

RE&S HOLDINGS LIMITED
(Registration No: 201714588N)

Unaudited Condensed Interim Financial Statements
For the Second Half Year (“2H 2021”) and
Full Year (“FY2021”) Ended 30 June 2021

RE&S Holdings Limited

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A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Notes	Group					
		2H FY2021 S\$'000	2H FY2020 S\$'000	Increase/ (decrease) %	FY2021 S\$'000	FY2020 S\$'000	Increase / (decrease) %
Revenue	3	59,928	44,171	35.7%	123,948	110,649	12.0%
Raw materials and consumables used		(17,807)	(13,982)	27.4%	(34,097)	(31,416)	8.5%
Changes in inventories of finished goods		203	828	(75.5%)	(294)	(82)	258.5%
Other operating income		4,164	10,184	(59.1%)	9,388	10,603	(11.5%)
Employee benefits expense ⁽¹⁾		(23,405)	(19,572)	19.6%	(44,455)	(46,335)	(4.1%)
Operating lease expenses		(849)	(658)	29.0%	(1,712)	(1,301)	31.6%
Utilities expenses		(1,843)	(1,860)	(0.9%)	(3,437)	(3,860)	(11.0%)
Depreciation of property, plant and equipment		(2,877)	(3,333)	(13.7%)	(5,899)	(6,839)	(13.7%)
Depreciation of right-of-use assets		(9,909)	(10,125)	(2.1%)	(19,646)	(20,542)	(4.4%)
Other operating expenses		(3,127)	(4,796)	(34.8%)	(8,566)	(9,804)	(12.6%)
Other expenses – Non-operating		(865)	(946)	(8.6%)	(1,367)	(3,032)	(54.9%)
Finance costs		(1,460)	(1,936)	(24.6%)	(2,986)	(3,661)	(18.4%)
Profit / (loss) before income tax		2,153	(2,025)	N.M.	10,877	(5,620)	N.M.
Income tax (expense) / income	5	(187)	537	N.M.	(1,387)	274	N.M.
Profit / (loss), net of income tax		1,966	(1,488)	N.M.	9,490	(5,346)	N.M.
Other comprehensive (loss) / income:							
Item that may be reclassified subsequently to profit or loss:							
Exchange differences on translating foreign operations, net of income tax		(14)	25	N.M.	(19)	21	N.M.
Total comprehensive income / (loss)		1,952	(1,463)	N.M.	9,471	(5,325)	N.M.
Profit / (loss) attributable to owners of the Company, net of income tax		1,975	(1,477)	N.M.	9,478	(5,238)	N.M.
(Loss) / profit attributable to non-controlling interest, net of income tax		(9)	(11)	(18.2%)	12	(108)	N.M.
Profit / (loss) net of income tax		1,966	(1,488)	N.M.	9,490	(5,346)	N.M.
Total comprehensive income / (loss) attributable to owners of the Company		1,961	(1,452)	N.M.	9,459	(5,217)	N.M.
Total comprehensive (loss) / profit attributable to non-controlling interest		(9)	(11)	(18.2%)	12	(108)	N.M.
Total comprehensive income / (loss)		1,952	(1,463)	N.M.	9,471	(5,325)	N.M.
Earnings per share for profit / (loss) for the period attributable to the owners of the Company during the year:							
Basic and Diluted (SGD in cent)	7	0.6	(0.4)	N.M.	2.7	(1.5)	N.M.

N.M.: Not meaningful



A. Condensed interim consolidated statement of profit or loss and other comprehensive income (cont'd)

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

	Group		Increase/ (decrease)	Group		Increase/ (decrease)
	2H FY2021	2H FY2020		FY2021	FY2020	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Government grants	(2,763)	(4,876)	(43.3%)	(6,538)	(5,065)	29.1%
Interest income	(8)	(154)	(94.8%)	(21)	(280)	(92.5%)
Other income:						
- Rental rebates and others	(1,393)	(5,154)	(73.0%)	(2,829)	(5,258)	(46.2%)
Depreciation expenses:						
- property, plant and equipment	2,877	3,333	(13.7%)	5,899	6,839	(13.7%)
- right-of-use assets	9,909	10,125	(2.1%)	19,646	20,542	(4.4%)
Plant and equipment written off	256	148	73.0%	273	1,038	(73.7%)
Loss on disposal of plant & equipment	-	-	N.M.	-	44	N.M.
Finance costs:						
- interest expense on borrowings	45	107	(57.9%)	98	237	(58.6%)
- lease-related interest expense	1,415	1,829	(22.6%)	2,888	3,424	(15.7%)
Share-based payment ⁽¹⁾	-	-	N.M.	-	2,625	N.M.

Note:

- (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, Executive Director ("ED"), to Mr. Foo Kah Lee, Chief Executive Officer and ED, as well as Mr. Lim Shyang Zheng, Chief Operating Officer and ED, by way of gift on 29 August 2019. This transaction was accounted for under SFRS(I) 2 as a share-based payment transaction, as the shares were being transferred to employees of the Company in exchange for services, although the shares were not transferred by the Company directly. The fair value of the shares of S\$2,625,000 has been recorded as an expense in the profit or loss with a corresponding increase in retained earnings.



B. Condensed interim statements of financial position

	Notes	Group		Company	
		FY2021 \$'000	FY2020 \$'000	FY2021 \$'000	FY2020 \$'000
ASSETS					
Non-current assets					
Property, plant and equipment	8	29,501	32,573	–	–
Right-of-use assets	9	62,938	76,085	–	–
Investment in subsidiaries		–	–	21,868	21,636
Other receivables, non-current		–	–	10,671	10,671
Other non-financial assets, non-current	11	3,767	3,825	–	–
Deferred tax assets		54	23	–	–
Total non-current assets		96,260	112,506	32,539	32,307
Current assets					
Inventories		3,272	2,978	–	–
Trade and other receivables, current	10	1,908	2,019	3,642	5,096
Other non-financial assets, current	11	3,269	2,412	8	6
Cash and cash equivalents		25,878	14,918	777	312
Total current assets		34,327	22,327	4,427	5,414
Total assets		130,587	134,833	36,966	37,721
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	12	32,307	32,307	32,307	32,307
Merger reserve		(18,149)	(18,149)	–	–
Retained earnings		22,262	15,808	3,800	3,702
Foreign currency translation reserve		(53)	(34)	–	–
Equity, attributable to owners of the parent		36,367	29,932	36,107	36,009
Non-controlling interest		–	(27)	–	–
Total equity		36,367	29,905	36,107	36,009
Non-current liabilities					
Deferred tax liabilities		972	962	–	–
Provisions, non-current		1,488	1,641	–	–
Other financial liabilities, non-current	13	7,462	8,415	–	–
Lease liabilities, non-current	14	48,813	61,955	–	–
Total non-current liabilities		58,735	72,973	–	–
Current liabilities					
Income tax payable		1,211	215	2	5
Trade and other payables	15	12,735	10,265	853	1,689
Other financial liabilities, current	13	921	875	–	–
Other non-financial liabilities		979	1,051	4	18
Lease liabilities, current	14	19,639	19,549	–	–
Total current liabilities		35,485	31,955	859	1,712
Total liabilities		94,220	104,928	859	1,712
Total equity and liabilities		130,587	134,833	36,966	37,721



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C. Condensed interim statements of changes of equity

<u>Group:</u>	<u>Total equity</u> \$'000	<u>Attributable to owners of the Company sub-total</u> \$'000	<u>Share capital</u> \$'000	<u>Merger reserve</u> \$'000	<u>Retained earnings</u> \$'000	<u>Foreign currency translation reserve</u> \$'000	<u>Non-controlling interests</u> \$'000
Current year:							
Opening balance at 1 July 2020	29,905	29,932	32,307	(18,149)	15,808	(34)	(27)
Movement in equity:							
Total comprehensive income (loss) for the year	9,471	9,459	–	–	9,478	(19)	12
Acquisition of a non-controlling interest without a change in control	–	(15)	–	–	(15)	–	15
Dividends paid (Note 6)	(3,009)	(3,009)	–	–	(3,009)	–	–
Closing balance at 30 June 2021	36,367	36,367	32,307	(18,149)	22,262	(53)	–
Previous year:							
Opening balance at 1 July 2019	34,115	34,079	32,307	(18,149)	19,976	(55)	36
Movement in equity:							
Total comprehensive (loss) income for the year	(5,325)	(5,217)	–	–	(5,238)	21	(108)
Capital contribution from a non-controlling interest	45	–	–	–	–	–	45
Non-controlling interest other payables waived	38	38	–	–	38	–	–
Share-based payments	2,625	2,625	–	–	2,625	–	–
Dividends paid (Note 6)	(1,593)	(1,593)	–	–	(1,593)	–	–
Closing balance at 30 June 2020	29,905	29,932	32,307	(18,149)	15,808	(34)	(27)



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C. Condensed Interim Statements of Changes of Equity (cont'd)

<u>Company:</u>	<u>Total equity</u> \$'000	<u>Share capital</u> \$'000	<u>Retained earnings</u> \$'000
Current year:			
Opening balance at 1 July 2020	36,009	32,307	3,702
Changes in equity:			
Dividends paid (Note 6)	(3,009)	—	(3,009)
Total comprehensive income for the year	3,107	—	3,107
Closing balance at 30 June 2021	36,107	32,307	3,800
Current year:			
Opening balance at 1 July 2019	34,604	32,307	2,297
Changes in equity:			
Dividends paid (Note 6)	(1,593)	—	(1,593)
Share-based payments	2,625	—	2,625
Total comprehensive income for the year	373	—	373
Closing balance at 30 June 2020	36,009	32,307	3,702



D. Condensed Interim Consolidated Statements of Cash Flows

	<u>FY2021</u> \$'000	<u>FY2020</u> \$'000
<u>Cash flows from operating activities</u>		
Profit / (loss) before income tax	10,877	(5,620)
Adjustments for:		
Interest income	(30)	(280)
Interest expense on borrowings	98	237
Interest expense on lease liabilities	2,888	3,424
Depreciation of property, plant and equipment	5,899	6,839
Depreciation of right-of-use assets	19,646	20,542
Share-based payment	–	2,625
COVID-19 related rent concessions from lessors	(1,924)	(4,823)
Gain on remeasurement of right-of-use assets	(132)	–
Loss on disposal of plant and equipment	–	44
Plant and equipment written off	273	1,038
Net effect of exchange rate changes in consolidating foreign operations	(60)	33
Operating cash flows before changes in working capital	37,535	24,059
Inventories	(294)	(82)
Trade and other receivables, current	111	608
Other non-financial assets, current	(857)	1,354
Reinstatement cost utilised	(194)	(46)
Trade and other payables	2,470	(1,098)
Other non-financial liabilities	(72)	964
Net cash flows from operations	38,699	25,759
Income taxes paid	(412)	(1,467)
Net cash flows from operating activities	38,287	24,292
<u>Cash flows from investing activities</u>		
Purchase of plant and equipment	(3,067)	(6,754)
Disposal of plant and equipment	5	13
Other non-financial assets, non-current	58	(798)
Interest received	30	280
Net cash used in investing activities	(2,974)	(7,259)
<u>Cash flows from financing activities</u>		
Cash restricted in use	2,038	(40)
Dividend paid to equity owners	(3,009)	(1,593)
Capital contribution from a non-controlling interest	–	45
Decrease in other financial liabilities	(907)	(689)
Lease liabilities – principal portion paid	(20,339)	(17,862)
Non-controlling interest other payables waiver	–	38
Interest paid	(98)	(237)
Net cash flows used in financing activities	(22,315)	(20,338)
Net increase (decrease) in cash and cash equivalents	12,998	(3,305)
Cash and cash equivalents, statement of cash flows, beginning balance	12,714	16,019
Cash and cash equivalents, statement of cash flows, ending balance	25,712	12,714
<u>For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:</u>		
Cash and cash equivalents in the statement of financial position	25,878	14,918
Cash restricted over 3 months	(166)	(2,204)
Cash and cash equivalents as shown above	25,712	12,714

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E. Notes to the Condensed Interim Financial Statements**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 the subsidiaries (“Group”).

The board of directors approved and authorised these condensed interim financial statements for issue on the date of this announcement. The directors have the power to amend and reissue the financial statements.

The financial information contained in this announcement has neither been audited nor reviewed by the auditors.

The latest audited annual financial statements have not been subject to an adverse opinion, qualified opinion or disclaimer of opinion.

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:

- (i) Restaurateur;
- (ii) Event organiser; and
- (iii) Provision of raw food supply

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

COVID-19 related disclosures

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 adverse effect on its financial position, financial performance of operations, cash flows and prospects for the foreseeable future. There is significant uncertainty around the medium to long term impact of the COVID-19 pandemic. Other entities are also evolving and assets held by them may have material uncertainties and / or disclaimers regarding the impact of COVID-19. These uncertainties gave rise to difficulties in making an accurate assessment by management of the future financial impacts on the Group. Management will continue to closely monitor the further economic development and its impact. It is however reasonably probable that the COVID-19 pandemic will have an adverse impact on the Group’s revenues and results for the next reporting year, the extent of which will depend on how long the aftermath of the pandemic lasts.

Basis of presentation

These condensed consolidated interim financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS (I) s”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. They are also in compliance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and the provisions of the Catalist Rules.

The accounting policies and methods of computation applied in these condensed consolidated interim financial statements are consistent with those of the latest audited annual financial statements. However, the typical notes and information included in the latest audited annual financial statements are not included in these interim financial statements except for the selected explanatory notes included to explain events and transactions that are significant to an understanding of the changes in the performance and financial position of the Group since the latest audited annual financial statements.

1. General (cont'd)

Critical judgements, assumptions and estimation uncertainties

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. The nature and the carrying amount of such significant assets and liabilities are disclosed with further details in the relevant Notes to these condensed consolidated interim financial statements.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2020.

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 buildings that have been or will be vacated in the near future. The impairment allowance is sensitive to changes in estimated future expected sublease income and sublease period. Judgement is also involved when determining whether sublease contracts are financial or operational, as well as when determining lease term for contracts that have extension or termination options. The carrying amount at the end of the reporting year is disclosed in the Note on right-of-use assets.

Useful lives of property, plant and equipment:

The estimates for the useful lives and related depreciation charges for leasehold improvements and plant and equipment are based on commercial and other factors which could change significantly as a result of innovations and in response to severe 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 or non-strategic assets that have been abandoned or sold. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next financial 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 Note on lease liabilities.

2. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial year.

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3. Financial information by operating segments**3A. 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 ("FSR") 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 ("QSR") 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 consistent with those of the latest audited annual financial statements for the year ended 30 June 2020.

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:

	<u>FY2021</u> \$'000	<u>FY2020</u> \$'000
Revenue by segment:		
FSR	74,475	72,202
QSR	<u>49,473</u>	<u>38,447</u>
Total	<u><u>123,948</u></u>	<u><u>110,649</u></u>



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3. Financial information by operating segments (cont'd)

3A. Primary analysis by business segment (cont'd)

A breakdown of sales:

	Group		Increase/ (decrease)
	FY2021 S\$'000	FY2020 S\$'000	%
Sales reported for:			
(a) First half of the financial year	64,020	66,478	(3.7%)
(b) Second half of the financial year	59,928	44,171	35.7%
	<u>123,948</u>	<u>110,649</u>	(12.0%)
Operating profit / (loss) after tax deducting non-controlling interests reported for			
(a) First half of the financial year	7,524	(3,858)	N.M.
(b) Second half of the financial year	1,966	(1,488)	N.M.
	<u>9,490</u>	<u>(5,346)</u>	N.M.

3B. Profit or loss from continuing operations and reconciliations

	FSR \$'000	QSR \$'000	Unallocated \$'000	Elimination \$'000	Total \$'000
2H FY2021					
Revenue by segment					
Total revenue by segment	33,536	26,392	–	–	59,928
Inter-segment sales	–	3,278	–	(3,278)	–
Total revenue	<u>33,536</u>	<u>29,670</u>	<u>–</u>	<u>(3,278)</u>	<u>59,928</u>
Recurring EBITDA	12,627	8,541	(4,769)	–	16,399
Depreciation	(6,344)	(5,281)	(1,161)	–	(12,786)
Finance costs	(793)	(622)	(45)	–	(1,460)
ORBT					2,153
Income tax income	–	–	(187)	–	(187)
Profit, net of income tax					<u>1,966</u>
	FSR \$'000	QSR \$'000	Unallocated \$'000	Elimination \$'000	Total \$'000
FY2021					
Revenue by segment					
Total revenue by segment	74,475	49,473	–	–	123,948
Inter-segment sales	–	6,429	–	(6,429)	–
Total revenue	<u>74,475</u>	<u>55,902</u>	<u>–</u>	<u>(6,429)</u>	<u>123,948</u>
Recurring EBITDA	31,965	16,562	(9,119)	–	39,408
Depreciation	(13,485)	(9,758)	(2,302)	–	(25,545)
Finance costs	(1,735)	(1,153)	(98)	–	(2,986)
ORBT					10,877
Income tax income	–	–	(1,387)	–	(1,387)
Profit, net of income tax					<u>9,490</u>

3. Financial information by operating segments (cont'd)

3B. Profit or loss from continuing operations and reconciliations (cont'd)

	<u>FSR</u> \$'000	<u>QSR</u> \$'000	<u>Unallocated</u> \$'000	<u>Elimination</u> \$'000	<u>Total</u> \$'000
2H FY2020					
Revenue by segment					
Total revenue by segment	26,444	17,727	–	–	44,171
Inter-segment sales	–	2,166	–	(2,166)	–
Total revenue	<u>26,444</u>	<u>19,893</u>	<u>–</u>	<u>(2,166)</u>	<u>44,171</u>
Recurring EBITDA					
Depreciation	11,388	6,338	(4,357)	–	13,369
Finance costs	(7,416)	(4,852)	(1,190)	–	(13,458)
ORBT	(1,136)	(693)	(107)	–	(1,936)
Income tax expense	–	–	537	–	(2,025)
Loss, net of income tax	–	–	–	–	537
					<u>(1,488)</u>
FY2020					
Revenue by segment					
Total revenue by segment	72,202	38,447	–	–	110,649
Inter-segment sales	–	6,057	–	(6,057)	–
Total revenue	<u>72,202</u>	<u>44,504</u>	<u>–</u>	<u>(6,057)</u>	<u>110,649</u>
Recurring EBITDA					
Depreciation	26,129	8,160	(8,867)	–	25,422
Finance costs	(16,017)	(8,939)	(2,425)	–	(27,381)
ORBT	(2,234)	(1,190)	(237)	–	(3,661)
Income tax expense	–	–	274	–	(5,620)
Loss, net of income tax	–	–	–	–	274
					<u>(5,346)</u>

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

3C. Assets and reconciliations

	<u>FSR</u> \$'000	<u>QSR</u> \$'000	<u>Unallocated</u> \$'000	<u>Total</u> \$'000
Total assets for reportable segments:				
2H FY2021 and FY2021	<u>62,031</u>	<u>45,626</u>	<u>22,930</u>	<u>130,587</u>
2H FY2020 and FY2020	<u>69,791</u>	<u>40,849</u>	<u>24,193</u>	<u>134,833</u>

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

3. Financial information by operating segments (cont'd)

3D. Liabilities and reconciliations

	<u>FSR</u> \$'000	<u>QSR</u> \$'000	<u>Unallocated</u> \$'000	<u>Total</u> \$'000
Total liabilities for reportable segments:				
2H FY2021 and FY2021	<u>47,694</u>	<u>33,493</u>	<u>13,033</u>	<u>94,220</u>
2H FY2020 and FY2020	<u>59,129</u>	<u>32,641</u>	<u>13,158</u>	<u>104,928</u>

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

3E. Other material items and reconciliations

	<u>FSR</u> \$'000	<u>QSR</u> \$'000	<u>Unallocated</u> \$'000	<u>Total</u> \$'000
Expenditures for non-current assets:				
2H FY2021	<u>67</u>	<u>1,608</u>	<u>518</u>	<u>2,193</u>
FY2021	<u>184</u>	<u>2,148</u>	<u>776</u>	<u>3,108</u>
2H FY2020	<u>1,053</u>	<u>2,272</u>	<u>361</u>	<u>3,686</u>
FY2020	<u>1,151</u>	<u>5,123</u>	<u>535</u>	<u>6,809</u>

3F. 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.

3G. 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.

4. Related party transactions – Group

There is no significant transactions between the Group and related parties.


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5. Income tax – Group

	<u>2H FY2021</u>	<u>2H FY2020</u>	<u>Group</u> <u>FY2021</u>	<u>FY2020</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<u>Current tax expense (income):</u>				
Current tax expense (income)	180	(455)	1,329	(26)
Under (over) adjustments to current tax in respect of prior periods	–	–	65	(5)
Withholding tax	7	7	14	24
Subtotal	<u>187</u>	<u>(448)</u>	<u>1,408</u>	<u>(7)</u>
<u>Deferred tax income:</u>				
Deferred tax income	–	(89)	(116)	(287)
Under provision to deferred tax in respect of prior periods	–	–	95	20
Subtotal	<u>–</u>	<u>(89)</u>	<u>(21)</u>	<u>(267)</u>
Total income tax expense (income)	<u>187</u>	<u>(537)</u>	<u>1,387</u>	<u>(274)</u>

6. Dividends on equity shares

	<u>Rate per share – dollars</u>	<u>Group and Company</u>	<u>FY2021</u>	<u>FY2020</u>
	<u>FY2021</u>	<u>FY2020</u>	<u>\$'000</u>	<u>\$'000</u>
Interim and tax exempt (one-tier) dividend	0.0085	–	3,009	–
Final tax exempt (one-tier) dividend	–	0.0045	–	1,593

7. Earnings (loss) per share

	<u>2H FY2021</u>	<u>2H FY2020</u>	<u>Group</u> <u>FY2021</u>	<u>FY2020</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<u>Numerator</u>				
Profit (loss) attributable to owners of the Company, net of income tax	<u>1,975</u>	<u>(1,477)</u>	<u>9,478</u>	<u>(5,238)</u>
	'000	'000	'000	'000
<u>Denominator</u>				
Weighted average number of equity shares:				
At beginning and end of the year ('000)	<u>354,000</u>	<u>354,000</u>	<u>354,000</u>	<u>354,000</u>
	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>
Basic and diluted earnings (loss) per share (cents)	<u>0.6</u>	<u>(0.4)</u>	<u>2.7</u>	<u>(1.5)</u>

The basic and diluted earnings (loss) per share are the same as the Company and the Group did not have any potentially dilutive instruments for the respective financial periods.

8. Property, plant and equipment

<u>Group</u>	<u>Leasehold property</u> \$'000	<u>Plant and equipment</u> \$'000	<u>Total</u> \$'000
<u>Cost:</u>			
At 1 July 2019	19,505	62,802	82,307
Additions	–	6,809	6,809
Disposals	–	(8,777)	(8,777)
Foreign exchange adjustments	–	5	5
At 30 June 2020	19,505	60,839	80,344
Additions	–	3,108	3,108
Disposals	–	(1,089)	(1,089)
Foreign exchange adjustments	–	32	32
At 30 June 2021	19,505	62,890	82,395
<u>Accumulated depreciation:</u>			
At 1 July 2019	3,407	45,189	48,596
Depreciation for the year	707	6,132	6,839
Disposals	–	(7,682)	(7,682)
Foreign exchange adjustments	–	18	18
At 30 June 2020	4,114	43,657	47,771
Depreciation for the year	707	5,192	5,899
Disposals	–	(811)	(811)
Foreign exchange adjustments	–	35	35
At 30 June 2021	4,821	48,073	52,894
<u>Carrying amount:</u>			
At 1 July 2019	16,098	17,613	33,711
At 30 June 2020	15,391	17,182	32,573
At 30 June 2021	14,684	14,817	29,501

The leasehold property is mortgaged as security for the bank facilities (see Note 13).

During the six months ended 30 June 2021, the Group acquired plant and equipment amounting to \$2,193,000 (30 June 2020: \$3,686,000) and disposed of plant and equipment amounting to \$606,000 (30 June 2020: \$4,804,000).

9. Right-of-use of assets

<u>Group</u>	Restaurant Premises \$'000
<u>Cost:</u>	
At 1 July 2019	124,947
Additions	9,890
Foreign exchange adjustments	(27)
At 30 June 2020	134,810
Additions	7,251
Disposals	(783)
Remeasurement	(816)
Foreign exchange adjustments	(38)
At 30 June 2021	140,424
<u>Accumulated depreciation:</u>	
At 1 July 2019	38,205
Depreciation for the year	20,542
Foreign exchange adjustments	(22)
At 30 June 2020	58,725
Depreciation for the year	19,646
Disposals	(783)
Remeasurement	(76)
Foreign exchange adjustments	(26)
At 30 June 2021	77,486
<u>Carrying amount:</u>	
At 1 July 2019	86,742
At 30 June 2020	76,085
At 30 June 2021	62,938

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

	<u>Restaurant premises</u>	
	<u>FY2021</u>	<u>FY2020</u>
Number of right-to-use assets	40	42
Remaining term – range (years)	1.0 to 8.3	2.0 to 9.3
Remaining term – average (years)	4.6	5.7

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 (Note 1).



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10. Trade and other receivables, current

	<u>Group</u>	
	<u>FY2021</u>	<u>FY2020</u>
	<u>\$'000</u>	<u>\$'000</u>
<u>Trade receivables:</u>		
Outside parties	1,612	1,343
Net trade receivables – subtotal	<u>1,612</u>	<u>1,343</u>
<u>Other receivables:</u>		
Outside parties	167	–
Rental remission and property tax rebates from landlord	129	676
Net other receivables – subtotal	<u>296</u>	<u>676</u>
Total trade and other receivables	<u>1,908</u>	<u>2,019</u>

The expected credit losses (“ECL”) on the trade receivables are based on the simplified approach to measuring ECL which uses a lifetime ECL allowance approach for all trade receivables recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the ECL including the impact of the COVID-19 pandemic. Trade receivables comprises mainly creditworthy debtors with good payment record, NETS and credit card payments that will be settled in a few days and are considered to have low credit risk and customers which can be graded as low risk individually, and these are recorded at inception net of expected lifetime ECL. No loss allowance is necessary. There are no collateral held as security and other credit enhancements for the trade receivables.

11. Other non-financial assets, current

	<u>Group</u>	
	<u>FY2021</u>	<u>FY2020</u>
	<u>\$'000</u>	<u>\$'000</u>
Deposits to secure services	5,280	5,228
Deposits for renovation of outlets	910	469
Prepayments	846	540
	<u>7,036</u>	<u>6,237</u>
Presented in condensed interim statements of financial position:		
Non-current	3,767	3,825
Current	<u>3,269</u>	<u>2,412</u>
	<u>7,036</u>	<u>6,237</u>

12. Share capital

	<u>Group</u>		<u>Company</u>	
	Number of shares <u>issued</u>	<u>Share capital</u>	Number of shares <u>issued</u>	<u>Share capital</u>
	<u>'000</u>	<u>\$'000</u>	<u>'000</u>	<u>\$'000</u>
Balance at 1 July 2019, 30 June 2020 and 30 June 2021	<u>354,000</u>	<u>32,307</u>	<u>354,000</u>	<u>32,307</u>

The Company did not hold any treasury shares as at 30 June 2021 and 30 June 2020.

There has been no change in the issued and paid-up share capital of the Company since 31 December 2020.

There were no subsidiary holdings, treasury shares or outstanding convertibles as at 30 June 2021 and 30 June 2020.

13. Other financial liabilities

	<u>FY2021</u> \$'000	<u>Group</u> <u>FY2020</u> \$'000
<u>Non-current:</u>		
<u>Financial instruments with floating interest rates:</u>		
Bank loan (secured)	7,462	8,415
Non-current	<u>7,462</u>	<u>8,415</u>
<u>Current:</u>		
<u>Financial instruments with floating interest rates:</u>		
Bank loan (secured)	921	875
Current	<u>921</u>	<u>875</u>
Total	<u>8,383</u>	<u>9,290</u>
<u>The non-current portion is repayable as follows:</u>		
Due within 2 to 5 years	3,768	3,660
After 5 years	3,694	4,755
Total non-current portion	<u>7,462</u>	<u>8,415</u>

The range of floating rate interest rates were as follows:

	<u>FY2021</u> %	<u>Group</u> <u>FY2020</u> %
Bank loan (secured)	<u>1.08 to 1.25</u>	<u>2.07</u>

The term loan is secured by legal mortgage over the Group's property. The loan is repayable over 120 monthly instalments commencing April 2020.

14. Lease liabilities

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

	<u>FY2021</u> \$'000	<u>Group</u> <u>FY2020</u> \$'000
Lease liabilities, current	19,639	19,549
Lease liabilities, non-current	48,813	61,955
	<u>68,452</u>	<u>81,504</u>

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

	<u>FY2021</u> \$'000	<u>Group</u> <u>FY2020</u> \$'000
Total lease liabilities at beginning of reporting year	81,504	90,881
Additions	7,251	9,890
Remeasurement	(872)	—
Accretion of interest	2,888	3,424
Lease payments – principal portion paid	(22,263)	(22,685)
Foreign exchange adjustments	(56)	(6)
Total lease liabilities at end of reporting year	<u>68,452</u>	<u>81,504</u>

14. Lease liabilities (cont'd)

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.

Total cash outflows from leases are shown in the consolidated statement of cash flows. The related right-of-use assets are disclosed in Note 9.

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 2021; (iii) there is no substantive change to other terms and conditions of the lease.

During the reporting period, expense of the Group relating to fixed rental expense on short-term leases and low value assets and contingent rental expense on operating leases was \$1,712,000 (30 June 2020: \$1,301,000).

15. Trade and other payables

	<u>Group</u>	
	<u>FY2021</u> \$'000	<u>FY2020</u> \$'000
<u>Trade payables:</u>		
Outside parties	5,629	4,634
Accrued liabilities	5,576	4,984
Trade payables – subtotal	<u>11,205</u>	<u>9,618</u>
<u>Other payables:</u>		
Outside parties	1,530	647
Other payables – subtotal	<u>1,530</u>	<u>647</u>
Total trade and other payables	<u>12,735</u>	<u>10,265</u>

16. Net asset value

	<u>Company</u>		<u>Group</u>	
	<u>FY2021</u> cents	<u>FY2020</u> cents	<u>FY2021</u> cents	<u>FY2020</u> cents
Net asset value per share based on existing issued share capital as at the respective dates	<u>10.2</u>	<u>10.2</u>	<u>10.3</u>	<u>8.5</u>

17. 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:

	<u>Group</u>	
	<u>FY2021</u> \$'000	<u>FY2020</u> \$'000
Commitments to purchase plant and equipment	<u>898</u>	<u>175</u>

18. 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:

	<u>Group</u>	
	<u>FY2021</u>	<u>FY2020</u>
	<u>\$'000</u>	<u>\$'000</u>
<u>Financial assets:</u>		
Financial assets at amortised cost	<u>27,786</u>	<u>16,937</u>
<u>Financial liabilities:</u>		
Financial liabilities at amortised cost	<u>89,570</u>	<u>101,059</u>

19. Changes and adoption of financial reporting standards

The same accounting policies and methods of computations used in the latest audited annual financial statements have been applied.

20. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

F. Other information required by Catalyst Rule Appendix 7C

1. 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
2H FY2021 compared to 2H FY2020

Revenue

The Group's revenue increased in 2H FY2021 compared with 2H FY2020, primarily due to the increase in revenue contribution from the Full-Service Restaurants ("FSR") and Quick-Service Restaurants, Convenience and Others ("QSR").

The increase in FSR revenue was mainly due to i) improved customer sentiments in 2H FY2021 compared to 2H FY2020, where there were many uncertainties of COVID-19, intensified with sudden surge in community cases, resulted in temporary closure of outlets in 2H FY2020; ii) increase in delivery sales due to onboarding of more delivery platforms compared to 2H FY2020; and iii) re-opening of an outlet at Great World in February 2020; partially offset by a) social distancing restrictions in place, which resulted in fewer seats available for dine-in customers; and b) a reclassification adjustment to offset commission from delivery platforms in revenue, instead of other operating expenses in 2H FY2021.

Likewise, the revenue for QSR increased mainly due to i) improved customer sentiments in 2H FY2021 compared to 2H FY2020, as explained above; ii) re-opening of outlets at Great World in February 2020; and iii) increase in delivery sales, as explained above, which were offset by a) social distancing restrictions in place, which resulted in fewer seats available for dine-in customers; and b) a reclassification adjustment as explained above.

Raw materials and consumables used

Raw materials and consumables used (taking into account the changes in closing inventories) were 29.4% and 29.8% of total revenue for 2H FY2021 and 2H FY2020 respectively. Excluding the impact of reclassification adjustment to offset commission from delivery platforms in revenue, the raw materials and consumable used (taking into account the changes in closing inventories) were 27.6% and 29.8% of total revenue for 2H FY2021 and 2H FY2020 respectively. The decrease was mainly due to a general decrease in the average prices of raw materials and consumables.

Other operating income

Other operating income decreased mainly due to the decrease in government and landlords' support amounting to S\$1.4 million and S\$4.1 million respectively, in relation to the COVID-19 pandemic.

Employee benefits expense

The Group's employee benefits expense increased in 2H FY2021 compared to 2H FY2020 which was primarily attributed to: (i) pay adjustment across the board; (ii) increase in overtime and staff incentives; and (iii) increase in hiring of temporary workers due to increased business activities.

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Consolidated Statement of Comprehensive Income (cont'd)
2H FY2021 compared to 2H FY2020**Depreciation expense**

Depreciation expense decreased mainly due to the decrease in depreciation for right-of-use assets, plant and equipment, attributable to a closure of outlets in 2H FY2020.

Other operating expenses

Other operating expenses decreased mainly due to a) a reclassification adjustment to reclassify commission from third-party food delivery platforms to revenue in 2H FY2021; and b) offset with an increase in repair and maintenance.

Other expenses – Non-operating

Other expenses - non-operating decreased in 2H FY2021 mainly due to a decrease in foreign exchange losses; offset with the increase of plant and equipment written-off in relation to outlets renovation.

Finance costs

Finance costs decreased mainly due to regular repayment of lease liabilities principal amount which resulted in a decrease in lease interest.

Profit before tax

Profit before tax increased approximately S\$4.2 million, from a loss before tax of S\$2.0 million in 2H FY2020 to S\$2.2 million in 2H FY2021.

Income tax expense

Income tax expense increased by approximately S\$0.7 million, mainly due to a more profitable position in 2H FY2021 compared to 2H FY2020.

Profit, net of income tax

As a result of the foregoing, the Group recorded a profit after tax of S\$2.0 million in 2H FY2021.

FY2021 compared to FY2020**Revenue**

The Group's revenue increased in FY2021 compared with FY2020, primarily due to the increase in revenue contribution from the FSR and QSR.

The increase in FSR revenue was mainly due to i) improved customer sentiments in 2H FY2021 compared to 2H FY2020, where there were many uncertainties of COVID-19, intensified with sudden surge in community cases, resulted in temporary closure of outlets in 2H FY2020; ii) increase in delivery sales due to onboarding of more delivery platforms in FY2021 as compared to FY2020; and iii) re-opening of an outlet at Great World in February 2020; partially offset by a) social distancing restrictions in place, which resulted in fewer seats available for dine-in customers; b) closure of 3 FSR in last quarter of FY2020; and c) a reclassification adjustment to offset commission from delivery platforms in revenue, instead of other operating expenses in FY2021.

Likewise, the revenue for QSR increased mainly due to i) improved customer sentiments in 2H FY2021 compared to 2H FY2020, as explained above; ii) re-opening of outlets at Great World in February 2020; iii) increase in delivery sales, as explained above; and iv) 3 new outlets; which were partially offset by a) social distancing restrictions in place, which resulted in fewer seats available for dine-in customers; b) closure of 5 outlets in FY2020; and c) a reclassification adjustment as explained above.

Consolidated Statement of Comprehensive Income (cont'd)
FY2021 compared to FY2020 (cont'd)

Raw materials and consumables used

Raw materials and consumables used (taking into account the changes in closing inventories) were 27.7% and 28.5% of total revenue for FY2021 and FY2020 respectively. Excluding the impact of reclassification adjustment to offset commission from delivery platforms in revenue, the raw materials and consumable used (taking into account the changes in closing inventories) were 26.9% and 28.5% of total revenue for FY2021 and FY2020 respectively. The decrease was mainly due to a general decrease in the average prices of raw materials and consumables.

Other operating income

Other operating income decreased mainly due to a decrease in landlords' support amounting to S\$2.9 million; partially offset by an increase in government support in relation to COVID-19 pandemic, amounting to S\$2.0 million.

Employee benefits expense

The Group's employee benefits expense decreased in FY2021 compared to FY2020 which was primarily attributed to absence of a non-recurring and non-cash expense of S\$2.6 million incurred as a result of the transfer of shares amongst three Board members of the Company. Excluding the impact of this share-based payment, employee benefits expense represented 35.9% and 39.5% of total revenue for FY2021 and FY2020 respectively. The decrease was mainly due to labour optimisation initiatives, as there were no major renovations during this period and the full force of labour was engaged in the Group's operations.

Utilities expenses

Utilities expenses decreased mainly due to estimated utilities readings billed by landlords which resulted in an overprovision of utilities that were subsequently reversed in 1H FY2021 and a decrease of tariff in utilities.

Depreciation expense

Depreciation expense decreased mainly due to the decrease in depreciation for right-of-use assets, plant and equipment, attributable to a closure of outlets in FY2020.

Other operating expenses

Other operating expenses decreased mainly due to a) a reclassification adjustment to reclassify commission from third-party food delivery platforms to revenue in 2H FY2021; and b) a decrease in general expenses such as general supplies expenses.

Other expenses – Non-operating

Other expenses - non-operating decreased in FY2021 mainly due to the absence of plant and equipment written-off and professional fees incurred in the revamp of outlets in Jurong Point and Great World which were incurred in FY2020.

Finance costs

Finance costs decreased mainly due to regular repayment of lease liabilities principal amount which resulted in a decrease in lease interest.

Profit before tax

Profit before tax increased approximately S\$16.5 million, from a loss before tax of S\$5.6 million in FY2020 to S\$10.9 million profit in FY2021.

Income tax expense

Income tax expense increased by approximately S\$1.7 million, from an income tax benefit position of S\$0.3 million in FY2020 to an income tax expense of S\$1.4 million in FY2021.

Profit, net of income tax

As a result of the foregoing, the Group recorded a profit after tax of S\$9.5 million in FY2021.

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Consolidated Statements of Financial Position

The comparative performance for both the assets and liabilities are based on the Group's financial statements as at 30 June 2021 and 30 June 2020.

Non-current assets

The Group's non-current assets decreased by S\$16.2 million from S\$112.5 million as at 30 June 2020 to S\$96.3 million as at 30 June 2021 mainly due to (i) a decrease in property, plant and equipment of S\$3.1 million; and (ii) a decrease in the right-of-use assets ("ROU") of S\$13.1 million.

ROU decreased by S\$13.1 million mainly due to the depreciation charge of the ROU. The decrease in property, plant and equipment was mainly due to the depreciation charge of the property, plant and equipment of S\$5.9 million and assets of S\$0.3 million being written off for the closed outlets, partially offset by an addition of plant and equipment amounting to S\$3.1 million.

Current assets

The Group's current assets increased by S\$12.0 million from S\$22.3 million as at 30 June 2020 to S\$34.3 million as at 30 June 2021. This was mainly due to (i) an increase in cash and cash equivalents of S\$11.0 million; (ii) an increase in other non-financial assets, current of S\$0.9 million; (iii) an increase in inventories of S\$0.3 million; and partially offset by (iv) a decrease in trade and other receivables, current of S\$0.1 million.

The increase in cash and cash equivalents was mainly due to an increase in the earnings during the year. The increase in other non-financial assets, current was mainly attributable to the existing leases for less than a year which are pending for renewal. The increase in inventories was mainly due to the increasing purchase of raw materials. The decrease in trade and other receivables, current was mainly due to decreases in the rental rebates received from the landlords.

Non-current liabilities

The Group's non-current liabilities decreased by S\$14.2 million from S\$73.0 million as at 30 June 2020 to S\$58.7 million as at 30 June 2021 mainly due to the repayment of lease liabilities and bank borrowings.

Current liabilities

The Group's current liabilities increased by S\$3.5 million from S\$32.0 million as at 30 June 2020 to S\$35.5 million as at 30 June 2021. This was mainly attributable to (i) an increase in other payable of S\$2.5 million due to an increase in the purchases from suppliers, and (ii) an increase in the provision for income tax of S\$1.0 million.

Negative working capital

As at 30 June 2021, the Group had a negative working capital of approximately S\$1.2 million due to the adoption of SFRS(I) 16. Excluding lease liabilities of approximately S\$19.6 million arising from the adoption of SFRS(I) 16, the Group had a positive working capital of S\$18.5 million as of 30 June 2021. The Board believes that the Group is able to meet its short term debt obligations as and when they fall due, as it still continues to generate positive cash flows from operations.

Consolidated Statements of Cash Flows

The Group's net cash flows generated from operating activities was S\$38.7 million in FY2021, mainly due to operating cash flows before changes in the working capital of S\$37.5 million, net working capital inflows of S\$1.2 million and income taxes paid of S\$0.4 million. The net working capital inflows were mainly due to (i) an increase in other non-financial assets, current of S\$0.9 million; (ii) an increase in inventories of S\$0.3 million; (iii) a decrease in other non-financial liabilities of S\$0.1 million; (iv) un-utilised reinstatement cost of S\$0.2 million and partially offset by (v) an increase in trade and other payables of S\$2.5 million; and (vi) a decrease in trade and other receivables, current of S\$0.1 million.

The Group's net cash used in investing activities was S\$3.0 million in FY2021, mainly attributable to (i) the purchase of plant and equipment amounting to S\$3.1 million; partially offset by (ii) a decrease in other non-financial assets, non-current and interest received of S\$0.1 million.

Consolidated Statements of Cash Flows (cont'd)

The Group's net cash flows used in financing activities was S\$22.3 million in FY2021, mainly due to (i) repayment of bank borrowings of S\$0.9 million; (ii) lease payment of S\$20.3 million; (iii) dividend payment of S\$3.0 million; and (v) interest payment of S\$0.1 million; partially offset by decrease in cash restricted in use of S\$2.0 million.

As a result, cash and cash equivalents increased by S\$13.0 million in FY2021.

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

The results are in line with the commentary made in item 10 in the 1H 2021 results announcement released to SGX-ST on 8 February 2021.

3. 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 Food & Beverage industry has been severely impacted by the surge in local infections as the outbreak evolves throughout the year. However, with the successful rollout of national vaccination programmes and the significant rise in the vaccination rate in Singapore, the market is expected to normalise gradually. Recently, the government has permitted dining-in to resume for fully vaccinated people, bringing positive light to the F&B industry. As the COVID-19 situation remains fluid, the Group will continue to monitor the situation closely and be prepared to react quickly to the evolving landscape.

COVID-19 pandemic has changed consumption patterns as consumers seek greater value and convenience with higher acceptance for online delivery. Thus, the Group remains committed to expand its QSR segment through addition of new concepts and/or expansion of existing concepts, as well as development of ready meals suitable for online delivery. Barring unforeseen circumstances, the Group is cautiously optimistic of achieving satisfactory financial performance for FY2022.

4. Dividend information

(a) Current financial period reported on

Any dividend recommended for the current financial period reported on?

In view of the Group's performance for FY2021, the directors are pleased to propose a tax exempt one-tier final cash dividend of 0.85 Singapore cent per share (2020: NIL) in respect of the year ended 30 June 2021, which is subject to the approval of the shareholders of the Company at the forthcoming annual general meeting to be convened in due course.

Name of Dividend	Final
Type of Dividend	Cash
Total number of Issued ordinary shares ('000)	354,000
Dividend per share	0.85 Singapore cent

(b) Corresponding period of the immediate preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Not applicable, as no dividend was declared in the previous corresponding year

(c) The date the dividend is payable.

To be announced later.

**RE&S HOLDINGS LIMITED**

(Incorporated in the Republic of Singapore)
(Company Registration No. 201714588N)

4. Dividend information (cont'd)

- (d) **The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined**

To be announced later.

5. Interested person transactions

The Group has not obtained a general mandate from shareholders of the Company for interested person transactions.

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

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7H under Rule 720(1) of the Catalist Listing Manual.

7. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10). If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(10) of the Catalist Rules, the Company confirms that during FY2021 and up to the date hereof, there has not been any person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

8. Disclosure on Incorporation of Entities, Acquisition and Realisation of Shares pursuant to Catalist Rule 706A

R E & S Enterprises Pte Ltd, a wholly-owned subsidiary of the Company, has acquired the remaining 45% of Ebisu Private Limited ("EPL"), held by Jack Wang Yao Kun during 2H FY2021 ("Acquisition") for a consideration of S\$45,000, which is approximately 45% of the net asset value of EPL. The consideration was arrived at based on the net asset value of EPL as mentioned above and paid in cash derived from internally generated funds, upon completion of the Acquisition. The Acquisition did not have any material impact on the net tangible assets or earnings per share of the Group for the financial year ended 30 June 2021.

Save as disclosed above, there were no other incorporation of new entities, acquisitions and realisation of shares during 2HY2021.

For and on behalf of the Board

Foo Kah Lee
Executive Director and CEO
Date: 25 August 2021

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This announcement has been reviewed by the Company's Sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and 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 person for the Sponsor is Ms. Jennifer Tan, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.