



RE&S HOLDINGS LIMITED  
(Incorporated in the Republic of Singapore)  
(Company Registration No. 201714588N)

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## Unaudited Financial Statements

### For the third quarter ended 31 March 2018

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RE&S Holdings Limited (the “**Company**”) was listed on Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 22 November 2017. The initial public offering of the Company (the “**IPO**”) was sponsored by DBS Bank Ltd. (the “**Sponsor**” or “**DBS Bank**”).

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Miss Heng Mui Mui, Managing Director, who can be contacted at 12 Marina Boulevard Level 46, Marina Bay Financial Centre Tower 3, Singapore 018982, Telephone +65 6878 8888.

#### **Background**

The Company was incorporated on 26 May 2017 in Singapore under the Singapore Companies Act as a company limited by shares under the name of “RE&S Enterprise Holdings Pte. Ltd.”. On 31 July 2017, the Company was renamed “RE&S Holdings Pte. Ltd.”. The Company was converted into a public limited company and renamed “RE&S Holdings Limited” on 8 November 2017.

The Group comprising the Company and its subsidiaries (the “**Group**”) was formed pursuant to a restructuring exercise (the “**Restructuring Exercise**”) undertaken as part of a corporate reorganisation implemented for the purposes of the Company’s listing on Catalist. Please refer to the Company’s offer document dated 15 November 2017 (“**Offer Document**”) for further details on the Restructuring Exercise.

The Group is a concept owner and operator of F&B Outlets that provides customers with authentic Japanese cuisine and dining experiences. The Group business is undertaken primarily through two business segments, namely the Full-Service Restaurants and the Quick-Service Restaurants, Convenience and Others.

For the purpose of this announcement, the results of the Group for the third quarter ended 31 March 2018 (“**3Q FY2018**”) with the comparative results of the Group for the third quarter ended 31 March 2017 (“**3Q FY2017**”) and the nine-month period ended 31 March 2018 (“**9M FY2018**”) with the comparative results of the Group for the nine-month period ended 31 March 2017 (“**9M FY2017**”) have been prepared on the assumption that the group structure following the completion of the Restructuring Exercise has been in place since 1 July 2016.

**PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2, Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENT**

**1(a) (i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the Group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**Consolidated Statements Of Profit Or Loss And Other Comprehensive Income**

	Group			Group		
	Unaudited	Unaudited	Increase / (decrease)	Unaudited	Unaudited	Increase / (decrease)
	3Q FY2018 S\$'000	3Q FY2017 S\$'000	%	9M FY2018 S\$'000	9M FY2017 S\$'000	%
Revenue	35,290	34,593	2.0%	106,964	105,991	0.9%
Raw materials and consumables used	(9,685)	(9,197)	5.3%	(29,654)	(29,723)	(0.2%)
Changes in inventories	(69)	(364)	(81.0%)	328	(17)	N.M.
Other operating income	533	655	(18.6%)	806	1,141	(29.4%)
Employee benefits expense	(12,240)	(11,765)	4.0%	(36,325)	(35,791)	1.5%
Operating lease expenses	(6,268)	(6,101)	2.7%	(18,527)	(18,500)	0.1%
Utilities expenses	(1,004)	(938)	7.0%	(3,004)	(2,849)	5.4%
Depreciation expense	(2,153)	(1,967)	9.5%	(6,369)	(5,840)	9.1%
Other expenses <sup>(1)</sup>	(2,925)	(2,366)	23.6%	(9,821)	(8,205)	19.7%
Finance costs	(85)	(75)	13.3%	(276)	(237)	16.5%
<b>Profit before income tax<sup>(1)</sup></b>	<b>1,394</b>	<b>2,475</b>	<b>(43.7%)</b>	<b>4,122</b>	<b>5,970</b>	<b>(31.0%)</b>
Income tax expense	(535)	(552)	(3.1%)	(1,490)	(1,332)	11.9%
<b>Profit net of income tax</b>	<b>859</b>	<b>1,923</b>	<b>(55.3%)</b>	<b>2,632</b>	<b>4,638</b>	<b>(43.3%)</b>
<b>Other comprehensive income:</b>						
Item that may be reclassified subsequently to profit or loss:						
Exchange differences on translating foreign operations, net of tax	27	86		40	87	
<b>Total comprehensive income</b>	<b>886</b>	<b>2,009</b>		<b>2,672</b>	<b>4,725</b>	
Profit attributable to owners of the company, net of income tax	859	1,923	(55.3%)	2,632	4,643	(43.3%)
Loss attributable to non-controlling interest, net of income tax	-	-	N.M.	-	(5)	N.M.
<b>Profit net of income tax</b>	<b>859</b>	<b>1,923</b>	<b>(55.3%)</b>	<b>2,632</b>	<b>4,638</b>	<b>(43.3%)</b>

N.M.: Not Meaningful

Note:

(1) Other expenses for 3Q FY2018 and 9M FY2018 included one-off IPO expenses of approximately S\$61,000 and S\$1.1 million respectively which are non-tax deductible.

- 1(a) (i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the Group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statements of Profit or Loss and Other Comprehensive Income (cont'd)

	Group			Group		
	Unaudited	Unaudited	Increase / (decrease)	Unaudited	Unaudited	Increase / (decrease)
	3Q FY2018 S\$'000	3Q FY2017 S\$'000	%	9M FY2018 S\$'000	9M FY2017 S\$'000	%
Total comprehensive income attributable to owners of the Company	886	2,009		2,672	4,730	
Total comprehensive loss attributable to non-controlling interest	-	-		-	(5)	
<b>Total comprehensive income</b>	<b>886</b>	<b>2,009</b>		<b>2,672</b>	<b>4,725</b>	

- 1(a) (ii) Profit before income tax is arrived at after charging / (crediting) the following:

	Group			Group		
	Unaudited	Unaudited	Increase/ (decrease)	Unaudited	Unaudited	Increase/ (decrease)
	3Q FY2018 S\$'000	3Q FY2017 S\$'000	%	9M FY2018 S\$'000	9M FY2017 S\$'000	%
Government grant	(454)	(571)	(20.5%)	(620)	(966)	(35.8%)
Other operating income	(68)	(84)	(19.0%)	(163)	(173)	(5.8%)
Depreciation expense	2,153	1,967	9.5%	6,369	5,840	9.1%
Plant and equipment written off	8	-*	N.M.	392	364	7.7%
Initial public offering expenses ("IPO")	61	-	N.M.	1,066	-	N.M.
Listing expenses	17	-	N.M.	17	-	N.M.
(Gain)/loss for disposal of Plant & Equipment	(22)	(12)	83.3%	(22)	2	N.M.
Under adjustment to tax	203	-	N.M.	-	-	N.M.

N.M.: Not Meaningful

**1(b) (i) A statement of financial position (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.**

**Consolidated Statements of Financial Position**

	Group		Company	
	Unaudited	Audited	Unaudited	Unaudited
	31.03.2018	30.06.2017	31.03.2018	30.06.2017
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	40,976	42,500	-	-
Investment in subsidiaries	-	-	21,636	-
Deferred tax assets	-	37	-	-
Other assets, non-current	5,828	6,070	10,671	-
<b>Total non-current assets</b>	<b>46,804</b>	<b>48,607</b>	<b>32,307</b>	<b>-</b>
<b>Current assets</b>				
Inventories	3,110	2,782	-	-
Trade and other receivables	2,076	1,055	51	-
Other assets, current	1,243	2,071	24	-
Cash and cash equivalents	10,424	4,160	78	-
<b>Total current assets</b>	<b>16,853</b>	<b>10,068</b>	<b>153</b>	<b>-</b>
<b>Total assets</b>	<b>63,657</b>	<b>58,675</b>	<b>32,460</b>	<b>-</b>
<b>Equity and liabilities</b>				
Share capital	32,307	2,800	32,307	-
Merger reserve <sup>(1)</sup>	(18,149)	-	-	-
Retained earnings	20,555	21,922	(774)	-
Foreign currency translation reserve	12	(27)	-	-
<b>Total equity</b>	<b>34,725</b>	<b>24,695</b>	<b>31,533</b>	<b>-</b>
<b>Non-current liabilities</b>				
Deferred taxation	1,747	1,749	-	-
Provision, non-current	1,747	1,760	-	-
Other financial liabilities, non-current	11,150	11,993	-	-
<b>Total non-current liabilities</b>	<b>14,644</b>	<b>15,502</b>	<b>-</b>	<b>-</b>

**1(b) (i) A statement of financial position (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.**

**Consolidated Statements of Financial Position (cont'd)**

	Group		Company	
	Unaudited	Audited	Unaudited	Unaudited
	31.03.2018	30.06.2017	31.03.2018	30.06.2017
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Current liabilities</b>				
Income tax payable	1,386	1,431	-	-
Trade and other payables, current	10,745	11,759	927	-
Other financial liabilities, current	2,052	5,173	-	-
Other liabilities	105	115	-	-
<b>Total current liabilities</b>	<b>14,288</b>	<b>18,478</b>	<b>927</b>	<b>-</b>
<b>Total liabilities</b>	<b>28,932</b>	<b>33,980</b>	<b>927</b>	<b>-</b>
<b>Total equity and liabilities</b>	<b>63,657</b>	<b>58,675</b>	<b>32,460</b>	<b>-</b>

Note:

- (1) The negative merger reserve relates to the difference between the consideration paid by the Company and the equity of R E & S Enterprises Pte Ltd acquired in relation to the restructuring exercise undertaken in relation to the listing of the Company on the Catalist Board of the SGX-ST ("**Restructuring Exercise**"). The acquisition of R E & S Enterprises Pte Ltd by the Company was completed on 26 October 2017.

**1(b) (ii) Aggregate amount of group's borrowings and debt securities**

	Group		Group	
	Unaudited		Audited	
	31.03.2018		30.06.2017	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
(A) Amount repayable in one year or less, or on demand;	2,052	-	4,173	1,000
(B) Amount repayable after one year	11,150	-	11,993	-
	<u>13,202</u>	<u>-</u>	<u>16,166</u>	<u>1,000</u>

**Details of any collaterals:**

The banking facilities of the Group as at 31 March 2018 comprise short term and long term loans. These facilities are secured by:

- (i) Personal guarantees from the Directors;
- (ii) Corporate guarantees from the Company; and
- (iii) A legal mortgage of the Subsidiary's leasehold factory building (for the bank loans and overdraft).

**1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**Consolidated Statement of Cash Flows**

	Group		Group	
	Unaudited	Unaudited	Unaudited	Unaudited
	3Q FY2018	3Q FY2017	9M FY2018	9M FY2017
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from operating activities:</b>				
Profit before tax	1,394	2,475	4,122	5,970
Adjustments for:				
Interest income	(11)	(1)	(23)	(2)
IPO expenses	61	-	1,066	-
Interest expense	85	75	276	237
Plant and equipment written off	8	-*	392	364
Depreciation of property, plant and equipment	2,153	1,967	6,369	5,840
(Gain)/Loss on disposal of plant and equipment	(22)	(12)	(22)	2
Net effect of exchange rate changes in consolidating foreign operations	13	96	26	101
Operating cash flows before changes in working capital	3,681	4,600	12,206	12,512
Inventories	(183)	169	(328)	18
Trade and other receivables, current	293	347	(1,021)	22
Reinstatement cost utilised	81	(44)	(13)	(154)
Trade and other payables, current	4	(839)	(1,014)	(1,726)
Other assets	338	(648)	1,070	(92)
Other liabilities	(3)	-	(10)	-
<b>Net cash flows from operations</b>	<b>4,211</b>	<b>3,585</b>	<b>10,890</b>	<b>10,580</b>
Income tax paid	(761)	(58)	(1,500)	(81)
<b>Net cash flows from operating activities</b>	<b>3,450</b>	<b>3,527</b>	<b>9,390</b>	<b>10,499</b>
<b>Cash flows from investing activities:</b>				
Purchase of plant and equipment	(1,103)	(1,086)	(5,587)	(3,234)
Disposal of plant and equipment	22	80	386	82
Interest received	11	1	23	2
<b>Net cash flows used in investing activities</b>	<b>(1,070)</b>	<b>(1,005)</b>	<b>(5,178)</b>	<b>(3,150)</b>
<b>Cash flows from financing activities:</b>				
Decrease in other financial liabilities	(1,993)	(467)	(3,964)	(1,396)
IPO expenses paid	(61)	-	(1,588)	-
Gross proceeds from issuance of new shares pursuant to IPO	-	-	11,880	-
Dividend paid	-	-	(4,000)	(1,960)
Interest paid	(85)	(75)	(276)	(237)
<b>Net cash flows (used in) from financing activities</b>	<b>(2,139)</b>	<b>(542)</b>	<b>2,052</b>	<b>(3,593)</b>
Net increase in cash and cash equivalents	241	1,980	6,264	3,756
Cash and cash equivalents at beginning of year	10,021	8,550	3,998	6,774
<b>Cash and cash equivalents at end of year</b>	<b>10,262</b>	<b>10,530</b>	<b>10,262</b>	<b>10,530</b>

\* - Less than S\$1,000

**Notes to Statement of Cash Flows:**

Cash and cash equivalents in the statement of financial position	10,424	10,692	10,424	10,692
Cash restriction in use over 3 months	(162)	(162)	(162)	(162)
<b>Cash and cash equivalents as shown above</b>	<b>10,262</b>	<b>10,530</b>	<b>10,262</b>	<b>10,530</b>

1(d)(i) A statement (for the issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**Statements of Changes in Equity**

	Share capital S\$'000	Merger reserve S\$'000	Foreign currency translation reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
<b>Group (Unaudited)</b>					
<b>Balance as at 1 July 2017</b>	2,800	-	(27)	21,922	24,695
Total comprehensive income for the year	-	-	12	1,774	1,786
Issuance of shares pursuant to the acquisition of subsidiary as part of the restructuring exercise	20,949	-	-	-	20,949
Share swap pursuant to the restructuring exercise	(2,800)	(18,149)	-	-	(20,949)
Issuance of new shares pursuant to IPO	11,880	-	-	-	11,880
Capitalisation of IPO expenses	(522)	-	-	-	(522)
Dividends paid	-	-	-	(4,000)	(4,000)
<b>Balance as at 31 December 2017</b>	32,307	(18,149)	(15)	19,696	33,839
Total comprehensive income for the period	-	-	-	859	859
Foreign currency translation	-	-	27	-	27
<b>Balance as at 31 March 2018</b>	32,307	(18,149)	12	20,555	34,725

1(d)(i) A statement (for the issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**Statements of Changes in Equity (Cont'd)**

	Share capital	Foreign currency translation reserve	Retained earnings	Attributable to parent	Non- controlling interest	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Group (Unaudited)</b>						
<b>Balance as at 1 July 2016</b>	2,800	(41)	30,100	32,859	(371)	32,488
Total comprehensive income for the year	-	1	2,715	2,716	-	2,716
Acquisition of a non-controlling interest without a change in control	-	-	(376)	(376)	376	-
Dividend paid	-	-	(1,960)	(1,960)	-	(1,960)
<b>Balance as at 31 December 2016</b>	2,800	(40)	30,479	33,239	5	33,244
Total comprehensive income for the period	-	-	1,923	1,923	-	1,923
Foreign currency translation	-	86	-	86	-	86
<b>Balance as at 31 March 2017</b>	2,800	46	32,402	35,248	5	35,253



1(d)(i) A statement (for the issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**Statements of Changes in Equity (Cont'd)**

	Share capital S\$'000	Retained earnings S\$'000	Total equity S\$'000
<b>Company (Unaudited)</b>			
<b>Balance as at date of incorporation, 26 May 2017</b>	-	-	-
	*		*
Balance as at 1 July 2017	-	-	-
	*		*
Total comprehensive income for the year	-	(270)	(270)
Issuance of shares pursuant to the acquisition of subsidiary as part of the restructuring exercise	20,949	-	20,949
Issuance of new shares pursuant to IPO	11,880	-	11,880
Capitalisation of IPO expenses	(522)	-	(522)
<b>Balance as at 31 December 2017</b>	32,307	(270)	32,037
Total comprehensive income for the period	-	(504)	(504)
<b>Balance as at 31 March 2018</b>	32,307	(774)	31,533

\* - Less than S\$1,000

- 1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

<b>Share Capital - Ordinary Shares</b>	<b>Number of issued shares</b>	<b>Issued and paid-up capital</b>
At date of incorporation, 26 May 2017 <sup>(1)</sup> and balance as at 30 June 2017	100	100
Acquisition of subsidiary satisfied through share swap as adjusted for the Share Split	299,999,900	20,949,018
	<u>300,000,000</u>	<u>20,949,118</u>
Issuance of new shares pursuant to IPO	54,000,000	11,880,000
Capitalisation for IPO expenses	-	(521,729)
Balance as at 31 December 2017 and 31 March 2018	<u>354,000,000</u>	<u>32,307,389</u>

Note:-

- (1) As at the date of incorporation, 26 May 2017, the Company had 100 shares with issued and paid-up capital of S\$100.

The Company has no treasury shares or convertible instruments as at 31 March 2018 and 31 March 2017.

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

	<b>Unaudited 31.03.2018</b>	<b>Audited 30.06.2017</b>
Total number of issued shares	354,000,000	100

- 1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

The Company did not have any treasury shares during, and at the end of, the financial period reported on.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

The Company did not have any subsidiary holdings during, and at the end of, the financial period reported on.

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

The figures have not been audited or reviewed by the Company's auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

The figures have not been audited or reviewed by the Company's auditors.

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

Same as disclosed in Section 5 below, the accounting policies and methods of computation adopted in the financial statements for the reporting period are consistent with those disclosed in the most recently audited combined financial statements for the financial year ended 30 June 2017.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted all the applicable new and revised Singapore Financial Reporting Standards ("SFRS") and Interpretations of Financial Reporting Standards ("INT FRS") that are mandatory for the accounting periods beginning on or after 1 July 2017. The adoption of these new and revised SFRS and INT FRS did not result in any substantial change to the Group's and the Company's accounting policies and has no significant impact on the financial statements for the current financial reporting period.

**6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group			
	Unaudited 3Q FY2018	Unaudited 3Q FY2017	Unaudited 9M FY2018	Unaudited 9M FY2017
<b><u>Earnings per share ("EPS")</u></b>				
Profit attributable to owners of the Company (S\$'000)	859	1,923	2,632	4,638
(i) Based on weighted average number of ordinary shares in issue ('000)	354,000	354,000	354,000	354,000
(ii) On a basic and diluted basis (Singapore cents per share)	0.24	0.54	0.74	1.31

Note:-

- (1) For comparatives purposes, the EPS for the respective financial periods have been computed based on the profit attributable to owners of the Company and share capital of 354,000,000 shares assuming that the Restructuring Exercise and the issuance of 54,000,000 new shares pursuant to the IPO had been completed as at 1 July 2016.

The basic and fully diluted earnings per share were the same as there were no dilutive ordinary shares in issue as at 31 March 2017 and 31 March 2018.

7. **Net asset value (for the issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the**  
**(a) current financial period reported on; and**  
**(b) immediately preceding financial year.**

	Group		Company	
	31.03.2018	30.06.2017	31.03.2018	30.06.2017
Net asset value ("NAV") (S\$'000)	34,725	24,695	31,533	-
Number of ordinary shares in issue ('000)	354,000	354,000	354,000	N.M.
Net asset value per ordinary share (Singapore cents per share)	9.81	6.98	8.91	-

Note:-

- (1) For comparatives purposes, the NAV per ordinary share for the respective financial periods have been computed based on the share capital of 354,000,000 shares assuming that the Restructuring Exercise and the issuance of 54,000,000 new shares pursuant to the IPO had been completed as at 1 July 2016.

8. **A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:**
- (a) **any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) **any material factors that affect the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.**

**Consolidated Statement of Comprehensive Income**  
**3Q FY2018 compared to 3Q FY2017**

	Group Unaudited		Increase/ (decrease) %	Group Unaudited		Increase/ (decrease) %
	3Q FY2018	3Q FY2017		9M FY2018	9M FY2017	
	S\$'000	S\$'000		S\$'000	S\$'000	
Full-Service Restaurants	25,474	25,735	(1.0%)	76,846	79,669	(3.5%)
Quick-Service Restaurants, Convenience and Others	9,816	8,858	10.8%	30,118	26,322	14.4%
	<u>35,290</u>	<u>34,593</u>		<u>106,964</u>	<u>105,991</u>	

**Revenue**

The Group's revenue increased by 2.0% or approximately S\$0.7 million, from S\$34.6 million in 3Q FY2017 to S\$35.3 million in 3Q FY2018.

Quick-Service Restaurants, Convenience and Others segment have continued to perform well in this quarter, with its revenue growing by 10.8% from S\$8.9 million in 3Q FY2017 to S\$9.8 million in 3Q FY2018. The growth in revenue was mainly attributed to the Group's key concepts of Kuriya Japanese Market, Japanese food alley and Men-ichi Ramen.

Revenue from our Full-Service Restaurants segment for 3Q FY2018 was relatively flat at S\$25.5 million compared to S\$25.7 million for 3Q FY2017. This was due to the net effect of two stores closures being offset by the two new outlets openings.

**Consolidated Statement of Comprehensive Income (cont'd)**  
**3Q FY2018 compared to 3Q FY2017 (cont'd)**

Raw materials and consumables used

The raw materials and consumables used (taking into account the changes in closing inventories) as a percentage of revenue, remained constant at approximately 27.6% for both 3Q FY2018 and 3Q FY2017.

Other operating income

Other operating income declined by 18.6% or approximately S\$0.1 million, mainly due to a decrease in government grants.

Employee benefits expense

Employee benefits expense increased by 4.0%, or approximately S\$0.5 million, from S\$11.8 million in 3Q FY2017 to S\$12.2 million in 3Q FY2018, mainly due to increase in employment related costs to cater to our business expansion.

Depreciation expense

Depreciation expense increased by 9.5%, or approximately S\$0.2 million, from S\$2.0 million in 3Q FY2017 to S\$2.2 million in 3Q FY2018, mainly due to additional depreciation incurred for our new F&B outlets.

Other expenses

Other expenses increased by 23.6%, or approximately S\$0.6 million, from S\$2.4 million in 3Q FY2017 to S\$2.9 million in 3Q FY2018 mainly due to repair and maintenance works carried out at our corporate building and outlets' refurbishment and post listing expenses such as professional fees incurred.

Finance cost

Finance cost remained consistent at approximately S\$0.1 million for 3Q FY2018 and 3Q FY2017.

Profit before tax

Profit before tax decreased by 43.7%, or approximately S\$1.1 million, from S\$2.5 million in 3Q FY2017 to S\$1.4 million in 3Q FY2018, mainly due to higher employee benefits, depreciation and other expenses as explained above.

Income tax expense

Income tax expense was at approximately S\$0.5 million in 3Q FY2018 as a result of an under adjustment to tax amounting to S\$0.2 million in relation to 1H FY2018.

Profit net of income tax

As a result of the foregoing, the Group recorded a profit net of income tax of S\$0.9 million in 3Q FY2018, representing a decrease of 55.3%, or approximately S\$1.0 million compared to S\$1.9 million in 3Q FY2017.

**9M FY2018 compared to 9M FY2017**

Revenue

The Group's revenue increased by 0.9% or approximately S\$1.0 million, from S\$106.0 million in 9M FY2017 to S\$107.0 million in 9M FY2018.

Revenue from Full Service Restaurants declined marginally by 3.5% or S\$2.8 million mainly due to the closure of two outlets in this segment and a change of concept for a Jurong Point outlet from Kuishinbo, a Full Service Restaurant to Food Alley, a Quick Service Restaurant.

Revenue from Quick-Service Restaurants, Convenience and Others segment grew by 14.4% from S\$26.3 million in 9M FY2017 to S\$30.1 million in 9M FY2018 mainly due to contribution by the Group's key concepts of Kuriya Japanese Market, Japanese food alley and Men-ichi Ramen.

**Consolidated Statement of Comprehensive Income (cont'd)**  
**9M FY2018 compared to 9M FY2017 (cont'd)**

Raw materials and consumables used

Raw materials and consumables used (taking into account the changes in closing inventories) as a percentage of revenue, declined from 28.1% in 9M FY2017 to 27.4% in 9M FY2018. This was largely attributed to a decrease in average raw material prices as compared to prior corresponding period.

Other operating income

Other operating income declined by 29.4% or approximately S\$0.3 million, mainly due to a decrease in government grants.

Employee benefits expense

Employee benefits expense increased by 1.5%, or approximately S\$0.5 million, from S\$35.8 million in 9M FY2017 to S\$36.3 million in 9M FY2018. This is mainly due to an increase in employment related costs to cater to our business expansion needs.

Depreciation expense

Depreciation expense increased by 9.1%, or approximately S\$0.5 million, from S\$5.8 million in 9M FY2017 to S\$6.4 million in 9M FY2018, mainly due to renovation of several of our F&B outlets, as well as the addition of kitchen equipment and furniture and fittings for existing and new F&B outlets.

Other expenses

Other expenses rose 19.7% or approximately S\$1.6 million, from S\$8.2 million in 9M FY2017 to S\$9.8 million in 9M FY2018, mainly due to one-off IPO expenses of approximately S\$1.1 million and higher other expenses such as (i) repair and maintenance of our corporate building and outlets' refurbishment; (ii) post listing expenses such as professional fees; and (iii) plant and equipment expensed and written off.

Finance cost

Finance cost increased by 16.5%, or approximately S\$0.1 million, from S\$0.2 million in 9M FY2017 to S\$0.3 million in 9M FY2018, mainly due to an increase in interest rates and interest for new term loan drawn down in April 2017.

Profit before tax

Profit before tax decreased by 31.0%, or approximately S\$1.8 million, from S\$6.0 million in 9M FY2017 to S\$4.1 million in 9M FY2018, mainly due to one-off IPO expenses of S\$1.1 million and higher employee benefits, depreciation and other expenses incurred.

Income tax expense

Income tax expense increased by 11.9% or approximately S\$0.2 million, mainly due to non-tax deductibility of one-off IPO expenses and expenses for plant and equipment written off.

Profit net of income tax

As a result of the foregoing, our profit net of income tax declined by 43.3% or approximately S\$2.0 million, from S\$4.6 million in 9M FY2017 to S\$2.6 million in 9M FY2018.

**Consolidated Statements of Financial Position**

***The comparative performance for both the assets and liabilities are based on the Group's financial statements as at 31 March 2018 and 30 June 2017.***

Non-current assets

The Group's non-current assets decreased by S\$1.8 million from S\$48.6 million as at 30 June 2017 to S\$46.8 million as at 31 March 2018 mainly due to higher depreciation expense and fewer assets acquired as at 31 March 2018. In addition, other assets, non-current comprising the refundable rental deposits placed with the lessors for the leases of our outlets, which are due in more than one year and recoverable upon termination or expiration of the leases, decreased by S\$0.2 million.

## **Consolidated Statements of Financial Position (cont'd)**

### Current assets

The Group's current assets increased by S\$6.8 million from S\$10.1 million as at 30 June 2017 to S\$16.9 million as at 31 March 2018 mainly due to an increase in cash and cash equivalents and trade and other receivables of S\$6.3 million and S\$1.0 million respectively.

The increase in cash and cash equivalents was mainly due to the net proceeds from issuance of new shares pursuant to the IPO of S\$10.4 million, partially offset by the payment of the interim dividend of S\$4.0 million declared on 2 October 2017 by R E & S Enterprises Pte Ltd, our wholly owned subsidiary, paid to the then existing shareholders.

### Non-current liabilities

The Group's non-current liabilities decreased by S\$0.9 million from S\$15.5 million as at 30 June 2017 to S\$14.6 million as at 31 March 2018 mainly due to the repayment of bank borrowings.

### Current liabilities

The Group's current liabilities decreased by S\$4.2 million from S\$18.5 million as at 30 June 2017 to S\$14.3 million as at 31 March 2018. This was attributable to (i) a decrease in financial liabilities of \$3.1 million due to the repayment of loans; and (ii) a decrease in trade and other payables of S\$1.0 million.

## **Consolidated Statements of Cash Flows**

The Group's net cash generated from operating activities in 3Q FY2018 of S\$3.5 million mainly resulted from operating cash flows before changes in the working capital of S\$3.7 million, and net working capital inflows of S\$0.5 million, which were partially offset by income taxes paid of S\$0.8 million. The net working capital inflows were due to (i) a decrease in trade and other receivables and other assets of S\$0.6 million; and (ii) a decrease in inventories of S\$0.2 million.

The Group's net cash flows used in investing activities during 3Q FY2018 was attributable to the renovation of new outlets and the purchase of plant and equipment amounting to S\$1.1 million.

The Group's net cash flows used in financing activities of S\$2.1 million during 3Q FY2018 were mainly due to the repayment of bank borrowings amounting to S\$2.0 million.

As a result, cash and cash equivalents increased by \$0.2 million in 3Q FY2018.

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

Not applicable as no specific forecast or a prospect statement has been issued previously.

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

The challenges in the food and beverage ("F&B") industry are expected to persist, given intensifying competition and higher cost pressures posed by a tighter labour and rental market. Nonetheless, the Group remains committed in expanding its businesses both organically and through strategic acquisitions, joint ventures or alliances while seeking to streamline operations and cut costs.

For the Singapore operations, the Group opened a new Ichiban Sushi outlet at Compass One during February this year, with plans to add another Ichiban Boshi outlet and Kuriya Japanese Market by the end of this fiscal year. As for our operating outlets in Great World City, the Group may be impacted by lower than expected performance as the mall is embarking on its major upgrades and renovation. Going forward, the Group shall continue to explore opportunities to expand its network of Food Retail Outlets, spanning the range from Full Service Restaurants to Quick Service Restaurants, Convenience and Others business segment.

On the cost front, the Management is committed to achieving operational efficiencies at its F&B outlets. Together with support from its central kitchen, the Group seeks to obtain greater manpower utilisation and improve productivity in its businesses.

**11. Dividend**

**(a) Current Financial Period Reported On:** Any dividend declared for the current financial period reported on?

None.

**(b) Corresponding Period of the Immediately Preceding Financial Year:** Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

**(c) The date the dividend is payable.**

Not applicable.

**(d) Books closure date.**

Not applicable.

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

No dividend has been declared or recommended for the financial period ended 31 March 2018.

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

The Group has not obtained a general mandate from shareholders for IPT.

**14. Utilisation of Proceeds from the Initial Public Offering (“IPO”)**

As at the date of this announcement, the status on the use of the IPO net proceeds is as follows:

Use of proceeds from the Invitation	Allocated S\$'000	Utilised S\$'000	Balance S\$'000
Business expansion, through establishment of new F&B Outlets and/or suitable acquisitions, joint ventures or strategic alliances	7,000	2,580	4,420
Refurbishment and improvement of our existing F&B Outlets	2,000	61	1,939
For our general corporate and working capital requirements	1,357	1,357	-
For payment of underwriting and placement commissions as well as offering expenses	1,523	1,523	-
<b>Gross proceeds from the Invitation</b>	<b>11,880</b>	<b>5,521</b>	<b>6,359</b>

Note: The amount deployed for general working capital is for rental expenses.

The above utilisation is in accordance with the intended use of IPO net proceeds, as stated in the Company's Offer Document dated 15 November 2017.



**15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7(H) under Rule 720(1) of the Catalist Listing Manual**

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Listing Manual.

**16. Negative Confirmation of Interim Financial Results pursuant to Rule 705(5) of the Catalist Listing Manual**

The Board of Directors of the Company confirms that to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements of the Company and the Group for Q3 FY2018 and 9M FY2018 to be false or misleading in any material aspect.

Yek Hong Liat John  
Executive Director and CEO

Hiroshi Tatara  
Executive Director and President

**By Order of the Board**

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**Yek Hong Liat John**  
**Executive Director and CEO**  
**Date: 7 May 2018**

*This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the Rules of Catalist. The Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST. The SGX-ST and the Sponsor assume 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.*

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