
Full Year Financial Statements and Dividend Announcement for the Year Ended 30 September 2020

Pursuant to Rule 705(2C) of the Listing Manual Section B: Rules of Catalist, the Singapore Exchange Regulation requires the Company to continue to announce its quarterly financial statements with effect from 7 February 2020.

No Signboard Holdings Ltd. (the “**Company**”) was listed on Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 30 November 2017. The initial public offering (the “**IPO**”) of the Company was sponsored by RHT Capital Pte. Ltd. (the “**Sponsor**”).

The Company has announced the findings of the independent review on 29 April 2020. Based on the proposed adjustments stated in the report, all adjustments have been taken up in the results previously announced on SGXNET on 1 February 2019, 10 May 2019 and 6 August 2019. Accordingly, there are no material variance which may affect the full year financial statements for the year ended 30 September 2020.

This announcement has been prepared by the Company and its contents have been reviewed by the Company’s Sponsor for compliance with the SGX-ST Listing Manual Section B: 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 and the SGX-ST 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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1(a)(i) An income statement and statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		Increase (Decrease)
	2020	2019	
	\$	\$	%
Revenue	13,627,913	25,487,809	(46.8)
Other income	1,905,207	395,571	N.M.
Raw materials and consumables used	(4,799,332)	(8,616,470)	(44.3)
Changes in inventories	82,858	12,645	N.M.
Employee benefits expense	(8,515,109)	(10,390,784)	(18.1)
Operating lease expense	-	(3,731,620)	(100.0)
Rental expense	(752,012)	-	N.M.
Rental rebates	1,521,477	-	N.M.
Depreciation and amortisation expense	(5,622,978)	(1,223,267)	N.M.
Other operating expenses	(4,913,154)	(5,620,152)	(12.6)
Impairment of goodwill and intangible assets	-	(264,399)	N.M.
Impairment of plant and equipment	(586,452)	(764,749)	N.M.
Impairment of right-of-use assets	(1,286,352)	-	N.M.
Impairment of other assets	(94,457)	(8,921)	N.M.
Finance costs	(385,973)	(32,008)	N.M.
Loss before income tax	(9,818,364)	(4,756,345)	106.4
Income tax	(21,154)	(95,164)	N.M.
Loss for the year	(9,839,518)	(4,851,509)	102.8
Exchange differences on translation of foreign operations	(314)	(15,550)	N.M.
Total comprehensive loss for the year	(9,839,832)	(4,867,059)	102.2
Loss attributable to:			
Owners of the Company	(9,839,518)	(4,851,509)	102.8
Non-controlling interests	-	-	N.M.
	(9,839,518)	(4,851,509)	102.8
Total comprehensive loss attributable to:			
Owners of the Company	(9,839,518)	(4,867,059)	102.2
Non-controlling interests	-	-	N.M.
	(9,839,518)	(4,867,059)	102.2

N.M.: Not meaningful

1(a)(ii) Notes to the income statement.

The Group's loss before tax was arrived after (crediting) / charging the following:

	Group		Increase (Decrease)
	2020	2019	
	\$	\$	%
Franchise fee income	(144,000)	(144,000)	-
JSS grant	(858,421)	-	N.M.
Depreciation and amortisation expenses	5,622,978	1,223,267	N.M.
Interest income	(61,283)	(113,743)	(46.1)
Interest expense	385,973	32,008	N.M.
Income tax expense	-	-	N.M.
- Current tax expense	-	-	N.M.
- Underprovision in respect to prior years	21,154	95,164	(77.8)

Note:

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.

	GROUP		COMPANY	
	30/09/2020	30/09/2019	30/09/2020	30/09/2019
	\$	\$	\$	\$
ASSETS				
Current assets				
Cash and bank balances	12,921,780	15,792,071	11,658,583	15,231,736
Trade and other receivables	659,646	1,584,079	142,832	387,166
Amount due from subsidiaries	-	-	2,778,865	3,912,153
Amount due from related parties	8,578	-	-	-
Inventories	479,518	516,640	60,617	69,650
Grant receivables	380,086	-	283,218	-
Other assets	136,642	482,027	-	-
Total current assets	14,586,250	18,374,817	14,924,115	19,600,705
Non-current assets				
Other receivables	678,846	1,065,163	489,040	489,040
Intangible asset	564,971	633,451	-	-
Plant and equipment	3,063,455	2,535,334	1,188,392	541,294
Right-of-use assets	4,756,005	-	1,411,261	-
Other assets	-	44,171	-	-
Investment in subsidiaries	-	-	100,105	100,105
Total non-current assets	9,063,277	4,278,119	3,188,798	1,130,439
Total assets	23,649,527	22,652,936	18,112,913	20,731,144
LIABILITIES AND EQUITY				
Current liabilities				
Trade and other payables	5,216,427	4,603,257	2,440,802	3,001,685
Lease liabilities	3,264,757	-	1,515,914	-
Contract liabilities	271,153	626,733	-	-
Amount due to holding company	10,047	44,021	5,264	44,021
Short term loans	1,465,528	-	1,465,528	-
Deferred grant Income	556,181	-	388,628	-
Provisions	265,341	170,223	223,897	133,274
Income tax payable	17,093	17,093	-	-
Total current liabilities	11,066,527	5,461,327	6,040,033	3,178,980
Non-current liabilities				
Provisions	150,808	271,403	38,808	161,327
Lease liabilities	2,811,945	-	610,086	-
Long term borrowings	2,812,500	-	2,812,500	-
Total non-current liabilities	5,775,253	271,403	3,461,394	161,327
Capital, reserves and non-controlling interest				
Share capital	25,181,005	25,181,005	25,181,005	25,181,005
Capital reserve	(695,938)	(695,938)	2,063,751	2,063,751
Accumulated losses	(17,661,580)	(7,549,435)	(18,633,270)	(9,853,919)
Translation reserve	(15,740)	(15,426)	-	-
Equity attributable to owner of the company	6,807,747	16,920,206	8,611,486	17,390,837
Non-controlling interests	-	-	-	-
Total equity	6,807,747	16,920,206	8,611,486	17,390,837
Total liabilities and equity	23,649,527	22,652,936	18,112,913	20,731,144

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-

Amount payable in one year or less or on demand

As at 30/09/2020		As at 30/09/2019	
Secured	Unsecured	Secured	Unsecured
\$	\$	\$	\$
-	1,465,528	-	-

Amount repayable after one year

As at 30/09/2020		As at 30/09/2019	
Secured	Unsecured	Secured	Unsecured
\$	\$	\$	\$
-	2,812,500	-	-

Details of any collaterals.

Not applicable.

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.

	Group	
	2020 \$	2019 \$
Operating activities		
Loss before income tax	(9,818,364)	(4,756,345)
Adjustments for:		
Depreciation and amortisation expense	5,622,978	1,223,267
Allowance for expected credit losses	377,434	13,544
Impairment of other assets	94,457	8,921
(Gain) Loss on disposal of plant and equipment	(24,196)	75
Write-off of plant and equipment	13,105	-
Write-off of inventories	39,124	73,064
Impairment of goodwill and intangible assets	-	264,399
Impairment of plant and equipment	586,451	764,749
Impairment of right-of-use assets	1,286,352	-
Foreign exchange differences	3,865	(15,550)
Interest income	(61,283)	(113,743)
Interest expense	385,973	32,008
Operating cash flows before movements in working capital	(1,494,104)	(2,505,611)
Trade and other receivables	553,231	990,128
Inventories	(2,002)	(85,736)
Other assets	295,100	(34,939)
Trade and other payables	610,221	1,602,331
Contract liabilities	(355,580)	(443,723)
Amount due to holding company	(42,552)	(58,393)
Provisions	(25,477)	(194,972)
Cash used in operations	(461,163)	(730,915)
Income tax paid	(21,154)	(616,966)
Net cash used in operating activities	(482,317)	(1,347,881)
Investing activities		
Purchase of plant and equipment	(2,326,566)	(3,223,900)
Deposit for purchase of plant and equipment	-	(398,722)
Proceeds from disposal of plant and equipment	23,479	-
Payment of intangibles - franchise fees	-	(684,813)
Amount due to a former director of subsidiary for the acquisition of non-controlling interest in prior year	-	(240,000)
Interest received	61,283	113,743
Net cash used in investing activities	(2,241,804)	(4,433,692)
Financing activities		
Proceeds from bank borrowings	4,320,830	-
Repayment of short-term loans	(42,802)	(2,054,046)
Repayment of lease liabilities	(4,038,225)	-
Interest portion of lease liabilities	(341,838)	-
Interest paid	(44,135)	(32,008)
Net cash used in financing activities	(146,170)	(2,086,054)
Net decrease in cash and cash equivalents	(2,870,291)	(7,867,627)
Cash and cash equivalents at beginning of year	15,792,071	23,659,698
Cash and cash equivalents at end of year	12,921,780	15,792,071

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.

	GROUP				
	Share capital	Capital reserve	Translation reserve	Accumulated profits (losses)	Total
	\$			\$	\$
Balance as at 1 October 2018	25,181,005	(695,938)	124	(2,697,926)	21,787,265
Total comprehensive loss for the year					
Loss for the year	-	-	-	(4,851,509)	(4,851,509)
Other comprehensive loss	-	-	(15,550)	-	(124)
Total	-	-	(15,550)	(4,851,509)	(4,867,059)
Balance as at 30 September 2019	25,181,005	(695,938)	(15,426)	(7,549,435)	16,920,206
Effects of adopting SFRS (I) 16	-	-	-	(272,627)	(272,627)
Balance as at 1 October 2019 (restated)	25,181,005	(695,938)	(15,426)	(7,822,062)	16,647,579
Total comprehensive loss for the year					
Loss for the year	-	-	-	(9,839,518)	(9,839,518)
Other comprehensive loss	-	-	(314)	-	(314)
Total	-	-	(314)	(9,839,518)	(9,839,832)
Balance as at 30 September 2020	25,181,005	(695,938)	(15,740)	(17,661,580)	6,807,747

	COMPANY			
	Share capital	Capital reserve	Accumulated (losses) profits	Total
	\$	\$	\$	\$
Balance as at 1 October 2018	25,181,005	2,063,751	4,726	27,249,482
Loss for the year, representing total comprehensive loss for the year	-	-	(9,858,645)	(9,858,645)
Balance as at 30 September 2019	25,181,005	2,063,751	(9,853,919)	17,390,837
Effects of adopting SFRS(I) 16	-	-	(145,091)	(145,091)
Balance as at 1 October 2019 (restated)	25,181,005	2,063,751	(9,999,010)	17,245,746
Loss for the year, representing total comprehensive loss for the year	-	-	(8,634,260)	(8,634,260)
Balance as at 30 September 2020	25,181,005	2,063,751	(18,633,270)	8,611,486

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 year 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 issued 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 preceding financial period. 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 immediately preceding financial year.

There is no change in the Company's share capital since the end of the previous period reported on.

As at 30 September 2020 and 30 September 2019, the Company's issued and paid-up capital was \$25,181,005.

There are no outstanding convertibles, shares held as treasury shares and subsidiary holdings as at 30 September 2020 and 30 September 2019.

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

	30/09/2020	30/9/2019
Number of shares held as treasury shares	-	-
Total no. of issued shares (excluding treasury shares)	462,392,475	462,392,475

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.

There are no treasury shares held by the Company.

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.

As at the end of the current financial period reported on, there were no sales, transfers, cancellation and/or use of subsidiary holdings.

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

The figures have not been audited nor reviewed by the auditors of the Company.

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

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

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

Except as described in paragraph 5 below, the Group has applied the same accounting policies and methods of computation to the financial statements for the current financial year and the annual financial statements for the financial year ended 30 September 2019.

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.

On 1 October 2019, the Group adopted Singapore Financial Reporting Standards (International) 16 Leases ("SFRS (I) 16"), which is effective for the financial year beginning 1 October 2019.

SFRS (I) 16 introduced a single, on-balance sheet lease accounting model for leases. A lessee is required to recognise a right-of-use asset ("ROU asset") representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. Under SFRS (I) 16, remaining lease payments under the operating leases will be recognised at their present value discounted using an appropriate discount rate. In addition, the nature of the expenses will now change as SFRS (I) 16 replaces straight-line operating leases with depreciation charge of ROU assets (where relevant) and interest expense on lease liabilities.

The Group has applied SFRS (I) 16 using the modified retrospective approach. Therefore, the cumulative effect of adopting SFRS (I) 16 is recognised as an adjustment to the opening balance of accumulated losses with no restatement of comparative information. The ROU assets are recognised at its carrying amount as if SFRS (I) 16 has been applied since the commencement date, discounted using the discount rate determined at the date of initial application and lease liabilities shall be recognised at the present value of the remaining lease payments, discounted using the discount rate determined at the date of initial application. In addition, the Group elected the following practical expedients:

- (i) Not to reassess whether a contract is, or contains a lease at the date of initial application and to apply SFRS(I) 16 to all contracts that were previously identified as leases;
- (ii) To apply the exemption not to recognise ROU asset and liabilities to lease for which the lease term ends within 12 months as at 1 October 2019; and
- (iii) To apply a single discount rate to a portfolio of leases with reasonably similar characteristics.

The impact on the Group's financial statements arising from the adoption of SFRS (I) 16 is as follows:

Group Statement of financial position	As at 1 October 2019	
	Group	Company
Increase in assets:	\$	\$
Right of use assets	7,872,091	3,968,065
Increase in liabilities:		
Lease liabilities	8,144,718	4,113,156
Decrease in net assets	(272,627)	(145,091)
Decrease in accumulated losses	(272,627)	(145,091)

On 28 May 2020, the Institute of Singapore Chartered Accountants issued Amendment to SFRS(I) 16: COVID-19 related rent concession. This standard provides an optional relief to lessees from applying SFRS(I) 16's guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. The Group has applied the practical expedient in Amendment to SFRS(I) 16: COVID-19 related rent concession and the rental concession received by the Group, in the form of a one-off rental reduction, is accounted for as a variable lease payment and is recognized in profit or loss.

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

	Group Full Year ended 30 September	
	2020	2019
Earnings per ordinary share:-		
(a) Based on the weighted average number of ordinary shares in issue; and	-2.13 cents	-1.05 cents
(b) On a fully diluted basis	-2.13 cents	-1.05 cents

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	
	30/9/2020	30/9/2019	30/9/2020	30/9/2019
Net asset value per ordinary share based on existing issued share capital (cents)	1.47	3.66	1.86	3.76
No. of shares	462,392,475	462,392,475	462,392,475	462,392,475

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 affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

STATEMENT OF COMPREHENSIVE INCOME

Revenue

The Group's revenue of \$13.6 million for the year ended 30 September 2020 ("FY2020") was lower by 46.8% as compared to \$25.5 million in the previous year. The seafood restaurants sales accounted for 52% of total revenue for FY2020 as compared to 69% in previous year.

In 1Q2020, revenue was impacted by the loss of revenue from the temporary closure of our seafood restaurant outlet at Esplanade for approximately 2 months to carry out major renovation works.

From 2Q2020 onwards, revenue for seafood and hotpot restaurants declined significantly due to lower tourist footfalls at most of the outlets arising from travel entry restrictions on incoming foreigners into Singapore. During the extended circuit breaker period and Phase 1 (7 April 2020 to 18 June 2020), our restaurants and outlets were limited to takeaways and online sales without dine-in sales. In Phase 2, we operate our restaurants and outlets with safe distancing measures implemented to limit group dining to the size of 5.

Hotpot sales contributed 20% of total revenue for FY2020 as compared to 8% in previous year. Quick-serve restaurants contributed 15% of total revenue in FY2020 as compared to 3% in previous year. Beer business has been significantly impacted in the 2nd half of FY2020 as most of its outlets have been closed during the circuit breaker period and remained closed as of 30 September 2020.

Raw materials and consumables used

Total raw materials and consumables used reduced by 44.3% in FY2020 as compared to previous year due to a corresponding decrease in revenue.

Employee benefits related expense, Operating lease expense, rental expense, and Other operating expenses

Employee benefits related and Other operating expenses in FY2020 reduced by 18.1% and 12.6% respectively, which is proportionately less than the reduction in revenue due to increase in expenses in 1Q2020 arising from an expansion of business which has offset the reduction in expenses in the subsequent quarters.

The decrease in Operating lease expenses in FY2020 is due to the adoption of SFRS(I) 16 where operating leases were accounted for as a "ROU asset" and depreciated accordingly, with the expenses recognised as "Depreciation expense".

For comparison purpose, without consideration of SFRS(I) 16, rental expense would have decreased from \$3.7 million in FY2019 to \$3.2 million in FY2020 due to the one-off rental concessions given from the landlords as a result of the COVID-19 pandemic, which offset the increase in rental expense arising from new outlets.

Impairment of plant and equipment and right-of-use assets

In FY2020, the Group recognized an impairment on the plant and equipment and right-of-use assets amounting to \$0.6 million and \$1.3 million respectively for restaurants and outlets affected by the COVID-19 pandemic.

Depreciation and amortisation expenses

Depreciation for FY2020 increased by \$4.4 million mainly due to adoption of SFRS(I) 16, where operating leases were accounted for as a "ROU asset" and depreciated accordingly, with the expenses recognised as "Depreciation expense".

For comparison purpose, without consideration of SFRS(I) 16, depreciation expense would have increased from \$1.2 million in FY2019 to \$1.6 million in FY2020 due to the additional capital expenditure spent on equipment and renovation on the outlets.

Loss before income tax and loss for the year

The Group has reported a net loss before income tax of \$9.8 million in FY2020 due to loss of revenue from the temporary closure of seafood restaurant outlet at Esplanade and lower revenue from the beer business, coupled with an increased in expenses incurred in 1Q2020 and the impact of COVID-19 from 2Q2020 onwards which has resulted in revenue reduction and the corresponding impact on net profit and total impairment loss of \$1.9 million during the year.

BALANCE SHEET

The Group

Current assets

Current assets declined from \$18.4 million as at 30 September 2019 ("FY2019") to \$14.6 million as at 30 September 2020 ("FY2020"), mainly due to the decrease in cash and bank balances, which has been utilised for the renovation of the seafood restaurant at Esplanade, setup of the second hotpot restaurant and the first seafood restaurant in Shanghai, and working capital purpose.

Non-current assets

There is an increase in non-current assets from \$4.3 million as at FY2019 to \$9.1 million as at FY2020. This was mainly due to an increase in the ROU assets of \$4.8 million and additions to plant and equipment resulting from the expansion and renovation in restaurant segment.

Current liabilities

Current liabilities increased from \$5.5 million as at FY2019 to \$11.1 million as at FY2020 mainly due to increase in lease liabilities arising from the adoption of SFRS(I) 16.

Non-current liabilities

The increase in non-current liabilities from \$0.3 million as at FY2019 to \$5.8 million as at FY2020 was mainly due to the increase in non-current lease liabilities arising from the adoption of SFRS(I) 16 and a long-term bank borrowing of \$2.8 million.

The Company

The Company's total assets as of FY2020 is \$18.1 million. The decrease in cash and bank balances, is due to the funding of the Group's business expansions, including the launch of new outlets and the renovation of seafood restaurant outlet at Esplanade and working capital usage. Total non-current assets increased to \$3.2 million as at FY2020, mainly due to an increase in the ROU assets of \$1.4 million on leases for the 3 seafood restaurants in Singapore by the Company, arising from the adoption of SFRS(I) 16.

Total liabilities increased to \$9.5 million as at FY2020 mainly due to an increase in lease liabilities of \$2.1 million arising from the adoption of SFRS(I) 16 and bank borrowings of \$4.3 million.

CASH FLOW STATEMENT

The Group's net cash flows used in operating activities in FY2020 amounting to \$0.5 million is mainly attributable to working capital usage for restaurant and beer business, and expansion in hotpot and seafood restaurants.

The Group's net cash used in investing activities amounted to \$2.2 million in FY2020, mainly arising from the purchase of plant and equipment.

The Group's net cash used in financing activities amounted to \$0.1 million in FY2020, mainly due to the payment of lease liabilities which is offset by an increase in bank borrowings.

As at 30 September 2020, the Group's cash and cash equivalents stood at \$12.9 million.

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

There was no forecast made.

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.

Since the onset of the COVID-19 pandemic, the Company has intensified its social media and digital platform presence to attract different target customer types whilst trying to adapt to the potential changes in local consumer dining choices resulting from the implications of COVID-19.

Following the second phase of Singapore's reopening after the circuit breaker period from 19 June 2020 ("Phase 2"), most businesses and social activities were allowed and F&B dine-in has resumed but with safe distancing measures in place and a limit on the number of diners per table.

The Group has seen gradual revenue improvement due to the commencement of Phase 2 of part of the Singapore Government's approach to progressively resume activities safely. Notwithstanding, business in the short term would not be able to operate on the same level as it was before, prior to the onset of COVID-19. Business is still impacted by ongoing travel restrictions, social distancing measures and in general people are more cautious when dining out as compared to pre COVID-19 days. We are constantly monitoring the situation which has impacted our revenue generation, whilst managing our cost structure in the new normal.

Given that the situation is fluid and rapidly evolving as government policies change in tandem, the Group expects the operating environment of the local food and beverage industry to remain challenging in the next 12 months, due to uncertain economic outlook aggravated by travel restriction imposed globally that dampened consumers' demand. The Group's current key priority is to preserve cash to support working capital requirements until COVID-19 situation improves and to ensure that the Group has sufficient resources to tide through this period.

At the same time, the Group has been conscientiously managing its costs and is taking measured steps on various cost-cutting and cost control measures as there is uncertainty on the severity and duration when the global business climate will recover from the effects of COVID-19. As the COVID-19 situation continues to evolve, the consumer-restaurant dynamic is progressively being redefined resulting from changes in consumer dining habits including, but not limited to, the changing policies instilled by government bodies which have a bearing on ascertaining its related impact on our future operations and performance.

As of the end of the reporting year, Singapore is in the midst of further easing of restrictions of Phase 2 re-opening. However, it is uncertain when Phase 3 will take place and its impact on tourists arrival and restaurant patronage, which are key to our business viability. The Group will continue to operate cautiously, ensure it has sufficient resources, keep operating costs low and the business viable.

The Group will continue to monitor the situation in the key markets it operates in, including any regulations issued to address the spread of the COVID-19, and has arrangements in place (such as business continuity plans) to adapt accordingly.

Despite the above challenges, the Group will continue to explore suitable opportunities to strengthen its competitive edge in its existing business and expand its F&B business both in Singapore and overseas.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No

(b) Corresponding Period of the Immediately Preceding Financial Year

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

No

(c) Date payable

N.A.

(d) Record date

N.A.

12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

The Company has reviewed its dividends payment and no dividend has been declared or recommended by the board of directors ("Board" or "Directors") for the financial year ended 30 September 2020 as there are no distributable profits.

- 13. If the Group has obtained a general 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 Company has not obtained a general mandate from shareholders for Interested Person Transactions ("IPTs").

The aggregate value of interested person transactions entered into during the year ended 30 September 2020 is as follows:

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
GuGong Pte. Ltd.	\$162,129 ⁽¹⁾	Not applicable

Note:

⁽¹⁾ During the period, the Company and Group has:

- (i) a payable of \$162,129 as rental expense to GuGong Pte. Ltd. ("GuGong") for the lease of its corporate office and outlet.

- 14. Use of IPO proceeds**

Pursuant to the Company's IPO, the Company received net proceeds from the IPO of approximately S\$19.3 million (the "**Net Proceeds**"). Please refer to the Offer Document for further details. As at the date of this announcement, the Net Proceeds have been utilised as follows:

	Allocation of Net Proceeds \$'000	Net Proceeds utilised as at the date of this announcement \$'000	Balance of Net Proceeds as at the date of this announcement \$'000
Purpose			
Development for the Beer Business	10,000	(2,267)	7,733
Establishing new chains of restaurants	7,000	(7,000)	-
Development of Ready Meal Business	-	-	-
General working purposes	2,300	(2,300)	-
	<u>19,300</u>	<u>(11,567)</u>	<u>7,733</u>

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

The Company confirms that it has procured undertakings from all its Directors and Executive Officers in the required format.

- 16. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Business segments

Segment revenue & results

	Revenue		Net Profit	
	2020	2019	2020	2019
	\$	\$	\$	\$
Seafood Restaurant Business	7,132,109	17,464,151	(489,323)	4,299,491
Other Restaurant Business	4,700,880	3,015,570	(1,646,014)	(2,115,504)
Beer Business	1,794,924	5,008,088	(1,044,124)	(1,663,576)
	13,627,913	25,487,809	(3,179,461)	520,411
Impairment of other assets			(94,457)	-
Impairment of goodwill and intangible assets			-	(264,399)
Impairment of plant and equipment			(586,452)	(764,749)
Impairment of right-of-use assets			(1,286,352)	-
Other operating expenses			(1,274,354)	(1,358,786)
Corporate office expenses			(3,072,598)	(2,970,557)
Interest income			61,283	113,743
Finance costs			(385,973)	(32,008)
Loss before tax			(9,818,364)	(4,756,345)
Income tax expense			(21,154)	(95,164)
Loss for the year			(9,839,518)	(4,851,509)

	2020	2019
	\$	\$
<u>Segment assets</u>		
Seafood Restaurant Business	15,664,539	17,073,566
Other Restaurant Business	7,282,775	3,729,111
Beer Business	702,213	1,850,259
	23,649,527	22,652,936
<u>Segment liabilities</u>		
Seafood Restaurant Business	10,776,020	3,185,125
Other Restaurant Business	5,278,432	735,018
Beer Business	770,235	1,795,494
	16,824,687	5,715,637
Unallocated liabilities	17,093	17,093
	16,841,780	5,732,730

Other segment information

	Depreciation and amortisation expense		Capital expenditure	
	2020	2019	2020	2019
	\$	\$	\$	\$
Seafood Restaurant Business	3,158,108	277,747	1,515,974	723,289
Other Restaurant Business	2,324,718	662,020	1,144,353	3,204,378
Beer Business	140,152	283,500	13,860	186,100
	5,622,978	1,223,267	2,674,187	4,113,767
<u>Geographical information</u>				
	Revenue			
	2020	2019		
	\$	\$		
Singapore	12,639,075	25,482,534		
Overseas	988,838	5,275		
	13,627,913	25,487,809		

17. A breakdown of sales.

	<u>FY2020</u>	<u>FY2019</u>	<u>Increase (Decrease)</u>
	\$	\$	%
Sales reported for:			
(a) First half of the financial year	10,133,282	12,410,913	(18.4)
(b) Second half of the financial year	3,494,631	13,076,896	(73.3)
	<u>13,627,913</u>	<u>25,487,809</u>	(46.5)
Operating profit (loss) after tax before deducting non-controlling interests reported for:			
(a) First half of the financial year	(3,618,033)	(911,155)	297.1
(b) Second half of the financial year	(6,221,485)	(3,940,354)	57.9
	<u>(9,839,518)</u>	<u>(4,851,509)</u>	102.8

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	<u>FY2020 (S\$'000)</u>	<u>FY2019 (S\$'000)</u>
Ordinary	-	-
Preference	-	-
Total	-	-

19. 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) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Mdm Cheo Bee Hwa	62	Mother of Mr Lim Yong Sim and Ms Lim Lay Hoon	Senior Quality Assurance Duties: Oversees the kitchen and restaurant operations of the seafood restaurant. Since: 1993	No change
Mdm Cheo Bee Yong	60	Aunt of Mr Lim Yong Sim and Ms Lim Lay Hoon	Kitchen Operations Executive Duties: Oversees the kitchen and restaurant operations of the seafood restaurant. Since: 2009	No change
Mr Cheo Cheng San	54	Uncle of Mr Lim Yong Sim and Ms Lim Lay Hoon	Chef Duties: Preparation of dishes of the seafood restaurant. Since: 2000	No change
Mdm Lim Lay Tin	54	Aunt of Mr Lim Yong Sim and Ms Lim Lay Hoon	Restaurant Captain Duties: Oversees the operations of the seafood restaurant. Since: 2000	No change

Mr Choo Ye Sheng (Donald)	28	Cousin of Mr Lim Yong Sim and Ms Lim Lay Hoon	Chef. Duties: Preparation of dishes of the seafood restaurant. Since: 3 June 2018.	No change
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BY ORDER OF THE BOARD

Lim Yong Sim (Lin Rongsen)
CEO and Executive Chairman

Lim Lay Hoon
COO and Executive Director

29 November 2020