

**PROFIT GUIDANCE FOR 1Q FY2020**

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The Board of Directors (“**Directors**”) of RE&S Holdings Limited (“**RE&S**” or the “**Company**” and, together with its subsidiaries, the “**Group**”), wishes to announce that the Group is expected to report a net loss for the first quarter ended 30 September 2019 (“**1Q FY2020**”).

Based on the preliminary review of its unaudited results, the losses are mainly due to:

1. A non-recurring, non-cash expense incurred in accordance with SFRS(I) 2 relating to the transfer of shares from Mr. Yek Hong Liat John, currently Executive Director (“**ED**”), to Mr. Foo Kah Lee, currently Chief Executive Officer and ED, as well as Mr. Lim Shyang Zheng, currently Chief Operating Officer and ED, by way of gift on 29 August 2019. This transaction is accounted for under SFRS(I) 2 as a share-based payment transaction, as the shares are being transferred to employees of the Company in exchange for services, although the shares are not transferred by the Company directly.

The key impact on the Group's financial statements are:-

- the fair value of the gift is recorded as an expense in the profit or loss statement;
  - a corresponding increase in other reserve in the statement of financial position (“**SOFP**”) which will offset the expense recognised, resulting in a net unchanged position of the total equity in the SOFP; and
  - the expense is non-cash in nature and there is no impact on the Cash Flow Statement.
2. Expenses incurred in relation to the Group's partial revamp of the Japanese Food Street in Jurong Point mall, which resulted in fixed assets being written off.

The Company is still in the process of finalising its results for 1Q FY2020 and will provide further details of the Group's performance when it releases the financial results on or before 14 November 2019.

In the meantime, shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

By Order of the Board:

Foo Kah Lee  
Executive Director and CEO

21 October 2019

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, DBS Bank Ltd. (the “**Sponsor**”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). The Sponsor has not independently verified the contents of this announcement.*

*This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

*The contact persons for the Sponsor are Ms. Heng Mui Mui, Managing Director, and Ms. Andrea Chua, Vice President, at 12 Marina Boulevard Level 46, Marina Bay Financial Centre Tower 3, Singapore 018982, Telephone: +65 6878 8888.*