

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

**Unaudited Condensed Interim Financial Statements**  
**For the Second Half Year (“2H FY2022”) and**  
**Full Year (“FY2022”) Ended 30 June 2022**

**RE&S Holdings Limited**

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

	Notes	Group					Increase / (decrease) %
		2H FY2022 S\$'000	2H FY2021 S\$'000	FY2022 S\$'000	FY2021 S\$'000	Increase / (decrease) %	
Revenue	3	83,623	63,813	31.0%	154,835	127,833	21.1%
Raw materials and consumables used		(21,983)	(17,807)	23.5%	(42,990)	(34,097)	26.1%
Changes in inventories of finished goods		(1,901)	203	N.M.	(548)	(294)	86.4%
Other operating income		2,811	4,164	(32.5%)	7,205	9,388	(23.3%)
Employee benefits expense		(26,958)	(23,405)	15.2%	(51,613)	(44,455)	16.1%
Operating lease expenses		(681)	(849)	(19.8%)	(1,921)	(1,712)	12.2%
Utilities expenses		(2,803)	(1,843)	52.1%	(4,846)	(3,437)	41.0%
Depreciation of property, plant and equipment		(3,412)	(2,877)	18.6%	(6,336)	(5,899)	7.4%
Depreciation of right-of-use assets		(10,235)	(9,909)	3.3%	(20,369)	(19,646)	3.7%
Other operating expenses		(7,763)	(7,012)	10.7%	(16,162)	(12,451)	29.8%
Other expenses – Non-operating		(1,807)	(865)	108.9%	(2,964)	(1,367)	116.8%
Finance costs		(1,389)	(1,460)	(4.9%)	(2,988)	(2,986)	0.1%
<b>Profit before income tax</b>		<b>7,502</b>	<b>2,153</b>	<b>248.4%</b>	<b>11,303</b>	<b>10,877</b>	<b>3.9%</b>
Income tax expense	5	(1,487)	(187)	N.M.	(1,852)	(1,387)	33.5%
<b>Profit, net of income tax</b>		<b>6,015</b>	<b>1,966</b>	<b>206.0%</b>	<b>9,451</b>	<b>9,490</b>	<b>(0.4%)</b>
<b><u>Other comprehensive loss:</u></b>							
Item that may be reclassified subsequently to profit or loss:							
Exchange differences on translating foreign operations, net of income tax		(76)	(14)	N.M.	(88)	(19)	N.M.
<b>Total comprehensive income</b>		<b>5,939</b>	<b>1,952</b>	<b>204.3%</b>	<b>9,363</b>	<b>9,471</b>	<b>(1.1%)</b>
Profit attributable to owners of the Company, net of income tax		<b>6,015</b>	<b>1,975</b>	<b>204.6%</b>	<b>9,451</b>	<b>9,478</b>	<b>(0.3%)</b>
(Loss) / profit attributable to non-controlling interest, net of income tax		-	(9)	N.M.	-	12	N.M.
<b>Profit net of income tax</b>		<b>6,015</b>	<b>1,966</b>	<b>206.0%</b>	<b>9,451</b>	<b>9,490</b>	<b>(0.4%)</b>
Total comprehensive income attributable to owners of the Company		5,939	1,961	202.9%	9,363	9,459	(1.0%)
Total comprehensive (loss) income attributable to non-controlling interest		-	(9)	N.M.	-	12	N.M.
<b>Total comprehensive income</b>		<b>5,939</b>	<b>1,952</b>	<b>204.3%</b>	<b>9,363</b>	<b>9,471</b>	<b>(1.1%)</b>
<b><u>Earnings per share for profit for the period attributable to the owners of the Company during the year:</u></b>							
Basic and Diluted (SGD in cent)	7	<b>1.7</b>	<b>0.6</b>		<b>2.7</b>	<b>2.7</b>	

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 FY2022	2H FY2021		FY2022	FY2021	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Government grants	(2,313)	(2,763)	(16.3%)	(5,745)	(6,538)	(12.1%)
Interest income	(11)	(8)	37.5%	(15)	(21)	(28.6%)
Other income:						
- Rental rebates and others	(456)	(1,393)	(67.3%)	(1,445)	(2,829)	(48.9%)
Depreciation expenses:						
- property, plant and equipment	3,412	2,877	18.6%	6,336	5,899	7.4%
- right-of-use assets	10,235	9,909	3.3%	20,369	19,646	3.7%
Plant and equipment written off	159	256	(37.9%)	362	273	32.6%
Loss on disposal of plant & equipment	-	-	-	2	-	N.M.
Loss on disposal of financial assets at fair value through profit or loss ("FVTPL")	268	-	N.M.	276	-	N.M.
Unrealised loss on financial assets at FVTPL	669	-	N.M.	830	-	N.M.
Finance costs:						
- interest expense on borrowings	49	45	8.9%	96	98	(2.0%)
- lease-related interest expense	1,340	1,415	(5.3%)	2,892	2,888	0.1%



**B. Condensed interim statements of financial position**

	<u>Notes</u>	<u>Group</u>		<u>Company</u>	
		<u>FY2022</u>	<u>FY2021</u>	<u>FY2022</u>	<u>FY2021</u>
		<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	8	32,200	29,501	–	–
Right-of-use assets	9	58,398	62,938	–	–
Investment in subsidiaries		–	–	21,868	21,868
Other receivables, non-current		–	–	10,671	10,671
Other non-financial assets, non-current	12	4,532	3,767	–	–
Deferred tax assets		92	54	–	–
<b>Total non-current assets</b>		<u>95,222</u>	<u>96,260</u>	<u>32,539</u>	<u>32,539</u>
<b>Current assets</b>					
Inventories		3,820	3,272	–	–
Trade and other receivables, current	10	1,786	1,908	3,891	3,642
Other financial assets, current	11	4,178	–	–	–
Other non-financial assets, current	12	3,106	3,269	5	8
Cash and cash equivalents		24,595	25,878	528	777
<b>Total current assets</b>		<u>37,485</u>	<u>34,327</u>	<u>4,424</u>	<u>4,427</u>
<b>Total assets</b>		<u>132,707</u>	<u>130,587</u>	<u>36,963</u>	<u>36,966</u>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the parent</b>					
Share capital	13	32,307	32,307	32,307	32,307
Merger reserve		(18,149)	(18,149)	–	–
Retained earnings		25,695	22,262	3,905	3,800
Foreign currency translation reserve		(141)	(53)	–	–
<b>Total equity</b>		<u>39,712</u>	<u>36,367</u>	<u>36,212</u>	<u>36,107</u>
Non-controlling interest		–	–	–	–
<b>Total equity</b>		<u>39,712</u>	<u>36,367</u>	<u>36,212</u>	<u>36,107</u>
<b>Non-current liabilities</b>					
Deferred tax liabilities		1,293	972	–	–
Provisions, non-current		1,521	1,488	–	–
Other financial liabilities, non-current	14	6,529	7,462	–	–
Lease liabilities, non-current	15	44,765	48,813	–	–
<b>Total non-current liabilities</b>		<u>54,108</u>	<u>58,735</u>	<u>–</u>	<u>–</u>
<b>Current liabilities</b>					
Income tax payable		1,244	1,211	8	2
Trade and other payables	16	17,329	12,735	743	853
Other financial liabilities, current	14	940	921	–	–
Other non-financial liabilities		46	979	–	4
Lease liabilities, current	15	19,328	19,639	–	–
<b>Total current liabilities</b>		<u>38,887</u>	<u>35,485</u>	<u>751</u>	<u>859</u>
<b>Total liabilities</b>		<u>92,995</u>	<u>94,220</u>	<u>751</u>	<u>859</u>
<b>Total equity and liabilities</b>		<u>132,707</u>	<u>130,587</u>	<u>36,963</u>	<u>36,966</u>



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**C. Condensed interim statements of changes of equity**

<b>Group:</b>	<b>Total equity</b> <b>\$'000</b>	<b>Attributable to owners of the Company sub-total</b> <b>\$'000</b>	<b>Share capital</b> <b>\$'000</b>	<b>Merger reserve</b> <b>\$'000</b>	<b>Retained earnings</b> <b>\$'000</b>	<b>Foreign currency translation reserve</b> <b>\$'000</b>	<b>Non-controlling interests</b> <b>\$'000</b>
<b>Current year:</b>							
Opening balance at 1 July 2021	36,367	36,367	32,307	(18,149)	22,262	(53)	–
<b>Movement in equity:</b>							
Total comprehensive income (loss) for the year	9,363	9,363	–	–	9,451	(88)	–
Dividends paid (Note 6)	(6,018)	(6,018)	–	–	(6,018)	–	–
<b>Closing balance at 30 June 2022</b>	<b>39,712</b>	<b>39,712</b>	<b>32,307</b>	<b>(18,149)</b>	<b>25,695</b>	<b>(141)</b>	<b>–</b>
<b>Previous year:</b>							
Opening balance at 1 July 2020	29,905	29,932	32,307	(18,149)	15,808	(34)	(27)
<b>Movement in equity:</b>							
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)	–	–
<b>Closing balance at 30 June 2021</b>	<b>36,367</b>	<b>36,367</b>	<b>32,307</b>	<b>(18,149)</b>	<b>22,262</b>	<b>(53)</b>	<b>–</b>



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

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



**D. Condensed Interim Consolidated Statements of Cash Flows**

	<b><u>FY2022</u></b>	<b><u>FY2021</u></b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
<b><u>Cash flows from operating activities</u></b>		
Profit before income tax	11,303	10,877
Adjustments for:		
Interest income	(15)	(21)
Interest expense on borrowings	96	98
Interest expense on lease liabilities	2,892	2,888
Depreciation of property, plant and equipment	6,336	5,899
Depreciation of right-of-use assets	20,369	19,646
COVID-19 related rent concessions from lessors	(536)	(1,924)
Loss (gain) on remeasurement of right-of-use assets	133	(132)
Loss on disposal of plant and equipment	2	–
Plant and equipment written off	362	273
Unrealised loss on financial assets at FVTPL	830	–
Loss on disposal of financial assets at FVTPL	276	–
Net effect of exchange rate changes in consolidating foreign operations	(86)	(60)
Operating cash flows before changes in working capital	41,962	37,544
Inventories	(548)	(294)
Trade and other receivables, current	122	111
Other non-financial assets, current	(491)	(857)
Reinstatement cost utilised	–	(194)
Trade and other payables	3,510	2,470
Other non-financial liabilities	(933)	(72)
Net cash flows from operations	43,622	38,708
Income taxes paid	(1,536)	(412)
Net cash flows from operating activities	<b><u>42,086</u></b>	<b><u>38,296</u></b>
<b><u>Cash flows from investing activities</u></b>		
Purchase of plant and equipment (Note A)	(7,559)	(3,067)
Deposits for purchase of plant and equipment	(841)	–
Disposal of plant and equipment	6	5
Other non-financial assets, non-current	–	58
Purchase of other financial assets, current	(6,953)	–
Disposal of other financial assets, current	1,669	–
Interest received	15	21
Net cash flows used in investing activities	<b><u>(13,663)</u></b>	<b><u>(2,983)</u></b>
<b><u>Cash flows from financing activities</u></b>		
Cash restricted in use	–	2,038
Dividend paid to equity owners	(6,018)	(3,009)
Decrease in other financial liabilities	(914)	(907)
Lease liabilities – principal portion paid	(22,678)	(20,339)
Interest paid	(96)	(98)
Net cash flows used in financing activities	<b><u>(29,706)</u></b>	<b><u>(22,315)</u></b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(1,283)</b>	<b>12,998</b>
Cash and cash equivalents, statement of cash flows, beginning balance	25,712	12,714
<b>Cash and cash equivalents, statement of cash flows, ending balance</b>	<b><u>24,429</u></b>	<b><u>25,712</u></b>
<b><u>For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:</u></b>		
Cash and cash equivalents in the statement of financial position	24,595	25,878
Cash restricted over 3 months	(166)	(166)
<b>Cash and cash equivalents as shown above</b>	<b><u>24,429</u></b>	<b><u>25,712</u></b>





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**D. Condensed Interim Consolidated Statements of Cash Flows (Cont'd)**

**Note A:**

During the reporting year, the Group acquired plant and equipment with an aggregate cost of S\$9,406,000 (30 June 2021: S\$3,108,000). Cash payments of S\$7,559,000 (2021: S\$3,108,000) were made during the year and S\$730,000 (2021: Nil) were reclassified from other non-financial assets and the remaining monies of S\$1,117,000 (2021: Nil) remains unpaid and is included in other payables.



**RE&S HOLDINGS LIMITED**

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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 effect on its financial position, financial performance of operations, cash flows and prospects for the foreseeable future. Management will continue to closely monitor the developments and the impact on their operations.

**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 2021.

#### ***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.



### 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 2021.

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><b>FY2022</b></u> <b>\$'000</b>	<u><b>FY2021</b></u> <b>\$'000</b>
<b>Revenue by segment:</b>		
FSR	81,216	76,769
QSR	73,619	51,064
Total	<u><b>154,835</b></u>	<u><b>127,833</b></u>



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

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

**A breakdown of sales:**

	Group		Increase/ (decrease) %
	FY2022 S\$'000	FY2021 S\$'000	
Sales reported for:			
(a) First half of the financial year	71,212	64,020	11.2%
(b) Second half of the financial year	83,623	63,813	31.0%
	154,835	127,833	
Operating profit after tax deducting non-controlling interests reported for			
(a) First half of the financial year	3,436	7,524	(54.3%)
(b) Second half of the financial year	6,015	1,966	206.0%
	9,451	9,490	

**3B. Profit or loss from continuing operations and reconciliations**

	<u>FSR</u> \$'000	<u>QSR</u> \$'000	<u>Unallocated</u> \$'000	<u>Elimination</u> \$'000	<u>Total</u> \$'000
<b><u>2H FY2022</u></b>					
<b>Revenue by segment</b>					
Total revenue by segment	44,206	39,417	-	-	83,623
Inter-segment sales	-	3,655	-	(3,655)	-
Total revenue	44,206	43,072	-	(3,655)	83,623
<b>Recurring EBITDA</b>					
Depreciation	15,614	13,124	(6,200)	-	22,538
Finance costs	(6,137)	(5,993)	(1,517)	-	(13,647)
ORBT	(710)	(629)	(50)	-	(1,389)
Income tax income	-	-	(1,487)	-	(1,487)
Profit, net of income tax	-	-	(1,487)	-	6,015

	<u>FSR</u> \$'000	<u>QSR</u> \$'000	<u>Unallocated</u> \$'000	<u>Elimination</u> \$'000	<u>Total</u> \$'000
<b><u>FY2022</u></b>					
<b>Revenue by segment</b>					
Total revenue by segment	81,216	73,619	-	-	154,835
Inter-segment sales	-	6,919	-	(6,919)	-
Total revenue	81,216	80,538	-	(6,919)	154,835
<b>Recurring EBITDA</b>					
Depreciation	29,235	23,911	(12,150)	-	40,996
Finance costs	(12,121)	(11,892)	(2,692)	-	(26,705)
ORBT	(1,517)	(1,375)	(96)	-	(2,988)
Income tax income	-	-	(1,852)	-	(1,852)
Profit, net of income tax	-	-	(1,852)	-	9,451



**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
<b>2H FY2021</b>					
<b>Revenue by segment</b>					
Total revenue by segment	35,830	27,983	–	–	63,813
Inter-segment sales	–	3,278	–	(3,278)	–
Total revenue	<u>35,830</u>	<u>31,261</u>	<u>–</u>	<u>(3,278)</u>	<u>63,813</u>
<b>Recurring EBITDA</b>					
Depreciation	12,627	8,541	(4,769)	–	16,399
Finance costs	(6,344)	(5,281)	(1,161)	–	(12,786)
ORBT	(793)	(622)	(45)	–	(1,460)
Income tax income	–	–	(187)	–	2,153
Profit, net of income tax	<u>–</u>	<u>–</u>	<u>(187)</u>	<u>–</u>	<u>(187)</u>
					<u>1,966</u>
<b>FY2021</b>					
<b>Revenue by segment</b>					
Total revenue by segment	76,769	51,064	–	–	127,833
Inter-segment sales	–	6,429	–	(6,429)	–
Total revenue	<u>76,769</u>	<u>57,493</u>	<u>–</u>	<u>(6,429)</u>	<u>127,833</u>
<b>Recurring EBITDA</b>					
Depreciation	31,965	16,562	(9,119)	–	39,408
Finance costs	(13,485)	(9,758)	(2,302)	–	(25,545)
ORBT	(1,735)	(1,153)	(98)	–	(2,986)
Income tax income	–	–	(1,387)	–	10,877
Profit, net of income tax	<u>–</u>	<u>–</u>	<u>(1,387)</u>	<u>–</u>	<u>(1,387)</u>
					<u>9,490</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 FY2022 and FY2022	<u>51,580</u>	<u>54,651</u>	<u>26,476</u>	<u>132,707</u>
2H FY2021 and FY2021	<u>62,031</u>	<u>45,626</u>	<u>22,930</u>	<u>130,587</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 FY2022 and FY2022	<u>41,535</u>	<u>39,887</u>	<u>11,573</u>	<u>92,995</u>
2H FY2021 and FY2021	<u>47,694</u>	<u>33,493</u>	<u>13,033</u>	<u>94,220</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 FY2022	<u>656</u>	<u>2,715</u>	<u>826</u>	<u>4,197</u>
FY2022	<u>1,806</u>	<u>5,931</u>	<u>1,669</u>	<u>9,406</u>
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>

**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.



**5. Income tax – Group**

	<b>Group</b>			
	<u>2H FY2022</u>	<u>2H FY2021</u>	<u>FY2022</u>	<u>FY2021</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<u>Current tax expense:</u>				
Current tax expense	1,194	180	1,553	1,329
Under adjustments to current tax in respect of prior periods	–	–	–	65
Withholding tax	10	7	16	14
Subtotal	<u>1,204</u>	<u>187</u>	<u>1,569</u>	<u>1,408</u>
<u>Deferred tax expense / (benefit):</u>				
Deferred tax income	293	–	293	(116)
(Over) Under provision to deferred tax in respect of prior periods	(10)	–	(10)	95
Subtotal	<u>283</u>	<u>–</u>	<u>283</u>	<u>(21)</u>
Total income tax expense	<u>1,487</u>	<u>187</u>	<u>1,852</u>	<u>1,387</u>

**6. Dividends on equity shares**

	<b>Group and Company</b>			
	<u>Rate per share – dollars</u>			
	<u>FY2022</u>	<u>FY2021</u>	<u>FY2022</u>	<u>FY2021</u>
			<u>\$'000</u>	<u>\$'000</u>
<u>Ordinary Shares</u>				
Interim and tax exempt (one-tier) dividend	0.0085	0.0085	3,009	3,009
Final tax exempt (one-tier) dividend	0.0085	–	3,009	–
Total dividend paid during the year	<u>0.0170</u>	<u>0.0085</u>	<u>6,018</u>	<u>3,009</u>

**7. Earnings per share**

	<b>Group</b>			
	<u>2H FY2022</u>	<u>2H FY2021</u>	<u>FY2022</u>	<u>FY2021</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<u>Numerator</u>				
Profit attributable to owners of the Company, net of income tax	<u>6,015</u>	<u>1,975</u>	<u>9,451</u>	<u>9,478</u>
	'000	'000	'000	'000
<u>Denominator</u>				
Weighted average number of equity shares: At beginning and end of the year	<u>354,000</u>	<u>354,000</u>	<u>354,000</u>	<u>354,000</u>
	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>
Basic and diluted earnings per share (cents)	<u>1.7</u>	<u>0.6</u>	<u>2.7</u>	<u>2.7</u>

The basic and diluted earnings 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
<b><u>Cost:</u></b>			
At 1 July 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
Additions	–	9,406	9,406
Disposals	–	(8,070)	(8,070)
Foreign exchange adjustments	–	(77)	(77)
At 30 June 2022	<b>19,505</b>	<b>64,149</b>	<b>83,654</b>
<b><u>Accumulated depreciation:</u></b>			
At 1 July 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
Depreciation for the year	707	5,629	6,336
Disposals	–	(7,700)	(7,700)
Foreign exchange adjustments	–	(76)	(76)
At 30 June 2022	<b>5,528</b>	<b>45,926</b>	<b>51,454</b>
<b><u>Carrying amount:</u></b>			
At 1 July 2020	<b>15,391</b>	<b>17,182</b>	<b>32,573</b>
At 30 June 2021	<b>14,684</b>	<b>14,817</b>	<b>29,501</b>
At 30 June 2022	<b>13,977</b>	<b>18,223</b>	<b>32,200</b>

The leasehold property is mortgaged as security for the bank facilities (see Note 14).

During the six months ended 30 June 2022, the Group acquired plant and equipment amounting to \$4,197,000 (30 June 2021: \$2,193,000) and disposed of plant and equipment amounting to \$2,480,000 (30 June 2021: \$606,000).



**9. Right-of-use of assets**

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

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

	<b><u>Restaurant premises</u></b>	
	<b><u>FY2022</u></b>	<b><u>FY2021</u></b>
Number of right-to-use assets	43	40
Remaining term – range (years)	1.0 to 5.4	1.0 to 8.3
Remaining term – average (years)	<u>3.2</u>	<u>4.6</u>

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).



**10. Trade and other receivables, current**

	<b>Group</b>	
	<b>FY2022</b>	<b>FY2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<u>Trade receivables:</u>		
Outside parties	1,744	1,612
Net trade receivables – subtotal	<u>1,744</u>	<u>1,612</u>
<u>Other receivables:</u>		
Outside parties	42	167
Rental remission and property tax rebates from landlord	–	129
Net other receivables – subtotal	<u>42</u>	<u>296</u>
Total trade and other receivables	<b><u>1,786</u></b>	<b><u>1,908</u></b>

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 financial assets, current**

	<b>Group</b>	
	<b>FY2022</b>	<b>FY2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Financial assets at FVTPL, current (Note 11A)	4,165	–
Gain on forward foreign exchange contracts	13	–
	<b><u>4,178</u></b>	<b><u>–</u></b>

**11A Financial assets at FVTPL**

	<b>Group</b>	
	<b>FY2022</b>	<b>FY2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Movements during the year:		
Fair value at beginning of the year	–	–
Additions	6,953	–
Disposals	(1,669)	–
Loss on disposals through profit or loss	(276)	–
Decrease in fair value through profit or loss	(843)	–
	<b><u>4,165</u></b>	<b><u>–</u></b>

**12. Other non-financial assets**

	<b>Group</b>	
	<b>FY2022</b>	<b>FY2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Deposits to secure services	5,793	5,280
Deposits for renovation of outlets	842	910
Prepayments	1,003	846
	<b><u>7,638</u></b>	<b><u>7,036</u></b>
Presented in condensed interim statements of financial position:		
Non-current	4,532	3,767
Current	3,106	3,269
	<b><u>7,638</u></b>	<b><u>7,036</u></b>



**13. Share capital**

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

The Company did not hold any treasury shares as at 30 June 2022 and 30 June 2021.

There has been no change in the issued and paid-up share capital of the Company since 31 December 2021.

There were no subsidiary holdings, treasury shares or outstanding convertibles as at 30 June 2022 and 30 June 2021.

**14. Other financial liabilities**

	<u>Group</u>	
	<u>FY2022 \$'000</u>	<u>FY2021 \$'000</u>
<b><u>Non-current:</u></b>		
<b><u>Financial instruments with floating interest rates:</u></b>		
Bank loan (secured)	6,529	7,462
Non-current	<u>6,529</u>	<u>7,462</u>
<b><u>Current:</u></b>		
<b><u>Financial instruments with floating interest rates:</u></b>		
Bank loan (secured)	940	921
Current	<u>940</u>	<u>921</u>
Total	<u><b>7,469</b></u>	<u><b>8,383</b></u>
<b><u>The non-current portion is repayable as follows:</u></b>		
Due within 2 to 5 years	3,845	3,768
After 5 years	2,684	3,694
Total non-current portion	<u><b>6,529</b></u>	<u><b>7,462</b></u>

The range of floating rate interest rates were as follows:

	<u>Group</u>	
	<u>FY2022 %</u>	<u>FY2021 %</u>
Bank loan (secured)	<u>1.14 to 1.35</u>	<u>1.08 to 1.25</u>

The term loan are secured by legal mortgage over the Group's property and a corporate guarantee by the Company. The loan is repayable over 120 monthly instalments commencing April 2020.



## 15. Lease liabilities

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

	<b>Group</b>	
	<b><u>FY2022</u></b>	<b><u>FY2021</u></b>
	<b>\$'000</b>	<b>\$'000</b>
Lease liabilities, current	19,328	19,639
Lease liabilities, non-current	44,765	48,813
	<b><u>64,093</u></b>	<b><u>68,452</u></b>

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

	<b>Group</b>	
	<b><u>FY2022</u></b>	<b><u>FY2021</u></b>
	<b>\$'000</b>	<b>\$'000</b>
Total lease liabilities at beginning of reporting year	68,452	81,504
Additions	3,278	7,251
Remeasurement	12,695	(872)
Accretion of interest	2,892	2,888
Lease payments – principal portion paid	(23,214)	(22,263)
Foreign exchange adjustments	(10)	(56)
Total lease liabilities at end of reporting year	<b><u>64,093</u></b>	<b><u>68,452</u></b>

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 2022; (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 \$1,921,000 (30 June 2021: \$1,712,000).

## 16. Trade and other payables

	<b>Group</b>	
	<b><u>FY2022</u></b>	<b><u>FY2021</u></b>
	<b>\$'000</b>	<b>\$'000</b>
<b><u>Trade payables:</u></b>		
Outside parties	8,273	5,629
Accrued liabilities	6,850	5,576
Trade payables – subtotal	<u>15,123</u>	<u>11,205</u>
<b><u>Other payables:</u></b>		
Outside parties	2,206	1,530
Other payables – subtotal	<u>2,206</u>	<u>1,530</u>
<b>Total trade and other payables</b>	<b><u>17,329</u></b>	<b><u>12,735</u></b>



**17. Net asset value**

	<u>Group</u>		<u>Company</u>	
	<u>FY2022</u> cents	<u>FY2021</u> cents	<u>FY2022</u> cents	<u>FY2021</u> cents
Net asset value per share based on existing issued share capital as at the respective dates	<u>11.2</u>	<u>10.3</u>	<u>10.2</u>	<u>10.2</u>

The net asset value per ordinary share of the Group and the Company as at 30 June 2022 were calculated based on the total issued number of ordinary shares (excluding treasury shares) of 354,000,000 (30 June 2021: 354,000,000).

**18. 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>FY2022</u> \$'000	<u>FY2021</u> \$'000
Commitments to purchase plant and equipment	<u>453</u>	<u>898</u>

**19. 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>FY2022</u> \$'000	<u>FY2021</u> \$'000
<u>Financial assets:</u>		
Financial assets at amortised cost	26,381	27,786
Financial assets at FVTPL	4,178	–
	<u>30,559</u>	<u>27,786</u>
<u>Financial liabilities:</u>		
Financial liabilities at amortised cost	<u>88,891</u>	<u>89,570</u>

**20. 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 to this set of interim financial statements.

**21. 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 FY2022 compared to 2H FY2021**

##### Revenue

The Group's revenue increased in 2H FY2022 compared with 2H FY2021, 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 removal of COVID-19 social distancing restrictions in Singapore, which resulted in the reinstatement of seats for dine-in customers to maximise dine-in capacity, while the revenue for QSR increased mainly due to opening of new outlets in 1H FY2022.

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

##### Raw materials and consumables used

Raw materials and consumables used (taking into account the changes in closing inventories) were 28.6% and 27.6% of total revenue for 2H FY2022 and 2H FY2021 respectively. The raw materials and consumables were impacted by global supply disruption which drove up costs and higher food costs as a result of inflation in 2H FY2022.

##### Other operating income

Other operating income decreased mainly due to the tapering off of government and landlords' support in relation to COVID-19 pandemic, amounting to approximately S\$1.4 million.

##### Employee benefits expense

The Group's employee benefits expense increased in 2H FY2022 compared to 2H FY2021 which was primarily attributed to the increase in hiring of staff due to the opening of new outlets. The Group's employee benefits expense represented 32.2% and 36.7% of total revenue for 2H FY2022 and 2H FY2021 respectively. The decrease in employee benefits expense as a percentage of total revenue was mainly due to removal of social distancing restrictions in relation to COVID-19, which led to labour optimisation as existing staff can now serve the increased capacity.

##### Operating lease expenses

Operating lease expenses remains relatively constant at S\$0.7 million and S\$0.8 million in 2H FY2022 and 2H FY2021 respectively.

##### Utilities expenses

Utilities expenses increased mainly due to an increase in the electricity tariff in 2H FY2022.

##### Depreciation expense

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

##### Other operating expenses

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



**Consolidated Statement of Comprehensive Income (cont'd)**  
**2H FY2022 compared to 2H FY2021**

Other expenses – Non-operating

Other expenses - non-operating increased in 2H FY2022 mainly due to unrealised loss in investments at fair value through profit or loss (“**FVTPL**”) amounting to S\$0.8 million.

Finance costs

Finance costs remained relatively constant for 2H FY2022 and 2H FY2021 respectively.

Profit before income tax

As a result of the above, profit before tax increased approximately S\$5.3 million, from a profit before tax of S\$2.2 million in 2H FY2021 to S\$7.5 million in 2H FY2022.

Income tax expense

Income tax expense increased by approximately S\$1.3 million, mainly due to a more profitable position in 2H FY2022 compared to 2H FY2021.

Profit, net of income tax

As a result of the foregoing, the Group recorded a profit after tax of S\$6.0 million in 2H FY2022.

**FY2022 compared to FY2021**

Revenue

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

Revenue from FSR increased by 5.8% from S\$76.8 million in FY2021 to S\$81.2 million in FY2022 mainly due to removal of COVID-19 social distancing restrictions in Singapore, which resulted in the reinstatement of seats for dine-in customers to maximise dine-in capacity. Revenue from QSR increased by 44.2% from S\$51.1 million in FY2021 to S\$73.6 million in FY2022 mainly due to opening of new outlets in 1H FY2022.

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

The Group has made a reclassification adjustment relating to commission expenses paid to delivery platforms of S\$3.9 million from revenue to other operating expenses for the comparative figures as the Group has determined that this is more comparable with market practice. Accordingly, 2H FY2022 and 2H FY2021 revenue and other operating expenses has also been reclassified for comparison purposes.

Raw materials and consumables used

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

Other operating income

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

Employee benefits expense

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

Operating lease expenses

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





**Consolidated Statement of Comprehensive Income (cont'd)**  
**FY2022 compared to FY2021**

Utilities expenses

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

Depreciation expense

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

Other operating expenses

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

Other expenses – Non-operating

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

Finance costs

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

Profit before income tax

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

Income tax expense

Income tax expense increased by approximately S\$0.5 million, though profit before tax remained relatively constant, mainly due to the decrease in government grants – Job Support Scheme which is a non-taxable income.

Profit, net of income tax

As a result of the foregoing, the Group recorded a profit after tax of S\$9.5 million in FY2022.

**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 2022 and 30 June 2021.***

Non-current assets

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

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

Current assets

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

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



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

#### Non-current liabilities

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

#### Current liabilities

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

#### Negative working capital

As at 30 June 2022, the Group had a negative working capital of approximately S\$1.4 million due to the lease liabilities classified as current. Excluding lease liabilities of approximately S\$19.3 million, the Group had a positive working capital of S\$17.9 million as of 30 June 2022. 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\$42.1 million in FY2022, mainly due to operating cash flows before changes in the working capital of S\$42.0 million, net working capital inflows of S\$1.7 million and income taxes paid of S\$1.5 million. The net working capital inflows were mainly due to (i) an increase in trade payables of S\$3.5 million; (ii) a decrease in trade and other receivables, current of S\$0.1 million; partially offset by (iii) a increase in other non-financial assets of S\$0.5 million; (iv) an increase in inventories of S\$0.5 million; and (v) a decrease in other non-financial liabilities of S\$0.9 million.

The Group's net cash used in investing activities was S\$13.7 million in FY2022, mainly attributable to (i) the purchase of plant and equipment amounting to S\$9.4 million; (ii) investment in securities of S\$7.0 million; and partially offset by (i) disposal of other financial assets of S\$1.7 million.

The Group's net cash flows used in financing activities was S\$29.7 million in FY2022, mainly due to (i) repayment of bank borrowings of S\$0.9 million; (ii) lease payment of S\$22.7 million; (iii) dividend paid of S\$6.0 million and (iv) interest of S\$0.1 million paid.

As a result, cash and cash equivalents decreased by S\$1.3 million in FY2022.

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

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

**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 ("F&B") industry in Singapore is enjoying improved customer traffic from the relaxation of COVID-19 restrictions. However, the operating environment of F&B industry is increasingly challenging. Besides facing challenges from supply chain disruptions, F&B players have to deal with surging raw material and operating costs due to rising inflation. Manpower shortages and high labour costs will continue to persist which are expected to plague the F&B sector.

The Group will continue to monitor the rapidly evolving business landscapes and deliver on its growth strategies and productivity initiatives. Barring unforeseen circumstances, the Group is cautiously optimistic of achieving satisfactory financial performance for FY2023.



**4. Dividend information**

**(a) Whether an interim/final ordinary dividend has been declared/recommended; and**

Yes. In view of the Group's performance for FY2022, the directors are pleased to propose a tax exempt one-tier final cash dividend of 0.85 Singapore cent per share (2021: 0.85 cent) in respect of the year ended 30 June 2022, which is subject to the approval of the shareholders of the Company at the forthcoming annual general meeting to be convened in due course.

**(b) Amount per share (cents)**

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

**(c) Corresponding period of the immediate preceding financial year**

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

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

**(d) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

The proposed dividend is one-tier tax exempt.

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

To be announced later.

**(f) 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 ("IPT"). There were no IPT of S\$100,000 and above for the current financial year reported on.

**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 Catalyst 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 Catalyst Listing Manual.



**RE&S HOLDINGS LIMITED**

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

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 FY2022 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**

During 2H FY2022, the Company did not incorporate or acquire any shares resulting in any company becoming a subsidiary and/or associated company or increase its shareholdings in any subsidiary. The Company also did not dispose any shares resulting in a company ceasing to be a subsidiary or associated company or decreasing its shareholding percentage in any subsidiary.

9. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-**

Please refer to Note 6 of "Notes to the Condensed Interim Financial Statements".

10. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.**

Please refer to Section 1 of "Other information required by Catalist Rule Appendix 7C".

**For and on behalf of the Board**

**Foo Kah Lee**  
**Executive Director and CEO**  
**Date: 29 August 2022**

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 "**Exchange**") and the Exchange 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.

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