

## SOUTHERN CAPITAL GROUP AND RE&S HOLDINGS LIMITED JOINTLY ANNOUNCE THE ACQUISITION OF THE COMPANY BY WAY OF SCHEME OF ARRANGEMENT

All capitalised terms which are used in this press release but not otherwise defined herein shall have the meanings ascribed to them in the Joint Announcement dated 19 May 2024. This press release should be read in conjunction with the full text of the Joint Announcement, copies of which are available on <https://www.sgx.com/securities/company-announcements>.

- The Scheme Consideration for each Share is, at the election of each Shareholder, either: (i) the Cash Consideration being S\$0.360 in cash; or (ii) the Cash and Securities Consideration, being S\$0.330 in cash and 0.083143 new Offeror Shares.
- The Scheme provides an opportunity for Shareholders of the Company to realise their investment at a compelling premium over historical market prices without incurring brokerage and trading costs.
- The Scheme Consideration represents a premium of approximately 56.5% to the last traded price, and 65.1%, 50.0%, 45.2% and 38.5% over the volume-weighted average price (“**VWAP**”) per Share for the one (1)-month, three (3)-month, six (6)-month and 12-month periods, respectively. In addition, the Scheme Consideration exceeds both the Initial Public Offering price of S\$0.220 in 2017 and the audited net asset value per Share of S\$0.116 as at 30 June 2023.
- The Offeror has secured Irrevocable Undertakings from certain Undertaking Shareholders holding in aggregate approximately 84.1%<sup>1</sup> of all the Shares, to vote in favour of the Scheme at the Scheme Meeting.

**Singapore, 19 May 2024** – The respective board of directors of RE&S Holdings Limited (the “**Company**”) and Relish Investments (the “**Offeror**”) have today jointly announced the proposed acquisition (the “**Acquisition**”) of all the issued and fully paid-up ordinary shares in the capital of the Company (excluding treasury shares) (the “**Shares**”) by the Offeror. The Acquisition will be effected by the Company by way of a scheme of arrangement (the “**Scheme**”) in accordance with Section 210 of the Companies Act 1967 of Singapore (the “**Companies Act**”) and the Singapore Code on Take-overs and Mergers (the “**Code**”).

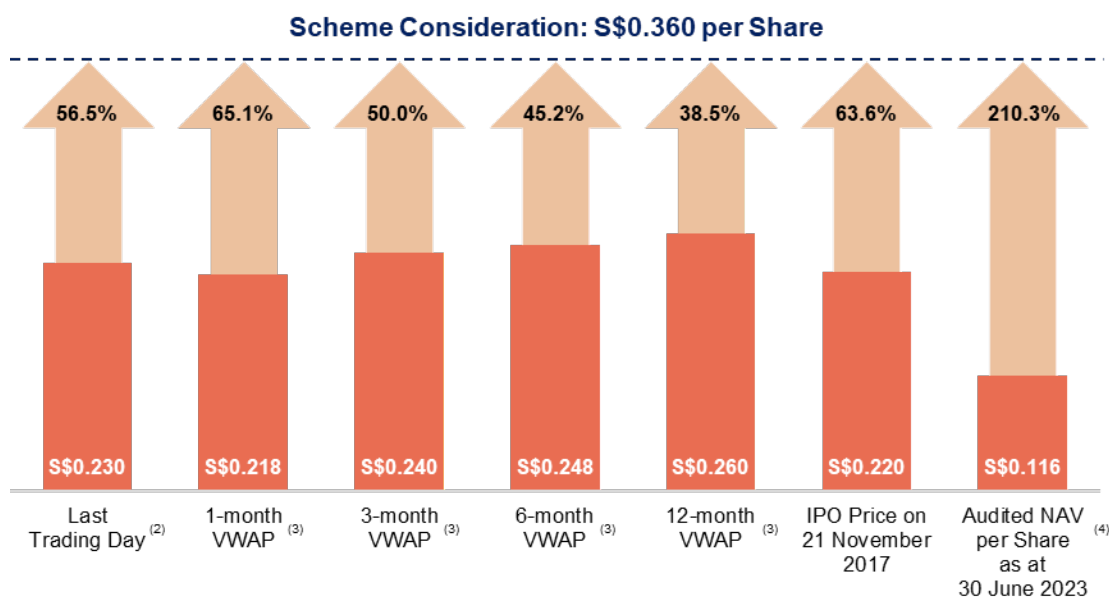
The Scheme is conditional upon the satisfaction (or, where applicable, the waiver) of the Scheme Conditions including, *inter alia*, the approval of the Scheme by a majority in number representing three-fourths in value of the Shareholders present and voting at the Scheme Meeting pursuant to the requirements of Section 210(3AB) of the Companies Act, as well as the necessary regulatory approvals and grant of the Court Order sanctioning the Scheme by the High Court of Singapore.

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<sup>1</sup> Rounded to the nearest one (1) decimal place.

## Rationale for the Acquisition

- The Acquisition presents an opportunity for the Offeror to invest in the Company, a premier multi-concept owner and operator in the Japanese cuisine Food & Beverage (“F&B”) sector, with a strong foothold in Singapore and a direct presence in Malaysia. The Company has a diverse portfolio of popular brands such as Ichiban Boshi, Kuriya Japanese Market and Gokoku, with a track record of resilient performance and steady growth in the competitive F&B industry. By leveraging Southern Capital Group Private Limited’s expertise, resources and network, the Offeror aims to accelerate the Company’s growth trajectory, capitalise on emerging opportunities, and strengthen its market position. The Offeror believes that the privatisation of the Company will provide the business with the necessary flexibility to focus on long-term execution whilst helping it save costs and resources associated with maintaining its listed status.
- Despite the current headwinds in the F&B market and overall macroeconomic uncertainty, the Acquisition represents an opportunity for Shareholders to realise their investment in the Shares at a compelling premium over historical market prices without incurring brokerage and trading costs. The Scheme Consideration represents a premium of approximately 56.5% to the last traded price on the Last Trading Day, and 65.1%, 50.0%, 45.2% and 38.5% over the VWAP per Share for the one (1)-month, three (3)-month, six (6)-month and 12-month periods, respectively, up to and including the Last Trading Day<sup>(1)</sup>.



### Notes:

- (1) Rounded to the nearest one (1) decimal place.
- (2) Last traded price per Share as quoted on the SGX-ST on 13 May 2024 (the “Last Trading Day”), being the last full trading day immediately before the Joint Announcement Date.
- (3) Based on data extracted from Bloomberg Finance L.P. The volume-weighted average prices (“VWAPs”) of the Shares are calculated by using the total value over the total volume of Shares traded in the relevant period prior to and including the Last Trading Day.
- (4) Based on the audited net asset value (“NAV”) per Share as at 30 June 2023 as disclosed in the Company’s 2023 Annual Report, rounded to the nearest three (3) decimal places.

- The trading volume of the Shares has been low, with an average daily trading volume of approximately 15,065 Shares, 15,369 Shares, 15,523 Shares and 21,795 Shares during the respective one (1)-month, three (3)-month, six (6)-month and 12-month periods, respectively, up to and including the Last Trading Day. Each of these represents 0.006% or less<sup>2</sup> of the total number of issued Shares for any of the aforementioned relevant periods.

The Scheme therefore provides Shareholders who find it difficult to exit the Company as a result of the low trading volume of the Shares with an opportunity to liquidate and realise their investment in the Shares at a premium to the prevailing market prices which would otherwise not be available given the low trading liquidity.

### **Scheme Consideration**

The Scheme Consideration for each Share (the “**Scheme Consideration**”) in the Company is S\$0.360.

In consideration for the transfer of their Shares to the Offeror, Shareholders will be entitled to receive, at their election (the “**Election**”), either:

- (i) S\$0.360 in cash (the “**Cash Consideration**”); or
- (ii) in lieu of the Cash Consideration, S\$0.330 in cash and 0.083143 new ordinary shares in the capital of the Offeror (the “**Offeror Shares**”), which the Offeror shall allot and issue at an issue price of S\$0.360 per Offeror Share (the “**Cash and Securities Consideration**”).

In the absence or failure of any valid Election, a Shareholder shall be deemed to have elected for the Cash Consideration for all the Shares registered in such Shareholder’s name.

### **Information on the Offeror**

The Offeror is a special purpose vehicle incorporated under the laws of the Cayman Islands. The sole shareholder of the Offeror is Euphoria Investments, a special purpose vehicle incorporated in the Cayman Islands which is an indirect wholly-owned subsidiary of a fund that is advised and managed by Southern Capital Group Private Limited (“**SCG**”), a leading Singapore-headquartered private equity firm that focuses on investments into high growth middle market businesses across Southeast Asia.

### **Irrevocable Undertakings**

Each of Mr Hiroshi Tatara, Mr Yek Hong Liat John, Mr Foo Kah Lee (“**FKL**”) and Mr Lim Shyang Zheng (“**LSZ**”) has given an irrevocable undertaking to the Offeror to, *inter alia*, vote in favour of the Scheme at the Scheme Meeting in respect of their Shares, which represent, in aggregate, approximately 84.1%<sup>3</sup> of all the Shares at the Joint Announcement Date.

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<sup>2</sup> The average daily trading volume as a percentage of total number of the Shares is based on data extracted from Bloomberg L.P. as at the Last Trading Day and calculated using the total volume of Shares traded divided by the number of market days with respect to the one (1)-month period, three (3)-month period, six (6)-month period and 12-month period up to and including the Last Trading Day, rounded to the nearest three (3) decimal places.

<sup>3</sup> Rounded to the nearest one (1) decimal place.

## **Management Incentive Arrangements**

As the Offeror intends and desires the continuity of management and minimal interruption of the RE&S Group's business, the Offeror has on 19 May 2024 entered into a term sheet with each of FKL and LSZ to, *inter alia*, set out the proposed terms and conditions of (i) the reinvestment arrangements of FKL and LSZ into the Offeror, and (ii) the management incentive plan to be offered to the management team of the RE&S Group (including FKL and LSZ). Please refer to paragraphs 8.2 to 8.6 of the Joint Announcement for further information on such arrangements.

## **Statement from the Offeror**

Mr Kenneth Tan, the Chief Executive Officer of SCG, said, "As a testament to the strength of its platform, the RE&S Group has demonstrated a long-term track record of sustainable growth and market leadership within the F&B market. We look forward to the opportunity of partnering with the Company for its next phase of growth and are pleased to put forward this privatisation offer to shareholders that will allow an exit of their investment at an attractive price."

## **Statement from the Company**

Mr Foo Kah Lee, the Executive Director and Chief Executive Officer of the Company, said, "This is another significant milestone in the Company's development and growth trajectory, and our employees and staff will be further motivated by SCG's compelling interest and participation. Positioned as a frontrunner in the F&B market in Singapore, we reaffirm our dedication to elevating the dining experience and offering exceptional Japanese cuisine to our esteemed customers with an unwavering commitment to passion, conviction and creativity, and we remain steadfast in our pursuit of culinary excellence."

## **Next Steps**

The Scheme Document containing full details of the Scheme (including the recommendation of the Non-Conflicted Directors along with the IFA Letter) and giving notice of the Scheme Meeting to approve the Scheme will be despatched to Shareholders in due course.

Shareholders are advised to refrain from taking any action in relation to their Shares which may be prejudicial to their interests until they or their advisers have considered the information and the recommendations of the Non-Conflicted Directors on the Scheme as well as the advice of the IFA set out in the Scheme Document.

**Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

## **Financial Adviser**

DBS Bank Ltd. is the financial adviser to the Offeror in respect of the Acquisition and the Scheme.

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## **Responsibility Statements**

**Company.** The directors of the Company (including any who may have delegated detailed supervision of the preparation of this press release) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this press release which relate to the Company (excluding information relating to the

Offeror, HoldCo and/or SCG or any opinion expressed by the Offeror, HoldCo and/or SCG) are fair and accurate and that, where appropriate, no material facts which relate to the Company have been omitted from this press release, and the directors of the Company jointly and severally accept responsibility accordingly.

Where any information in this press release (including information which relates to the Company) has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Offeror, HoldCo or SCG, the sole responsibility of the directors of the Company has been to ensure that, through reasonable enquiries, such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this press release in its proper form and context. The directors of the Company do not accept any responsibility for any information relating to the Offeror, HoldCo and/or SCG or any opinion expressed by the Offeror, HoldCo and/or SCG.

**Offeror.** The directors of the Offeror (including any who may have delegated detailed supervision of the preparation of this press release) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this press release which relate to the Offeror (excluding information relating to the Company) are fair and accurate and that, where appropriate, no material facts which relate to the Company have been omitted from this press release, and the directors of the Offeror jointly and severally accept responsibility accordingly.

Where any information in this press release (including information which relates to the Offeror) has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Company, the sole responsibility of the directors of the Offeror has been to ensure that, through reasonable enquiries, such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this press release in its proper form and context. The directors of the Offeror do not accept any responsibility for any information relating to the Company, or any opinion expressed by the Company.

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## **Forward-looking Statements**

*All statements other than statements of historical facts included in this press release are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Offeror’s or the Company’s (as the case may be) current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors of the Offeror and the Company should not place undue reliance on such forward-looking statements, and neither the Offeror nor the Company undertakes any obligation to update publicly or revise any forward-looking statements.*

Any enquiries relating to this press release, the Joint Announcement, the Acquisition or Scheme should be directed during office hours to:

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*This press release has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the SGX-ST and the SGX-ST 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.*

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