



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

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## Unaudited Financial Statements

### For the third quarter ended 31 March 2019

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

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the Rules of Catalist. The Sponsor has not verified the contents of this announcement.

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

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

#### **Background**

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

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

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

For the purpose of this announcement, the results of the Group for the third quarter ended 31 March 2019 (“**3Q FY2019**”) with the comparative results of the Group for the third quarter ended 31 March 2018 (“**3Q FY2018**”) and the nine-month period ended 31 March 2019 (“**9M FY2019**”) with the comparative results of the Group for the nine-month period ended 31 March 2018 (“**9M FY2018**”) have been prepared on the assumption that the group structure following the completion of the Restructuring Exercise has been in place since 1 July 2017.

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

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

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

	Group			Group		
	Unaudited	Unaudited	Increase / (decrease)	Unaudited	Unaudited	Increase / (decrease)
	3Q FY2019	3Q FY2018		9M FY2019	9M FY2018	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	35,507	35,290	0.6%	107,390	106,964	0.4%
Raw materials and consumables used	(9,655)	(9,685)	(0.3%)	(29,510)	(29,654)	(0.5%)
Changes in inventories of finished goods	(363)	(69)	426.1%	(44)	328	N.M.
Other operating income	775	533	45.4%	1,998	806	147.9%
Employee benefits expense	(12,421)	(12,599)	(1.4%)	(37,120)	(37,189)	(0.2%)
Operating lease expenses	(6,356)	(6,268)	1.4%	(19,287)	(18,527)	4.1%
Utilities expenses	(1,089)	(1,004)	8.5%	(3,306)	(3,004)	10.1%
Depreciation expense	(2,021)	(2,153)	(6.1%)	(6,235)	(6,369)	(2.1%)
Other operating expenses	(2,340)	(2,284)	2.5%	(6,929)	(6,808)	1.8%
Other expenses – Non-operating	(297)	(282)	5.3%	(2,022)	(2,149)	(5.9%)
Finance costs	(73)	(85)	(14.1%)	(212)	(276)	(23.2%)
<b>Profit before tax</b>	<b>1,667</b>	<b>1,394</b>	<b>19.6%</b>	<b>4,723</b>	<b>4,122</b>	<b>14.6%</b>
Income tax expense	(423)	(535)	(20.9%)	(1,328)	(1,490)	(10.9%)
<b>Profit net of income tax</b>	<b>1,244</b>	<b>859</b>	<b>44.8%</b>	<b>3,395</b>	<b>2,632</b>	<b>29.0%</b>
<b><u>Other comprehensive income:</u></b>						
Item that may be reclassified subsequently to profit or loss:						
Exchange differences on translating foreign operations, net of tax						
	(8)	27	N.M.	8	40	(80.0%)
<b>Total comprehensive income</b>	<b>1,236</b>	<b>886</b>	<b>39.5%</b>	<b>3,403</b>	<b>2,672</b>	<b>27.4%</b>
Profit attributable to owners of the company, net of income tax	<b>1,262</b>	<b>859</b>	<b>46.9%</b>	<b>3,413</b>	<b>2,632</b>	<b>29.7%</b>
Loss attributable to non-controlling interest, net of income tax	(18)	-	N.M.	(18)	-	N.M.
<b>Profit net of income tax</b>	<b>1,244</b>	<b>859</b>	<b>44.8%</b>	<b>3,395</b>	<b>2,632</b>	<b>29.0%</b>

N.M.: Not Meaningful

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

**Consolidated Statements Of Profit Or Loss And Other Comprehensive Income (cont'd)**

	Group			Group		
	Unaudited	Unaudited	Increase /	Unaudited	Unaudited	Increase /
	3Q FY2019	3Q FY2018	(decrease)	9M FY2019	9M FY2018	(decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Total comprehensive income attributable to owners of the Company	1,254	886	41.5%	3,421	2,672	28.0%
Total comprehensive loss attributable to non-controlling interest	(18)	-	N.M.	(18)	-	N.M.
<b>Total comprehensive income</b>	<b>1,236</b>	<b>886</b>	<b>39.5%</b>	<b>3,403</b>	<b>2,672</b>	<b>27.4%</b>

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

	Group			Group		
	Unaudited	Unaudited	Increase/	Unaudited	Unaudited	Increase/
	3Q FY2019	3Q FY2018	(decrease)	9M FY2019	9M FY2018	(decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Government grant	(477)	(454)	5.1%	(684)	(620)	10.3%
Other income - compensation received	(235)	-	N.M.	(1,193)	-	N.M.
Depreciation expense	2,021	2,153	(6.1%)	6,235	6,369	(2.1%)
Plant and equipment written off	1	8	(87.5%)	976	392	149.0%
Initial public offering ("IPO") expenses	-	61	N.M.	-	1,066	N.M.
Listing expenses	11	17	(35.3%)	73	17	329.4%
Gain for disposal of plant & equipment	(0)*	(22)	N.M.	(0)*	(22)	N.M.
Under adjustment to tax	-	203	N.M.	-	-	N.M.

N.M.: Not Meaningful

\* - Less than S\$1,000

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

**Consolidated Statements of Financial Position**

	Group		Company	
	Unaudited	Audited	Unaudited	Audited
	31.03.2019	30.06.2018	31.03.2019	30.06.2018
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	35,333	39,937	-	-
Investment in subsidiaries	-	-	21,738	21,636
Other receivables, non-current	-	-	10,671	10,671
Other assets, non-current	4,941	3,980	-	-
Total non-current assets	40,274	43,917	32,409	32,307
<b>Current assets</b>				
Inventories	2,632	2,676	-	-
Trade and other receivables, current	2,784	1,503	2,337	5,363
Other assets, current	1,680	2,878	26	8
Cash and cash equivalents	17,631	13,525	1,736	221
Total current assets	24,727	20,582	4,099	5,592
<b>Total assets</b>	65,001	64,499	36,508	37,899
<b>Equity and liabilities</b>				
Share capital	32,307	32,307	32,307	32,307
Merger reserve <sup>(1)</sup>	(18,149)	(18,149)	-	-
Retained earnings	23,487	21,490	2,262	3,575
Foreign currency translation reserve	(40)	(48)	-	-
<b>Equity attributable to owners of the parent</b>	37,605	35,600	34,569	35,882
Non-controlling interest	80	-	-	-
Total equity	37,685	35,600	34,569	35,882
<b>Non-current liabilities</b>				
Deferred tax liabilities	1,608	1,608	-	-
Provision, non-current	1,722	1,799	-	-
Other financial liabilities, non-current	10,467	10,971	-	-
Total non-current liabilities	13,797	14,378	-	-

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

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

	Group		Company	
	Unaudited	Audited	Unaudited	Audited
	31.03.2019	30.06.2018	31.03.2019	30.06.2018
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Current liabilities</b>				
Income tax payable	1,582	1,734	31	5
Trade and other payables	11,041	10,951	1,908	2,012
Other financial liabilities, current	690	1,735	-	-
Other liabilities	206	101	-	-
<b>Total current liabilities</b>	<b>13,519</b>	<b>14,521</b>	<b>1,939</b>	<b>2,017</b>
<b>Total liabilities</b>	<b>27,316</b>	<b>28,899</b>	<b>1,939</b>	<b>2,017</b>
<b>Total equity and liabilities</b>	<b>65,001</b>	<b>64,499</b>	<b>36,508</b>	<b>37,899</b>

Note:

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

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

	Group		Group	
	Unaudited		Audited	
	31.03.2019		30.06.2018	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
(A) Amount repayable in one year or less, or on demand;	690	-	1,735	-
(B) Amount repayable after one year	10,467	-	10,971	-
	<u>11,157</u>	<u>-</u>	<u>12,706</u>	<u>-</u>

**Details of any collaterals:**

The banking facilities of the Group as at 31 March 2019 comprise short term and long term loans. These facilities are secured by:

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

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

**Consolidated Statement of Cash Flows**

	Group		Group	
	Unaudited	Unaudited	Unaudited	Unaudited
	3Q FY2019	3Q FY2018	9M FY2019	9M FY2018
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from operating activities:</b>				
Profit before tax	1,667	1,394	4,723	4,122
Adjustments for:				
Interest income	(8)	(11)	(25)	(23)
IPO expense	-	61	-	1,066
Interest expense	73	85	212	276
Plant and equipment written off	1	8	976	392
Depreciation of property, plant and equipment	2,021	2,153	6,235	6,369
Gain on disposal of plant and equipment	(0)*	(22)	(0)*	(22)
Net effect of exchange rate changes in consolidating foreign operations	(8)	13	15	26
Operating cash flows before changes in working capital	3,746	3,681	12,136	12,206
Inventories	363	(183)	44	(328)
Trade and other receivables, current	(1,127)	293	(1,281)	(1,021)
Reinstatement cost utilised	15	81	(77)	(13)
Trade and other payables, current	(327)	4	90	(1,014)
Other assets, current	295	256	1,198	828
Other liabilities	111	(3)	105	(10)
<b>Net cash flows from operations</b>	<b>3,076</b>	<b>4,129</b>	<b>12,215</b>	<b>10,648</b>
Income tax paid	(547)	(761)	(1,480)	(1,500)
<b>Net cash flows from operating activities</b>	<b>2,529</b>	<b>3,368</b>	<b>10,735</b>	<b>9,148</b>
<b>Cash flows from investing activities:</b>				
Purchase of plant and equipment	(658)	(1,103)	(2,614)	(5,587)
Disposal of plant and equipment	-	22	-	386
Other assets, non-current	(200)	82	(961)	242
Interest received	8	11	25	23
<b>Net cash flows used in investing activities</b>	<b>(850)</b>	<b>(988)</b>	<b>(3,550)</b>	<b>(4,936)</b>
<b>Cash flows from financing activities:</b>				
Decrease in other financial liabilities	(169)	(1,993)	(1,549)	(3,964)
IPO expense paid	-	(61)	-	(1,588)
Gross proceeds from issuance of new shares pursuant to IPO	-	-	-	11,880
Dividend paid	-	-	(1,416)	(4,000)
Capital contribution from a non-controlling interest	98	-	98	-
Interest paid	(73)	(85)	(212)	(276)
<b>Net cash flows (used in) from financing activities</b>	<b>(144)</b>	<b>(2,139)</b>	<b>(3,079)</b>	<b>2,052</b>
Net increase in cash and cash equivalents	1,535	241	4,106	6,264
Cash and cash equivalents at beginning of year	14,436	10,021	11,865	3,998
<b>Cash and cash equivalents at end of year</b>	<b>15,971</b>	<b>10,262</b>	<b>15,971</b>	<b>10,262</b>

\* - Less than S\$1,000

**Notes to Statement of Cash Flows:**

Cash and cash equivalents in the statement of financial position	17,631	10,424	17,631	10,424
Cash restriction in use over 3 months	(1,660)	(162)	(1,660)	(162)
<b>Cash and cash equivalents as shown above</b>	<b>15,971</b>	<b>10,262</b>	<b>15,971</b>	<b>10,262</b>

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

**Statements of Changes in Equity**

	Share capital S\$'000	Merger reserve S\$'000	Foreign currency translation reserve S\$'000	Retained earnings S\$'000	Attributable to parent S\$'000	Non- controlling interest S\$'000	Total equity S\$'000
<b>Group (Unaudited)</b>							
<b>Balance as at 1 July 2018</b>	32,307	(18,149)	(48)	21,490	35,600	-	35,600
Total comprehensive income for the period	-	-	12	704	716	-	716
<b>Balance as at 30 September 2018</b>	32,307	(18,149)	(36)	22,194	36,316	-	36,316
Total comprehensive income for the period	-	-	4	1,447	1,451	-	1,451
Dividends paid	-	-	-	(1,416)	(1,416)	-	(1,416)
<b>Balance as at 31 December 2018</b>	32,307	(18,149)	(32)	22,225	36,351	-	36,351
Total comprehensive income for the period	-	-	(8)	1,262	1,254	(18)	1,236
Capital contribution from a non-controlling interest	-	-	-	-	-	98	98
<b>Balance as at 31 March 2019</b>	32,307	(18,149)	(40)	23,487	37,605	80	37,685

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

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

	Share capital S\$'000	Merger reserve S\$'000	Foreign currency translation reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
<b>Group (Unaudited)</b>					
<b>Balance as at 1 July 2017</b>	2,800	-	(27)	21,922	24,695
Total comprehensive income for the period	-	-	25	686	711
<b>Balance as at 30 September 2017</b>	2,800	-	(2)	22,608	25,406
Total comprehensive income for the period	-	-	(13)	1,087	1,074
Issuance of shares pursuant to the acquisition of subsidiary as part of the restructuring exercise	20,949	-	-	-	20,949
Share swap pursuant to the restructuring exercise	(2,800)	(18,149)	-	-	(20,949)
Issuance of new shares pursuant to IPO	11,880	-	-	-	11,880
Capitalisation of IPO expenses	(522)	-	-	-	(522)
Dividends paid	-	-	-	(4,000)	(4,000)
<b>Balance as at 31 December 2017</b>	32,307	(18,149)	(15)	19,695	33,838
Total comprehensive income for the period	-	-	-	859	859
Foreign currency translation	-	-	27	-	27
<b>Balance as at 31 March 2018</b>	32,307	(18,149)	12	20,554	34,724



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

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

	Share capital S\$'000	Retained earnings S\$'000	Total equity S\$'000
<b><u>Company (Unaudited)</u></b>			
<b>Balance as at 1 July 2018</b>	32,307	3,575	35,882
Total comprehensive income for the period	-	32	32
<b>Balance as at 30 September 2018</b>	32,307	3,607	35,914
Total comprehensive income for the period	-	39	39
Dividends paid	-	(1,416)	(1,416)
<b>Balance as at 31 December 2018</b>	32,307	2,230	34,537
Total comprehensive income for the period	-	32	32
<b>Balance as at 31 March 2019</b>	32,307	2,262	34,569

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

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

	Share capital S\$'000	Retained earnings S\$'000	Total equity S\$'000
<b><u>Company (Unaudited)</u></b>			
<b>Balance as at 1 July 2017</b>	0*	-	0*
Total comprehensive income for the period	-	-	-
<b>Balance as at 30 September 2017</b>	0*	-	0*
Total comprehensive income for the period	-	(270)	(270)
Issuance of shares pursuant to the acquisition of subsidiary as part of the restructuring exercise	20,949	-	20,949
Issuance of new shares pursuant to IPO	11,880	-	11,880
Capitalisation of IPO expenses	(522)	-	(522)
<b>Balance as at 31 December 2017</b>	<u>32,307</u>	<u>(270)</u>	<u>32,037</u>
Total comprehensive income for the period	-	(504)	(504)
<b>Balance as at 31 March 2018</b>	<u>32,307</u>	<u>(774)</u>	<u>31,533</u>

\* - Less than S\$1,000

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

There has been no change in the Company's issued share capital since 31 December 2018.

The Company has no treasury shares or subsidiary holdings or convertible instruments as at 31 March 2019 and as at 31 March 2018.

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

	<b>Unaudited</b>	<b>Audited</b>
	<b>31.03.2019</b>	<b>30.06.2018</b>
Total number of issued shares	354,000,000	354,000,000

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

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

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

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

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

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

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

Not applicable as the figures have not been audited or reviewed by the Company's auditors.

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

Same as disclosed in Section 5 below, the accounting policies and methods of computation adopted in the financial statements for the reporting period are consistent with those disclosed in the most recently audited combined financial statements for the financial year ended 30 June 2018.

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

The Group has adopted all the applicable new and revised Singapore Financial Reporting Standards International ("SFRS(I)") and the related Interpretations ("SFRS(I)INT") that are mandatory for the accounting periods beginning on or after 1 July 2018. The adoption of these new and revised SFRS(I) and SFRS(I)INT did not result in any substantial change to the Group's and the Company's accounting policies and has no significant impact on the financial statements for the current financial reporting period.

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

	Group			
	Unaudited 3Q FY2019	Unaudited 3Q FY2018	Unaudited 9M FY2019	Unaudited 9M FY2018
<b><u>Earnings per share ("EPS")</u></b>				
Profit attributable to owners of the Company (S\$'000)	1,244	859	3,395	2,632
(i) Based on weighted average number of ordinary shares in issue ('000)	354,000	354,000	354,000	354,000 <sup>(1)</sup>
(ii) On a basic and diluted basis (Singapore cents per share)	0.35	0.24	0.96	0.74

Note:-

- (1) For comparatives purposes, the EPS for the respective financial periods have been computed based on the profit attributable to owners of the Company and share capital of 354,000,000 shares assuming that the Restructuring Exercise and the issuance of 54,000,000 new shares pursuant to the IPO had been completed as at 1 July 2017.

The basic and fully diluted earnings per share were the same as there were no dilutive ordinary shares in issue as at 31 March 2019 and 31 March 2018.

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

	Group		Company	
	31.03.2019	30.06.2018	31.03.2019	30.06.2018
Net asset value (" <b>NAV</b> ") (S\$'000)	37,685	35,600	34,569	35,882
Number of ordinary shares in issue ('000)	354,000	354,000	354,000	354,000
Net asset value per ordinary share (Singapore cents per share)	10.65	10.06	9.77	10.14

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

**Consolidated Statement of Comprehensive Income**  
**3Q FY2019 compared to 3Q FY2018**

	Group Unaudited		Increase/ (decrease) %	Group Unaudited		Increase/ (decrease) %
	3Q	3Q		9M	9M	
	FY2019 S\$'000	FY2018 S\$'000		FY2019 S\$'000	FY2018 S\$'000	
Full-Service Restaurants	24,665	25,474	(3.2%)	75,884	76,846	(1.3%)
Quick-Service Restaurants, Convenience and Others	10,842	9,816	10.5%	31,506	30,118	4.6%
	<u>35,507</u>	<u>35,290</u>		<u>107,390</u>	<u>106,964</u>	

**Revenue**

The Group's revenue increased by 0.6%, or approximately S\$0.2 million, from S\$35.3 million in 3Q FY2018 to S\$35.5 million in 3Q FY2019.

Revenue from Full-Service Restaurants segment declined by 3.2% or S\$0.8 million mainly attributable to (i) renovation of Kuriya Dining and Shimbashi Soba in 3Q FY2019; and (ii) closure of outlets at Great World City in 2Q FY2019, which was partially offset by the revenue from a newly opened Ichiban Boshi outlet in 4Q FY2018.

The revenue for Quick-Service Restaurants, Convenience and Others segment grew by 10.5% from S\$9.8 million in 3Q FY2018 to S\$10.8 million in 3Q FY2019 mainly due to contribution from the Group's concepts of Kuriya Japanese Market and Ichiban Bento.

**Raw materials and consumables used**

Raw materials and consumables used (taking into account the changes in closing inventories) as a percentage of revenue, slightly increased from 27.6% in 3Q FY2018 to 28.2% in 3Q FY2019. This was largely attributable to an increase in average raw material prices in 3Q FY2019 compared to 3Q FY2018.

**Other operating income**

Other operating income increased by 45.4%, or approximately S\$0.2 million from S\$0.5 million in 3Q FY2018 to S\$0.8 million in 3Q FY2019. This was mainly due to the compensation received for interim closure of an outlet at Great World City in relation to major enhancement works of the mall.

**Utilities expense**

Utilities expenses increased by 8.5%, or approximately S\$0.1 million, from S\$1.0 million in 3Q FY2018 to S\$1.1 million in 3Q FY2019. This was mainly due to (i) tariff hikes in utilities; and (ii) the opening of new outlets.

**Depreciation and amortisation expense**

Depreciation and amortisation expense decreased by 6.1%, or approximately S\$0.2 million from S\$2.2 million in 3Q FY2018 to S\$2.0 million in 3Q FY2019, mainly due to closure of outlets at Great World City in 2Q FY2019.

**Other expenses – Non-operating**

Other non-operating expenses remained constant at S\$0.3 million for 3Q FY2019 and 3Q FY2018.

**Finance costs**

Finance cost remained constant at approximately S\$0.1 million for 3Q FY2019 and 3Q FY2018.

**Profit before tax**

Profit before tax increased by 19.6% or approximately S\$0.3 million, from S\$1.4 million in 3Q FY2018 to S\$1.7 million in 3Q FY2019.

**Income tax expense**

Income tax expense decreased by 20.9%, or approximately S\$0.1 million, from S\$0.5 million in 3Q FY2018 to S\$0.4 million in 3Q FY2019. This was mainly due to an under-adjustment to tax amounting to S\$0.2 million in 3Q FY2018.

**Profit net of income tax**

As a result of the foregoing, the Group recorded a profit net of income tax of S\$1.2 million in 3Q FY2019, representing an increase of 44.8%, or approximately S\$0.4 million compared to S\$0.9 million in 3Q FY2018.

**Consolidated Statement of Comprehensive Income (cont'd)**  
**9M FY2019 compared to 9M FY2018**

**Revenue**

The Group's revenue increased by 0.4% or approximately S\$0.4 million, from S\$107.0 million in 9M FY2018 to S\$107.4 million in 9M FY2019.

Revenue from Full-Service Restaurants segment declined by 1.3% or S\$1.0 million mainly attributable to (i) renovation of Kuriya Dining and Shimbashi Soba in 3Q FY2019; and (ii) closure of outlets located at Great World City in 2Q FY2019 as impacted by the major enhancement works in the mall.

Revenue from Quick-Service Restaurants, Convenience and Others segment grew by 4.6% from S\$30.1 million in 9M FY2018 to S\$31.5 million in 9M FY2019 mainly due to contribution by the Group's concepts of Kuriya Japanese Market and Ichiban Bento.

**Raw materials and consumables used**

Raw materials and consumables used (taking into account the changes in closing inventories) remained constant at 27.5% and 27.4% of total revenue for 9M FY2019 and 9M FY2018 respectively.

**Other operating income**

Other operating income increased significantly from S\$0.8 million in 9M FY2018 to S\$2.0 million in 9M FY2019. This was mainly due to the compensation received from landlord for the outlets at Great World City in relation to major enhancement works of the mall. The compensation received amounted to approximately S\$1.2 million.

**Operating lease expense**

Operating lease expenses increased by 4.1%, or approximately S\$0.8 million, from S\$18.5 million in 9M FY2018 to S\$19.3 million in 9M FY2019, mainly attributable to operating lease expenses incurred for newly opened outlets in 4Q FY2018 and 1H FY2019.

**Utilities expenses**

Utilities expenses increased by 10.1%, or approximately S\$0.3 million, from S\$3.0 million in 9M FY2018 to S\$3.3 million in 9M FY2019. This was mainly due to (i) tariff hikes in utilities; and (ii) the opening of new outlets.

**Other expenses – Non-operating**

Other non-operating expenses decreased by 5.9%, or approximately S\$0.1 million, from S\$2.1 million in 9M FY2018 to S\$2.0 million in 9M FY2019. This was mainly attributed to one-off IPO expenses of S\$1.0m incurred in 1H FY2018, partially offset by an increase in (i) plant and equipment written off of S\$0.6 million; and (ii) professional fees of S\$0.2 million in 9M FY2019.

**Finance costs**

Finance cost fell slightly from S\$0.3 million in 9M FY2018 to S\$0.2 million in 9M FY2019, mainly due to repayment of a term loan.

**Profit before tax**

Profit before tax increased by 14.6%, or approximately S\$0.6 million, from S\$4.1 million in 9M FY2018 to S\$4.7 million in 9M FY2019.

**Income tax expense**

Income tax expense decreased by 10.9% or approximately S\$0.2 million, mainly due to non-tax deductibility of listing expenses in 9M FY2018.

**Profit net of income tax**

As a result of the foregoing, our profit net of income tax increased by 29.0% or approximately S\$0.8 million, from S\$2.6 million in 9M FY2018 to S\$3.4 million in 9M FY2019.

**Consolidated Statements of Financial Position**

***The comparative performance for both the assets and liabilities are based on the Group's financial statements as at 31 March 2019 and 30 June 2018.***

**Non-current assets**

The Group's non-current assets decreased by S\$3.6 million from S\$43.9 million as at 30 June 2018 to S\$40.3 million as at 31 March 2019 mainly due to a decrease in property, plant and equipment of S\$4.6 million. This was partially offset by an increase in the other assets, non-current of S\$1.0 million.

The decrease in property, plant and equipment was mainly due to the write off of renovation and fixtures for the closed outlets at Great World City and depreciation, partially offset by the acquisitions of new assets. Other assets, non-current increased by S\$1.0 million mainly due to refundable rental deposits placed with the lessors for both renewal of existing leases and new leases.

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

### **Current assets**

The Group's current assets increased by S\$4.1 million from S\$20.6 million as at 30 June 2018 to S\$24.7 million as at 31 March 2019. This was mainly due to (i) an increase in cash and cash equivalents of S\$4.1 million; (ii) an increase in trade debtors and other receivables, current of S\$1.3 million partially offset by (iii) a decrease in the other assets, current of S\$1.2 million.

The increase in cash and cash equivalents was mainly due to (i) the compensation received from the landlord for the interim closure of our outlets, (ii) refund of rental deposits amounting to S\$0.4 million being replaced with bankers' guarantee; and (iii) receipt of \$0.4 million for government grants. The increase in trade and other receivables was mainly due to higher sales and certain compensation amount due from the landlord, while the decrease in other asset, current was mainly attributable to the renewal of existing leases of more than a year.

### **Non-current liabilities**

The Group's non-current liabilities decreased by S\$0.6 million from S\$14.4 million as at 30 June 2018 to S\$13.8 million as at 31 March 2019 mainly due to the repayment of bank borrowings and the reversal of the reinstatement provision for the closed outlets in 2Q FY2019.

### **Current liabilities**

The Group's current liabilities decreased by S\$1.0 million from S\$14.5 million as at 30 June 2018 to S\$13.5 million as at 31 March 2019. This was mainly attributable to a decrease in financial liabilities of \$1.0 million due to the repayment of short-term loans.

## **Consolidated Statements of Cash Flows**

The Group's net cash flows generated from operating activities was S\$2.5 million in 3Q FY2019, mainly due to operating cash flows before changes in the working capital of S\$3.7 million, partially offset by net working capital outflows of S\$0.7 million and income taxes paid of S\$0.5 million. The net working capital outflows were due to (i) an increase in trade and other receivables, current of S\$1.1 million; (ii) a decrease in trade payables of S\$0.3 million; partially offset by (iii) a decrease in inventories of S\$0.4 million; and (iv) a decrease in other assets, current of \$0.3 million.

The Group's net cash flows used in investing activities during 3Q FY2019 amounted to S\$0.9 million, mainly attributable to (i) the renovation of existing outlets and the purchase of plant and equipment amounting to S\$0.7 million; and (ii) an increase in other assets, non-current of S\$0.2 million.

The Group's net cash flows used in financing activities was S\$0.1 million during 3Q FY2019, mainly due to (i) repayment of bank borrowing of S\$0.2 million and (ii) interest of S\$0.1 million paid to the bank partially offset by (iii) capital contribution by a non-controlling interest amounting to S\$0.1 million for a new subsidiary.

As a result, cash and cash equivalents increased by \$1.5 million in 3Q FY2019.

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

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

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

The Group expects to see continuous challenges within the F&B industry driven by new and current competitors in the market, continued manpower shortage and rising rental costs. Nonetheless, the Group remains focused in growing its businesses through developing new concepts and conducting constant reinvigoration of existing brands within the Group's two core segments especially on increasing the contribution from Quick-Service Restaurants, Convenience and Others segment. Strategic partnerships and joint ventures will also be explored when opportunities arise.

In connection with major enhancement works of Great World City mall, two outlets have been closed in early 4Q FY2019. The Group expects a decline in revenue resulting from these interim closures but do not expect the impact to be material for FY2019. The Group has entered into a new lease agreement to open new outlets in early 2020.

**11. Dividend**

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

None.

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

None.

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

Not applicable.

- (d) Books closure date.**

Not applicable.

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

No dividend has been declared or recommended for the financial period ended 31 March 2019. For prudency reason, the Board will review the dividend pay-out after the close of financial year.

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

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

**14. Utilisation of Proceeds from the IPO**

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

Use of proceeds from the Invitation	Allocated S\$'000	Utilised S\$'000	Balance S\$'000
Business expansion, through establishment of new F&B Outlets and/or suitable acquisitions, joint ventures or strategic alliances	7,000	4,228	2,772
Refurbishment and improvement of our existing F&B Outlets	2,000	1,660	340
For our general corporate and working capital requirements	1,357	1,357	-
For payment of underwriting and placement commissions as well as offering expenses	1,523	1,523	-
<b>Gross proceeds from the Invitation</b>	<b>11,880</b>	<b>8,768</b>	<b>3,112</b>

Note:

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

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



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

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

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

The Board of Directors of the Company confirms that to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements of the Company and the Group for 3Q FY2019 and 9M FY2019 to be false or misleading in any material aspect.

Yek Hong Liat John  
Executive Director and CEO

Hiroshi Tatara  
Executive Director and President

**By Order of the Board**

**Yek Hong Liat John**  
**Executive Director and CEO**  
**Date : 6 May 2019**

*This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the Rules of Catalist. The Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST. The SGX-ST and the Sponsor assume no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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