

POSITIONED FOR  
*GROWTH*

ANNUAL REPORT 2022



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## DEDICATED TO CREATING VALUE

We are rising to the challenge, adapting to the changing post-pandemic landscape and responding to the evolving needs of increasingly sophisticated consumers. Through everything that we do, we are dedicated to creating value for our customers and our valued stakeholders.

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. Jennifer Tan, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, [sponsorship@ppcf.com.sg](mailto: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 30 years. Today, RE&S serves more than 7 million customers a year generating an average annual revenue of over S\$100 million.

The company was listed on the Singapore Stock Exchange ("SGX") on 22 November 2017.

For more information, please visit [www.res.com.sg](http://www.res.com.sg).



## CHAIRMAN'S MESSAGE



“  
TO STAY RELEVANT, THE GROUP  
HAS MADE CONSCIOUS AND  
CONSTANT EFFORTS TO  
ANTICIPATE, ADJUST AND ADAPT  
TO THE DYNAMICALLY CHANGING  
CONSUMER NEEDS.”

Dear Shareholders,

On behalf of the Board, I am delighted to present our Annual Report for the financial year ended 30 June 2022.

With the sweeping effects of COVID-19 felt throughout the world, volatility has become the new norm over the past 2 and a half years. After months of lockdowns and restrictions, we are finally experiencing economic recovery in some sectors. While demand has skyrocketed, F&B businesses are faced with supply-side challenges represented by rising costs in all areas; from ingredients and logistics to utilities and wages. At the same time, consumer behaviours have shifted and businesses are struggling to understand what customers want tomorrow. In this uncertain climate, it is all the more important for our organisation to strive towards operational resilience and transformation agility.

COVID-19 has fundamentally altered the environment in which F&B businesses operate. To stay relevant, the

**BEN YEO CHEE SEONG**

*Non-Executive Chairman and Independent Director*



Group has made conscious and constant efforts to anticipate, adjust and adapt to the dynamically changing consumer needs.

Within the organisation, this includes cultivating a ready mindset to embrace change and adopt new technologies. With a focus to build an employee-oriented culture, the Group places a strong emphasis on training and development. Our aim is to develop a skilled workforce that is better equipped to keep up with changes in the industry, and at the same time promote job enrichment and higher level of job satisfaction among all employees.

Such an approach is all the more important for RE&S to maintain our productivity and competitiveness, especially against a macro environment fraught with strategic challenges such as worsening US-China relations and Russia's invasion of Ukraine. These global events have profound economic implications,

including supply disruptions and rising cost of living. To prepare ourselves, we need to plan for the future and communicate our vision.

In the new financial year, the Board will continue to look into fine-tuning board policies and practices, integrating sustainability risks and opportunities with business goals and performance, and promoting meaningful engagement with our stakeholders. This will ensure the creation of long-term value for shareholders within a responsible and sustainable business model.

**Ben Yeo Chee Seong**

*Non-Executive Chairman and  
Independent Director*



## CEO'S STATEMENT



RE&S HAS CONTINUED TO STRENGTHEN THE RESILIENCE OF ITS BUSINESS MODELS AND IMPROVE THE PERFORMANCE OF ITS CORE BUSINESSES.



Dear Shareholders, Partners and Fellow Colleagues,

The past year has seen an increase in economic activities due to the progressive relaxation of COVID-19 measures. Throughout the past 12 months, RE&S has continued to strengthen the resilience of its business models and improve the performance of its core businesses. In particular, the Group remains focused on its long-term strategy of enlarging its brand presence in the Quick Service Restaurant, Convenience and Others (QSR) segment. The expansion of Yakiniku-GO, Gokoku Japanese Bakery and Kuriya Japanese Market, with new outlets added in FY2022, is testament to our strong commitment towards growing this part of the business.

### FINANCIAL HIGHLIGHTS

For financial year ended 30 June 2022 ("FY2022"), RE&S delivered a strong performance achieving a 21.1% increase in revenue and a profit after tax of approximately S\$9.5m.



**FOO KAH LEE**

*Executive Director and Chief Executive Officer ("CEO")*



Stellar Performance from the QSR segment contributed S\$73.6m, allowing the Group to achieve an overall revenue of S\$154.8m in FY2022. As a percentage of total revenue, QSR has grown steadily from a contribution of 34.7% in FY2020 to 39.9% in FY2021, and 47.5% in FY2022. This growth is in line with our long-term business strategy to expand the Group's brand presence in QSR which will allow us to operate more efficiently in a tight labour market.

In particular, our new quick-service and affordable brands Yakiniku-GO and Sushi-GO have been well received by the public, expanding rapidly from 1 outlet to a total of 8 outlets in Singapore since the beginning of 2021. Gokoku Japanese Bakery and Kuriya Japanese Market have been growing from strength to strength, and we are immensely heartened by the public response to these 2 concepts which now see 5 and 11 outlets respectively throughout the island. In November 2021, we also successfully revamped our footprint in NEX, resulting in significant sales increase when we re-opened as &JOY Japanese Food Street.

### THE NEED FOR AGILITY THROUGHOUT THE ORGANISATION

As we move a step closer to a post-pandemic world, new challenges abound, and so will new solutions. Amidst a more challenging operating environment for F&B businesses, our organisational muscle needs to be trained to handle complexity and uncertainty.

Labour shortage, in particular, is a pressing challenge throughout the industry, with the competition for labour likely to intensify in the coming months.

At RE&S, we are adopting a multi-pronged approach by conceptualising labour efficient business models that make it easier to hire and train staff. At the same time, we are continuously improving the work environment to reduce churn and retain talent. In addition, our teams are pressing ahead with transformation efforts aimed at increasing productivity, and diversifying our supply chain and markets.



## CEO'S STATEMENT

“  
ALIGNED ORGANISATIONAL  
VALUES WILL PROPEL  
GREATER COLLABORATION  
AND INFORMATION SHARING  
AMONG FUNCTIONS AND  
BUSINESS UNITS, ALLOWING  
US TO BETTER FORMULATE  
EFFECTIVE AND TIMELY  
RESPONSE TO TODAY'S  
PROBLEMS.”

To create a truly agile organisation that will drive RE&S' future growth, standardised ways of working have to be combined with transparency of information and speed of decision making to bring about a balance of dynamism with stability. This requires a holistic approach that focuses on every aspect – from people to process (and structure) to strategy; and it needs to be supported by transparent and robust systems spanning across production, training, supply chain, marketing and operational functions.

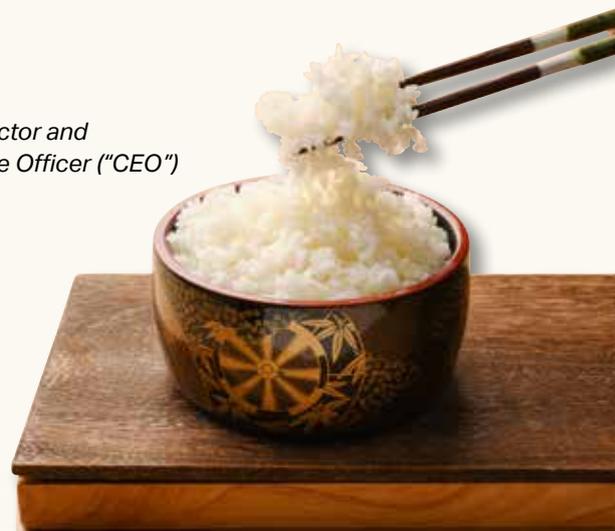
### NEW MINDSETS. NEW FUTURE.

In a highly competitive and rapidly evolving business world, it is essential for RE&S to build a workforce that is well equipped with the mindsets and skills required by today's digital world. This requires new ways of thinking and a major cultural shift.

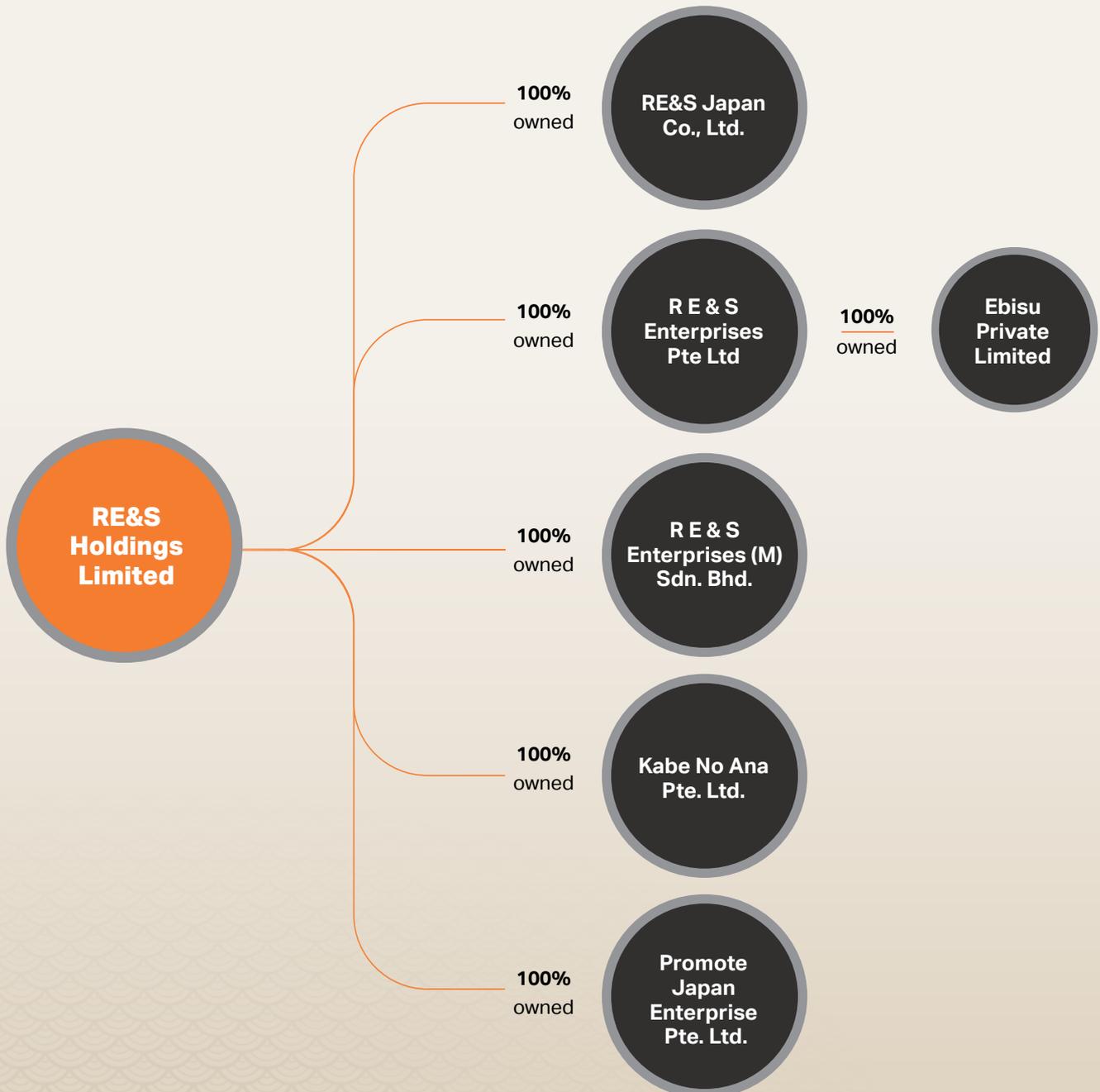
In the new financial year, the senior management team has made it a key agenda to lead transformation and drive cultural alignment across the organisation. Aligned organisational values will propel greater collaboration and information sharing among functions and business units, allowing us to better formulate effective and timely response to today's problems.

An organisation is only as good as its people. As we embark on our culture building initiatives to create an environment of open-mindedness and community, I invite each and every one of our employees and stakeholders to be part of this journey; to contribute your talents and ideas to challenge new limits and create new frontiers. Together as a team, a more fruitful year lies ahead.

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



# GROUP STRUCTURE



## BOARD OF DIRECTORS

01

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

02

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

03

**Hiroshi Tatara***Executive Director and  
President*

04

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

05

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

06

**Lee Lap Wah,  
George***Independent Director*

07

**Guok Chin Huat  
Samuel***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. He 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.



### 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 to drive new initiatives and partnerships to expand 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 to mentoring young budding employees in view of a 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 positions 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 24 October 2019. Mr. Tatara has always been active in overseeing the Group's overall corporate strategy and planning. As the pillar in reinforcing the company vision, mission and core values, Mr. Tatara continues to be 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 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 2020. He 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 2020. He is 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.

## KEY MANAGEMENT



### Guok Chin Huat Samuel

*Independent Director*

**Mr. Guok** is the Group's Independent Director and he was appointed to the Board on 30 October 2017 and last re-elected on 27 October 2021. He is the Chairman of the Remuneration Committee.

Since 1995, Mr. Guok has been the Managing Director of Starhealth Pte. Ltd. He has over 20 years of experience in investment banking, venture capital and private equity businesses, having worked with Nomura Singapore Limited, Campbelltown Investment Holdings Pte Ltd, Seed Ventures Limited, Time Watch Investments Limited and SingXpress Land Ltd. He retired as Chairman of Bukit Sembawang Estates Limited in July 2017.

He graduated with a Bachelor of Science in Business Administration from Boston University.

#### **Present Directorships in other Listed Companies:**

- > Global Palm Resources Holdings Limited
- > Redwood Group Limited
- > International Cement Group Ltd.
- > Aedge Group Limited

#### **Directorships in other Listed Companies**

##### **Held Over the Preceding Three Years:**

- > Asia Travel.com Holdings Ltd.



### 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 and Business Statistics functions 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

### Mr. Guok Chin Huat Samuel

Independent Director

## REGISTERED OFFICE

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

## COMPANY SECRETARIES

### Ms. Josephine Toh

ACS, ACIS

### Ms. Sarah Zeng

ACS, ACIS

## 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:

### Ms. Uthaya C Ponnusamy

(Appointed with effect from FY2022)

## 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 air-flown 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 ambience, 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. Suntec City (closed in Sep 2022)
11. United Square
12. VivoCity
13. 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 (re-opened in Aug 2022)



## 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 is a go-to place for a hearty traditional Japanese bento at great value. Enjoy popular selections like salmon teriyaki, gyu 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



### 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 AI robots on tracks at AMK Hub or on mini 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 (opened in Jul 2022)

## OUR CORE BRANDS: QUICK SERVICE



### YAKINIKU-GO

Yakiniku-GO offers a quick, fuss-free and smoke-free grilling experience where customers can tuck into a wide selection of beef 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



### 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



### 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. Great World
3. NEX



### ROMAN.TEI

ROMAN.TEI, the meat specialist from Osaka, serves up a golden ratio of tender beef and rice in an exquisitely charming Jyu box – leaving an unforgettable taste and experience.

#### Outlet(s) in Singapore:

1. Jurong Point (closed in Jul 2022)
2. Great World

## OUR CORE BRANDS: QUICK SERVICE



### PITTARINO

Pittarino, a Japanese phrase for “just right”, perfectly encapsulates what it is all about – a fun, casual dining concept serving flavoursome hand-stretched, freshly-baked Neapolitan pizza and smooth, chewy Nama pasta with a dash of Japanese flavours.

#### Outlet(s) in Singapore:

1. Great World



### 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

## OUR CORE BRANDS: QUICK SERVICE



### TSUKIMI HAMBURG

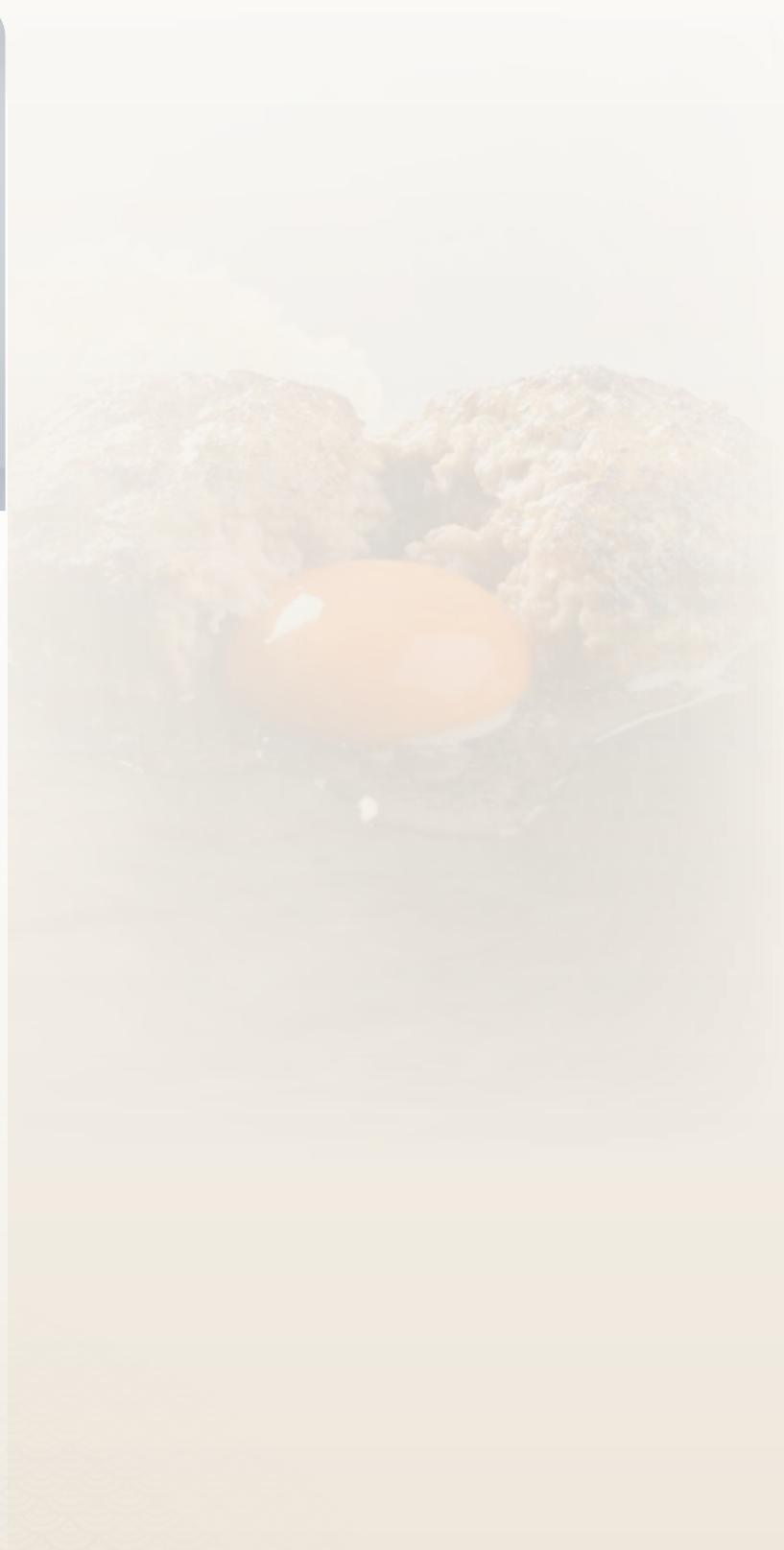
Tsukimi Hamburg serves a time-honoured menu of every Japanese household; the Hamburg Donburi.

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 (opened in Sep 2022)



# OUR NETWORK

As at 30 June 2022

**4**  
F&B Outlets in Malaysia



## NORTH

- 4 Causeway Point
- 2 Northpoint City

## NORTH EAST

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

## SOUTH

- 1 Bukit Panjang Plaza
- 1 Clementi Mall
- 1 IMM
- 2 Jem
- 12 Jurong Point
- 1 NUS
- 1 The Strategy
- 1 West Mall

## CENTRAL

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

## EAST

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

**75**  
F&B Outlets in Singapore

## AWARDS & ACCOLADES



### T.DINING'S BEST RESTAURANTS

#### Singapore Tatler

2019, 2020, 2022  
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 – 2021  
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

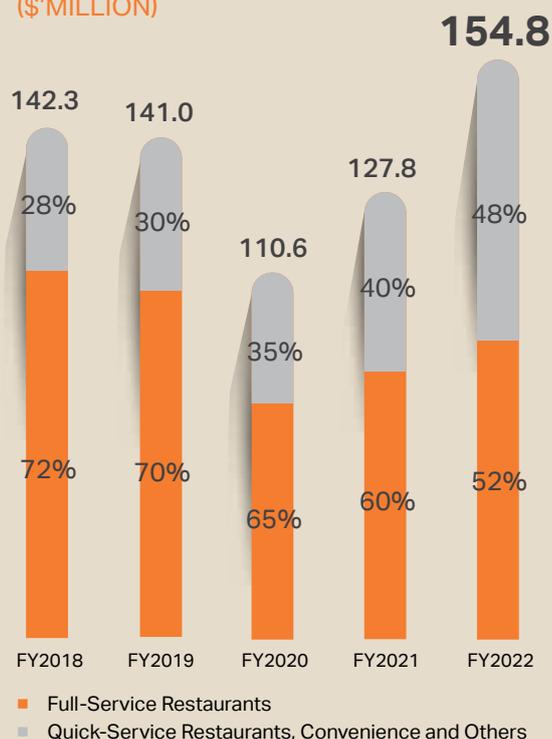
#### AsiaOne

TOP 3 BEST JAPANESE RESTAURANTS, 2015 – 2016  
ICHIBAN BOSHI

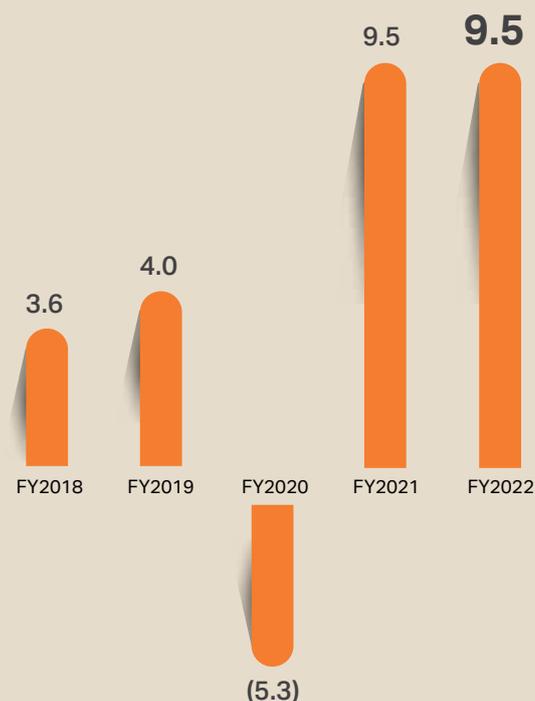
TOP 3 / BEST JAPANESE RESTAURANTS, 2009 – 2015  
KURIYA DINING

# FINANCIAL HIGHLIGHTS

## REVENUE (\$'MILLION)



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



### INCOME STATEMENT (\$'000)

	FY2022	FY2021	FY2020	FY2019	FY2018
Revenue	154,835	127,833	110,649	141,004	142,294
Net profit before tax	11,303	10,877	(5,620)	5,344	5,291
Net profit after tax	9,451	9,490	(5,346)	3,979	3,568
EBITDA	40,996	39,408	25,422	13,694	14,167

### FINANCIAL POSITION (\$'000)

	FY2022	FY2021	FY2020	FY2019	FY2018
Total Assets	132,707	130,587	134,833	64,210	64,499
Total Liabilities	92,995	94,220	104,928	25,956	28,899
Total Shareholders' Equity	39,712	36,367	29,905	38,254	35,600
Cash and Cash Equivalents	24,595	25,878	14,918	18,183	13,525
Basic and diluted earnings per share (cents) <sup>1</sup>	2.67	2.68	(1.48)	1.14	1.01

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 21.1%, or approximately S\$27.0 million in FY2022 as compared to FY2021, primarily due to the increase in revenue contribution from the FSR and QSR.

Revenue from FSR increased by 5.8% from S\$76.8 million in FY2021 to S\$81.2 million in FY2022 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 44.2% from S\$51.1 million in FY2021 to S\$73.6 million in FY2022 mainly due to opening of new outlets in 1H FY2022.

In addition, there was also an increase in food delivery sales on the back of customers becoming more accustomed to food delivery service and the convenience it offers amid the pandemic.

## RAW MATERIALS AND CONSUMABLES USED

Raw materials and consumables used (taking into account the changes in closing inventories) were 28.1% and 26.9% of total revenue for FY2022 and FY2021 respectively. The increase was mainly due to a general increase in the average prices of raw materials and consumables as a result of disruption in global supply and higher inflation.

## OTHER OPERATING INCOME

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

## EMPLOYEE BENEFITS EXPENSE

The Group's employee benefits expense represented 33.3% and 34.8% of total revenue for FY2022 and FY2021 respectively. The decrease in employee benefits expense as a percentage of total revenue was mainly due to removal of social distancing restrictions in relation to COVID-19, which led to labour optimisation as existing staff can now serve the increased capacity.

## OPERATING LEASE EXPENSES

Operating lease expenses increased mainly due to the absence of property tax rebate provided by the landlords and the increase in the new outlets in 1H FY2022.

## UTILITIES EXPENSES

Utilities expenses increased mainly due to an increase in the electricity tariff in FY2022.

## DEPRECIATION EXPENSE

Depreciation expense increased mainly due to the increase in new outlets and revamp of outlets in NEX during the year.

## OTHER OPERATING EXPENSES

Other operating expenses increased mainly due to i) increase in commission to merchants and delivery platforms; ii) increased expenses in digital and social media marketing; iii) increase in repair and maintenance; and iv) plant and equipment written off in relation to revamp of outlets.

# OPERATING AND FINANCIAL REVIEW

## OTHER EXPENSES – NON-OPERATING

Other expenses - non-operating increased in FY2022 mainly due to unrealised loss in investments at fair value through profit or loss ("FVTPL") and loss on disposal of financial assets at FVTPL amounting to S\$0.8 million and S\$0.3 million respectively.

## FINANCE COSTS

Finance costs in FY2022 remained relatively constant as compared to FY2021.

## PROFIT BEFORE INCOME TAX

As a result of the above, profit before tax increased approximately S\$0.4 million, from a profit before tax of S\$10.9 million in FY2021 to S\$11.3 million in FY2022.

## INCOME TAX EXPENSE

Income tax expense increased by approximately S\$0.5 million, though profit before tax remained relatively constant, mainly due to the decrease in 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\$9.5 million in FY2022.

## NON-CURRENT ASSETS

The Group's non-current assets decreased by S\$1.0 million from S\$96.3 million as at 30 June 2021 to S\$95.2 million as at 30 June 2022 mainly due to (i) a decrease in the right-of-use assets ("ROU") of S\$4.5 million; partially offset by (ii) an increase in property, plant and equipment of S\$2.7 million.

ROU assets decreased by S\$4.5 million mainly due to the amortisation while the increase in property, plant and equipment was mainly due to an addition of plant and equipment amounting to S\$9.4 million; partially offset by the write-off of renovation and fixtures for the revamping of NEX outlets and depreciation of S\$6.7 million.

## CURRENT ASSETS

The Group's current assets increased by S\$3.2 million from S\$34.3 million as at 30 June 2021 to S\$37.5 million as at 30 June 2022. This is mainly due to (i) an increase in inventories of S\$0.5 million and (ii) an increase in other financial assets, current of S\$4.2 million; offset by (iii) a decrease in other non financial assets, current of S\$0.2 million; (iv) a decrease in cash and cash equivalents of S\$1.3 million; and (v) a decrease in trade and other receivables of S\$0.1 million.

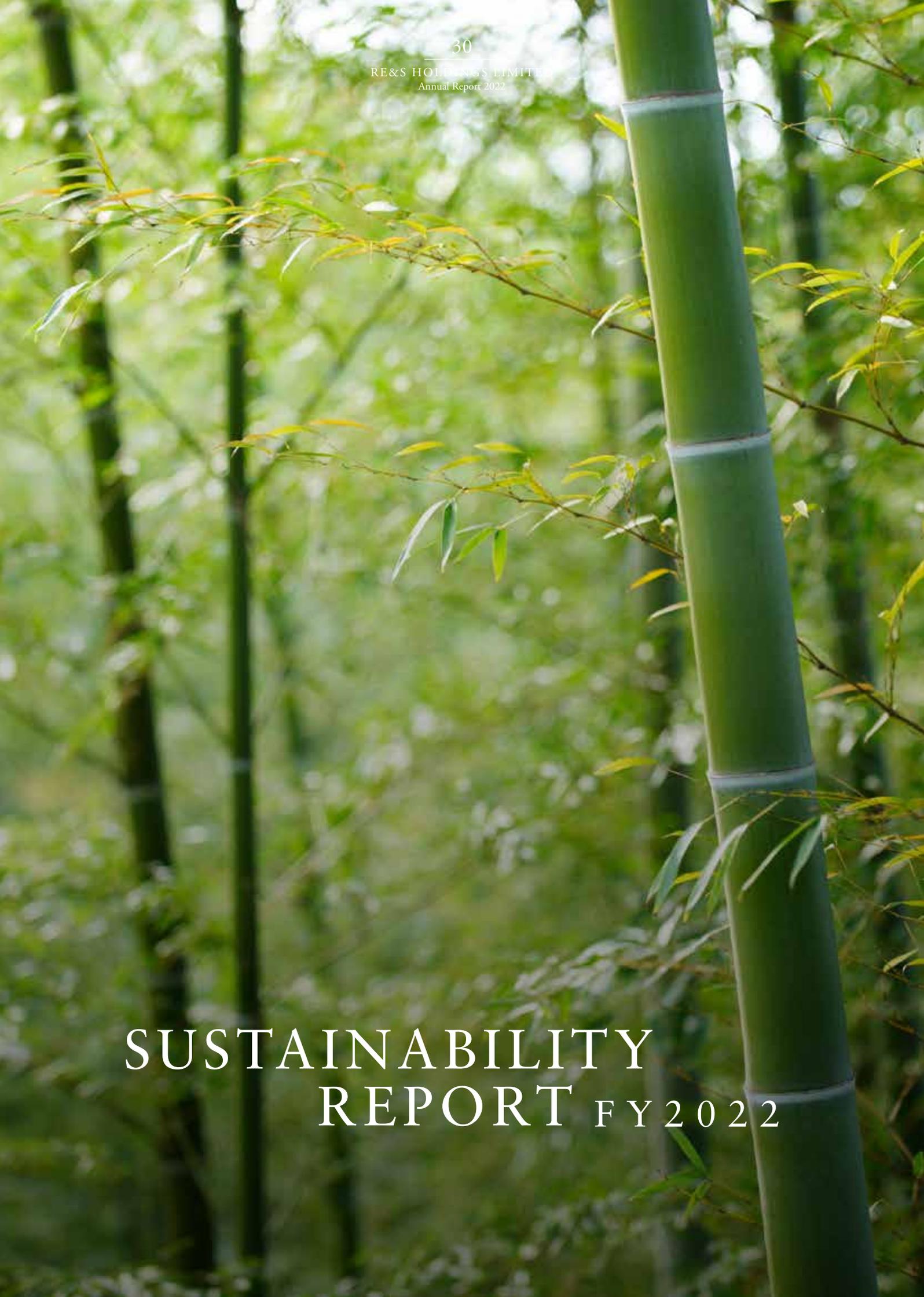
The increase in inventories was mainly due to the increased purchase and cost of raw materials while the increase in other financial assets, current was mainly due to the investment of securities.

## NON-CURRENT LIABILITIES

The Group's non-current liabilities decreased by S\$4.6 million from S\$58.7 million as at 30 June 2021 to S\$54.1 million as at 30 June 2022 mainly due to the repayment of lease liabilities and bank borrowings.

## CURRENT LIABILITIES

The Group's current liabilities increased by S\$3.4 million from S\$35.5 million as at 30 June 2021 to S\$38.9 million as at 30 June 2022. This was mainly attributable to (i) an increase in trade and other payable, current of S\$4.6 million due to an increase in the purchases from suppliers, goods and service tax payable to the tax authority and the provision for bonus; partially offset by (ii) a decrease in lease liabilities of S\$0.3 million and (iii) a decrease in other non-financial liabilities of S\$0.9 million due to the tapering off of government support in relation to COVID-19 pandemic.



SUSTAINABILITY  
REPORT FY 2022

## SUSTAINABILITY REPORT BOARD STATEMENT



### Dear Valued Stakeholders,

On behalf of the Board of Directors ("Board"), we are pleased to present RE&S Holdings Limited ("RE&S" or the "Group") Sustainability Report for the financial year ended 30 June 2022 ("FY2022"). With this Sustainability Report, we highlight our commitment to upholding good governance and building a sustainable business in partnership with our valued stakeholders over the past financial year.

With the further relaxation of safe management measures in November 2021 and subsequently, the removal of the measures in April 2022, the Group is able to maximise its dine-in capacity for dine-in customers, which resulted in an increased in revenue. Moreover, with revamped and new stores opening, we are optimistic that our revenue will continue to steadily increase. The Group remains cautious in abiding by all prevailing government-regulated Covid-19 restrictions, details of which can be found on Page 44.

Global supply chain disruption emerged during COVID-19 lockdowns due to shifts in demand, labour shortages and evolving geopolitical factors around the world. At RE&S, we are well-aware of the risks of supply chain disruptions and we are now maintaining higher buffer stock levels to mitigate any potential disruption to our food ingredients supply.

In FY2022, we revamped our concept stores at NEX and JEM to revitalise the store outlook. In line with our strategic plan to grow the QSR segment, we also opened new Yakiniku-GO, Kuriya Japanese Market and Gokoku Japanese Bakery outlets. With these changes,

coupled with the relaxation of safe management measures, we are hopeful that more customers will be keen to dine at our stores.

Financial performance alone will not achieve a sustainable business in the long haul. As part of our commitment to long-term viability, we determine the material economic, environmental, social, and governance ("EESG") factors as well as overseeing the management and monitoring of the material EESG factors. We have incorporated such sustainability concerns into our strategic formulation, and we strive to continually improve our products and services by reducing their environmental impact while maintaining high quality standards. RE&S is committed to working closely with its stakeholders to better understand their concerns and protect their interests.

At RE&S, we have seen improved customer traffic upon the relaxation of the safe management measures in November 2021. Even so, the operating environment in the Food and Beverage industry remains challenging due to manpower shortages and global supply disruptions. Nevertheless, the Board remains positive that RE&S is well-positioned to take on these challenges.

The Board would like to take this opportunity to express our gratitude and appreciation for your continuous support over the years. We remain committed to working alongside our stakeholders to develop a business that thrives in the long run.

Sincerely,

**Board of Directors**  
**RE&S Holdings Limited**

## SUSTAINABILITY REPORT ABOUT THIS REPORT



In this sustainability report, we present the Group's sustainable business operations whilst providing information on EESG factors that are material to the Group's business and key stakeholders.

We have prepared this report in accordance with the Global Reporting Initiative ("GRI") Standards: Core option as it provides a balanced and reasonable representation of the Group's positive and negative contributions towards the goal of sustainable development, 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 Catalyst Rules.

We have not sought external assurance for this report and may consider doing so for certain sections of our sustainability report in the future. We have thus far relied on internal data monitoring and verification to ensure the accuracy of our disclosures.



### REPORTING PERIOD

This sustainability report focuses on the Group's sustainability efforts and strategies for the period 1 July 2021 to 30 June 2022 ("FY2022").



### GRI STANDARDS

This sustainability report has been prepared in accordance with the GRI Standards – Core Option 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, with a diversified portfolio in quality restaurants and food manufacturing. 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. In addition to our fine dining brands, we also carry specialty restaurants such as Shimbashi Soba and multi-concept food streets such as &JOY Japanese Food Street, family-style restaurants (Ichiban Boshi) and convenience stores like Kuriya Japanese Market.

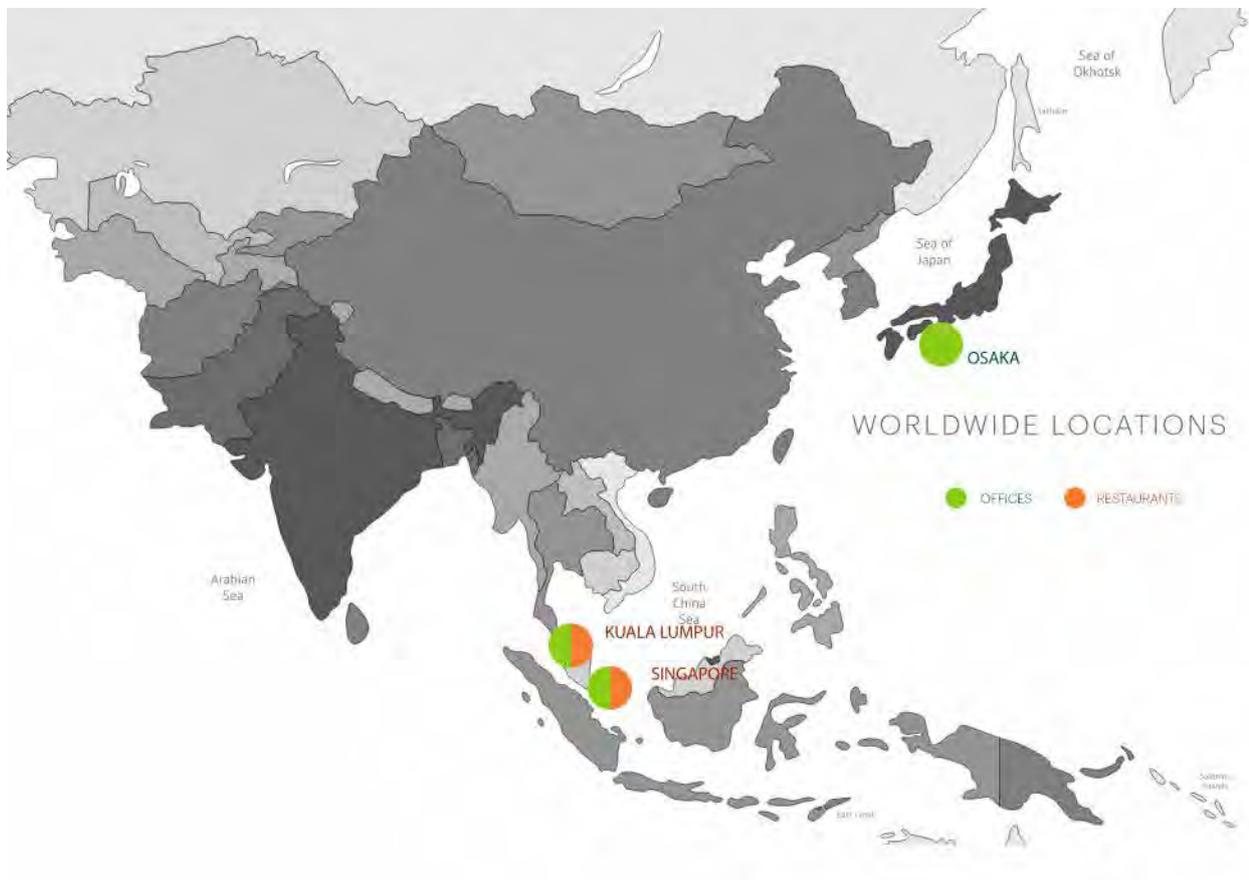
We now operate over 70 outlets in Singapore and Malaysia. Our corporate headquarters and central kitchen can be found in Singapore, and our procurement office is based in Japan. The Group was successfully

listed on the Catalyst Board of the SGX-ST on 22 November 2017.

We have recently embarked on our digitalisation journey to offer customers a better dining experience. Our initiatives include having customers Bring Your Own Device ("BYOD") to reduce the need to have staff taking orders. In FY2022, we also invested in WiFi equipment to facilitate the online-ordering process by providing our customers with easy access to the internet.

We have also received International Organization for Standardization ("ISO") certification for Food Safety Management (ISO 22000), demonstrating our commitment to maintaining a consistently high standard of food quality for our customers. We conduct annual in-house audits to ensure that our outlet and central kitchen adheres to our established food safety standards.

### OFFICES AND HEADQUARTERS



# SUSTAINABILITY REPORT ORGANISATIONAL PROFILE

## COMPANY VISION AND BUSINESS PRINCIPLES



### OUR VISION

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



### 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."



### 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."

## EXTERNAL INITIATIVES

We understand the importance in contributing to the society at large. Unfortunately, due to the current pandemic situation, we were unable to conduct any external initiatives in FY2022. With the easing of safe

management measures, we are currently exploring the possibility of engaging in activities aligned with our values as part of our efforts to contribute to society.



## SUSTAINABILITY REPORT SUPPLY CHAIN MANAGEMENT

The COVID-19 pandemic has posed significant challenges to our existing supply chains, as restricted human traffic also slowed down the movement of goods and services globally. As COVID-19 restrictions ease, demand for goods and services has increased but the flow of goods and services may not necessarily keep up with pre-pandemic levels. Furthermore, other factors such as geopolitical instabilities have also exacerbated supply chain disruptions.

We recognise these supply chain challenges surrounding our industry and mark the importance of observing the latest global developments. In view of supply chain instabilities, we have shifted our focus towards obtaining latest market information and keeping ourselves updated on recent developments. This allows us to detect any potential supply chain disruption that may affect our business and to secure our supply of food ingredients before any published news.

Besides, RE&S have started to maintain higher buffer inventory levels to prevent out-of-stock situations from occurring.

To keep our food cost low, we adopt a dual-pronged approach to the procurement of food ingredients, as follows:

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

We seek to procure directly from country of origin, eliminating middleman costs to keep cost low. We have salmon supplies from Norway and a procurement office in Japan that helps source for food supplies such as fish and vegetables. Since global supply chain disruption may disrupt our supply from the country of origin, we also procure from a sizeable local supplier to secure sufficient stock. In FY2022, despite global chain supply disruption, our food supply remained consistent because of our effective procurement methods.

We consolidate the ingredients used throughout all our concept stores to optimise procurement and achieve economies of scale with bulk purchase discounts.

Before engaging new suppliers, we review their Singapore Food Agency ("SFA") licensing and grading, SFA importer license (if applicable), Certificate of Analysis as well as any form of suppliers' accreditation and compliance with the required regulatory requirements, track record, quality of services and reputation. By conducting such thorough checks on our supplier, we can be certain that we are purchasing high-quality ingredients suitable for our customers' consumption. We also conduct random monthly audits on our suppliers to ensure the quality and standards of their facilities are being maintained and upheld as per the requirements of ISO 22000.

## SUSTAINABILITY REPORT

# MEMBERSHIP OF ASSOCIATIONS

Our Group has forged strategic partnerships with several corporate members and organisations, as listed below. These strategic partnerships allow our employees opportunities to network with peers and other industry professionals, learn from industry best practices, share knowledge and keep up with the latest trends and developments.



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 continues to seek suitable partnerships and strategic links with other industry bodies to gain exposure within the industry.

## OUR SUSTAINABILITY APPROACH

The Group strives to deliver sustainable value for our stakeholders, which includes our customers, suppliers, employees, investors, business partners and local regulators in Singapore. In order to meet the expectations of our stakeholders, we have established a system of robust internal controls to promote accountability and transparency in conducting our business activities. Please refer to our Annual Report 2022 – Corporate Governance section for more information.

Our management consistently assesses our sustainability focal areas, and we have strategically chosen to focus on topics with a higher EESG impact for RE&S and our stakeholders. Our sustainability approach includes regular engagements with stakeholders to understand their concerns, which are then raised to our Board of Directors.

We aim to achieve our sustainability objectives of reducing our environmental impact and creating sustainable value for our stakeholders.

## SUSTAINABILITY REPORT

# STAKEHOLDERS ENGAGEMENT

We have assessed and identified several key stakeholder groups, as outlined in the table below, to be of significance to the business and 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
 <b>CUSTOMERS</b>	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
 <b>SUPPLIERS</b>	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
 <b>EMPLOYEES</b>	Provide a conducive environment for work and implement training for employees.	Employees' rights and welfare, personal development, good working environment.	Daily
 <b>INVESTORS</b>	Publish unaudited half-yearly results on a timely basis to report economic performance.	Profitability, transparency, timely reporting, and fair purchasing practices.	Half-yearly
 <b>BUSINESS PARTNERS</b>	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
 <b>GOVERNMENT AND REGULATIONS</b>	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

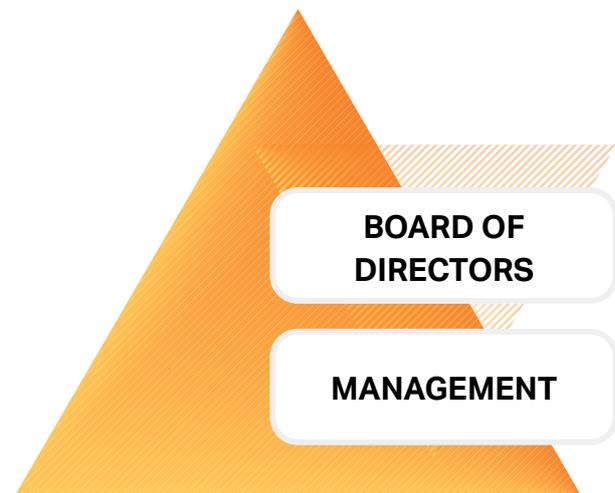
# SUSTAINABILITY REPORT CORPORATE GOVERNANCE FRAMEWORK



At RE&S, we are committed to upholding the highest standards of corporate governance as we believe that ethical business conduct serves as the foundation of our long-term success.

The Group's corporate governance structure consists of the Board, chaired by the Non-Executive Chairman and Independent Director. The Board oversees and monitors the policies and procedures relating to EESG factors together with the management, with the assistance of external professional service providers.

The Board maintains a broad oversight over the Group's EESG performance, targets and activities on an annual basis. Aside, the Board also evaluates the effectiveness of existing sustainability practices to ensure that the practices are in line with RE&S's



business and sustainability goals. Senior management supports the Board by coordinating and revising sustainability strategies based on stakeholders' feedback and industry trends. If there are any updates on any material developments on sustainability strategies, the senior management will be responsible in reporting to the Board.

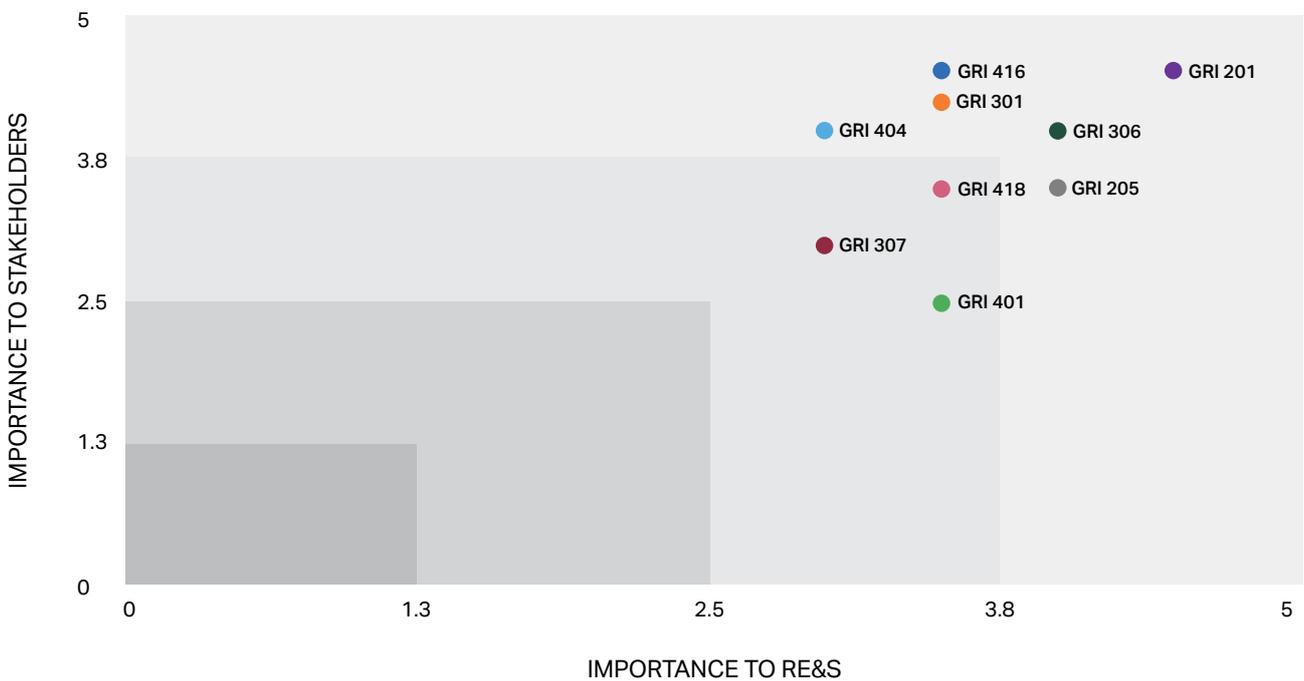
We have implemented effective and robust controls, supported by various policies and procedures, that apply across the Group. We also comply with the guidelines of the Code of Corporate Governance 2018, formulated by the Monetary Authority of Singapore, where appropriate, to maintain accountability and transparency in our business practices.

# SUSTAINABILITY REPORT MATERIALITY ASSESSMENT

In carrying out our annual materiality assessment exercise, we have taken into consideration our stakeholders' feedback, challenges surrounding the industry, our enterprise risk management framework as well as our business goals. Material sustainability topics are identified

and prioritised for disclosure based on their relevance and importance to the Group and our stakeholders.

In FY2022, we have identified a total of 9 material topics to be discussed in this report as follows:



### FY2022 MATERIAL SUSTAINABILITY TOPICS IDENTIFIED:

- **GRI 201**  
ECONOMIC PERFORMANCE
- **GRI 306**  
EFFLUENT AND WASTE
- **GRI 404**  
TRAINING AND EDUCATION
- **GRI 205**  
ANTI-CORRUPTION
- **GRI 307**  
ENVIRONMENTAL COMPLIANCE
- **GRI 416**  
CUSTOMER HEALTH AND SAFETY
- **GRI 301**  
MATERIAL
- **GRI 401**  
EMPLOYMENT
- **GRI 418**  
CUSTOMER PRIVACY

The material sustainability topics reported on in our previous sustainability report remain our top priorities this year.

## SUSTAINABILITY REPORT

# ECONOMIC PERFORMANCE

It is our commitment to create long-term economic value for our stakeholders, in a way that drives positive cash flow for the Company, better remuneration for employees, greater dividend distribution and enhanced share value for shareholders, and value creation for customers and society at large. Sustained profits help RE&S maintain a competitive advantage that directly impacts our stakeholders.

In this competitive food service industry, it is crucial that we invest in and leverage on digital technology to gain a competitive advantage.

During the first half of FY2022, the ongoing pandemic resulted in a huge demand for food takeaways and orders from food delivery platforms. In response, we have onboarded more concepts onto local food delivery platforms. As customers grew accustomed to the convenience of food delivery services, we have also streamlined and strengthened our takeaway processes to manage orders and prepare food more efficiently.

As part of the revamped &Joy Japanese Food Street at NEX, we have replaced existing stores with concepts like Shabu-GO, Gokoku Japanese Bakery, and Yakiniku-GO. Besides, we have renovated our existing outlets and established a new outlet for Yakiniku-GO at JEM. We expect that these renovations will garner heightened public interest and help us attract more customers at these outlets, further bolstering our economic performance.

What we have achieved in FY2022 is in line with the targets we set in last year's sustainability report, where we sought to improve or maintain our financial performance, introduce new concepts store, and continue leveraging digitalisation and technology for greater business efficiency.

We are proud to announce that our revenue has increased from \$127.8 million in FY2021 to \$154.8 million in FY2022, marking a 21.1% increase. Our profit before income tax has also increased from \$10.9 million to \$11.3 million, despite the tapering off of government support in relation to COVID-19 pandemic, as well as an increase in raw material and consumables cost and other expenses. We will continue to explore ways to increase operational productivity and efficiency. For more information, please refer to our Financial Highlights in the Annual Report.

We have also met our target by introducing new concept stores, Shabu-GO, to allow our diners to have Japanese

hotpots in smaller groups. Our concept store, Yakiniku-GO, launched in FY2021 has also expanded from 2 stores in FY2021 to 6 stores in FY2022.

RE&S have been progressively digitalising our business processes to reduce reliance on labour and to further streamline business processes. Some of the measures we have embarked on in the last few years include:

- Since FY2020, RE&S has integrated customer relationship management ("CRM") into our instore dining experience. We have introduced the use of bring-your-own-device, kiosk order and online ordering to streamline our ordering process. Furthermore, our members can easily access their membership details through digital platforms, helping them earn and redeem their rewards more conveniently.
- 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.

To further enhance customer experience, we have 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 central kitchen to monitor our production lines and identify alien objects and unauthorised users to our central kitchen, thus ensuring that all internal sanitisation and food safety protocols are abided.



### Targets for FY2023

- Improve or maintain our financial performance, subject to market conditions
- Continuous improvement by exploring and leveraging on our Japan network, market presence and our central kitchen



## SUSTAINABILITY REPORT ANTI-CORRUPTION

Anti-corruption remains a key focus of our Group and we take a zero-tolerance approach towards corruption, dishonesty, and fraud.

Our Group has implemented strict policies and procedures to ensure the highest standards of business conduct and ethics within the Group, and these includes our anti-corruption, conflict of interest and whistle-blowing policies. These policies are communicated to our employees during their onboarding, and periodic reminders are also sent out as preventive controls.

We have in place an Employee Handbook outlining the Code of Conduct that we expect all employees to adhere to. The Handbook contains information on how employees should conduct themselves and sets out available channels for feedback, if there are any cases of deviation from the established Code of Conduct.

Under the Group's whistle-blowing policy, we have outlined the various whistle-blowing channels available for employees to raise their concerns anonymously

without fear of reprisal. If there are any reports that require escalation, the Chairman of the Audit Committee ("AC"), the Head of Human Resources and/or the CEO will be informed, and further investigations and follow-up actions will be taken, where necessary. All whistle-blowing complaints are reviewed at quarterly meetings. Whistle-blowing policy was communicated to all employees, and it is available on our website at: <https://res.listedcompany.com/>.

In FY2022, 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 FY2023

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



## SUSTAINABILITY REPORT CUSTOMER HEALTH AND SAFETY

Ensuring the health and safety of our customers has always been RE&S's top priority.

We exercise stringent controls on food safety and hygiene in our central kitchen, restaurants and outlets, and we deem it our responsibility to ensure that all food and beverages we serve are safe to consume, in adherence with comprehensive health and safety guidelines. We have protocols in place to ensure proper handling of food across all stages of the value chain, be it procurement, warehouse and logistics, or in our central kitchen operations.

### PROCUREMENT ASPECT

All new suppliers undergo a strict evaluation and verification process. At RE&S, we conduct initial checks on supplier's accreditation, compliance with relevant regulatory authority, reputation, and quality of services. The engagement of local suppliers is subject to the possession of SFA food processing license. This is to ensure that their food handling processes are in accordance with established standards. We also require local suppliers we engage with to minimally possess a Singapore Standards 590 ("SS590") certification, as demonstrated proof of their commitment to produce or trade food in a safe and hygienic manner. As for our overseas suppliers, we require them to possess a food export license, to ensure that they have the requisite food export knowledge and skills to ensure hygienic food exportation. When procuring new ingredients, we will obtain production specification and a Certificate of Analysis/Lab test report for verification and quality assurance before making the purchase.

### WAREHOUSE AND LOGISTICS

A stringent time-temperature control is implemented along the supply chain to preserve food quality and ensure food safety. It is our policy to ensure that no food products or ingredients are left unattended. Our employees are trained to handle chilled and frozen items as quickly as possible to minimise temperature fluctuations upon delivery of procured ingredients.

We maintain optimum temperatures in our warehouse to ensure the freshness of our food ingredients by utilising freezers and chillers. Our stock management is based on the First Expire, First Out ("FEFO") principle. As a result, spoilage risks for perishable items are mitigated since there is a shorter period between purchase and usage. As a visual cue, we place the earliest expiration dates at the front of our food products, according to their expiration dates. Periodically, expiration dates and storage conditions are checked for all food ingredients. Expired food products will be immediately disposed of.



## FOOD QUALITY

The quality of our food is of utmost importance to us. As food ingredients are perishable items, we schedule delivery multiple times a week for each outlet, ranging from once to thrice a week. In addition, our employees are trained to check for freshness of all raw ingredients before use. Before approval for release, all finished goods undergo physical (such as pH, Brix, salt content, viscosity and texture analysis) and/or sensory evaluation (i.e., laboratory analysis). This helps ensure that all products served from our central kitchen are safe for consumption. Our central kitchen and outlets underwent ISO22000 and SS590 audit respectively in FY2022. Subsequent to the audit, we have put in place stricter controls, such as improving our housekeeping protocols within the central kitchen and indicating Food Grade Declaration for packaging to ensure that all food ingredients are prepared in a safe and hygienic manner in our central kitchen and outlets facilities.

## CENTRAL KITCHEN

In FY2022, our central kitchen was certified with ISO22000 standard and awarded with Singapore Food Agency Grade A certificate. We go above and beyond in ensuring that our manufacturing practices comply with the established standards, and we are confident that we have proper food safety systems in place.

All staff must comply to our standard operating procedures. Employees are instructed to don hair nets and mask during food preparation. Our staff are trained to maintain the cleanliness of the workspace to minimise any food-borne hazards. We have a set of housekeeping checklist as well as a cleaning and sanitisation checklist to ensure that our central kitchen is clean and safe to work in. We also periodically carry out pest control and flush treatment in the facility.

## OUTLETS

With regards to customer health and safety, there are various control procedures that our food handlers must adhere to. Below are some 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 to conduct briefing to ground staff before work, giving periodic reminders to outlet staff on food hygiene and safety matters.
4. A food safety audit is conducted on a monthly basis at our outlets to ensure that standards are maintained.

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 FY2022, we are pleased to announce that there were no significant fines and warnings relating to non-compliance with health hygiene and safety standards, in accordance with the target we set in FY2021.



### Targets for FY2023

- 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 and Singapore Food Agency regulations

## SUSTAINABILITY REPORT

# CUSTOMER HEALTH AND SAFETY

Implementation Date	Announcement	RE&S Response	RE&S Measures
<b>June 14, 2021</b>	Group size expanded to 5	Rearrange seating arrangement to accommodate 5 pax, with safe distancing markers	<ul style="list-style-type: none"> <li>• Contact tracing (QR Code Scanning)</li> <li>• Temperature Screening</li> <li>• Clear markers (1 meter distance) on the queueing path</li> <li>• Reconfiguration of seating arrangements to ensure separation of at least a meter between patrons</li> <li>• Tables and chairs to be sanitised after each meal</li> </ul>
<b>July 22, 2021</b>	Commencement of Phase 2 (Heightened Alert)	Rearrange seating arrangement to accommodate 2 pax, with safe distancing markers	
<b>Aug 10, 2021</b>	Group size expanded to 5	Rearrange seating arrangement to accommodate 5 pax, with safe distancing markers	
<b>Sept 27, 2021</b>	Commencement of Stabilisation Phase (Group size reduced to 2)	Rearrange seating arrangement to accommodate 2 pax, with safe distancing markers	
<b>Nov 22, 2021</b>	Group size expanded to 5	Rearrange seating arrangement to accommodate 5 pax, with safe distancing markers	
<b>March 29, 2022</b>	Group size expanded to 10	Rearrange seating arrangement to accommodate 10 pax, with safe distancing markers	
<b>April 26, 2022</b>	Contact Tracing no longer mandatory	Halt to contact tracing measures	<ul style="list-style-type: none"> <li>• Reconfiguration to maximise seating arrangement</li> <li>• Tables and chairs to be sanitised after each meal</li> </ul>

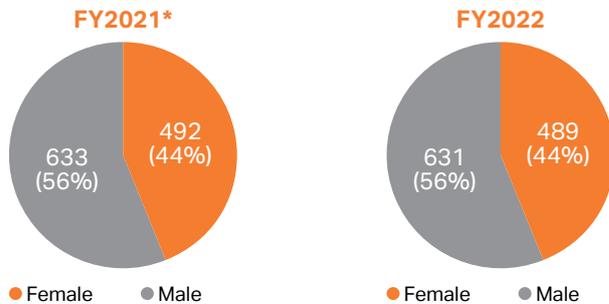
# SUSTAINABILITY REPORT EMPLOYMENT

RE&S believes that a strong workforce lies in attracting and retaining qualified, diverse talents. Especially in the food service industry, we understand that good customer service is a cornerstone of a great dining experience. We believe that the satisfaction of our employees with their workplace will be reflected in the quality of the customer service they provide. As such, we have developed various strategies to enhance our talent attraction, development and retention practices.

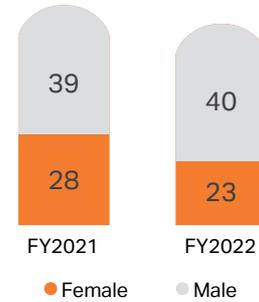
We embrace the culture of diversity and we are committed to fostering a non-discriminatory environment where our employees are treated equally. Regardless of race and religion, we treat our employees with respect and provide equal opportunities to all.

As of FY2022, the following charts represent our current workforce.

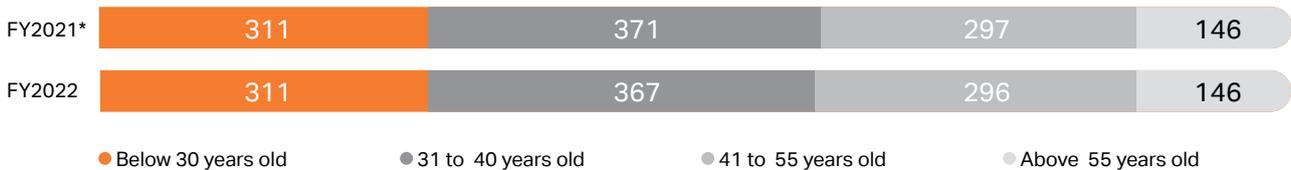
**WORKFORCE BY GENDER  
(NO. OF EMPLOYEES)**



**WORKFORCE BY GENDER IN  
SENIOR MANAGEMENT**



**WORKFORCE BY AGE GROUP**

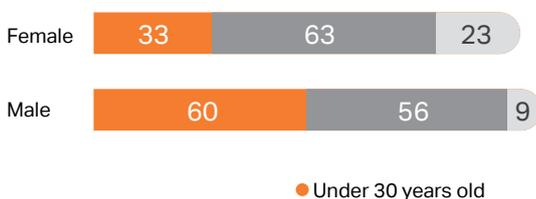


\* Employment figures for FY2021 have been restated after aligning data compilation methodologies across the Group.

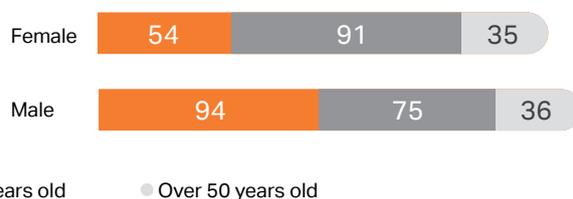
High employee turnover remains a challenge in the F&B industry. Among our talent retention strategies are regular reviews of remuneration packages to match market rates and the provision of employee benefits such

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 FY2022 (NUMBER OF EMPLOYEES)**

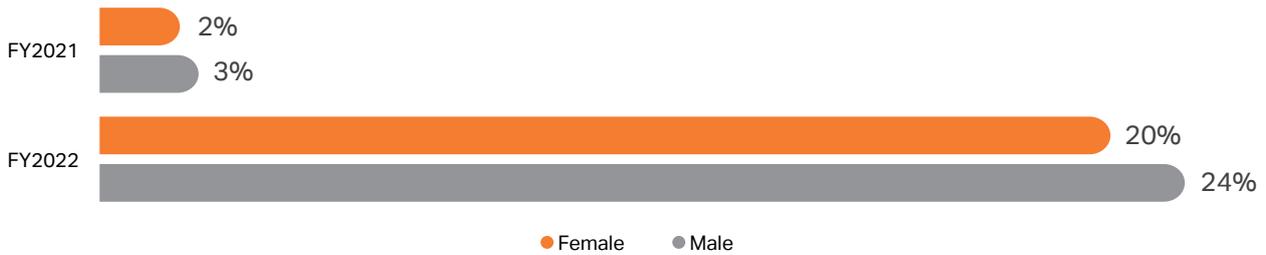


**FULL-TIME NEW HIRES  
BY GENDER AND BY AGE GROUP IN FY2022  
(NUMBER OF EMPLOYEES)**



# SUSTAINABILITY REPORT EMPLOYMENT

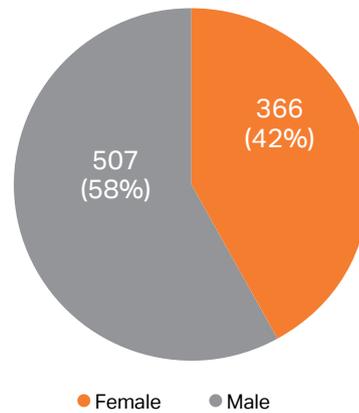
## EMPLOYEE TURNOVER RATE FOR FY2021\* AND FY2022



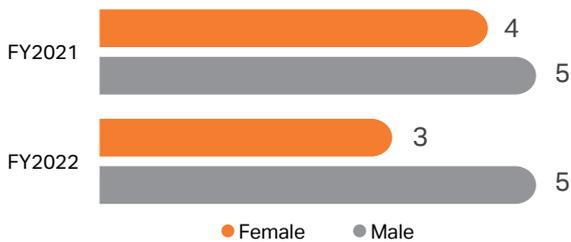
In FY2022, the huge increase in employee turnover rate was due to the impact of COVID-19, whereby there was a prevailing fear of contracting COVID-19, especially among our older staff. Nevertheless, RE&S has explored enhancing our talent retention strategies by offering employees competitive salary packages and flexible work hours, conducting more trainings to equip our staff with the necessary skills to fulfil their role, and engaging a consultant to assess our company culture and suggest ways to offer a better working environment for our employees.

We perform an annual performance appraisal exercise to identify potential candidates for promotions. Key topics covered during these appraisals include employees' performance goal evaluation, target setting for the year, career development plans and growth opportunities.

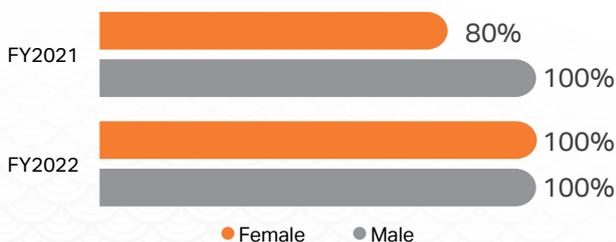
## TOTAL NUMBER OF EMPLOYEES RECEIVED ANNUAL PERFORMANCE REVIEW



## TOTAL NUMBER OF EMPLOYEES BY GENDER RETURNED TO WORK AFTER COMPLETION OF PARENTAL LEAVE AND STILL EMPLOYED WITHIN 12 MONTHS



## RETENTION RATE OF EMPLOYEES THAT TOOK PARENTAL LEAVE BY GENDER (BY PERCENTAGE)



We are proud to announce that there were zero reported cases of gender discrimination in FY2022.



### Targets for FY2023

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

# SUSTAINABILITY REPORT TRAINING & EDUCATION

People are at the core 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.

All new employees are oriented with on-the-job training on an ongoing basis to familiarise them with their working environment and the Group's operations. Since FY2020, RE&S has launched a training roadmap for our operations team members, to provide them with

progressive trainings so they can learn to operate and manage the food space. From FY2021 onwards, our kitchen's new hires must undergo 20 structured hours of on-the-job training, including a day-long attachment with the mother outlet to familiarise themselves with RE&S's workflow. At the corporate level, our employees have the autonomy to enhance their job knowledge and fulfil their own personal development goals by proposing any external training they would like to attend to the Human Resource department.

In FY2022, our Human Resource department has developed a training work plan and executed various training programs for our employees, including:

### In-house programs

- 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

### On-the-job Training

- Kitchen training (Age station/Kaiten Station/ Hot side station)
- Service SOP training by Restaurant Manager

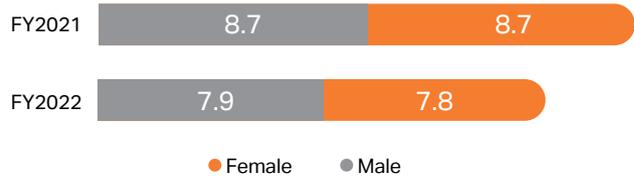


Photos of in-house management training



Photos of in-house on-the-job and kitchen training

### AVERAGE TRAINING HOURS PROVIDED BY GENDER



### AVERAGE TRAINING HOURS PROVIDED BY EMPLOYEE CATEGORY



### Targets for FY2023

- To conduct a Learning Needs Analysis survey to identify courses for our employees' development.
- To arrange leadership programs for senior management.

## SUSTAINABILITY REPORT

# ENVIRONMENTAL PERFORMANCE

Global warming, climate change, and the excessive consumption of natural resources are putting a strain on the environment, which is why companies must take their environmental performance seriously. In addition to economic and social considerations, environmental sustainability has always been a fundamental principle for RE&S. In particular, reducing packaging material and waste remains a priority for the Group and is integral to our environmental sustainability efforts.

### PACKAGING

#### **Plastic Materials**

Single-use plastic disposables are widely used in the food and beverage industry, and this includes bags, takeaway containers, cutlery etc. To reduce our plastic consumption, RE&S has rolled out various initiatives.

Several of our bento boxes are packaged in biodegradable materials. Disposable cutlery and plastic straws were provided only upon request for orders from delivery platforms and takeaways. Using biodegradable materials, where possible, and reducing plastic usage helps reduce carbon emissions from waste incineration. Since biodegradable plastics are manufactured using plant-based materials, they emit less greenhouse gases than non-biodegradable plastics.

The Group has increasingly adopted takeaway and delivery options as a result of additional restrictions implemented by the Singapore Government to combat COVID-19. As a result, in FY2022, our plastic usage has increased from 264 MT to 382 MT. In view of the relaxation of COVID-19 measures, we expect the usage of plastics to decrease in the next financial year.

#### **Paper Usage**

As part of our ongoing efforts to reduce paper usage, electronic menus are offered at all Yakinuku-GO outlets.



Starting from 2022, RE&S will be collating relevant data and information on packaging introduced into the Singapore market, by specific categories, in line with the Mandatory Packaging Reporting Scheme ("MPR"), enforced by Singapore's National Environment Agency ("NEA").



#### **Targets for FY2023**

- Reduce weight of packaging produced by outlets

### EFFLUENTS AND WASTE

RE&S endeavours to protect the environment and reduce negative environmental impact through proper 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

## SUSTAINABILITY REPORT

# ENVIRONMENTAL PERFORMANCE

We have engaged Public Utilities Board ("PUB") to manage and dispose of our food and general waste, in accordance with contractual and legislative obligations.

Over the reporting period, we have achieved 2 out of the 3 targets set in FY2021. We have strengthened the system for controlled disposal of waste by installing 5 units of NCH BioAmp system in our central kitchen to break down organic waste in wastewater before it is discharged. As established in the latest report on our wastewater discharge dated 26 August 2022, RE&S is fully compliant with PUB's Sewerage and Drainage Act. We have also engaged external recycling providers to compress cardboard to smaller sizes, thus reducing the total amount of waste generated. We have maintained the total number of recycling bins in RE&S in FY2022. As part of our campaign to encourage proper recycling practices, we target to progressively increase the number of recycling bins in our building and outlets in the coming year.

The total volume of general waste generated in FY2022 was 15,300.935m<sup>3</sup>.



### Targets for FY2023

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

### ENVIRONMENTAL COMPLIANCE

As a Group, we are committed to complying with all relevant environmental laws and regulations pertaining to our operations, including those developed by SFA and NEA.

We constantly strive to maintain a high standard of food hygiene and food safety in our central kitchen and outlets. To ensure that our employees are aware of the latest regulatory requirements, we conduct a Refresher Training on Food Safety on a yearly basis for all central kitchen staff. All newly created products undergo a stress test by external laboratories before they are introduced into the market. To ensure food safety, all existing products are routinely tested by our in-house laboratory every month and by external laboratories on a yearly basis. Our internal audit team also assists in ensuring compliance with all applicable laws and regulations.

We are pleased to announce that there were zero cases of non-compliance with environmental regulations in FY2022.



### Mandatory Packaging Reporting Scheme

From 2022 onwards, 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 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 packaging data and 3R (reduce, reuse, recycle) plans to NEA on a yearly basis.

RE&S is currently working to collate the relevant information on packaging used in the Singapore market, with a corresponding breakdown by type of packaging materials (e.g., plastic, paper, metal, glass), packaging form (e.g., carriers, bottles) and corresponding weights, as well as developing and implementing 3R plans. RE&S will play our part in complying with the MPR in ensuring environmental sustainability.



### Plans for FY2023

- Reduction of size of paper napkins that are provided to customers at our Full-Service Restaurants
- Installation of SG Electric Savers in June 2022



### Targets for FY2023

- Maintain zero major non-compliance with environmental regulations which may result in penalties, fines or warnings.

## SUSTAINABILITY REPORT CUSTOMER PRIVACY

As a Group, we believe that protecting our customers and employees' personal data is crucial to maintaining their trust in us. Especially as we progress in our digitalisation journey, it is vital that we safeguard the data privacy of both customers and employees.

Our Personal Data Protection Act ("PDPA") policy is outlined on our corporate website for stakeholders to read. PDPA compliance and data protection responsibilities are overseen by the CEO, who is also our Data Protection Officer.

We protect our customers' data and privacy through our consistent enhancement of the security level of the Group's servers and IT systems. All access rights to

the systems and servers used by the Group are strictly controlled and restricted. Our secure databases are protected by password controls, anti-virus software, and firewalls to prevent impending security threats from gaining access to customer data. Customer consent is obtained by acknowledgement of general terms of use before we obtain personal data from our customers.

For employees alike, we obtain our employees' consent for the Group's usage of their personal data through acknowledgement of personal data consent form. During on-boarding, our company would brief new employees on our company's PDPA policy. Additionally, existing employees would receive PDPA training by an outsourced service provider.

In FY2022, there were zero reported cases with regards to personal data violation or breaches of customer privacy.



### Targets for FY2023

- Maintain our good track record of having zero reported cases in relation to personal data violation or breaches of customer privacy.

## SUSTAINABILITY REPORT

# GRI CONTENT INDEX

GRI Standard	Disclosure Number	Disclosure Title	Page References and Reasons for Omission, if any
<b>General Disclosures</b>	<b>102-1</b>	Name of the organisation	31
	<b>102-2</b>	Activities, brands, products, and services	33
	<b>102-3</b>	Location of headquarters	33
	<b>102-4</b>	Location of operations	33
	<b>102-5</b>	Ownership and legal form	33
	<b>102-6</b>	Markets served	33
	<b>102-7</b>	Scale of the organisation	33
	<b>102-8</b>	Information on employees and other workers	46
	<b>102-9</b>	Supply chain	35
	<b>102-10</b>	Significant changes to the organisation and its supply chain	35
	<b>102-11</b>	Precautionary principle or approach	36
	<b>102-12</b>	External initiatives	34
	<b>102-13</b>	Membership of associations	36
<b>Strategy</b>	<b>102-14</b>	Statement from senior decision maker	31
<b>Ethics and integrity</b>	<b>102-16</b>	Values, principles, standards, and norms of behavior	34
<b>Governance</b>	<b>102-18</b>	Governance structure	38
<b>Stakeholder engagement</b>	<b>102-40</b>	List of stakeholder groups	37
	<b>102-41</b>	Collective bargaining agreements	Not applicable
	<b>102-42</b>	Identifying and selecting stakeholders	37
	<b>102-43</b>	Approach to stakeholder engagement	37
	<b>102-44</b>	Key topics and concerns raised	37
<b>Reporting practice</b>	<b>102-45</b>	Entities included in the consolidated financial statements	Annual Report 2022
	<b>102-46</b>	Defining report content and topic boundaries	32
	<b>102-47</b>	List of material topics	39
	<b>102-48</b>	Restatements of information	45 – 46
	<b>102-49</b>	Changes in reporting	Not applicable
	<b>102-50</b>	Reporting period	32
	<b>102-51</b>	Date of most recent report	11 October 2021
	<b>102-52</b>	Reporting cycle	32
	<b>102-53</b>	Contact point for questions regarding the report	32
	<b>102-54</b>	Claims of reporting in accordance with the GRI Standards	32
	<b>102-55</b>	GRI content index	51 – 52
	<b>102-56</b>	External assurance	External assurance was not sought for this Sustainability Report; however, we will consider seeking external assurance in future as we progress in our sustainability reporting practice.

## SUSTAINABILITY REPORT

# GRI CONTENT INDEX

GRI Standard	Disclosure Number	Disclosure Title	Page References and Reasons for Omission, if any
<b>Management Approach</b>	<b>103-1</b>	Explanation of the material topic and its boundaries	39 – 50
	<b>103-2</b>	The management approach and its components	36 – 50
	<b>103-3</b>	Evaluation of the management approach	36 – 50
<b>Economic Performance</b>	<b>201-1</b>	Direct Economic value generated and distributed	Annual Report 2022 – Consolidated Statement of Profit or Loss and Other Comprehensive Income
	<b>201-4</b>	Financial assistance received from government	Annual Report 2022 – Other Operating Income
<b>Anti-corruption</b>	<b>205-1</b>	Operations assessed for risks related to corruption	41
	<b>205-2</b>	Communication and training about anti-corruption policies and procedures	41
	<b>205-3</b>	Confirmed incidents of corruption and actions taken	41
<b>Materials</b>	<b>301-3</b>	Reclaimed products and their packaging materials	48 – 49
<b>Effluents and Waste</b>	<b>306-2</b>	Waste by type and disposal method	48 – 49
<b>Environmental Compliance</b>	<b>307-1</b>	Non-compliance with environmental laws and regulations	49
<b>Employment</b>	<b>401-1</b>	New employee hires and employee turnover	45 – 46
	<b>401-2</b>	Benefits provided to full-time employees that are not provided to temporary or part-time employees	45 – 46
	<b>401-3</b>	Parental leave	45 – 46
<b>Training and Education</b>	<b>404-1</b>	Average hours of training per year per employee	47
	<b>404-2</b>	Programs for upgrading employee skills and transition assistance programs	47
	<b>404-3</b>	Percentage of employees receiving regular performance and career development reviews	47
<b>Customer Health and safety</b>	<b>416-2</b>	Incidents of non-compliance concerning the health and safety impacts of products and services	42 – 44
<b>Customer Privacy</b>	<b>418-1</b>	Substantiated complaints concerning breaches of customer privacy and losses of customer data	50

# 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 2022 ("FY2022") with specific reference to the principles and provisions of the Code. The Board is pleased to report that the Group have complied in most of the material aspects with the principles and provisions set out in the Code, save for deviations or areas of non-compliance which are explained under the respective sections. 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 Group's ethical values and standards to ensure that obligations to shareholders and other stakeholders are understood and met; and
10. 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 FY2022, 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.

In FY2022, certain Directors had attended The Cambridge – Earth on Board Sustainability Education Programmes for Directors in Singapore conducted by the University of Cambridge Institute for Sustainability Leadership. A training register is maintained by the Company with respect to the courses/seminars attended by each Director.

### ***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 FY2022 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 Meetings
<b>Total held in FY2022</b>	3	2	1	1	2
<b>Directors</b>					
Ben Yeo Chee Seong	3	2	1	1	2
Hiroshi Tatara	3	2 <sup>(1)</sup>	–	–	2
Yek Hong Liat John	3	2 <sup>(1)</sup>	–	–	2
Lee Lap Wah, George	3	2	1	1	2
Guok Chin Huat Samuel	3	2	1	1	2
Foo Kah Lee	3	2 <sup>(1)</sup>	–	–	2
Lim Shyang Zheng	3	2 <sup>(1)</sup>	–	–	2
<b>No. of Meetings attended by KMP</b>					
Yap Fang Ling (Chief Financial Officer)	3 <sup>(1)</sup>	2 <sup>(1)</sup>	–	–	2

<sup>(1)</sup> By Invitation

*Note: General Meetings refer to the Annual General Meeting and Extraordinary General Meeting ("EGM") held on 27 October 2021. The EGM was held for the purpose of approving the Proposed Adoption of Share Buy-Back Mandate. There was no Administration Committee Meeting held during FY2022.*

### 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 Secretaries or their representative who attends and records the minutes of all Board and Board Committees meetings. The Company Secretaries assist 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 Secretaries' role is to advise the Board on all governance matters and the appointment and removal of the Company Secretaries 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 seven (7) Directors, three (3) of whom are Independent Directors; one (1) of whom is a Non-Executive and Non-Independent Director; and three (3) of whom are Executive Directors. The Independent Directors and Non-Executive and Non-Independent Director make up a majority 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 and Non-Independent Director)
Mr. Lee Lap Wah, George	(Independent Director)
Mr. Guok Chin Huat Samuel	(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.

### **Board Composition and Diversity (Provisions 2.4)**

The Group recognises and embraces the importance and benefits of having a diverse Board to enhance the quality of its performance. To promote diversity of the Board, the Company has adopted the Board Diversity Policy with a view to achieving a sustainable and balanced development, the Company sees diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development.

## CORPORATE GOVERNANCE REPORT

The Board diversity has been considered from a number of 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 perspectives as mentioned above. Such factors including age and gender diversity will be considered during the selection and appointment of new directors to the Board. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Board composition will be disclosed in the Company's Annual Report and as and when there are any changes to the Board composition.

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 current Board and Board Committees is adequate, taking into account the scope of the Group's operations.

As part of the Company's effort towards in promoting Board diversity, the Board concurred the NC's recommendation in looking for a suitable female board member with retail experience in the F&B Industry.

### ***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 FY2022 and provide 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 and 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)**

Given the independence of three (3) Directors on the Board (including the independent Board Chairman) who will exercise their objective judgement on corporate affairs of the Group, the Board is of the view that 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](mailto:ben.yeo@res.com.sg) when they have concerns and for which contact through normal channels with Management are inappropriate and inadequate.

# CORPORATE GOVERNANCE REPORT

## 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.

### **Composition of the Nominating Committee (Provision 4.2)**

The NC currently comprises three (3) Independent Directors as follows:

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

### **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;
- (i) 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; and
- (j) Address how the Board has enhanced long-term shareholders' value and assessing the contribution of each Director to the effectiveness of the Board.

# 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.

In accordance with Regulation 97 of the Company's Constitution and the Catalist Rules, all Directors shall retire from office at the Company's Annual General Meeting ("AGM") at least once every three (3) years. At each Annual General Meeting, 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. Hiroshi Tatara, Mr. Yek Hong Liat John and Mr. Lee Lap Wah, George (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 76 to 79 of this 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 arises, 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;
- (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;

# CORPORATE GOVERNANCE REPORT

- (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, Mr. Lee Lap Wah, George and Mr. Guok Chin Huat Samuel 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.

### ***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 FY2022, 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 FY2022, every Director achieved full attendance for Board and Board Committees 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 Secretaries and presented to the NC as a summary report.

# CORPORATE GOVERNANCE REPORT

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 FY2022 completed by seven (7) 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 three (3) Independent Directors as follows:

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

#### **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;

# CORPORATE GOVERNANCE REPORT

- (e) Review and approve the design of all option plans, stock plans and/or other equity based plans;
- (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; and
- (i) Approve the remuneration framework (including Directors' fees) for Independent Directors of the Company.

## **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 FY2022.

## **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.

# CORPORATE GOVERNANCE REPORT

## **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.

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 agreements (the "Service Agreements") 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 to be automatically renewed on a yearly basis thereafter. Each of the Service Agreements 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. The RC has recommended to the Board Directors' fees of S\$210,000 for the financial year ending 30 June 2023, 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 FY2022 is set out below:

Name of Director	Salary	Performance Bonus	Director's Fees	Total
<b>S\$500,000 to S\$749,999</b>				
Mr. Foo Kah Lee ("CEO")	68.0%	32.0%	–	100%
Mr. Lim Shyang Zheng ("COO")	67.3%	32.7%	–	100%
<b>S\$250,000 to S\$499,999</b>				
Mr. Hiroshi Tatara	82.0%	18.0%	–	100%
<b>Below \$250,000</b>				
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 <sup>(1)</sup>	–	–	–	–

Note:

<sup>(1)</sup> 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
<b>Below \$250,000</b>			
Ms Yap Fang Ling	87.9%	12.1%	100%

Notwithstanding Provision 8.1 of the Code, there was only 1 KMP (who are not Directors or the CEO) during FY2022. 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 FY2022. 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 exact fees 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 KMP.

# 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 FY2022.

### 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 administered by the Administration Committee comprising members of the NC and RC, namely Mr. Ben Yeo Chee Seong, Mr. Lee Lap Wah, George and Mr. Guok Chin Huat Samuel. In compliance with the requirements of the Catalyst 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;
- (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 FY2022, 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 FY2022, 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 FY2022, 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 FY2022.

# 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 three (3) Independent Directors as follows:

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

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 FY2022 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; and
- (p) 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 Nexia TS Risk Advisory Pte Ltd ("Nexia TS"), 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. Nexia 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 FY2022, a comprehensive internal audit was performed and completed in accordance with the approved internal audit plan by Nexia TS. The AC has conducted a meeting with Nexia 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 Nexia TS is adequately resourced and staffed by suitably qualified and experienced professionals who has appropriate standing in the Company. Nexia 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.

## 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 FY2022, 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 FY2022 and in pages 86 to 87 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 111 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 through which 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 who will launch an investigation and reports to the AC. The Group will ensure that the identity of the whistleblower is kept confidential. 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](http://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 is responsible for oversight and monitoring of whistle blowing and 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 FY2022.

## **Meeting with EA and IA (Provision 10.5)**

The AC has met with internal and external auditors without the presence of Management once during FY2022 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. 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.

#### **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.

# CORPORATE GOVERNANCE REPORT

## **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 meetings held in FY2022 is disclosed on page 56 of this Annual Report.

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.

As permitted under the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the Company will be conducting the AGM for FY2022 via electronic means. As per the Regulator's Column dated 23 May 2022, general meetings which are conducted virtually on or after 1 October 2022 and annual general meetings for FY ending 30 June 2022 onwards, will need to provide both (i) real-time electronic voting and (ii) real-time electronic communication.

Please refer to the notice of the AGM dated 10 October 2022 for information relating to arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream, submission of questions in advance of the meeting, addressing of substantial and relevant questions at, or prior to, the meeting, voting by appointing proxy(ies) and on-line voting.

## **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 the AGM.

The minutes of the AGM for FY2022 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 0.85 Singapore cent for FY2022 to reward shareholders for their investment in the Company. Together with the tax-exempt one tier interim dividend of 0.85 Singapore cent per share paid on 24 February 2022, the total dividend of 1.7 Singapore cents per share, will represent approximately 63.7% payout of the Group's FY2022 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.*

### **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.

# CORPORATE GOVERNANCE REPORT

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; and
- Company's corporate website at [www.res.com.sg](http://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 FY2022. 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](http://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.

#### **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 pages 30 to 52 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](http://www.res.com.sg) to communicate and engage with stakeholders.

# CORPORATE GOVERNANCE REPORT

## **(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.

## **(H) 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.

## **(I) 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 FY2022. The Group does not have a general mandate for interested person transactions.

## **(J) 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 FY2022 or if not then subsisting, entered into since the end of the previous financial year.

## **(K) NON-SPONSOR FEES**

The Company is currently under the SGX-ST Catalist sponsor supervised regime. The total amount of non-sponsor fees paid to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. for FY2022 was S\$1,000.

## CORPORATE GOVERNANCE REPORT

Information of Directors who are retiring and being eligible, offer themselves for re-election at the forthcoming AGM pursuant to Catalyst Rule 720(5):

Details	Name of Directors		
	Mr. Hiroshi Tatara	Mr. Yek Hong Liat John	Mr. Lee Lap Wah, George
Date of Appointment	26 May 2017	26 May 2017	30 October 2017
Date of last re-appointment (if applicable)	24 October 2019	26 October 2020	26 October 2020
Age	76	64	69
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of the Company accepts the recommendation of the NC, who has reviewed and considered Mr. Tatara's qualifications, work experience, skills and contribution as an Executive Director of the Company.	The Board of the Company accepts the recommendation of the NC, who has reviewed and considered Mr. Yek's qualifications, work experience, skills and contribution as Non-Executive and Non-Independent Director of the Company.	The Board of the Company concurs with the NC that Mr. Lee is objective in expressing his views, participating in deliberation and decision making of the Board and exercising his judgement as the Independent Director on the corporate affairs of the Group, independent of the Management and therefore accepts the recommendation of the NC on the re-appointment of Mr. Lee as an Independent Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive, President of the Group	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	President and Executive Director	Non-Executive and Non-Independent Director	Independent Director, Chairman of Nominating, member of Audit Committee, Remuneration Committee and Administration Committee
Professional Qualifications	Osaka Ikuno Technical High School	Bachelor of Arts with Honours (Law)	Bachelor of Business Administration (Second Class Upper) Chartered Financial Analyst
Working experience and occupation(s) during the past 10 years	<ul style="list-style-type: none"> <li>RE&amp;S Holdings Limited (2017 – Present), President</li> <li>R E &amp; S Enterprises Pte Ltd (1988 – 2017), President</li> </ul>	<ul style="list-style-type: none"> <li>RE&amp;S Holdings Limited (2017 – 2019), CEO</li> <li>R E &amp; S Enterprises Pte Ltd (1988 – 2017), CEO</li> </ul>	<ul style="list-style-type: none"> <li>OCBC Bank (Malaysia) Berhad (2016 – 2017), Advisor</li> <li>OCBC Bank Limited (2012 – 2016), Head (Global Corporate Banking)</li> <li>OCBC Bank Limited (1999 – 2012), Executive Vice President (Global Investment Banking)</li> </ul>

## CORPORATE GOVERNANCE REPORT

Details	Name of Directors		
	Mr. Hiroshi Tatara	Mr. Yek Hong Liat John	Mr. Lee Lap Wah, George
Shareholding interest in the listed issuer and its subsidiaries	220,503,130 shares	60,000,000 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	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
<b>Other Principal Commitments* Including Directorships#</b>			
* "Principal Commitments" has the same meaning as defined in the Code.			
# These fields are not applicable for announcements of appointments pursuant to Catalyst Rule 704(8)			
Past (for the last 5 years)	<b>Directorships:</b> <ul style="list-style-type: none"> <li>Ichiban Lifestyle Holdings Pte. Ltd.</li> </ul>	<b>Directorships:</b> <ul style="list-style-type: none"> <li>R E &amp; S Enterprises Pte Ltd</li> <li>R E &amp; S Enterprises (M) Sdn. Bhd.</li> <li>Kabe No Ana Pte. Ltd.</li> <li>Promote Japan Enterprise Pte. Ltd.</li> </ul>	Nil
Present	<b>Principal Commitments:</b> <ul style="list-style-type: none"> <li>RE&amp;S Holdings Limited, President</li> </ul> <b>Directorships:</b> <ul style="list-style-type: none"> <li>RE&amp;S Holdings Limited</li> <li>R E &amp; S Enterprises Pte Ltd</li> <li>R E &amp; S Enterprises (M) Sdn. Bhd.</li> <li>Kabe No Ana Pte. Ltd.</li> <li>Promote Japan Enterprise Pte. Ltd.</li> </ul>	<b>Directorships:</b> <ul style="list-style-type: none"> <li>RE&amp;S Holdings Limited</li> </ul>	<b>Directorships:</b> <ul style="list-style-type: none"> <li>Bumitama Agri Ltd.</li> <li>OCBC Bank (Malaysia) Berhad</li> <li>Wearnes Starchase Ltd</li> <li>RE&amp;S Holdings Limited</li> </ul>

# 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. Tatara, Mr. Yek and Mr. Lee 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.

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.

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 for each of Mr. Tatara, Mr. Yek and Mr. Lee as this is a re-election of Director.**

# STATEMENT BY DIRECTORS

The directors of the company are pleased to present the accompanying financial statements of the company and of the group for the reporting year ended 30 June 2022.

## 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)
Guok Chin Huat Samuel	(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	–	–	219,167,130	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 2022 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)
Guok Chin Huat Samuel	(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 Statement 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 2022 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 29 August 2022, 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

**Hiroshi Tatara**  
Director

**Foo Kah Lee**  
Director

6 October 2022

# 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 2022, 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 2022 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 company 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) Assessment of impairment of property, plant and equipment and right-of-use assets of non-performing outlets

Refer to Note 2 for the relevant accounting policy and Notes 14 and 15 for the disclosure of property, plant and equipment and right-of-use assets respectively.

#### *Key Audit Matter*

The carrying amounts of property, plant and equipment and right-of-use assets were \$32,200,000 and \$58,398,000 respectively, which represents 24.3% and 44.0% of the group's total assets respectively as at the end of the reporting year.

The group operates restaurants in Singapore and Malaysia and has certain restaurant outlets that incurred losses during the reporting year. Management performed impairment tests on the related property, plant and equipment and right-of-use assets of these outlets and measured their recoverable amounts based on the value in use method. The process for measuring and recognising impairment by management under SFRS(I) 1-36 Impairment of Assets is complex and highly judgemental, particularly as each individual sales outlet is treated as a separate cash-generating unit for assessment of impairment purposes. We therefore identified the assessment of impairment of property, plant and equipment and right-of-use assets as an area significant to our audit.

#### *How we addressed the matter in our audit*

Our audit procedures focused on evaluating the key assumptions and estimates used by the management in their assessment of impairment. These procedures included:

- Reviewed the evidence on which management based their assessment as to when an impairment indicator exists for loss making outlets and therefore a need for impairment testing arises and by evaluating management's review of the financial performance on the individual outlets; and
- Reviewed management's disclosures of property, plant and equipment and right-of-use assets, and the assumptions used in the impairment tests and the outcome of the impairment tests in the consolidated financial statements.

For those property, plant and equipment and right-of-use assets that are subjected to impairment assessment, we found that the assumptions and estimates used are within a reasonable range of our expectations. 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 Notes 5 and 23 for the disclosure of revenue and cash respectively.

#### Key Audit Matter

The group's revenue from sale of food and beverages amounted to \$154,592,000, which represents 99.8% of the group's total revenue for the reporting year.

Revenue from sale of food and beverages is recognised based on actual amounts billed to customers. It is transacted via a large volume of low-value cash and credit card transactions. As cash is susceptible to theft, we have focused on the completeness of cash.

#### 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 in particular cash sales and obtain evidence that postings to the accounts were reliable. These procedures included:

- Tested monitoring controls over the revenue cycle and 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 and cash recorded for all outlets for the reporting year; and
- Assessed the adequacy of the disclosures related to total revenue, trade receivables and cash on hand.

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 the financial reporting standards, 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 Uthaya Chandrikaa d/o Ponnusamy.

### RSM Chio Lim LLP

Public Accountants and  
Chartered Accountants  
Singapore

6 October 2022

Engagement partner – effective from year ended 30 June 2022

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year Ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000
<b>Revenue</b>	5	154,835	127,833
Other operating income	6	7,205	9,388
Raw materials and consumables used		(42,990)	(34,097)
Changes in inventories of finished goods		(548)	(294)
Employee benefits expense	7	(51,613)	(44,455)
Depreciation of property, plant and equipment	14	(6,336)	(5,899)
Depreciation of right-of-use assets	15	(20,369)	(19,646)
Operating lease expenses	28	(1,921)	(1,712)
Utilities expenses		(4,846)	(3,437)
Finance costs	8	(2,988)	(2,986)
Other operating expenses	9	(16,162)	(12,451)
Other expenses	10	(2,964)	(1,367)
<b>Profit before income tax</b>		11,303	10,877
Income tax expense	11	(1,852)	(1,387)
<b>Profit, net of income tax</b>		9,451	9,490
<b>Other comprehensive loss:</b>			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations, net of income tax		(88)	(19)
<b>Other comprehensive loss for the year, net of income tax</b>		(88)	(19)
<b>Total comprehensive income for the year</b>		9,363	9,471
Profit attributable to owners of the parent, net of income tax		9,451	9,478
Profit attributable to non-controlling interest, net of income tax		–	12
Profit, net of income tax		9,451	9,490
Total comprehensive income attributable to owners of the parent		9,363	9,459
Total comprehensive income attributable to non-controlling interest		–	12
Total comprehensive income		9,363	9,471
		<b>Cents</b>	<b>Cents</b>
Basic and diluted earnings per share	13	2.7	2.7

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

# STATEMENTS OF FINANCIAL POSITION

As at 30 June 2022

	Notes	Group		Company	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	14	32,200	29,501	–	–
Right-of-use assets	15	58,398	62,938	–	–
Investment in subsidiaries	16	–	–	21,868	21,868
Other receivables	17	–	–	10,671	10,671
Other non-financial assets	18	4,532	3,767	–	–
Deferred tax assets	11	92	54	–	–
<b>Total non-current assets</b>		<b>95,222</b>	<b>96,260</b>	<b>32,539</b>	<b>32,539</b>
<b>Current assets</b>					
Inventories	19	3,820	3,272	–	–
Trade and other receivables	20	1,786	1,908	3,891	3,642
Other financial assets	21	4,178	–	–	–
Other non-financial assets	22	3,106	3,269	5	8
Cash and cash equivalents	23	24,595	25,878	528	777
<b>Total current assets</b>		<b>37,485</b>	<b>34,327</b>	<b>4,424</b>	<b>4,427</b>
<b>Total assets</b>		<b>132,707</b>	<b>130,587</b>	<b>36,963</b>	<b>36,966</b>
<b>EQUITY AND LIABILITIES</b>					
Share capital	24	32,307	32,307	32,307	32,307
Merger reserve	25	(18,149)	(18,149)	–	–
Retained earnings		25,695	22,262	3,905	3,800
Foreign currency translation reserve		(141)	(53)	–	–
<b>Total equity</b>		<b>39,712</b>	<b>36,367</b>	<b>36,212</b>	<b>36,107</b>
<b>Non-current liabilities</b>					
Deferred tax liabilities	11	1,293	972	–	–
Provisions	26	1,521	1,488	–	–
Other financial liabilities	27	6,529	7,462	–	–
Lease liabilities	28	44,765	48,813	–	–
<b>Total non-current liabilities</b>		<b>54,108</b>	<b>58,735</b>	<b>–</b>	<b>–</b>
<b>Current liabilities</b>					
Income tax payable		1,244	1,211	8	2
Trade and other payables	29	17,329	12,735	743	853
Other financial liabilities	27	940	921	–	–
Other non-financial liabilities	30	46	979	–	4
Lease liabilities	28	19,328	19,639	–	–
<b>Total current liabilities</b>		<b>38,887</b>	<b>35,485</b>	<b>751</b>	<b>859</b>
<b>Total liabilities</b>		<b>92,995</b>	<b>94,220</b>	<b>751</b>	<b>859</b>
<b>Total equity and liabilities</b>		<b>132,707</b>	<b>130,587</b>	<b>36,963</b>	<b>36,966</b>

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

# STATEMENTS OF CHANGES IN EQUITY

Year Ended 30 June 2022

Group	Total equity \$'000	Share capital \$'000	Merger reserve \$'000	Retained earnings \$'000	Foreign currency translation reserve \$'000	Non-controlling interests \$'000
<b>Current year:</b>						
Opening balance at 1 July 2021	36,367	32,307	(18,149)	22,262	(53)	–
<b>Changes in equity:</b>						
Total comprehensive income (loss) for the year	9,363	–	–	9,451	(88)	–
Dividends paid (Note 12)	(6,018)	–	–	(6,018)	–	–
<b>Closing balance at 30 June 2022</b>	<b>39,712</b>	<b>32,307</b>	<b>(18,149)</b>	<b>25,695</b>	<b>(141)</b>	<b>–</b>
<b>Previous year:</b>						
Opening balance at 1 July 2020	29,905	32,307	(18,149)	15,808	(34)	(27)
<b>Changes in equity:</b>						
Total comprehensive income (loss) for the year	9,471	–	–	9,478	(19)	12
Acquisition of a non-controlling interest without a change in control (Note 16)	–	–	–	(15)	–	15
Dividends paid (Note 12)	(3,009)	–	–	(3,009)	–	–
<b>Closing balance at 30 June 2021</b>	<b>36,367</b>	<b>32,307</b>	<b>(18,149)</b>	<b>22,262</b>	<b>(53)</b>	<b>–</b>

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

# STATEMENTS OF CHANGES IN EQUITY

Year Ended 30 June 2022

Company	Total equity \$'000	Share capital \$'000	Retained earnings \$'000
<b>Current year:</b>			
Opening balance at 1 July 2021	36,107	32,307	3,800
<b>Changes in equity:</b>			
Dividends paid (Note 12)	(6,018)	–	(6,018)
Total comprehensive income for the year	6,123	–	6,123
<b>Closing balance at 30 June 2022</b>	<b>36,212</b>	<b>32,307</b>	<b>3,905</b>
<b>Previous year:</b>			
Opening balance at 1 July 2020	36,009	32,307	3,702
<b>Changes in equity:</b>			
Dividends paid (Note 12)	(3,009)	–	(3,009)
Total comprehensive income for the year	3,107	–	3,107
<b>Closing balance at 30 June 2021</b>	<b>36,107</b>	<b>32,307</b>	<b>3,800</b>

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended 30 June 2022

	2022 \$'000	2021 \$'000
<b>Cash flows from operating activities</b>		
Profit before income tax	11,303	10,877
Adjustments for:		
Interest income	(15)	(21)
Interest expense on borrowings	96	98
Interest expense on lease liabilities	2,892	2,888
Depreciation of property, plant and equipment	6,336	5,899
Depreciation of right-of-use assets	20,369	19,646
Covid-19 related rent concessions from lessors	(536)	(1,924)
Loss (gain) on remeasurement of right-of-use assets	133	(132)
Loss on disposal of plant and equipment	2	–
Plant and equipment written off	362	273
Unrealised loss on financial assets at fair value through profit or loss ("FVTPL")	830	–
Loss on disposal of financial assets at FVTPL	276	–
Net effect of exchange rate changes in consolidating foreign operations	(86)	(60)
Operating cash flows before changes in working capital	41,962	37,544
Inventories	(548)	(294)
Trade and other receivables	122	111
Other non-financial assets	(491)	(857)
Reinstatement cost utilised	–	(194)
Trade and other payables	3,510	2,470
Other non-financial liabilities	(933)	(72)
Net cash flows from operations	43,622	38,708
Income taxes paid	(1,536)	(412)
Net cash flows from operating activities	42,086	38,296
<b>Cash flows used in investing activities</b>		
Purchase of property, plant and equipment (Note 23B)	(7,559)	(3,067)
Deposits for purchase of property, plant and equipment	(841)	–
Disposal of plant and equipment	6	5
Other non-financial assets	–	58
Purchase of other financial assets	(6,953)	–
Disposal of other financial assets	1,669	–
Interest received	15	21
Net cash used in investing activities	(13,663)	(2,983)
<b>Cash flows used in financing activities</b>		
Cash restricted in use	–	2,038
Dividends paid to equity owners	(6,018)	(3,009)
Decrease in other financial liabilities	(914)	(907)
Lease liabilities – principal portion paid	(22,678)	(20,339)
Interest paid	(96)	(98)
Net cash flows used in financing activities	(29,706)	(22,315)
<b>Net (decrease) increase in cash and cash equivalents</b>	(1,283)	12,998
Cash and cash equivalents, statement of cash flows, beginning balance	25,712	12,714
<b>Cash and cash equivalents, statement of cash flows, ending balance (Note 23A)</b>	24,429	25,712

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

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

## 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 \$1,402,000 due to the lease liabilities classified as current. Excluding lease liabilities of \$19,328,000, the group had a positive working capital of \$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 2022 and 2021.

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.

Uncertainties relating to the Covid-19 pandemic:

The Covid-19 pandemic and the aftermath of the pandemic have caused and continue to cause disruptions resulting in uncertainties surrounding the group's business, including affecting its relationships with its existing and future customers, suppliers and employees, and which had and will continue to have an effect on its financial position, financial performance of operations, cash flows and prospects for the foreseeable future. Management will continue to closely monitor the developments and the impact on their operations. No material uncertainties were identified in connection with the group's ability to continue in operational existence for the foreseeable future.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

## 1. GENERAL (cont'd)

### 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 Singapore Accounting Standards Council. They are in compliance 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.

### 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. 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 significant to the financial statements, are disclosed in Note 2C below, where applicable.

### Basis of presentation

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.

The company's separate financial statements have been prepared on the same basis, and as permitted by the Companies Act 1967, the company's separate statement of profit or loss and other comprehensive income is not presented.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

## 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

### 2A. Significant accounting policies

#### Revenue 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.

#### 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). 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.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

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

### 2A. Significant accounting policies (cont'd)

#### 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 expenses 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.

#### 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. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such 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 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.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

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

### 2A. Significant accounting policies (cont'd)

#### 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 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.

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 property, plant and equipment.

The annual rates of depreciation are as follows:

Restaurant premises	– Over the terms of lease that range from 9.7% to 66.7%
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# NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

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

### 2A. Significant accounting policies (cont'd)

#### 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, each of 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. 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. 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 statement 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 group 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 amount of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

#### Business combinations

There were no business combinations during the reporting year.

#### Inventories

Inventories are measured at the lower of cost (weighted average method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. A write down on cost is made where the cost is not recoverable or if the selling prices have declined. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

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

### 2A. Significant accounting policies (cont'd)

#### 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 recognised in profit or loss. 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 in the statement of financial position 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 statement 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 2022

## 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:

1. 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 fair value through profit or loss ("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.
2. Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income ("FVTOCI"): There were no financial assets classified in this category at reporting year end date.
3. Financial asset that is an equity investment classified as measured at FVTOCI: There were no financial assets classified in this category at reporting year end date.
4. 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 statement of cash flows, cash and cash equivalents includes cash and cash equivalents less cash subject to restriction 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 fair value through profit or loss are presented within the section on operating activities as part of changes in working capital in the statement of cash flows.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

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

### 2A. Significant accounting policies (cont'd)

#### 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.

#### 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 / 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 amounts 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 significant 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.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

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

### 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. Changes in estimates are reflected in profit or loss in the reporting year they occur.

#### 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 performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segments 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.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

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

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

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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

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

### 3B. Key management compensation

	Group	
	2022	2021
	\$'000	\$'000
Salaries and other short-term employee benefits	1,939	1,821

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

	Group	
	2022	2021
	\$'000	\$'000
Remuneration of directors of the company	1,563	1,513
Fees to directors of the company	210	189
Fees to directors of the subsidiary	19	20

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

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.

### 3C. Other receivables from and other payables to related parties

The trade transactions and the related receivables and payables 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	
	2022	2021
	\$'000	\$'000
<u>Other receivables</u>		
Balance at beginning of year	13,671	13,671
Dividends received	(6,009)	(3,000)
Dividends declared	6,009	3,000
Balance at end of the year	13,671	13,671
Presented in the statement of financial position as:		
Other receivables, non-current (Note 17)	10,671	10,671
Other receivables, current (Note 20)	3,000	3,000
Balance at end of the year	13,671	13,671

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

## 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.

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:

	2022 \$'000	2021 \$'000
<b>Revenue by segment:</b>		
Restaurants	81,216	76,769
Quick services	73,619	51,064
Total	<u>154,835</u>	<u>127,833</u>

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

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

### 4B. Profit or loss from continuing operations and reconciliations

	Restaurants \$'000	Quick services \$'000	Unallocated \$'000	Elimination \$'000	Total \$'000
<b>2022:</b>					
<b>Revenue by segment</b>					
Total revenue by segment	81,216	73,619	–	–	154,835
Inter-segment sales	–	6,919	–	(6,919)	–
Total revenue	81,216	80,538	–	(6,919)	154,835
<b>Recurring EBITDA</b>					
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					9,451
<b>2021:</b>					
<b>Revenue by segment</b>					
Total revenue by segment	76,769	51,064	–	–	127,833
Inter-segment sales	–	6,429	–	(6,429)	–
Total revenue	76,769	57,493	–	(6,429)	127,833
<b>Recurring EBITDA</b>					
Depreciation	(13,485)	(9,758)	(2,302)	–	(25,545)
Finance costs	(1,735)	(1,153)	(98)	–	(2,986)
ORBT	16,745	5,651	(11,519)	–	10,877
Income tax expense	–	–	(1,387)	–	(1,387)
Profit, net of income tax					9,490

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

### 4C. Assets and reconciliations

	Restaurants \$'000	Quick services \$'000	Unallocated \$'000	Total \$'000
Total assets for reportable segments:				
2022:	51,580	54,651	26,476	132,707
2021:	62,031	45,626	22,930	130,587

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

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

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

### 4D. Liabilities and reconciliations

	Restaurants \$'000	Quick services \$'000	Unallocated \$'000	Total \$'000
Total liabilities for reportable segments:				
2022:	41,535	39,887	11,573	92,995
2021:	47,694	33,493	13,033	94,220

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:				
2022:	1,806	5,931	1,669	9,406
2021:	184	2,148	776	3,108

### 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.

## 5. REVENUE

	Group	
	2022 \$'000	2021 \$'000
Sale of food and beverages	154,592	127,744
Rental income	243	89
	<u>154,835</u>	<u>127,833</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.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

## 6. OTHER OPERATING INCOME

	Group	
	2022	2021
	\$'000	\$'000
Interest income	15	21
Jobs Support Scheme grants <sup>(a)</sup>	4,248	6,211
Other government grants	1,497	740
Other income	909	492
Rent concessions received from lessors <sup>(b)</sup>	536	1,924
	<u>7,205</u>	<u>9,388</u>

<sup>(a)</sup> The purpose of the Jobs Support Scheme was to provide wage support to employers to help them retain their local employees during the period of economic uncertainty amid Covid-19 for the qualifying period.

<sup>(b)</sup> The rental rebate is Covid-19 related rent rebates received from lessors of \$536,000 (2021: \$1,924,000) to which the group applied the practical expedient as disclosed in Note 28.

## 7. EMPLOYEE BENEFITS EXPENSE

	Group	
	2022	2021
	\$'000	\$'000
Short-term employee benefits	39,606	33,863
Contributions to defined contribution plan	5,414	4,867
Other benefits	6,593	5,725
	<u>51,613</u>	<u>44,455</u>

## 8. FINANCE COSTS

	Group	
	2022	2021
	\$'000	\$'000
Interest expense on lease liabilities (Note 28)	2,892	2,888
Interest expense on borrowings	96	98
	<u>2,988</u>	<u>2,986</u>

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

## 9. OTHER OPERATING EXPENSES

	Group	
	2022	2021
	\$'000	\$'000
The major components include the following:		
Credit card commission	2,198	1,725
Delivery and transportation	2,298	2,189
Food delivery platform commission	4,894	3,885
Repair and maintenance	1,445	1,166
	1,445	1,166

## 10. OTHER EXPENSES

	Group	
	2022	2021
	\$'000	\$'000
The major components include the following:		
Audit services:		
Independent auditors of the company	118	116
Other independent auditors	48	22
Non-audit services:		
Independent auditors of the company	29	28
Loss on disposal of plant and equipment	2	–
Plant and equipment written off	362	273
Consultancy expenses	49	102
Legal and professional fees	579	395
Unrealised loss on financial assets at FVTPL	830	–
Loss on disposal of financial assets at FVTPL	276	–
	276	–

## 11. INCOME TAX

### 11A. Components of tax expense recognised in profit or loss include:

	Group	
	2022	2021
	\$'000	\$'000
<u>Current tax expense:</u>		
Current tax expense	1,553	1,329
Under provision adjustments to current tax in respect of prior periods	–	65
Withholding tax	16	14
Subtotal	1,569	1,408
<u>Deferred tax expense (benefit):</u>		
Deferred tax expense (benefit)	293	(116)
(Over) under provision adjustments to deferred tax in respect of prior periods	(10)	95
Subtotal	283	(21)
Total income tax expense	1,852	1,387

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

## 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% (2021: 17%) to profit before income tax as a result of the following differences:

	Group	
	2022 \$'000	2021 \$'000
Profit before income tax	11,303	10,877
Income tax expense at the above rate	1,922	1,849
Expenses not deductible (income not taxable) for tax purposes	153	(602)
Tax exemptions and rebate	(61)	(23)
(Over) under provision adjustments to tax in respect of prior years	(10)	160
Unrecognised deferred tax assets	(156)	(32)
Effect of different tax rates in different countries	17	20
Withholding tax	16	14
Others	(29)	1
Total income tax expense	1,852	1,387

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

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

	Group	
	2022 \$'000	2021 \$'000
Depreciation expense of non-qualifying assets	2,544	2,355
Contractual lease payment	282	329
Loss on disposal on financial assets at FVTPL	276	–
Non qualifying plant and equipment written off	362	114
Other non qualifying equipment expensed off	334	122
Unrealised loss on financial assets at FVTPL	830	–
Capital exchange loss	194	23
Non-taxable government grants	(4,184)	(6,211)

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

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

	Group	
	2022	2021
	\$'000	\$'000
Excess of net book value of plant and equipment over tax value	(139)	(326)
Excess of tax values over net book value of plant and equipment	1	(9)
Provisions	–	600
Tax loss carryforwards	260	(283)
Others	5	(35)
Unrecognised deferred tax assets	156	32
Total deferred tax expense (benefit) recognised in profit or loss	283	(21)

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

	Group	
	2022	2021
	\$'000	\$'000
Excess of net book value of plant and equipment over tax values	(1,002)	(1,141)
Excess of tax values over net book value of plant and equipment	15	16
Provisions	133	133
Tax loss carryforwards	84	344
Others	30	35
Unrecognised deferred tax assets	(461)	(305)
Net balance liabilities	(1,201)	(918)

Presented in the statement of financial position as follows:

	Group	
	2022	2021
	\$'000	\$'000
Deferred tax liabilities	(1,293)	(972)
Deferred tax assets	92	54
Net balance	(1,201)	(918)

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 2022

## 12. DIVIDENDS ON EQUITY SHARES

	Rate per share – dollars		Group	
	2022	2021	2022 \$'000	2021 \$'000
Interim and tax exempt (one-tier) dividend	0.0085	0.0085	3,009	3,009
Final tax exempt (one-tier) dividend	0.0085	–	3,009	–
			<u>6,018</u>	<u>3,009</u>

In respect of the current reporting year, the directors have proposed that a final dividend of 0.85 cent per share that totals \$3,009,000 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 financial year.

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

	Group	
	2022	2021
	\$'000	\$'000
<u>Numerator</u>		
Profit attributable to owners of the company, net of income tax	<u>9,451</u>	<u>9,478</u>
	'000	'000
<u>Denominator</u>		
Weighted average number of equity shares: At beginning and end of the year	<u>354,000</u>	<u>354,000</u>
	Cents	Cents
Basic and diluted earnings per share	<u>2.7</u>	<u>2.7</u>

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

## 14. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold property \$'000	Plant and equipment \$'000	Total \$'000
<u>Cost:</u>			
At 1 July 2020	19,505	60,839	80,344
Additions	–	3,108	3,108
Disposals	–	(21)	(21)
Written off	–	(1,068)	(1,068)
Foreign exchange adjustments	–	32	32
At 30 June 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
<u>Accumulated depreciation:</u>			
At 1 July 2020	4,114	43,657	47,771
Depreciation for the year	707	5,192	5,899
Disposals	–	(16)	(16)
Written off	–	(795)	(795)
Foreign exchange adjustments	–	35	35
At 30 June 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
<u>Carrying amount:</u>			
At 1 July 2020	15,391	17,182	32,573
At 30 June 2021	14,684	14,817	29,501
At 30 June 2022	13,977	18,223	32,200

The leasehold property is mortgaged as security for the bank facilities (see Note 27).

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

## 15. RIGHT-OF-USE OF ASSETS

Group	Restaurant premises \$'000
<u>Cost:</u>	
At 1 July 2020	134,810
Additions	7,251
Disposals	(783)
Remeasurements	(816)
Foreign exchange adjustments	(38)
At 30 June 2021	140,424
Additions	3,278
Remeasurements	12,043
Foreign exchange adjustments	(70)
At 30 June 2022	155,675
<u>Accumulated depreciation:</u>	
At 1 July 2020	58,725
Depreciation for the year	19,646
Disposals	(783)
Remeasurements	(76)
Foreign exchange adjustments	(26)
At 30 June 2021	77,486
Depreciation for the year	20,369
Remeasurements	(519)
Foreign exchange adjustments	(59)
At 30 June 2022	97,277
<u>Carrying amount:</u>	
At 1 July 2020	76,085
At 30 June 2021	62,938
At 30 June 2022	58,398

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

## 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	
	2022	2021
Number of right-to-use assets	43	40
Remaining term – range (years)	1.0 to 5.4	1.0 to 6.5
Remaining term – average (years)	3.2	4.6
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 three to six 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	
	2022 \$'000	2021 \$'000
Movements during the year. At cost:		
Balance at beginning of the year	21,868	21,738
Addition	–	232
Deregistered <sup>(N1)</sup>	–	(102)
Cost at the 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	24,120	20,806
Movement in allowance for impairment:		
At beginning of the year	–	102
Impairment allowance written off <sup>(N1)</sup>	–	(102)
At end of the year	–	–

<sup>(N1)</sup> The company's subsidiary, Otento Food Services Pte. Ltd. has been deregistered during the reporting year ended 30 June 2021.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

## 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	
	2022 \$'000	2021 \$'000	2022 %	2021 %
R E & S Enterprises Pte Ltd <sup>(a)</sup> Singapore Restaurateur	20,949	20,949	100	100
Kabe No Ana Pte. Ltd. <sup>(a)</sup> Singapore Restaurateur	232	232	100	100
Promote Japan Enterprise Pte. Ltd. <sup>(a)</sup> Singapore Event organiser	— <sup>(d)</sup>	— <sup>(d)</sup>	100	100
R E & S Enterprises (M) Sdn. Bhd. <sup>(b)</sup> Malaysia Restaurateur	447	447	100	100
RE&S Japan Co., Ltd. <sup>(c)</sup> Japan Providing raw food supply	240	240	100	100
	21,868	21,868		
<u>Held by R E &amp; S Enterprises Pte Ltd</u>				
Ebisu Private Limited <sup>(a) (e)</sup> Singapore Restaurateur			100	100

<sup>(a)</sup> Audited by RSM Chio Lim LLP in Singapore.

<sup>(b)</sup> Audited by RSM Malaysia, a member firm of RSM International of which RSM Chio Lim LLP in Singapore is a member.

<sup>(c)</sup> Not required to be audited.

<sup>(d)</sup> Cost of investment is less than \$1,000.

<sup>(e)</sup> On 31 March 2021, the company's subsidiary, R E & S Enterprises Pte Ltd acquired an additional 45% equity interest in Ebisu Private Limited from its non-controlling interest for a cash consideration of \$45,000. As a result of this acquisition, Ebisu Private Limited became a wholly-owned subsidiary of the group.

The carrying value of the net assets of Ebisu Private Limited as at 31 March 2021 was \$67,000 and the carrying value of the additional interest acquired was \$30,000. The difference of \$15,000 between the consideration and the carrying value of the additional interest acquired has been recognised as "acquisition of non-controlling interests without a change in control" within equity of the group during the reporting year ended 30 June 2021.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

## 17. OTHER RECEIVABLES

	Company	
	2022	2021
	\$'000	\$'000
Loans receivable from a subsidiary (Notes 3 and 16)	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	
	2022	2021
	\$'000	\$'000
Deposits to secure services	4,532	3,767

## 19. INVENTORIES

	Group	
	2022	2021
	\$'000	\$'000
Raw materials and consumables	3,820	3,272

There are no inventories pledged as security for liabilities.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

## 20. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<u>Trade receivables:</u>				
Outside parties	1,744	1,612	–	–
Subsidiaries (Notes 3 and 16)	–	–	891	642
Net trade receivables – subtotal	1,744	1,612	891	642
<u>Other receivables:</u>				
Outside parties	42	167	–	–
Rental remission and property tax rebates from landlord	–	129	–	–
Subsidiary (Notes 3 and 16)	–	–	3,000	3,000
Net other receivables – subtotal	42	296	3,000	3,000
Total trade and other receivables	1,786	1,908	3,891	3,642

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 (2021: 30 days). However some customers take a longer period to settle the amounts.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

## 20. TRADE AND OTHER RECEIVABLES (cont'd)

- (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	
	2022	2021
	\$'000	\$'000
<u>Trade receivables:</u>		
31 to 60 days	196	18
61 to 90 days	10	8
Over 90 days	46	34
Total	<u>252</u>	<u>60</u>

- (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	
	2022	2021
	\$'000	\$'000
Top 1 customer	534	320
Top 2 customers	<u>916</u>	<u>620</u>

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.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

## 21. OTHER FINANCIAL ASSETS

	Group	
	2022	2021
	\$'000	\$'000
Financial assets at FVTPL (Note 21A)	4,165	–
Gain on forward foreign exchange contracts (Note 21B)	13	–
	<u>4,178</u>	<u>–</u>

### 21A. Financial assets at FVTPL

	Group	
	2022	2021
	\$'000	\$'000
Movements during the year:		
Fair value at beginning of the year	–	–
Additions	6,953	–
Disposals	(1,669)	–
Loss on disposals through profit or loss	(276)	–
Decrease in fair value through profit or loss	(843)	–
Fair value at end of the year	<u>4,165</u>	<u>–</u>

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

### 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>2022:</u>			
	<b>US\$'000</b>	<b>\$'000</b>	
Within 6 months	2,507	3,430	17
	<b>EUR'000</b>	<b>\$'000</b>	
Within 6 months	303	450	(6)
	<b>JPY'000</b>	<b>\$'000</b>	
Within 6 months	55,710	600	2
			<u>13</u>

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

## 21. OTHER FINANCIAL ASSETS (cont'd)

### 21B. Forward foreign exchange contracts (cont'd)

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.

### 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			
		2022 \$'000	2021 \$'000	2022 %	2021 %
<u>Quoted equity shares:</u>					
Technology industry	1	1,289	–	30.85	–
United States					
Financial service industry	1	925	–	22.14	–
United States					
Technology industry	1	296	–	7.08	–
Japan					
Consumer goods industry	1	163	–	3.90	–
Hong Kong					
Food and beverages industry	1	162	–	3.88	–
China					
Automotive industry	1	152	–	3.64	–
Japan					
Semiconductor industry	1	150	–	3.59	–
Netherlands					
Retail industry	1	138	–	3.30	–
Hong Kong					
Retail estate industry	1	121	–	2.90	–
Hong Kong					
Retail industry	1	108	–	2.58	–
Japan					
Others	1	661	–	15.83	–
Subtotal		4,165	–	99.69	–
Derivative financial instruments	2	13	–	0.31	–
Total		4,178	–	100.00	–

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

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

## 21. OTHER FINANCIAL ASSETS (cont'd)

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

#### 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	
	2022 \$'000	2021 \$'000
A hypothetical 10% increase in the market index of quoted equity shares at FVTPL would have an effect on fair value of	417	–

## 22. OTHER NON-FINANCIAL ASSETS, CURRENT

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Deposits to secure services	2,103	2,423	–	–
Prepayments	1,003	846	5	8
	<u>3,106</u>	<u>3,269</u>	<u>5</u>	<u>8</u>

## 23. CASH AND CASH EQUIVALENTS

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Not restricted in use	24,429	25,712	528	777
Cash restricted in use	166	166	–	–
	<u>24,595</u>	<u>25,878</u>	<u>528</u>	<u>777</u>
Interest earning balances	<u>166</u>	<u>166</u>	<u>–</u>	<u>–</u>

The rate of interest for the interest earning balances is 0.25% (2021: 0.25%) per annum.

### 23A. Cash and cash equivalents in the statement of cash flows:

	Group	
	2022 \$'000	2021 \$'000
Amount as shown above	24,595	25,878
Cash restricted in use over 3 months	(166)	(166)
Cash and cash equivalents for statement of cash flows purposes at end of the year	<u>24,429</u>	<u>25,712</u>

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

## 23. CASH AND CASH EQUIVALENTS (cont'd)

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

	Group	
	2022 \$'000	2021 \$'000
Purchase of property, plant and equipment (Note 14)	9,406	3,108
Reclassified from non-current other non-financial assets	(730)	–
Acquisitions that remains unpaid and included under other payables (Note 29)	(1,084)	–
Additions for provision for restoration (Note 26)	(33)	(41)
	<u>7,559</u>	<u>3,067</u>

### 23C. Reconciliation of liabilities arising from financing activities:

Group	At beginning of the year \$'000	Cash flows \$'000	Non-cash changes \$'000	At end of the year \$'000
<u>2022:</u>				
Long-term borrowings	7,462	–	(933)	6,529
Short-term borrowings	921	(914)	933	940
Lease liabilities	68,452	(22,678) <sup>(a)</sup>	18,319 <sup>(a) (b)</sup>	64,093
Total liabilities from financing activities	<u>76,835</u>	<u>(23,592)</u>	<u>18,319</u>	<u>71,562</u>
<u>2021:</u>				
Long-term borrowings	8,415	–	(953)	7,462
Short-term borrowings	875	(907)	953	921
Lease liabilities	81,504	(20,339) <sup>(a)</sup>	7,287 <sup>(a) (b)</sup>	68,452
Total liabilities from financing activities	<u>90,794</u>	<u>(21,246)</u>	<u>7,287</u>	<u>76,835</u>

<sup>(a)</sup> Net of Covid-19 related rent concessions from lessors of \$536,000 (2021: \$1,924,000).

<sup>(b)</sup> Made up of interest expense of \$2,892,000 (2021: \$2,888,000) and additions and remeasurement of lease liabilities of \$3,278,000 (2021: \$7,251,000) and \$12,695,000 (2021: \$872,000) respectively.

## 24. SHARE CAPITAL

	Group and Company	
	Number of shares issued '000	Share capital \$'000
Balance at 1 July 2020, 30 June 2021 and 30 June 2022	<u>354,000</u>	<u>32,307</u>

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.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

## 24. SHARE CAPITAL (cont'd)

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).

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	
	2022	2021
	\$'000	\$'000
Net debt:		
All current and non-current borrowings excluding leases	7,469	8,383
Lease liabilities	64,093	68,452
All current and non-current borrowings including leases	71,562	76,835
Less cash and cash equivalents	(24,595)	(25,878)
Net debt	<u>46,967</u>	<u>50,957</u>
Adjusted capital:		
Total equity	<u>39,712</u>	<u>36,367</u>
Debt-to-adjusted capital ratio	<u>118.3%</u>	<u>140.1%</u>

There was a favourable change with reduction in net debt and improved retained earnings.

## 25. MERGER RESERVE

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

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

## 26. PROVISIONS

	Group	
	2022 \$'000	2021 \$'000
Provision for restoration	1,521	1,488
Movements in above provision:		
Balance at beginning of year	1,488	1,641
Additions (Note 23B)	33	41
Utilisation	–	(194)
At end of the year	1,521	1,488

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

## 27. OTHER FINANCIAL LIABILITIES

	Group	
	2022 \$'000	2021 \$'000
<u>Non-current:</u>		
<u>Financial instruments with floating interest rates:</u>		
Bank loan (secured)	6,529	7,462
Non-current	6,529	7,462
<u>Current:</u>		
<u>Financial instruments with floating interest rates:</u>		
Bank loan (secured)	940	921
Current	940	921
Total	7,469	8,383

The non-current portion is repayable as follows:

	Group	
	2022 \$'000	2021 \$'000
Due within 2 to 5 years	3,845	3,768
After 5 years	2,684	3,694
Total non-current portion	6,529	7,462

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

## 27. OTHER FINANCIAL LIABILITIES (cont'd)

The loan bears interest at 0.7% over the prevailing 3-month SIBOR or COF, whichever is higher and ranged as follows for the current reporting year:

	Group	
	2022	2021
	%	%
Bank loan (secured)	1.14 to 1.35	1.08 to 1.25

The bank 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.

## 28. LEASE LIABILITIES

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

	Group	
	2022	2021
	\$'000	\$'000
Lease liabilities, current	19,328	19,639
Lease liabilities, non-current	44,765	48,813
	<u>64,093</u>	<u>68,452</u>

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

	Group	
	2022	2021
	\$'000	\$'000
Total lease liabilities at beginning of reporting year	68,452	81,504
Additions	3,278	7,251
Remeasurement	12,695	(872)
Accretion of interest (Note 8)	2,892	2,888
Covid-19 related rent concessions from lessors (Note 6)	(536)	(1,924)
Lease payments – principal portion paid	(22,678)	(20,339)
Foreign exchange adjustments	(10)	(56)
Total lease liabilities at end of reporting year	<u>64,093</u>	<u>68,452</u>

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.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

## 28. LEASE LIABILITIES (cont'd)

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.

For the Covid-19 related rent concessions, the practical expedient was applied for reflecting the adjustment in profit or loss rather than as a lease modification as permitted by the amendment to the financial reporting standard on leases. It allows lessees to account for such rent concessions as variable lease payments. The practical expedient applies only to rent concessions occurring as a direct consequence of the Covid-19 pandemic and only if all of the following conditions are met: (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2022; (iii) there is no substantive change to other terms and conditions of the lease.

The following are the amounts recognised in profit or loss:

Lease under SFRS(I) 16	Notes	Group	
		2022 \$'000	2021 \$'000
Depreciation of right-of-use assets	15	20,369	19,646
Interest on lease liabilities	8	2,892	2,888
Fixed rental expense on short-term leases and low-value assets		1,092	993
Variable rental expense on operating leases		829	719
Total amount recognised in profit or loss		25,182	24,246

## 29. TRADE AND OTHER PAYABLES

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<u>Trade payables:</u>				
Outside parties	8,273	5,629	34	38
Subsidiaries (Notes 3 and 16)	–	–	100	91
Trade payables – subtotal	8,273	5,629	134	129
<u>Other payables:</u>				
Outside parties	2,206	1,530	6	20
Accrued liabilities	6,850	5,576	603	704
Other payables – subtotal	9,056	7,106	609	724
Total trade and other payables	17,329	12,735	743	853

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

## 30. OTHER NON-FINANCIAL LIABILITIES, CURRENT

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Deferred income	46	979	–	4

In 2021, the deferred income mainly related to Jobs Support Scheme announced by the Singapore Government to assist company in retaining its local employees during the period of economic uncertainty caused by Covid-19.

## 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	
	2022 \$'000	2021 \$'000
Commitments to purchase plant and equipment	453	898

## 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.

## 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	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Financial assets:</b>				
Financial assets at amortised cost	26,381	27,786	15,090	15,090
Financial assets at FVTPL	4,178	–	–	–
	<u>30,559</u>	<u>27,786</u>	<u>15,090</u>	<u>15,090</u>
<b>Financial liabilities:</b>				
Financial liabilities at amortised cost	<u>88,891</u>	<u>89,570</u>	<u>743</u>	<u>853</u>

Further quantitative disclosures are included throughout these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

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

### 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. 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 both the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying amounts 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.

### 33D. Credit risk on financial assets

Financial assets are potentially subject to concentrations of credit risk and failures by counter-parties to discharge their obligations in full or in a timely manner. These arise principally from cash balances with banks, cash equivalents, receivables and other financial assets. 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 with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. For expected credit losses ("ECL") on financial assets, a simplified approach (that is, to measure the loss allowance at an amount equal to lifetime ECL at initial recognition and throughout its life) is permitted by the financial reporting standards on financial instruments for financial assets that do not have a significant financing component, such as trade receivables. For credit risk on trade receivables and other financial assets, an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment 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.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

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

### 33D. Credit risk on financial assets (cont'd)

The group's and the company's major classes of financial assets are bank deposits and trade receivables.

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

Other receivables are normally with no fixed terms and therefore there is no maturity.

### 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>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
<u>2021:</u>				
Gross borrowing commitments	1,007	4,026	3,775	8,808
Trade and other payables	12,735	–	–	12,735
Lease liabilities	21,982	50,856	3,048	75,886
At end of the year	35,724	54,882	6,823	97,429

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

## 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>2022:</u>	
Trade and other payables	743
At end of the year	<u>743</u>
<u>2021:</u>	
Trade and other payables	853
At end of the year	<u>853</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	1 – 3 years \$'000	Total \$'000
<u>2022:</u>			
Bank guarantees	981	2,302	3,283
<u>2021:</u>			
Bank guarantees	1,948	2,732	4,680

The above bank guarantees have a guarantee by the company.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

## 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>2022:</u>				
Corporate guarantees in favour of financial institutions for facilities extended to subsidiaries	1,921	6,147	2,683	10,751
<u>2021:</u>				
Corporate guarantees in favour of financial institutions for facilities extended to subsidiaries	1,390	5,685	5,568	12,643

The average credit period taken to settle trade payables is about 30 to 60 days (2021: 30 to 60 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement 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

The interest rate risk exposure is mainly from changes in fixed rate and floating interest rates. The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	Group	
	2022 \$'000	2021 \$'000
<u>Financial assets:</u>		
Fixed rate	166	166
Total at end of the year	166	166
<u>Financial liabilities:</u>		
Fixed rate	64,093	68,452
Floating rate	7,469	8,383
Total at end of the year	71,562	76,835

The floating rate debt instruments are with interest rates that are reset regularly at three month intervals. The interest rates are disclosed in the respective notes.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

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

### 33F. Interest rate risk (cont'd)

Sensitivity analysis:

	Group	
	2022	2021
	\$'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	84
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### 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. RECLASSIFICATIONS OF COMPARATIVE FIGURES

Certain reclassifications were made in the balances in the financial statements for last year. The changes in the balances included the following:

	Reclassifications		
	After	Before	Difference
	\$'000	\$'000	\$'000
<u>2021 Statement of Comprehensive Income</u>			
Revenue	127,833	123,948	3,885
Other operating expenses	(12,451)	(8,566)	(3,885)

Reclassifications have been made to enhance comparability with current year's financial statements and relate to commissions paid to food delivery platforms.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

## 35. CHANGES AND ADOPTION OF FINANCIAL REPORTING STANDARDS

For the current reporting year, new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the group are listed below. Those applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements.

SFRS(I) No.	Title
SFRS(I) 16	Covid-19 Related Rent Concessions – Amendment to (The 2021 amendment extends the limit from 30 June 2021 to 30 June 2022)

## 36. NEW OR AMENDED STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

For the future reporting years, certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the group for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the financial statements for the following 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.

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 2023
SFRS(I) 1-8	Definition of Accounting Estimates – Amendments to	1 January 2023
SFRS(I) 1-12, SFRS(I) 1	Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to	1 January 2023
SFRS(I) 3	Definition of a Business - Reference to the Conceptual Framework – Amendments to	1 January 2022
Various	Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Various	Annual Improvements to FRSs 2018-2020	1 January 2022

## SHAREHOLDERS' INFORMATION

As at 21 September 2022

Number of equity securities	:	354,000,000
Class of equity securities	:	Ordinary shares
Voting rights	:	One vote per share
Number of treasury shares and subsidiary holdings	:	Nil

### DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	0	0.00	0	0.00
100 – 1,000	73	10.41	54,200	0.02
1,001 – 10,000	331	47.22	1,634,800	0.46
10,001 – 1,000,000	285	40.66	20,580,700	5.81
1,000,001 and above	12	1.71	331,730,300	93.71
<b>Total</b>	<b>701</b>	<b>100.00</b>	<b>354,000,000</b>	<b>100.00</b>

### TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	DBS Nominees (Private) Limited	225,684,815	63.75
2	Yek Hong Liat John	60,000,000	16.95
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	2,893,800	0.82
8	Chan Mei Lin	1,750,000	0.49
9	Yeo Wee Lin Nicholas	1,750,000	0.49
10	Tan Kok Ching	1,447,700	0.41
11	Chan Chee Meng	1,200,000	0.34
12	Citibank Nominees Singapore Pte Ltd	1,170,000	0.33
13	iFAST Financial Pte. Ltd.	891,100	0.25
14	Shuji Sekiguchi	724,100	0.20
15	Kawabe Kenta	667,100	0.19
16	Ow Cheo Guan	525,000	0.15
17	Cheah Phi Teik	523,000	0.15
18	Chia Kiah Ngian (Xie Jiayang)	460,000	0.13
19	Ng Seng Lee	457,500	0.13
20	Sum Ah Lam	450,000	0.13
	<b>Total</b>	<b>336,428,100</b>	<b>95.03</b>

# SHAREHOLDERS' INFORMATION

As at 21 September 2022

## SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders as at 21 September 2022)

	Direct Interest	%	Deemed Interest	%
Tatara Hiroshi <sup>(1)</sup>	–	–	220,503,130	62.29
Yek Hong Liat John	60,000,000	16.95	–	–

Note:

<sup>(1)</sup> 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 14.67% 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 held by way of electronic means on Wednesday, 26 October 2022, at 10.00 a.m. for the following purposes:

## 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 2022 together with the Auditors’ Report thereon. **(Resolution 1)**
  
2. To declare a final dividend (tax exempt one-tier) of 0.85 cent per ordinary share for the financial year ended 30 June 2022. **(Resolution 2)**
  
3. To re-elect the following Directors of the Company retiring pursuant to Regulation 97 of the Constitution of the Company:
 

Mr. Hiroshi Tatara	<b>(Resolution 3)</b>
Mr. Yek Hong Liat John	<b>(Resolution 4)</b>
Mr. Lee Lap Wah, George	<b>(Resolution 5)</b>

  - *Mr. Hiroshi Tatara will, upon re-election as a Director of the Company, remain as the Executive Director and President of the Company. Detailed information of Mr. Hiroshi Tatara required pursuant to Rule 720(5) of the Listing Manual – Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“SGX-ST”) (“Catalist Rules”) can be found in the Annual Report.*
  - *Mr. Yek Hong Liat John will, upon re-election as a Director of the Company, remain as the Non-Executive and Non-Independent Director of the Company. Detailed information of Mr. Yek Hong Liat John required pursuant to Rule 720(5) of the Catalist Rules can be found in the Annual Report.*
  - *Mr. Lee Lap Wah, George will, upon re-election as a Director of the Company, remain as the Chairman of the Nominating Committee and a member of the Audit Committee, Remuneration Committee and Administration Committee and will be considered independent for the purpose of Rule 704(7) of Catalist Rules. Detailed information of Mr. Lee Lap Wah, George 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 S\$210,000 for the financial year ending 30 June 2023, to be paid quarterly in arrears. (FY2022: S\$210,000) **(Resolution 6)**
  
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 7)**
  
6. To transact any other ordinary business which may properly be transacted at an AGM.

# NOTICE OF ANNUAL GENERAL MEETING

## AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions:

### 7. Authority to issue new shares

That pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Catalist Rules of SGX-ST, 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

# NOTICE OF ANNUAL GENERAL MEETING

- (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)**

## 8. 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)**

## 9. 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 Singapore Exchange Securities Trading Limited (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 Listing Manual Section B: Rules of Catalist of the SGX-ST ("**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**");

## NOTICE OF ANNUAL GENERAL MEETING

- (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;

- (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

# NOTICE OF ANNUAL GENERAL MEETING

- (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

Sarah Zeng  
Secretary

Singapore  
10 October 2022

## **Explanatory Notes:**

- (i) The Ordinary Resolution 8 proposed in item 7 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.

- (ii) The Ordinary Resolution 9 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 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.

# NOTICE OF ANNUAL GENERAL MEETING

- (iii) The Ordinary Resolution 10 proposed in item 9 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 2022 are set out in greater detail in the Appendix dated 10 October 2022 released to SGX-ST together with the Annual Report 2022.

## IMPORTANT NOTICE:

- (1) The Meeting is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of all documents relating to the business of AGM, including this Notice of AGM and Proxy Form will not be sent to Shareholders of the Company. Instead, this Notice of AGM and Proxy Form will be published on the SGX website at the URL <https://www.sgx.com/securities/company-announcements> and the Company's website at the URL <https://res.listedcompany.com/>.

## PARTICIPATION IN THE AGM AND PRE-REGISTRATION

- (2) As the AGM will be held by way of electronic means, a member of the Company ("**Member**") will **NOT** be able to attend the AGM in person. All Members or their corporate representatives (in the case of Members which are legal entities) will be able to participate in the AGM proceedings by accessing a "live" webcast or listening to a "live" audio feed. To do so, Members are required to pre-register their participation in the AGM ("**Pre-registration**") at this link: <https://smartagm.sg/res-agm2022> ("**AGM Registration and Q&A Link**") by **10.00 a.m. on 23 October 2022** ("**Registration Deadline**") for verification of their status as Members (or the corporate representatives of such Members). Members who wish to appoint person(s) (other than the Chairman of the Meeting) as a proxy(ies) ("**Proxyholder(s)**") to attend and vote at the AGM must pre-register their appointed proxy(ies) via the AGM Registration and Q&A Link by the Registration Deadline, failing which the appointment shall be invalid.
- (3) Upon successful verification, each such Member or its corporate representative or Proxy(ies) ("**Attendees**") will receive an email by **5.00 p.m. on 25 October 2022**. The email will contain instructions to access the "live" webcast or "live" audio feed of the AGM proceedings. Attendees **must not** forward the email to other persons who are not Members and who are not entitled to participate in the AGM proceedings. Attendees who have pre-registered by the Registration Deadline in accordance with paragraph (2) above but do not receive an email by **5.00 p.m. on 25 October 2022** may contact the Company Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, via email at [srs.teamc@boardroomlimited.com](mailto:srs.teamc@boardroomlimited.com).
- (4) Members holding shares through relevant intermediaries (other than CPF or SRS investors) will not be able to pre-register for the "live" webcast or "live" audio feed of the AGM. Such Members who wish to participate in the "live" webcast or "live" audio feed of the AGM should instead approach his/her relevant intermediary as soon as possible in order to make the necessary arrangements.

# NOTICE OF ANNUAL GENERAL MEETING

## APPOINTMENT OF PROXY(IES)

- (5) A Member who wishes to exercise his/her/its voting rights at the AGM may:
- (a) (where the member is an individual) vote "live" via electronic means at the AGM, or (whether the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the Meeting) to vote "live" via electronic means at the AGM on his/her/its behalf; or
  - (b) (whether the member is an individual or a corporate) appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM.
- (6) A Member who is not a relevant intermediary entitled to appoint not 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 represented by each proxy shall be specified in the instrument.

A Member who is a relevant intermediary entitled to appoint more than two proxies but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

"**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.
- (7) A proxy need not be a Member.
- (8) The instrument appointing the proxy (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](mailto:srs.teamc@boardroomlimited.com), not less than seventy-two (72) hours before the time appointed for the Meeting.

**Shareholders are strongly encouraged to submit completed Proxy Forms electronically via email.**

- (9) CPF and SRS investors: (a) may vote "live" via electronic means at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should approach their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM (i.e.: by **14 October 2022**) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form on their behalf by the cut-off date.

# NOTICE OF ANNUAL GENERAL MEETING

## SUBMISSION OF QUESTIONS

- (10) Members or Proxy(ies) may (i) submit questions related to the resolutions to be tabled at the AGM during Pre-registration via the AGM Registration and Q&A Link by **10.00 a.m. on 23 October 2022**; or (ii) submit text-based question during the AGM clicking the "Ask a Question" feature and then clicking "Type Your Question" to input their queries in the questions text box.
- (11) The Company will endeavour to address relevant and substantial questions (as may be determined by the Company in its sole discretion) received before and during the AGM, at the AGM.
- (12) The Company will publish the minutes of the AGM on SGXNET and the Company's website within one (1) month after the date of AGM.

## VOTING

- (13) Live voting will be conducted during the AGM. It is important for Attendees to ensure their own web-browser enabled devices ready for voting during the AGM.
- (14) Attendees will be required to log-in via the email address provided during pre-registration or as indicated in the Proxy Form.
  - (i) Live voting: Attendees may cast their votes in real time for each resolution to be tabled via the Live Webcast through the login credentials created during pre-registration. Attendees will have the opportunity to cast their votes via the live voting feature.
  - (ii) Voting via appointing the Chairman of the Meeting as Proxy. As an alternative to the above, Members may also appoint the Chairman of the AGM as his/her/its proxy to vote on their behalf. Please refer to "**Appointment of proxy(ies)**" section above for the manner of submission.

## PERSONAL DATA PRIVACY:

By (a) submitting an instrument appointing the proxy to vote at the AGM and/or any adjournment thereof, or (b) completing the Pre-registration in accordance with this Notice, or (c) submitting any question prior to the AGM in accordance with this Notice, a Member consents to the collection, use and disclosure of the Member's personal data by the Company (or its agents or service providers) for the following purposes:

- (i) the processing and administration by the Company (or its agents or service providers) of Proxy Forms appointing proxy(ies) for the AGM (including any adjournment thereof);
- (ii) the processing of the Pre-registration for purposes of granting access to Members (or their corporate representatives in the case of Members which are legal entities) to observe the AGM proceedings and providing them with any technical assistance where necessary;
- (iii) addressing relevant and substantial questions from Members and if necessary, following up with the relevant Members in relation to such questions;
- (iv) the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof); and
- (v) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

**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 CPF/SRS investors who have used their CPF/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. CPF/SRS investors should contact their respective CPF Agent Banks or 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 10 October 2022.

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	%
Email Address			

\*and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Email 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 by way of electronic means on Wednesday, 26 October 2022 at 10.00 a.m. and at any adjournment thereof.

\*I/We direct \*my/our proxy 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 <sup>(1)</sup>	Against <sup>(1)</sup>	Abstain <sup>(1)</sup>
1	Directors' Statement and Audited Financial Statements for the financial year ended 30 June 2022			
2	Declaration of final dividend			
3	Re-election of Mr. Hiroshi Tatara as a Director			
4	Re-election of Mr. Yek Hong Liat John as a Director			
5	Re-election of Mr. Lee Lap Wah, George as a Director			
6	Approval of Directors' fees amounting to S\$210,000 for the financial year ending 30 June 2023, to be paid quarterly in arrears			
7	Re-appointment of RSM Chio Lim LLP			
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			

<sup>(1)</sup> 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 \_\_\_\_\_ 2022

\_\_\_\_\_  
 Signature of Shareholder(s)  
 or, Common Seal of Corporate Shareholder

\* Delete where inapplicable

**IMPORTANT: PLEASE READ NOTES OVERLEAF**

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

**Notes:**

1. The Meeting is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. A member of the Company ("**Member**") will not be able to attend the Meeting in person.
2. A Member who wishes to exercise his/her/its voting rights at the AGM may:
  - (a) (where the member is an individual) vote "live" via electronic means at the AGM, or (whether the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the Meeting) to vote "live" via electronic means at the AGM on his/her/its behalf; or
  - (b) (whether the member is an individual or a corporate) appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM.
3. A Member who is a relevant intermediary entitled to attend and vote at the Meeting is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

**"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. CPF or SRS investors who wish to vote should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM (i.e.: by **14 October 2022**) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the Meeting to vote on their behalf by the cut-off date.
  5. The proxy need not be a Member.
  6. The instrument appointing the proxy (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](mailto:srs.teamc@boardroomlimited.com), not less than seventy-two (72) hours before the time appointed for the Meeting.
  7. 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.
  8. 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.
  9. 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.
  10. 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.
  11. **Shareholders are strongly encouraged to submit completed Proxy Form electronically via email.**
  12. 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.
  13. All Members will be bound by the outcome of the Meeting regardless of whether they have attended or voted at the Meeting.
  14. 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 10 October 2022.



RE&S

Food For Life

**RE&S Holdings Limited**

(Company Registration Number: 201714588N)

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