significant accounting policies (cont'd)

Property, plant and equipment (cont'd)

Cost includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period. See Note 26 on provisions.

Right-of-use assets

The right-of-use assets are accounted and presented as if they were owned such as plant and equipment.

The annual rates of depreciation are as follows:

Restaurant premises – Over the terms of lease that range from 14% to 50%

Leases of lessee

A lease conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. Where a lease arrangement is identified, a liability to the lessor is recognised as a lease obligation calculated at the present value of minimum lease payments. A corresponding right-of-use asset is recorded (or included in property, plant and equipment). Lease payments are apportioned between finance costs and reduction of the lease liability so as to reflect the interest on the remaining balance of the liability. Finance charges are recorded as a finance cost. Right-of-use assets are depreciated over the shorter of the estimated useful life of the asset and the lease term. Leases with a term of 12 months or less and leases for low value are not recorded as a liability and lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Leases of lessor

For a lessor a lease is classified as either an operating lease or a finance lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Operating leases are for rental income. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset and it is presented in its statements of financial position as a receivable at an amount equal to the net investment in the lease. For a finance lease the finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity.

In the reporting entity's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (cont'd)

2A. Significant accounting policies (cont'd)

Business combinations

There were no business combinations during the reporting year.

Inventories

Inventories are stated at the lower of cost and selling price less costs to complete and sell. Cost is calculated using the weighted average method. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Carrying amounts of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is expensed. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statements of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires.

At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (cont'd)

2A. Significant accounting policies (cont'd)

Financial instruments (cont'd)

Classification and measurement of financial assets:

Financial assets are classified into (1) Financial asset classified as measured at amortised cost; (2) Financial asset that is an equity investment measured at fair value through other comprehensive income ("FVTOCI"); (3) Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income ("FVTOCI"); and (4) Financial asset classified as measured at fair value through profit or loss ("FVTPL"). At the end of the reporting year, the reporting entity had the following financial assets:

- Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL, that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.
- Financial asset classified as measured at FVTPL: All other financial assets are classified as measured at FVTPL. In addition, on initial recognition, management may irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Classification and measurement of financial liabilities:

Financial liabilities are classified as at FVTPL in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

Cash and cash equivalents

For the consolidated statement of cash flows, cash and cash equivalents includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Other financial assets and financial liabilities at FVTPL are presented within the section on operating activities as part of changes in working capital in the statement of cash flows.

Derivative financial instruments

A derivative financial instrument is a financial instrument with all three of the following characteristics (a) its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices, credit ratings or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract; (b) it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and (c) it is settled at a future date. The derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently classified as measured at FVTPL unless the derivative is designated and effective as a hedging instrument.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (cont'd)

2A. Significant accounting policies (cont'd)

Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset or liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are material differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements. The recurring measurements are made at each reporting year end date.

In making the fair value measurement for a non-financial asset, management determines the highest and best use of the asset and whether the asset is used in combination with other assets or on a stand-alone basis.

2B. Other explanatory information

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Treasury shares

Where the entity reacquires its own equity instruments as treasury shares, the consideration paid, including any directly attributable incremental cost is deducted from equity attributable to the entity's owners until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the entity's owners and no gain or loss is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (cont'd)

2B. Other explanatory information (cont'd)

Segment reporting

The reporting entity discloses financial and descriptive information about its consolidated reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

2C. Critical judgements, assumptions and estimation uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Assessment of carrying amounts of property, plant and equipment:

An assessment is made for the reporting year whether there is any indication that the asset may be impaired. If any such indication exists, an estimate is made of the recoverable amount of the asset. The recoverable amounts of cash-generating units if applicable is measured based on the fair value less costs of disposal or value in use calculations. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of the specific asset or class of assets at the end of the reporting year affected by assumption is disclosed in the note on property, plant and equipment.

Assessment of carrying amounts of right-of-use assets:

Significant judgement is applied by management when determining impairment allowance of the right-of-use assets. Impairment allowance is assessed for separable parts of leased premises that have been or will be vacated in the near future. The impairment allowance is sensitive to changes in the performance of the various outlets. Judgement is also involved when determining the lease term for contracts that have extension or termination options. The carrying amount at the end of the reporting year is disclosed in the note on right-of-use assets.

Useful lives of property, plant and equipment:

The estimates for the useful lives and related depreciation charges for plant and equipment are based on commercial and other factors which could change significantly as a result of innovations and in response to market conditions. The depreciation charge is increased where useful lives are less than previously estimated lives, or the carrying amounts written off or written down for technically obsolete items or assets that have been abandoned. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of the specific asset at the end of the reporting year affected by the assumption is disclosed in the note on property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (cont'd)

2C. Critical judgements, assumptions and estimation uncertainties (cont'd)

Critical judgement over the lease terms:

The lease liabilities are initially measured by discounting the lease payments over the lease terms. For leases with extension or renewal options, management applied judgement in determining whether such extension or renewal options should be reflected in measuring the lease liabilities. This requires the consideration of whether the facts and circumstances created an economic incentive for the exercise of the lease extension or renewal option. The amount of the lease liabilities at the end of the reporting year is disclosed in the note on lease liabilities.

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

The financial reporting standard on related party disclosures requires the reporting entity to disclose: (a) related party relationships, transactions and outstanding balances, including commitments, including (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

The ultimate controlling party is Hiroshi Tatara, a director and substantial shareholder.

3A. Related party transactions

There are transactions and arrangements between the group and its related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and transfer of resources, services or obligations, if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

3B. Key management compensation

	Group	
	2023 \$'000	2022 \$'000
Salaries and other short-term employee benefits	1,956	1,939

The above amounts are included under employee benefits expense. Included in the above amounts are following items:

	Group	
	2023 \$'000	2022 \$'000
Remuneration of directors of the company	1,402	1,563
Remuneration of directors of the subsidiary	36	–
Fees to directors of the company	210	210
Fees to directors of the subsidiary	18	19

Further information about the remuneration of individual directors is provided in the corporate governance report.

Key management personnel include the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (cont'd)

3C. Other receivables from related parties

The trade transactions and the related receivables balances arising from sales and purchases of goods and services are disclosed elsewhere in the notes to the financial statements.

The movements in other receivables from related parties are as follows:

Company	Subsidiary	
	2023 \$'000	2022 \$'000
<u>Other receivables</u>		
Balance at beginning of year	13,671	13,671
Dividends received	(6,186)	(6,009)
Dividends declared	6,372	6,009
Balance at end of the year	<u>13,857</u>	<u>13,671</u>
Presented in the statement of financial position as:		
Other receivables, non-current (Note 17)	10,671	10,671
Other receivables, current (Note 20)	3,186	3,000
Balance at end of the year	<u>13,857</u>	<u>13,671</u>

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS

4A. Primary analysis by business segment

For management purposes, the group is organised into the following two major operating segments that offer different products:

- (1) The full-service restaurants segment ("Restaurants") which caters to customers seeking the full dining experience where they may sit down to have their meals and are provided with table service; and
- (2) The quick-service restaurants, convenience and others segment ("Quick services") which caters to customers seeking a quicker meal experience and / or in which they may order their meals for take-away. This segment also includes the preparation of Japanese food products, such as bento and onigiri (Japanese rice balls), for third party businesses in Singapore.

This is determined by the nature or risks and returns associated with each business segment and defines the management structure as well as the internal reporting system. It also represents the basis on which management reports the primary segment information.

Inter-segment sales are measured on the basis that the entity actually uses to price the transfers. Internal transfer pricing policies of the group are, as far as practicable, based on market prices. The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment assets consist primarily of property, plant and equipment, right-of-use assets, inventories, trade and other receivables, other assets and cash and cash equivalents. Segment liabilities comprise trade and other payables, lease liabilities, other financial liabilities, provisions and other liabilities.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (cont'd)

4A. Primary analysis by business segment (cont'd)

The management reporting system evaluates performances based on a number of factors. However, the primary profitability measurement to evaluate segment's operating results comprises two major financial indicators: (1) earnings from operations before depreciation, interests and income taxes (called "Recurring EBITDA") and (2) operating result before income taxes and other unallocated items (called "ORBT").

The following tables illustrate the information about the reportable segment profit or loss, assets and liabilities.

The information on each business segment is as follows:

	2023 \$'000	2022 \$'000
Revenue by segment:		
Restaurants	89,994	81,216
Quick services	84,063	73,619
Total	<u>174,057</u>	<u>154,835</u>

4B. Profit or loss from continuing operations and reconciliations

	Restaurants \$'000	Quick services \$'000	Unallocated \$'000	Elimination \$'000	Total \$'000
2023:					
Revenue by segment					
Total revenue by segment	89,994	84,063	–	–	174,057
Inter-segment sales	–	6,941	–	(6,941)	–
Total revenue	<u>89,994</u>	<u>91,004</u>	<u>–</u>	<u>(6,941)</u>	<u>174,057</u>
Recurring EBITDA					
Depreciation	(12,218)	(13,023)	(2,010)	–	(27,251)
Finance costs	(1,241)	(1,159)	(179)	–	(2,579)
ORBT	14,211	12,089	(16,402)	–	9,898
Income tax expense	–	–	(2,253)	–	(2,253)
Profit, net of income tax					<u>7,645</u>
2022:					
Revenue by segment					
Total revenue by segment	81,216	73,619	–	–	154,835
Inter-segment sales	–	6,919	–	(6,919)	–
Total revenue	<u>81,216</u>	<u>80,538</u>	<u>–</u>	<u>(6,919)</u>	<u>154,835</u>
Recurring EBITDA					
Depreciation	(12,121)	(11,892)	(2,692)	–	(26,705)
Finance costs	(1,517)	(1,375)	(96)	–	(2,988)
ORBT	15,597	10,644	(14,938)	–	11,303
Income tax expense	–	–	(1,852)	–	(1,852)
Profit, net of income tax					<u>9,451</u>

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

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (cont'd)

4C. Assets and reconciliations

	Restaurants \$'000	Quick services \$'000	Unallocated \$'000	Total \$'000
Total assets for reportable segments:				
2023:	58,888	56,863	28,294	144,045
2022:	51,580	54,651	26,476	132,707

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

4D. Liabilities and reconciliations

	Restaurants \$'000	Quick services \$'000	Unallocated \$'000	Total \$'000
Total liabilities for reportable segments:				
2023:	52,684	45,443	4,876	103,003
2022:	41,535	39,887	11,573	92,995

The unallocated liabilities mainly included the other financial liabilities, income tax payable and deferred tax liabilities.

4E. Other material items and reconciliations

	Restaurants \$'000	Quick services \$'000	Unallocated \$'000	Total \$'000
Expenditures for non-current assets:				
2023:	1,349	3,550	1,260	6,159
2022:	1,806	5,931	1,669	9,406

4F. Geographical information

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

4G. Information on major customers

There is no single customer with revenue transactions more than 10% of the group's total revenue. The revenue is spread over a broad base of customers.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

5. REVENUE

	Group	
	2023	2022
	\$'000	\$'000
Sale of food and beverages	173,853	154,592
Rental income	204	243
	<u>174,057</u>	<u>154,835</u>

Revenue from sale of food and beverages is recognised at point in time.

Rental income is accounted for on a straight-line basis over the lease terms.

6. OTHER OPERATING INCOME

	Group	
	2023	2022
	\$'000	\$'000
Interest income	201	15
Jobs Support Scheme grants	–	4,248
Unrealised gain on financial assets at FVTPL	779	–
Foreign exchange adjustment gains, net	289	–
Other government grants	1,997	1,497
Other income	464	909
Rent concessions received from lessors (Note 28)	–	536
	<u>3,730</u>	<u>7,205</u>

7. EMPLOYEE BENEFITS EXPENSE

	Group	
	2023	2022
	\$'000	\$'000
Short-term employee benefits	46,615	39,606
Contributions to defined contribution plan	5,975	5,414
Other benefits	8,075	6,593
	<u>60,665</u>	<u>51,613</u>

8. FINANCE COSTS

	Group	
	2023	2022
	\$'000	\$'000
Interest expense on lease liabilities (Note 28)	2,398	2,892
Interest expense on borrowings	181	96
	<u>2,579</u>	<u>2,988</u>

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

9. OTHER OPERATING EXPENSES

	Group	
	2023	2022
	\$'000	\$'000
The major components include the following:		
Credit card commission	3,087	2,198
Delivery and transportation	2,513	2,298
Food delivery platform commission	3,899	4,894
Repair and maintenance	1,980	1,445

10. OTHER EXPENSES

	Group	
	2023	2022
	\$'000	\$'000
The major components include the following:		
Audit services:		
Independent auditors of the company	121	118
Other independent auditors	48	48
Non-audit services:		
Independent auditors of the company	31	29
Loss on disposal of plant and equipment	–	2
Plant and equipment written off	422	362
Consultancy expenses	57	49
Legal and professional fees	921	579
Unrealised loss on financial assets at FVTPL	–	830
Loss on disposal of financial assets at FVTPL	356	276

11. INCOME TAX**11A. Components of tax expense recognised in profit or loss include:**

	Group	
	2023	2022
	\$'000	\$'000
<u>Current tax expense:</u>		
Current tax expense	2,149	1,553
Under provision adjustments to current tax in respect of prior periods	148	–
Withholding tax	24	16
Subtotal	2,321	1,569
<u>Deferred tax (benefit) expense:</u>		
Deferred tax expense	105	293
Over provision adjustments to deferred tax in respect of prior periods	(173)	(10)
Subtotal	(68)	283
Total income tax expense	2,253	1,852

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

11. INCOME TAX (cont'd)**11A. Components of tax expense recognised in profit or loss include: (cont'd)**

The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17% (2022: 17%) to profit before income tax as a result of the following differences:

	Group	
	2023 \$'000	2022 \$'000
Profit before income tax	9,898	11,303
Income tax expense at the above rate	1,683	1,922
Expenses not deductible for tax purposes	505	153
Tax exemptions	(35)	(61)
Over provision adjustments to tax in respect of prior years	(25)	(10)
Unrecognised deferred tax assets	(26)	(156)
Effect of different tax rates in different countries	29	17
Withholding tax	24	16
Others	98	(29)
Total income tax expense	2,253	1,852

There are no income tax consequences of dividends to owners of the company.

The major non-deductible (taxable) items are as follows:

	Group	
	2023 \$'000	2022 \$'000
Depreciation expense of non-qualifying assets	2,312	2,544
Contractual lease payment	(445)	282
Loss on disposal on financial assets at FVTPL	356	276
Non qualifying plant and equipment written off	422	362
Other non qualifying equipment expensed off	489	334
Unrealised (gain) loss on financial assets at FVTPL	(779)	830
Capital exchange loss	48	194
Non-taxable government grants	-	(4,184)

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

11. INCOME TAX (cont'd)**11B. Deferred tax (benefit) expense recognised in profit or loss includes:**

	Group	
	2023	2022
	\$'000	\$'000
Excess of net book value of plant and equipment over tax value	(44)	(139)
Excess of tax values over net book value of plant and equipment	1	1
Tax loss carryforwards	(11)	260
Others	(40)	5
Unrecognised deferred tax assets	26	156
Total deferred tax (benefit) expense recognised in profit or loss	<u>(68)</u>	<u>283</u>

11C. Deferred tax balance in the statements of financial position:

	Group	
	2023	2022
	\$'000	\$'000
Excess of net book value of plant and equipment over tax values	(1,347)	(1,391)
Excess of tax values over net book value of plant and equipment	14	15
Provisions	133	133
Tax loss carryforwards	95	84
Others	55	15
Unrecognised deferred tax assets	(83)	(57)
Net balance liabilities	<u>(1,133)</u>	<u>(1,201)</u>

Presented in the statements of financial position as follows:

	Group	
	2023	2022
	\$'000	\$'000
Deferred tax liabilities	(1,148)	(1,293)
Deferred tax assets	15	92
Net balance	<u>(1,133)</u>	<u>(1,201)</u>

It is impracticable to estimate the amount expected to be settled or used within one year.

The above deferred tax assets have not been recognised in respect of the remaining balance, as the future profit streams are not probable against which the deductible temporary difference can be utilised. The realisation of the future income tax benefits from tax loss carry forward and temporary differences from capital allowances is available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

12. DIVIDENDS ON EQUITY SHARES

	Rate per share – dollars		Group	
	2023	2022	2023 \$'000	2022 \$'000
Interim and tax exempt (one-tier) dividend	0.0090	0.0085	3,186	3,009
Final tax exempt (one-tier) dividend	0.0085	0.0085	3,009	3,009
			<u>6,195</u>	<u>6,018</u>

In respect of the current reporting year, the directors have proposed that a final dividend of 0.90 cent per share that totals \$3,186,000 be paid to shareholders after the annual general meeting to be held in future. There are no income tax consequences on the company. This dividend is subject to approval by shareholders at the next annual general meeting and has not been included as a liability in these financial statements. The proposed dividend is payable in respect of all ordinary shares in issue at the end of the reporting year and including any new qualifying shares issued up to the date the dividend becomes payable.

13. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing profit for the year, net of tax, attributable to the owners of the company by the weighted average number of shares outstanding during the reporting year.

The following illustrates the numerators and denominators used to calculate basic and diluted earnings per share of no par value:

	Group	
	2023	2022
	\$'000	\$'000
<u>Numerator</u>		
Profit attributable to owners of the company, net of income tax	<u>7,645</u>	<u>9,451</u>
	'000	'000
<u>Denominator</u>		
Weighted average number of equity shares	<u>353,956</u>	<u>354,000</u>
	Cents	Cents
Basic and diluted earnings per share	<u>2.2</u>	<u>2.7</u>

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

14. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold property \$'000	Plant and equipment \$'000	Total \$'000
<u>Cost:</u>			
At 1 July 2021	19,505	62,890	82,395
Additions	–	9,406	9,406
Disposals	–	(10)	(10)
Written off	–	(8,060)	(8,060)
Foreign exchange adjustments	–	(77)	(77)
At 30 June 2022	19,505	64,149	83,654
Additions	–	6,159	6,159
Written off	–	(2,774)	(2,774)
Foreign exchange adjustments	–	(84)	(84)
At 30 June 2023	19,505	67,450	86,955
<u>Accumulated depreciation:</u>			
At 1 July 2021	4,821	48,073	52,894
Depreciation for the year	707	5,629	6,336
Disposals	–	(2)	(2)
Written off	–	(7,698)	(7,698)
Foreign exchange adjustments	–	(76)	(76)
At 30 June 2022	5,528	45,926	51,454
Depreciation for the year	707	6,004	6,711
Written off	–	(2,352)	(2,352)
Foreign exchange adjustments	–	(73)	(73)
At 30 June 2023	6,235	49,505	55,740
<u>Carrying amount:</u>			
At 1 July 2021	14,684	14,817	29,501
At 30 June 2022	13,977	18,223	32,200
At 30 June 2023	13,270	17,945	31,215

The leasehold property is mortgaged as security for the bank facilities (see Note 27) and the legal mortgage will be discharged in the next reporting year.

NOTES TO THE FINANCIAL STATEMENTS

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15. RIGHT-OF-USE OF ASSETS

Group	Restaurant premises \$'000
<u>Cost:</u>	
At 1 July 2021	140,424
Additions	3,278
Remeasurements	12,043
Foreign exchange adjustments	(70)
At 30 June 2022	155,675
Additions	33,127
Remeasurements	2,735
Foreign exchange adjustments	(389)
At 30 June 2023	191,148
<u>Accumulated depreciation:</u>	
At 1 July 2021	77,486
Depreciation for the year	20,369
Remeasurements	(519)
Foreign exchange adjustments	(59)
At 30 June 2022	97,277
Depreciation for the year	20,540
Remeasurements	671
Foreign exchange adjustments	(301)
At 30 June 2023	118,187
<u>Carrying amount:</u>	
At 1 July 2021	62,938
At 30 June 2022	58,398
At 30 June 2023	72,961

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

15. RIGHT-OF-USE OF ASSETS (cont'd)

Other information about the leasing activities relating to the right-to-use assets are summarised as follows:

	Restaurant premises	
	2023	2022
Number of right-to-use assets	51	43
Remaining term – range (years)	0.2 to 7.7	1.0 to 5.4
Remaining term – average (years)	3.1	3.2
Weighted average incremental borrowing rate applied to lease liabilities	4%	4%

The leases are for restaurant premises. The lease contracts are for fixed periods of two to four years. Lease terms contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

The group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised (see Note 2).

16. INVESTMENTS IN SUBSIDIARIES

	Company	
	2023 \$'000	2022 \$'000
Movements during the year. At cost:		
Balance at beginning and end of the year	21,868	21,868
Total cost comprising:		
Unquoted equity shares at cost	21,868	21,868
Net book value of subsidiaries	25,217	24,120

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

16. INVESTMENTS IN SUBSIDIARIES (cont'd)

The subsidiaries held by the company are listed below:

Name of subsidiaries, country of incorporation, place of operations and principal activities	Costs in books of company		Effective percentage of equity held by company	
	2023 \$'000	2022 \$'000	2023 %	2022 %
R E & S Enterprises Pte Ltd ^(a) Singapore Restaurateur	20,949	20,949	100	100
Kabe No Ana Pte. Ltd. ^(a) Singapore Restaurateur	232	232	100	100
Promote Japan Enterprise Pte. Ltd. ^(a) Singapore Event organiser	— ^(d)	— ^(d)	100	100
R E & S Enterprises (M) Sdn. Bhd. ^(b) Malaysia Restaurateur	447	447	100	100
RE&S Japan Co., Ltd. ^(c) Japan Providing raw food supply	240	240	100	100
	21,868	21,868		
<u>Held by R E & S Enterprises Pte Ltd</u> Ebisu Private Limited ^(a) Singapore Restaurateur			100	100

^(a) Audited by RSM Chio Lim LLP in Singapore.^(b) Audited by RSM Malaysia, a member firm of RSM International of which RSM Chio Lim LLP in Singapore is a member.^(c) Not required to be audited.^(d) Cost of investment is less than \$1,000.

NOTES TO THE FINANCIAL STATEMENTS

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17. OTHER RECEIVABLES

	Company	
	2023	2022
	\$'000	\$'000
Loans receivable from a subsidiary (Note 3)	10,671	10,671

The loans receivable has no terms or interest and is not expected to be settled in the foreseeable future, as repayment is dependent on cash flows of the subsidiary. The fair value is not determinable as the timing of the future cash flows arising from the loan cannot be estimated reliably. The amount is stated at cost.

The other receivables at amortised cost shown above are subject to the expected credit losses model under the financial reporting standard on financial instruments. Other receivables are regarded as of low credit risk if they have a low risk of default and the debtor has a strong capacity to meet its contractual cash flow obligations in the near term. The methodology applied for impairment loss depends on whether there has been a significant increase in credit risk.

18. OTHER NON-FINANCIAL ASSETS, NON-CURRENT

	Group	
	2023	2022
	\$'000	\$'000
Deposits to secure services	6,159	4,532

19. INVENTORIES

	Group	
	2023	2022
	\$'000	\$'000
Raw materials and consumables	4,276	3,820

There are no inventories pledged as security for liabilities.

NOTES TO THE FINANCIAL STATEMENTS

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20. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<u>Trade receivables:</u>				
Outside parties	2,527	1,744	–	–
Subsidiaries (Note 3)	–	–	772	891
Net trade receivables – subtotal	2,527	1,744	772	891
<u>Other receivables:</u>				
Outside parties	9	42	–	–
Subsidiary (Note 3)	–	–	3,186	3,000
Net other receivables – subtotal	9	42	3,186	3,000
Total trade and other receivables	2,536	1,786	3,958	3,891

Trade receivables comprises mainly creditworthy debtors with good payment record and credit card receivables that will be settled in a few days and are considered to have low credit risk, hence these customers can be graded as low risk individually. No loss allowance is necessary.

The amounts are written off when there are indications that there is no reasonable expectation of recovery or the failure of a debtor to make contractual payments over an extended period. There are no collateral held as security and other credit enhancements for the trade receivables.

At each subsequent reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade receivable customers is about 30 days (2022: 30 days). However some customers take a longer period to settle the amounts.

- (a) Ageing analysis of the age of trade receivable amounts that are past due as at the end of the reporting year but not impaired:

	Group	
	2023 \$'000	2022 \$'000
<u>Trade receivables:</u>		
31 to 60 days	189	196
61 to 90 days	192	10
Over 90 days	12	46
Total	393	252

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

20. TRADE AND OTHER RECEIVABLES (cont'd)

(b) As at the end of the reporting year, there were no amounts that were impaired.

Concentration of trade receivables customers as at end of reporting year:

	Group	
	2023	2022
	\$'000	\$'000
Top 1 customer	742	534
Top 2 customers	1,275	916

The other receivables at amortised cost shown above are subject to the expected credit losses model under the financial reporting standard on financial instruments. Other receivables are regarded as of low credit risk if they have a low risk of default and the debtor has a strong capacity to meet its contractual cash flow obligations in the near term. The methodology applied for impairment loss depends on whether there has been a significant increase in credit risk.

21. OTHER FINANCIAL ASSETS

	Group	
	2023	2022
	\$'000	\$'000
Financial assets at FVTPL (Note 21A)	6,046	4,165
Gain on forward foreign exchange contracts (Note 21B)	109	13
	6,155	4,178

21A. Financial assets at FVTPL

	Group	
	2023	2022
	\$'000	\$'000
Movements during the year:		
Fair value at beginning of the year	4,165	–
Additions	3,381	6,953
Disposals	(1,923)	(1,669)
Loss on disposals through profit or loss	(356)	(276)
Increase (decrease) in fair value through profit or loss	779	(843)
Fair value at end of the year	6,046	4,165

The fair value (Level 1) of the financial assets approximates to bid prices in an active market at the end of the reporting year.

NOTES TO THE FINANCIAL STATEMENTS

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21. OTHER FINANCIAL ASSETS (cont'd)**21B. Forward foreign exchange contracts**

The gross amounts of all notional values for contracts that have not yet been settled or cancelled at the end of the reporting year are as follows:

Group	Notional amount		Net fair value gain (loss) \$'000
	Sell	Buy	
<u>2023:</u>			
	US\$'000	\$'000	
Within 6 months	3,200	4,259	116
	JPY'000	\$'000	
Within 6 months	60,000	597	(7)
			<u>109</u>
<u>2022:</u>			
	US\$'000	\$'000	
Within 6 months	2,507	3,430	17
	EUR'000	\$'000	
Within 6 months	303	450	(6)
	JPY'000	\$'000	
Within 6 months	55,710	600	2
			<u>13</u>

The amount of notional value outstanding is not necessarily a measure or indication of market risk, as the exposure of certain contracts may be offset by that of other contracts.

The fair value (Level 2) of forward foreign exchange contracts is based on current value of the difference between the contractual exchange rate and the market rate at the end of the reporting year. The valuation technique uses market observable inputs.

NOTES TO THE FINANCIAL STATEMENTS

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21. OTHER FINANCIAL ASSETS (cont'd)**21C. Disclosures relating to investments in financial assets at FVTPL**

The information gives a summary of the significant sector concentrations within the investment portfolio including Level 1 and 2 securities:

	Level	Group			
		2023 \$'000	2022 \$'000	2023 %	2022 %
<u>Quoted equity shares:</u>					
Technology industry	1	2,207	1,289	35.86	30.85
United States					
Financial service industry	1	1,231	925	20.00	22.14
United States					
Technology industry	1	326	7	5.30	0.17
Hong Kong					
Media industry	1	256	94	4.16	2.26
United States					
Retail industry	1	251	138	4.08	3.30
Hong Kong					
Electronics industry	1	200	–	3.25	–
Japan					
Healthcare industry	1	198	–	3.22	–
United States					
Retail industry	1	180	108	2.92	2.58
Japan					
Consumer goods industry	1	135	163	2.19	3.90
Hong Kong					
Technology industry	1	130	296	2.11	7.08
Japan					
Food and beverages industry	1	61	162	0.99	3.88
China					
Automotive industry	1	–	152	–	3.64
Japan					
Semiconductor industry	1	–	150	–	3.59
Netherlands					
Real estate industry	1	–	121	–	2.90
Hong Kong					
Others	1	871	560	14.15	13.40
Subtotal		6,046	4,165	98.23	99.69
Derivative financial instruments	2	109	13	1.77	0.31
Total		6,155	4,178	100.00	100.00

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

21. OTHER FINANCIAL ASSETS (cont'd)

21C. Disclosures relating to investments in financial assets at FVTPL (cont'd)

There were no transfers between Level 1 and Level 2 of the fair value hierarchy.

Sensitivity analysis for price risk of equity shares at FVTPL:

There are investments in equity shares or similar instruments. Such investments are exposed to both currency risk and market price risk arising from uncertainties about future values of the investment securities.

Sensitivity analysis: The effect is as follows:

	Group	
	2023 \$'000	2022 \$'000
A hypothetical 10% increase in the market index of quoted equity shares at FVTPL would have an effect on fair value of	605	417

22. OTHER NON-FINANCIAL ASSETS, CURRENT

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Deposits to secure services	2,288	2,103	–	–
Prepayments	822	1,003	9	5
	<u>3,110</u>	<u>3,106</u>	<u>9</u>	<u>5</u>

23. CASH AND CASH EQUIVALENTS

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Not restricted in use	17,618	24,429	618	528
Cash restricted in use	–	166	–	–
	<u>17,618</u>	<u>24,595</u>	<u>618</u>	<u>528</u>
Interest earning balances	<u>6,938</u>	<u>166</u>	<u>–</u>	<u>–</u>

The rate of interest for the interest earning balances is 0.10% to 4.50% (2022: 0.25%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

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23. CASH AND CASH EQUIVALENTS (cont'd)**23A. Cash and cash equivalents in the consolidated statement of cash flows:**

	Group	
	2023 \$'000	2022 \$'000
Amount as shown above	17,618	24,595
Cash restricted in use over 3 months	–	(166)
Cash and cash equivalents for consolidated statement of cash flows purposes at end of the year	17,618	24,429

23B. Non-cash transactions for purchase of property, plant and equipment:

	Group	
	2023 \$'000	2022 \$'000
Purchase of property, plant and equipment (Note 14)	6,159	9,406
Additions for provision for restoration (Note 26)	(111)	(33)
	6,048	9,373

23C. Reconciliation of liabilities arising from financing activities:

Group	At beginning of the reporting year \$'000	Cash flows \$'000	Non-cash changes \$'000	At end of the reporting year \$'000
2023:				
Long-term borrowings	6,529	(6,529)	–	–
Short-term borrowings	940	(940)	–	–
Lease liabilities	64,093	(23,401)	37,633 ^(a)	78,325
Total liabilities from financing activities	71,562	(30,870)	37,633	78,325
2022:				
Long-term borrowings	7,462	–	(933)	6,529
Short-term borrowings	921	(914)	933	940
Lease liabilities	68,452	(22,678) ^(b)	18,319 ^{(a) (b)}	64,093
Total liabilities from financing activities	76,835	(23,592)	18,319	71,562

^(a) Made up of interest expense of \$2,398,000 (2022: \$2,892,000) and additions and remeasurement of lease liabilities of \$33,127,000 (2022: \$3,278,000) and \$2,198,000 (2022: \$12,695,000) respectively.

^(b) Net of Covid-19 related rent concessions from lessors of \$536,000.

NOTES TO THE FINANCIAL STATEMENTS

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24. SHARE CAPITAL

	Number of shares issued '000	Group and Company		Total \$'000
		Share capital \$'000	Treasury shares '000	
Balance at 1 July 2021 and 30 June 2022	354,000	32,307	-	32,307
Treasury shares purchased ^(a)	(162)	-	(42)	(42)
Balance at 30 June 2023	353,838	32,307	(42)	32,265

^(a) Under the mandate approved at the extraordinary general meeting held on 27 October 2021, 162,000 treasury shares were acquired for a total cash consideration of \$42,000 during the reporting year on the Singapore Stock Exchange.

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income. The company is not subject to any externally imposed capital requirements.

Capital management:

In order to maintain its listing on the Singapore Stock Exchange it has to have share capital with a free float of at least 10% of the shares. The company met the capital requirement on its initial listing and the rules limiting treasury share purchases mean it will automatically continue to satisfy that requirement, as it did throughout the reporting year. Management receives a report from the share registrars frequently on substantial share interests showing the non-free float to ensure continuing compliance with the 10% limit throughout the reporting year.

The company is a Catalist company and had appointed a sponsor to comply with the Catalist Rules and to facilitate certain corporate actions including rights issues, placement of shares, warrants or other convertible securities for cash, major transactions, transactions requiring shareholders' approval and schemes of arrangement.

The objectives when managing capital are: to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital and reserves).

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

24. SHARE CAPITAL (cont'd)

The management monitors the capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt / adjusted capital (as shown below). Net debt is calculated as total borrowings less cash and cash equivalents.

	Group	
	2023 \$'000	2022 \$'000
Net debt:		
All current and non-current borrowings excluding leases	–	7,469
Lease liabilities	78,325	64,093
All current and non-current borrowings including leases	78,325	71,562
Less cash and cash equivalents	(17,618)	(24,595)
Net debt	<u>60,707</u>	<u>46,967</u>
Adjusted capital:		
Total equity	<u>41,042</u>	<u>39,712</u>
Debt-to-adjusted capital ratio	<u>147.9%</u>	<u>118.3%</u>

The unfavourable change as shown by the increase in the debt-to-adjusted capital ratio for the reporting year resulted primarily from the increase in lease liabilities.

25. MERGER RESERVE

This represents the difference between the consideration paid and the equity acquired under common control.

26. PROVISIONS

	Group	
	2023 \$'000	2022 \$'000
Provision for restoration	<u>1,585</u>	<u>1,521</u>
Movements in above provision:		
Balance at beginning of year	1,521	1,488
Additions (Note 23B)	111	33
Utilisation	(47)	–
At end of the year	<u>1,585</u>	<u>1,521</u>

The provision is based on the present value of costs to be incurred to remove leasehold improvements from leasehold property. The estimate is based on quotation from external contractors. The unwinding of discount is not significant.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

27. OTHER FINANCIAL LIABILITIES

	Group	
	2023 \$'000	2022 \$'000
Non-current:		
<u>Financial instruments with floating interest rates:</u>		
Bank loan (secured) Non-current	–	6,529
	–	6,529
Current:		
<u>Financial instruments with floating interest rates:</u>		
Bank loan (secured) Current	–	940
	–	940
Total	–	7,469

The non-current portion is repayable as follows:

	Group	
	2023 \$'000	2022 \$'000
Due within 2 to 5 years	–	3,845
After 5 years	–	2,684
Total non-current portion	–	6,529

The loan bears interest at 0.85% over the prevailing 3-month SIBOR or COF, whichever is higher and ranged as follows for the current reporting year:

	Group	
	2023 %	2022 %
Bank loan (secured)	2.08 to 4.87	1.14 to 1.35

The term loan is secured by legal mortgage over the group's property and a corporate guarantee by the company. The loan is repayable over 120 monthly instalments commencing April 2020. The loan has been fully repaid in April 2023 and the legal mortgage will be discharged in the next reporting year.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

28. LEASE LIABILITIES

Lease liabilities are presented in the statements of financial position as follows:

	Group	
	2023	2022
	\$'000	\$'000
Lease liabilities, current	22,316	19,328
Lease liabilities, non-current	56,009	44,765
	78,325	64,093

Movements of lease liabilities for the reporting year are as follows:

	Group	
	2023	2022
	\$'000	\$'000
Total lease liabilities at beginning of reporting year	64,093	68,452
Additions	33,127	3,278
Remeasurement	2,198	12,695
Accretion of interest (Note 8)	2,398	2,892
Covid-19 related rent concessions from lessors (Note 6)	–	(536)
Lease payments – principal and interest paid	(23,401)	(22,678)
Foreign exchange adjustments	(90)	(10)
Total lease liabilities at end of reporting year	78,325	64,093

The lease liability above does not include the short-term leases of less than 12 months and leases of low-value underlying assets. Variable lease payments which do not depend on an index or a rate or based on a percentage of revenue are not included from the initial measurement of the lease liability and the right-of-use assets.

A summary of the maturity analysis of lease liabilities is disclosed in Note 33E. Total cash outflows from leases are shown in the consolidated statement of cash flows. The related right-of-use assets are disclosed in Note 15.

At reporting year date, there were no commitments on leases which had not yet commenced.

The future cash outflows commitments to which the lessee is potentially exposed are not reflected in the measurement of lease liabilities above. This includes exposure arising from: (1) variable lease payments and (2) extension options and termination options.

The following are the amounts recognised in profit or loss:

Lease under SFRS(I) 16	Notes	Group	
		2023	2022
		\$'000	\$'000
Depreciation of right-of-use assets	15	20,540	20,369
Interest on lease liabilities	8	2,398	2,892
Fixed rental expense on short-term leases and low-value assets		1,543	1,092
Variable rental expense on operating leases		1,053	829
Total amount recognised in profit or loss		25,534	25,182

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

29. TRADE AND OTHER PAYABLES

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<u>Trade payables:</u>				
Outside parties	10,122	8,273	42	34
Accrued liabilities	8,193	6,850	490	603
Subsidiaries (Note 3)	–	–	119	100
Trade payables – subtotal	18,315	15,123	651	737
<u>Other payables:</u>				
Outside parties	1,405	2,206	6	6
Other payables – subtotal	1,405	2,206	6	6
Total trade and other payables	19,720	17,329	657	743

30. OTHER NON-FINANCIAL LIABILITIES, CURRENT

	Group	
	2023 \$'000	2022 \$'000
Deferred income	32	46

31. CAPITAL COMMITMENTS

Estimated amounts committed at the end of the reporting year for future capital expenditure but not recognised in the financial statements are as follows:

	Group	
	2023 \$'000	2022 \$'000
Commitments to purchase plant and equipment	1,487	453

32. OPERATING LEASE INCOME COMMITMENTS – AS LESSOR

Operating lease income is for rentals receivables for its operating premises. The lease to the tenant is usually on a month-to-month basis with no commitment terms. At the end of the reporting year, the total of future minimum lease receivables committed under non-cancellable operating leases are not significant.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

33. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS

33A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<u>Financial assets:</u>				
Financial assets at amortised cost	20,154	26,381	15,247	15,090
Financial assets at FVTPL	6,155	4,178	–	–
	<u>26,309</u>	<u>30,559</u>	<u>15,247</u>	<u>15,090</u>
<u>Financial liabilities:</u>				
Financial liabilities at amortised cost	<u>98,045</u>	<u>88,891</u>	<u>657</u>	<u>743</u>

Further quantitative disclosures are included throughout these financial statements.

33B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate risk, currency risk and price risk exposures. Management has certain practices for the management of financial risks. The guidelines set up the short and long term objectives and action to be taken in order to manage the financial risks. The guidelines include the following:

- (i) Minimise interest rate, currency, credit and market risk for all kinds of transactions.
- (ii) Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance (if necessary). The same strategy is pursued with regard to interest rate risk.
- (iii) All financial risk management activities are carried out and monitored by senior management staff.
- (iv) All financial risk management activities are carried out following market practices.
- (v) When appropriate, consideration is given to investing in shares or similar instruments.
- (vi) When appropriate, consideration is given to entering into derivatives or any other similar instruments solely for hedging purposes.

The chief financial officer monitors the procedures and reports to the Audit Committee of the board.

There have been no changes to the exposures to risks, the objectives, policies and processes for managing the risks and the methods used to measure the risks.

33C. Fair values of financial instruments

The analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the material financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments. The disclosures of fair values are not made when the carrying amounts of current financial instruments are reasonable approximation of their fair values.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

33. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (cont'd)

33D. Credit risk on financial assets

Financial assets are principally from cash balances with banks, cash equivalents, receivables and other financial assets at amortised cost. They are potentially subject to credit risk due to failures by counterparties to discharge their obligations in full or in a timely manner. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting year. Credit risk on cash balances and any other financial instruments with banks and other financial institutions is limited because the counterparties are entities with acceptable credit ratings. For expected credit losses ("ECL") on financial assets, a simplified approach (that is, to recognise the loss allowance at an amount equal to lifetime ECL at initial recognition and throughout its life at each reporting date) is permitted by the financial reporting standard on financial instruments for financial assets that do not contain a significant financing component, such as trade receivables and contract assets. For the credit risk on the financial assets an ongoing credit evaluation is performed on the financial condition of the debtors and any loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Cash and cash equivalents are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

33E. Liquidity risk – financial liabilities maturity analysis

Liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be paid at their contractual maturity.

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows) at the end of the reporting year:

Group	Less than 1 year \$'000	2 – 5 years \$'000	After 5 years \$'000	Total \$'000
Non-derivative financial liabilities:				
<u>2023:</u>				
Trade and other payables	19,720	–	–	19,720
Lease liabilities	24,976	50,860	9,623	85,459
At end of the year	44,696	50,860	9,623	105,179
<u>2022:</u>				
Gross borrowing commitments	1,015	4,059	2,726	7,800
Trade and other payables	17,329	–	–	17,329
Lease liabilities	21,279	46,876	805	68,960
At end of the year	39,623	50,935	3,531	94,089

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

33. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (cont'd)**33E. Liquidity risk – financial liabilities maturity analysis (cont'd)**

Company	Less than 1 year \$'000
Non-derivative financial liabilities:	
<u>2023:</u>	
Trade and other payables	657
At end of the year	<u>657</u>
<u>2022:</u>	
Trade and other payables	743
At end of the year	<u>743</u>

The undiscounted amounts on the borrowings with fixed and floating interest rates are determined by reference to the conditions existing at the report date.

The above amounts disclosed in the maturity analysis are the contractual undiscounted cash flows and such undiscounted cash flows differ from the amount included in the statements of financial position. When the counter-party has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which it can be required to pay.

Financial guarantee contracts - For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called. At the end of the reporting year, no claims on the financial guarantees are expected to be payable. The following table shows the maturity analysis of the contingent liabilities from financial guarantees:

Group	Less than 1 year \$'000	2 – 5 years \$'000	Total \$'000
<u>2023:</u>			
Bank guarantees	1,382	3,159	4,541
<u>2022:</u>			
Bank guarantees	981	2,302	3,283

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

33. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (cont'd)

33E. Liquidity risk – financial liabilities maturity analysis (cont'd)

Company	Less than 1 year \$'000	2 – 5 years \$'000	More than 5 years \$'000	Total \$'000
<u>2023:</u>				
Corporate guarantees in favour of financial institutions for facilities extended to subsidiaries	1,382	3,159	–	4,541
<u>2022:</u>				
Corporate guarantees in favour of financial institutions for facilities extended to subsidiaries	1,921	6,147	2,683	10,751

The average credit period taken to settle trade payables is about 30 to 60 days (2022: 30 to 60 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statements of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary. In order to meet such cash commitments, the operating activities are expected to generate sufficient cash inflows.

33F. Interest rate risk

Interest rate risk arises on interest-bearing financial instruments. The interest from financial assets is not material.

The following table analyses the breakdown of the significant financial instruments by type of interest rate at the end of the reporting year:

	Group	
	2023 \$'000	2022 \$'000
<u>Financial assets:</u>		
Fixed rate	6,938	166
Total at end of the year	6,938	166
<u>Financial liabilities:</u>		
Fixed rate	78,325	64,093
Floating rate	–	7,469
Total at end of the year	78,325	71,562

The floating rate debt instruments are with interest rates that are re-set regular intervals. The interest rates are disclosed in the respective notes.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

33. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (cont'd)

33F. Interest rate risk (cont'd)

Sensitivity analysis:

	Group	
	2023	2022
	\$'000	\$'000

Financial liabilities:

A hypothetical variation in interest rates by 100 basis points with all other variables held constant, would have a decrease in pre-tax profit for the year by

-	75
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The analysis has been performed for floating interest rate over a year for financial instruments. The impact of a change in interest rates on floating interest rate financial instruments has been assessed in terms of changing of their cash flows and therefore in terms of the impact on profit or loss. The hypothetical changes in basis points are not based on observable market data (unobservable inputs).

33G. Foreign currency risk

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency, i.e. in a currency other than the functional currency in which they are measured. For the purpose of this financial reporting standard on financial instruments: disclosures, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

Sensitivity analysis: The group has no significant exposure to foreign currency risk after taking into consideration hedged transactions. The company has no significant exposure to foreign currency risk.

34. CHANGES AND ADOPTION OF FINANCIAL REPORTING STANDARDS

For the current reporting year, the Accounting Standards Committee under ACRA issued new or revised financial reporting standards. These applicable new or revised standards did not require any material modification of the measurement methods or the presentation in the financial statements.

SFRS(I) No.	Title
Various	Annual Improvements to SFRS(I)s 2018-2020 – Amendments to SFRS(I) 1 First-time Adoption of SFRS(I); IFRS 9 Financial Instruments; SFRS(I) 16 Leases; and SFRS(I) 1-41 Agriculture

NOTES TO THE FINANCIAL STATEMENTS

30 June 2023

35. NEW OR AMENDED STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

For the future reporting years, the Accounting Standards Committee under ACRA issued certain new or revised financial reporting standards and these will only be effective for future reporting years. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any material modification of the measurement methods or the presentation in the financial statements for the following reporting year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the group's financial statements in the period of initial application. Those applicable to the group for future reporting years are listed below.

SFRS(I) No.	Title	Effective date for periods beginning on or after
SFRS(I) 1-1	Presentation of Financial Statements – Amendment relating to Classification of Liabilities as Current or Non-current	1 January 2024
SFRS(I) 1-1	Disclosure of Accounting Policies – Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2 Making Materiality Judgements	1 January 2023
SFRS(I) 1-8	Definition of Accounting Estimates – Amendments	1 January 2023
SFRS(I) 1-12, SFRS(I) 1	Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments	1 January 2023

SHAREHOLDERS' INFORMATION

As at 12 September 2023

Number of issued and paid-up shares	:	354,000,000
Number of issued and paid-up shares (excluding treasury shares)	:	353,837,700
Number/Percentage of treasury shares	:	162,300 (0.045%)
Number/Percentage of subsidiary holdings	:	Nil
Class of shares	:	Ordinary shares
Voting rights	:	One vote per ordinary share

The Company cannot exercise any voting rights in respect of shares held by it as treasury shares

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	0	0.00	0	0.00
100 – 1,000	81	11.74	57,100	0.01
1,001 – 10,000	334	48.40	1,652,800	0.47
10,001 – 1,000,000	261	37.83	17,359,900	4.91
1,000,001 and above	14	2.03	334,767,900	94.61
Total	690	100.00	353,837,700	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	DBS Nominees (Private) Limited	225,522,615	63.74
2	Yek Hong Liat John	60,000,000	16.96
3	Orchid 2 Investments Pte Ltd	16,000,000	4.52
4	Foo Kah Lee	9,000,000	2.54
5	Lim Shyang Zheng (Lin Xiangzheng)	7,834,000	2.21
6	Teo Eng Kim	2,999,985	0.85
7	DBS Vickers Securities (Singapore) Pte Ltd	2,941,300	0.83
8	Chan Mei Lin	1,750,000	0.49
9	Yeo Wee Lin Nicholas	1,750,000	0.49
10	Phillip Securities Pte Ltd	1,577,600	0.45
11	Tan Kok Ching	1,500,000	0.42
12	iFAST Financial Pte. Ltd.	1,343,700	0.38
13	Citibank Nominees Singapore Pte Ltd	1,288,700	0.36
14	Chan Chee Meng	1,260,000	0.36
15	Shuji Sekiguchi	934,100	0.26
16	Kawabe Kenta	667,100	0.19
17	Ow Cheo Guan	525,000	0.15
18	Cheah Phi Teik	523,000	0.15
19	Chia Kiah Ngian (Xie Jiayang)	460,000	0.13
20	Ng Seng Lee	457,500	0.13
	Total	338,334,600	95.61

SHAREHOLDERS' INFORMATION

As at 12 September 2023

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders as at 12 September 2023)

	Direct Interest	%	Deemed Interest	%
Tatara Hiroshi ⁽¹⁾	–	–	220,503,130	62.32
Yek Hong Liat John	60,000,000	16.96	–	–

Note:

⁽¹⁾ Mr. Tatara Hiroshi is deemed to be interested in 220,503,130 ordinary shares held under the name of DBS Nominees (Private) Limited.

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC'S HANDS

Approximately 14.62% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual - Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the “**Meeting**” or “**AGM**”) of RE&S Holdings Limited (the “**Company**”) will be convened and held in a wholly physical format at 32 Tai Seng Street, #07-01 RE&S Building, Singapore 533972 on Wednesday, 25 October 2023, at 10.00 a.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company for the financial year ended 30 June 2023 together with the Auditors’ Report thereon. **(Resolution 1)**

2. To declare a final dividend (tax exempt one-tier) of 0.90 cent per ordinary share for the financial year ended 30 June 2023. **(Resolution 2)**

3. To re-elect the following Directors of the Company retiring pursuant to Regulation 97 of the Constitution of the Company:

Mr. Ben Yeo Chee Seong	(Resolution 3)
Mr. Foo Kah Lee	(Resolution 4)

 - *Mr. Ben Yeo Chee Seong will, upon re-election as a Director of the Company, continue to serve as Chairman of the Board of Directors, Chairman of the Audit Committee and a member of the Nominating Committee, Remuneration Committee and Administration Committee. Mr. Yeo will be considered independent for the purpose of Rule 704(7) of the Listing Manual – Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“SGX-ST”) (“Catalist Rules”). Detailed information of Mr. Yeo required pursuant to Rule 720(5) of the Catalist Rules can be found in the Annual Report.*
 - *Mr. Foo Kah Lee will, upon re-election as a Director of the Company, remain as the Executive Director and Chief Executive Officer of the Company. Detailed information of Mr. Foo required pursuant to Rule 720(5) of the Catalist Rules can be found in the Annual Report.*

4. To approve the payment of Directors’ fees of up to S\$199,000 for the financial year ending 30 June 2024, to be paid quarterly in arrears. (FY2023: S\$210,000) **(Resolution 5)**

5. To re-appoint RSM Chio Lim LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 6)**

6. To transact any other ordinary business which may properly be transacted at an AGM.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions:

7. To appoint Ms. Heng Mui Mui as Director of the Company pursuant to Regulation 103 of the Constitution of the Company. **(Resolution 7)**

NOTICE OF ANNUAL GENERAL MEETING

8. Authority to issue new shares

That pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Listing Manual Section B: Rules of Catalist of the SGX-ST ("**Catalist Rules**"), the Directors of the Company be authorised and empowered to:

- (a) (i) issue shares in the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other Instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

- (1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - (a) new shares arising from the conversion or exercise of any convertible securities;
 - (b) new shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of Catalist Rules; and
 - (c) any subsequent bonus issue, consolidation or subdivision of shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (i)]

(Resolution 8)

NOTICE OF ANNUAL GENERAL MEETING

9. Authority to issue shares under the RE&S Employee Share Option Scheme

That pursuant to Section 161 of the Companies Act 1967, the Directors of the Company be authorised and empowered to offer and grant options under the prevailing RE&S Employee Share Option Scheme (the “**RE&S ESOS**”) and to issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of options granted by the Company under the RE&S ESOS, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the RE&S ESOS shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iii)]

(Resolution 9)

10. Renewal of Share Buy-Back Mandate

That:

- (a) for the purposes of the Companies Act 1967 (“**Companies Act**”), and such other laws and regulations as may for the time being be applicable, approval be and is hereby given for the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company (“**shares**”) not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:
- (i) market purchase(s), transacted through the SGX-ST or, as the case may be, any other securities exchange on which the shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose (“**Market Purchase**”); and/or
 - (ii) off-market purchase(s) (if effected otherwise than on an approved exchange in Singapore or any securities exchange outside Singapore) in accordance with an equal access scheme as defined in Section 76C of the Companies Act as may be determined or formulated by the Directors of the Company as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Catalist Rules (“**Off-Market Purchase**”),

and otherwise in accordance with all other laws and regulations, including but not limited to the provisions of the Companies Act and the Catalist Rules as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Buy-Back Mandate**”);

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Buy-Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of passing of this resolution and expiring on the earlier of:
- (i) the date on which the next AGM of the Company is held or required by law to be held; or
 - (ii) the date on which purchases or acquisitions of shares by the Company pursuant to the Share Buy-Back Mandate are carried out to the full extent mandated; or
 - (iii) the date on which the authority contained in the Share Buy-Back Mandate is varied or revoked by the Company in a general meeting;

NOTICE OF ANNUAL GENERAL MEETING

(c) in this resolution:

"Market Day" means a day on which the SGX-ST is open for trading in securities;

"Maximum Price" in relation to a share to be purchased or acquired, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of a Market Purchase, the price per share which is not more than 5% above the average of the closing market prices of the shares over the last five (5) Market Days on the Catalist, on which transactions in the shares were recorded, immediately preceding the day of the Market Purchase by the Company, and which is deemed to be adjusted in accordance with the Catalist Rules for any corporate action occurring during the relevant five (5) Market Days period and the day of the Market Purchase; and
- (ii) in the case of an Off-Market Purchase, the price per share based on not more than 20% above the average of the closing market prices of the shares over the last five (5) Market Days on the Catalist, on which transactions in the shares were recorded immediately preceding the day on which the Company makes an announcement of an offer under an Off-Market Purchase scheme, and which is deemed to be adjusted in accordance with the Catalist Rules for any corporate action occurring during the relevant five (5) Market Days period and the day of the Off-Market Purchase;

"Prescribed Limit" means 10% of the total number of issued ordinary shares of the Company (excluding treasury share and subsidiary holdings, if any) as at the date of passing of this resolution, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period (as hereinafter defined), in which event the total number of issued ordinary shares of the Company shall be taken to be the total number of issued ordinary shares of the Company as altered (excluding treasury share and subsidiary holdings, if any, from time to time). Shares which are held by the Company as treasury shares and subsidiary holdings will be disregarded for the purposes of calculating this 10% limit;

"Relevant Period" means the period commencing from the date on which this resolution in relation to the adoption of the Share Buy-Back Mandate is passed and expiring on the earliest of (i) the date on which the next AGM is held or is required by law to be held; (ii) the date on which the Share Buy-Back Mandate have been carried out to the full extent mandated; or (iii) the date which the authority conferred by the Share Buy-Back Mandate is revoked or varied by the Company in a general meeting, after this resolution is passed; and

"subsidiary holdings" has the meaning given to it in the Catalist Rules; and

(d) the Directors and each of them be and are hereby authorised and empowered to complete and do all such acts and things (including, without limitation, executing such documents as may be required) as they and/or he may consider desirable, expedient or necessary in the interest of the Company in connection with or for the purposes of giving full effect to the Share Buy-Back Mandate.

[See Explanatory Note (iii)]

(Resolution 10)

By Order of the Board

Josephine Toh
Secretary

Singapore
9 October 2023

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

- (i) The Ordinary Resolution 7 proposed in item 7 above, is to appoint Ms. Heng Mui Mui as an additional Director pursuant to Regulation 103 of the Constitution of the Company. Ms. Heng will be considered independent for the purpose of Rule 704(7) of the Catalist Rules. Detailed information of Ms. Heng required pursuant to Rule 720(5) of the Catalist Rules can be found in the Annual Report.
- (ii) The Ordinary Resolution 8 proposed in item 8 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holding, if any) in the capital of the Company, of which up to fifty per centum (50%) may be issued other than on a *pro rata* basis to existing shareholders of the Company.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or the vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

- (iii) The Ordinary Resolution 9 proposed in item 9 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the exercise of options granted or to be granted under the Scheme up to a number not exceeding in aggregate (for the entire duration of the Scheme) fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company from time to time.
- (iv) The Ordinary Resolution 10 proposed in item 10 above, if passed, will empower the Directors of the Company, from the date of the AGM until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held, or the date on which the Share Buy-Back Mandate have been carried out to the full extent mandated or when such authority conferred by the Share Buy-Back Mandate is varied or revoked by the Company in a general meeting, whichever is the earlier, to make purchases (whether by way of Market Purchase or Off-Market Purchase on an equal access scheme) from time to time of up to 10% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company at prices up to but not exceeding the Maximum Price. The rationale for the Share Buy-Back Mandate, the authority and limitation on the purchase or acquisition of shares under the Share Buy-Back Mandate, the source of funds to be used for the purchase or acquisition including the amount of financing, and the financial effects of the purchase or acquisition of shares by the Company pursuant to the proposed renewal of the Share Buy-Back Mandate on the audited consolidated financial statements of the Company and its subsidiaries for the financial year ended 30 June 2023 are set out in greater detail in the Letter to Shareholders dated 9 October 2023 released to SGX-ST together with the Annual Report 2023.

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

FORMAT OF AGM

- (1) The AGM will be held in a wholly physical format at 32 Tai Seng Street, #07-01 RE&S Building, Singapore 533972. **There will be no option for members of the Company ("Members") to participate virtually.** Printed copies of this Notice of AGM and Proxy Form (as defined below) will be sent to Members. The said documents will also be made available on the SGXNET at the URL <https://www.sgx.com/securities/company-announcements> and the Company's website at the URL <https://res.listedcompany.com/>.

ARRANGEMENTS FOR CONDUCT OF THE AGM

- (2) Arrangements relating to the conduct of the AGM, including:
- (a) attending the AGM in person;
 - (b) submitting questions related to the resolutions to be tabled for approval at the AGM, in advance of the AGM or at the AGM itself; and/or
 - (c) voting at the AGM by the Member (a) in person or (b) by his/her/its duly appointed proxy(ies),

are set out in this Notice of AGM. Any reference to a time of day is made by reference to Singapore time. The Notice of AGM may be accessed at the Company's website at URL <https://res.listedcompany.com/>, and will also be made available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.

Members, including SRS investors, or, where applicable, their appointed proxy(ies) who will be attending the AGM in person should bring along their NRIC/passport so as to enable the verification of their identity on the day of the AGM.

QUESTION & ANSWER AND AGM MINUTES

- (3) Members, including SRS investors, or, where applicable, their appointed proxy(ies) can also ask the Chairman of the AGM substantial and relevant questions related to the resolutions to be tabled for approval at the AGM, at the AGM.

Members, including SRS investors, may also submit questions related to the resolutions to be tabled for approval at the AGM, in advance of the AGM. To do so, all questions must be submitted in the following manner by **10.00 a.m. on Tuesday, 17 October 2023:**

- (a) if submitted by post, be deposited at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
- (b) if submitted electronically, via email to the Company at srs.teamc@boardroomlimited.com.

Members, including SRS investors, who submit questions by post to the Share Registrar or via email to the Company must provide the following information:

- (a) the Member's full name;
- (b) the Member's address; and
- (c) the manner in which the Member holds Shares in the Company (e.g., via CDP or SRS).

NOTICE OF ANNUAL GENERAL MEETING

Members are strongly encouraged to submit their questions via email.

The Company will endeavour to address all substantial and relevant questions received by it in the manner set out above, prior to or during the AGM. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

The Company will publish the minutes of the AGM on the Company's website and on SGXNET within one (1) month from the date of the AGM, and the minutes will include the responses to the substantial and relevant questions received from Members which are addressed during the AGM.

VOTING, OR APPOINTING PROXY(IES) TO VOTE, AT THE AGM

- (4) A Member who wishes to exercise his/her/its voting rights at the AGM may: (a) vote at the AGM in person or (b) appoint proxy(ies) to vote on his/her/its behalf at the AGM.
- (5) A proxy need not be a Member.
- (6) A Member who wishes to submit an instrument appointing proxy(ies) must complete the accompanying proxy form ("**Proxy Form**"), before submitting it in the manner set out below. Printed copies of the Proxy Form will be sent to Members. The Proxy Form may also be accessed at the Company's website at the URL <https://res.listedcompany.com/>, and will also be made available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.

Where a Member appoints proxy(ies), he/she/it may give specific instructions as to voting, or abstentions from voting, in respect of the resolutions in the Proxy Form, failing which the proxy(ies) will vote or abstain from voting at his/her/their discretion, as he/she/they may on any other matter arising at the AGM.

- (7) The Proxy Form must be deposited with the Company's Share Registrar's Office at **Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632** or sent by email to srs.teamc@boardroomlimited.com, not less than seventy-two (72) hours before the time appointed for the Meeting.
- (8) **Members are strongly encouraged to submit completed Proxy Forms electronically via email.**
- (9) Relevant intermediaries:

Persons who hold Shares through relevant intermediaries, other than SRS investors, and who wish to participate in the AGM should contact the relevant intermediary through which they hold such Shares as soon as possible. Persons who hold Shares through relevant intermediaries, other than SRS investors, may (i) vote at the AGM if they are appointed as proxies by their respective relevant intermediaries; or (ii) specify their voting instructions to / arrange for their votes to be submitted with their respective relevant intermediaries, and should contact their respective relevant intermediaries as soon as possible in order for the necessary arrangements to be made.

In addition, SRS investors may (a) vote at the AGM if they are appointed as proxies by their respective SRS Operators, and should contact their respective SRS Operators if they have any queries regarding their appointment as proxies; or (b) specify their voting instructions to / arrange for their votes to be submitted with their respective SRS Operators, and should approach their respective SRS Operators by **10.00 a.m. on Friday, 13 October 2023**, being at least seven (7) working days before the date of the AGM, to ensure their votes are submitted.

NOTICE OF ANNUAL GENERAL MEETING

- (10) A Member who is not a relevant intermediary (as defined below) and entitled to attend and vote at the AGM is entitled to appoint one or two proxies to attend and vote in his/her/its stead. Where a Member appoints more than one proxy, the appointments shall be invalid unless he/she/it specifies the proportion of his/her/its shareholding (expressed as a percentage of the whole) to be represented by each proxy.

A Member who is a relevant intermediary and entitled to attend and vote at the AGM is entitled to appoint more than two proxies to attend and vote instead of the Member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such Member. Where such Member appoints more than one proxy, the appointments shall be invalid unless the Member specifies the number of Shares in relation to which each proxy has been appointed in the Proxy Form.

“Relevant intermediary” means:

- (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001, and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board (**“CPF Board”**) established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
- (11) The Annual Report for the financial year ended 30 June 2023 (**“Annual Report 2023”**) has been uploaded on SGXNET on 9 October 2023 at URL <https://www.sgx.com/securities/company-announcements> and may be accessed at the Company’s website at URL <https://res.listedcompany.com/>. Printed copies of the Annual Report 2023 will not be sent to Members unless requested for by a Member submitting a request via email to the Company’s Share Registrar at srs.teamc@boardroomlimited.com. The following information must be provided:
- (a) the Member’s full name;
 - (b) the Member’s address; and

Which should reach the Share Registrar by 5.00 p.m. on Monday, 16 October 2023.

A printed copy of the Annual Report 2023 will then be sent to the address specified by the Member at his/her/its own risk.

IMPORTANT REMINDER

Members are advised to regularly check the Company’s announcements released on SGXNet for updates on the AGM.

NOTICE OF ANNUAL GENERAL MEETING

PERSONAL DATA PRIVACY:

By either (a) attending the AGM or (b) submitting an instrument appointing proxy(ies) to attend, speak and vote at the AGM and/or any adjournment thereof, and/or (c) submitting any question in advance of, or at, the AGM, and/or (d) submitting a request to request for a printed copy of the Annual Report 2023, a Member:

- (i) consents to the collection, use and disclosure of the Member's personal data by the Company (or its respective agents or service providers) for the following purposes:
 - (1) the processing, administration and analysis by the Company (or its respective agents or service providers) of instruments appointing proxy(ies) for the AGM (including any adjournment thereof);
 - (2) the addressing of questions received from Members in advance of or at the AGM and, if necessary, the following up with the relevant Members in relation to such questions;
 - (3) the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof); and
 - (4) in order for the Company (or its respective agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines,(collectively, the "**Purposes**");
- (ii) warrants that where the Member discloses the personal data of the Member's proxy(ies) and/or representative(s) to the Company (or its respective agents or service providers), the Member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its respective agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes;
- (iii) agrees to provide the Company with written evidence of such prior consent upon reasonable request;
- (iv) agrees that the Member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Member's breach of warranty; and
- (v) agrees and consents to such photographic, sound and/or video recordings of the AGM as may be made by the Company (or its respective agents or service providers) for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of the Member (such as his/her name, his/her presence at the AGM and any questions he/she may raise or motions he/she may propose/second) may be recorded by the Company (or its respective agents or service providers) for such purpose.

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

ANNUAL GENERAL MEETING
PROXY FORM
(Please see notes overleaf before completing this Form)

IMPORTANT:

1. A proxy need not be a Member.
2. A Member who is a relevant intermediary is entitled to appoint more than two proxies. Where such Member's instruments appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be presented by each proxy shall be specified in the instrument (please see Note 2 for the definition of "relevant intermediary").
3. For SRS investors who have used their SRS monies to buy shares in the Company, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. SRS investors should contact their respective SRS Operators if they have any queries regarding their appointment as proxies or appointment of the Chairman of the Meeting as proxy.
4. **PLEASE READ THE NOTES TO THE PROXY FORM.**

Personal Data Privacy

By submitting an instrument appointing proxy(ies), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 9 October 2023.

I/We, _____ (Name) _____ (NRIC/Passport No./Co. Reg. No.)

of _____ (Address)

being *a member/members of **RE&S HOLDINGS LIMITED** (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

*and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as *my/our proxy to vote for *me/us on *my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held in a wholly physical format at 32 Tai Seng Street, #07-01 RE&S Building, Singapore 533972, on Wednesday, 25 October 2023 at 10.00 a.m. and at any adjournment thereof.

*I/We direct *my/our proxy/proxies to vote for, against or abstain from voting the Resolutions proposed at the Meeting as indicated hereunder. **If no specific direction as to voting is given, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion, as *he/she/they will on any other matter arising at the Meeting and at any adjournment thereof.**

No.	Resolutions relating to:	For ⁽¹⁾	Against ⁽¹⁾	Abstain ⁽¹⁾
1	Adoption of Directors' Statement and Audited Financial Statements for the financial year ended 30 June 2023			
2	Declaration of final dividend			
3	Re-election of Mr. Ben Yeo Chee Seong as Director			
4	Re-election of Mr. Foo Kah Lee as Director			
5	Approval of Directors' fees for the financial year ending 30 June 2024, to be paid quarterly in arrears			
6	Re-appointment of RSM Chio Lim LLP as Auditors			
7	Appointment of Ms. Heng Mui Mui as Director			
8	Authority to issue new shares			
9	Authority to allot and issue shares under the RE&S Employee Share Option Scheme			
10	Renewal of Share Buy-Back Mandate			

⁽¹⁾ If you wish to abstain or exercise all your votes "For" or "Against", please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2023

Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

* Delete where inapplicable

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. The AGM will be held in a wholly physical format. There will be no option for Members to participate virtually.
2. A Member who wishes to exercise his/her/its voting rights at the AGM may: (a) vote at the AGM in person or (b) appoint proxy(ies) to vote on his/her/its behalf at the AGM.
3. A Member who is not a relevant intermediary (as defined below) and entitled to attend and vote at the AGM is entitled to appoint one or two proxies to attend and vote in his/her/its stead. Where a Member appoints more than one proxy, the appointments shall be invalid unless he/she/it specifies the proportion of his/her/its shareholding (expressed as a percentage of the whole) to be represented by each proxy.

A Member who is a relevant intermediary and entitled to attend and vote at the AGM is entitled to appoint more than two proxies to attend and vote instead of the Member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such Member. Where such Member appoints more than one proxy, the appointments shall be invalid unless the Member specifies the number of Shares in relation to which each proxy has been appointed in the instrument appointing proxy(ies) ("**Proxy Form**").

"**Relevant intermediary**" means:

- (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001, and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
4. SRS investors may (a) vote at the AGM if they are appointed as proxies by their respective SRS Operators, and should contact their respective SRS Operators if they have any queries regarding their appointment as proxies; or (b) specify their voting instructions to / arrange for their votes to be submitted with their respective SRS Operators, and should approach their respective SRS Operators by 10.00 a.m. on Friday, 13 October 2023, being at least seven (7) working days before the date of the AGM, to ensure their votes are submitted.
 5. This Proxy Form may be accessed at the Company's website at the URL <https://res.listedcompany.com/>, and will also be made available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>. Where a Member appoints proxy(ies), he/she/it may give specific instructions as to voting, or abstentions from voting, in respect of the resolutions in the Proxy Form, failing which the proxy(ies) will vote or abstain from voting at his/her/their discretion, as he/she/they may on any other matter arising at the AGM and at any adjournment thereof.
 6. A proxy need not be a Member.
 7. The Proxy Form must be deposited with the Company's Share Registrar's Office at **Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632** or sent by email to srs.teamc@boardroomlimited.com, not less than seventy-two (72) hours before the time appointed for the Meeting.
 8. A Member should insert the total number of Shares held. If the Member has Shares entered against his/her/its name in the Depository Register maintained by The Central Depository (Pte) Limited ("**CDP**"), he/she/it should insert that number of Shares. If the Member has Shares registered in his/her/its name in the Register of Members, he/she/it should insert that number of Shares. If the Member has Shares entered against his/her/its name in the said Depository Register and registered in his/her/its name in the Register of Members, he/she/it should insert the aggregate number of Shares. If no number is inserted, this form of proxy will be deemed to relate to all the Shares held by the Member.
 9. If the Member is shown to not have any shares entered against his/her/its name as at seventy-two (72) hours before the time fixed for the Meeting, the Proxy Form will be rejected.
 10. The Proxy Form must be under the hand of the appointor or of his/her/its attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
 11. Where a Proxy Form is signed on behalf of the appointor by an attorney or a duly authorised officer, the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority must (failing previous registration with the Company) be lodged with the Proxy Form; failing which the instrument may be treated as invalid.
 12. Members are strongly encouraged to submit completed Proxy Form electronically via email.
 13. The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on and/or attached to the Proxy Form. In addition, in the case of Shares entered in the Depository Register, the Company may reject a Proxy Form if the Member, being the appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by CDP to the Company.
 14. Any reference to a time of day is made by reference to Singapore time.
 15. All Members will be bound by the outcome of the Meeting regardless of whether they have attended or voted at the Meeting.
 16. Personal data privacy: By submitting an instrument appointing the proxy(ies) (other than the Chairman of the Meeting) or Chairman of the Meeting as a proxy to vote at the Meeting and/or any adjournment thereof, all Members accept and agree to the personal data privacy terms set out in the Notice of Annual General Meeting dated 9 October 2023.

RE&S

Food For Life

RE&S Holdings Limited

(Company Registration Number: 201714588N)

32 Tai Seng Street
07-00 RE&S Building
Singapore 533972
T: +65 6252 0810
F: +65 6253 4202
E: contactus@res.com.sg

www.res.com.sg