
Second Quarter Financial Statements and Dividend Announcement for the Period Ended 31 March 2021

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

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

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

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

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

	GROUP					
	Second Quarter ended 31 March		Increase (Decrease)	6 months ended 31 March		Increase (Decrease)
	2021	2020		2021	2020	
	\$	\$	%	\$	\$	%
Revenue	2,189,500	4,139,114	(47.1)	4,660,967	10,133,282	(54.0)
Other income	579,893	152,837	279.4	1,050,233	223,009	370.9
Raw materials and consumables used	(766,578)	(1,444,896)	(46.9)	(1,553,762)	(3,526,347)	(55.9)
Changes in inventories	25,912	51,177	(49.4)	(87,686)	113,314	(177.4)
Employee benefits expense	(1,726,485)	(2,410,088)	(28.4)	(3,488,717)	(4,989,029)	(30.1)
Rental income	229,172	213,652	7.3	301,314	213,652	41.0
Rental expense	(230,325)	(334,476)	(31.1)	(279,013)	(372,314)	(25.1)
Depreciation and amortisation expense	(900,098)	(1,504,275)	(40.2)	(2,073,134)	(2,785,357)	(25.6)
Impairment of other assets	-	(130,420)	N.M.	-	(130,420)	(100.0)
Other operating expenses	(747,567)	(1,019,693)	(26.7)	(1,465,399)	(2,292,404)	(36.1)
Finance costs	(84,217)	(100,042)	N.M.	(172,122)	(184,265)	(6.6)
Loss before income tax	(1,430,793)	(2,387,110)	(40.1)	(3,107,319)	(3,596,879)	(13.6)
Income tax	-	(21,154)	N.M.	-	(21,154)	N.M.
Loss for the period	(1,430,793)	(2,408,264)	(40.4)	(3,107,319)	(3,618,033)	(14.0)
Items that may be reclassified subsequently to profit or loss						
Exchange differences on translation of foreign operations	(10,022)	10,311	N.M.	(20,707)	6,246	(431.5)
Total comprehensive income for the period	(1,440,815)	(2,397,953)	(39.7)	(3,128,026)	(3,611,787)	(13.3)
Loss attributable to:						
Owners of the Company	(1,430,793)	(2,408,264)	(40.4)	(3,107,319)	(3,618,033)	(14.0)
Non-controlling interests	-	-	N.M.	-	-	N.M.
	(1,430,793)	(2,408,264)	(40.4)	(3,107,319)	(3,618,033)	(14.0)
Total comprehensive income attributable to:						
Owners of the Company	(1,440,815)	(2,397,953)	(39.7)	(3,128,026)	(3,611,787)	(13.3)
Non-controlling interests	-	-	N.M.	-	-	N.M.
	(1,440,815)	(2,397,953)	(39.7)	(3,128,026)	(3,611,787)	(13.3)
N.M.: Not meaningful						

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

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

	GROUP					
	Second Quarter ended 31 March		Increase (Decrease)	6 months ended 31 March		Increase (Decrease)
	2021	2020		2021	2020	
	\$	\$	%	\$	\$	%
Franchise fee income	(36,000)	(36,000)	-	(72,000)	(72,000)	-
JSS grant	(250,970)	-	N.M.	(614,903)	-	N.M.
Gain on lease modification	(192,400)	-	N.M.	(192,400)	-	N.M.
Depreciation and amortisation expense	900,098	1,504,275	(40.2)	2,073,134	2,785,357	(25.6)
Interest income	(1,102)	(23,920)	(95.4)	(2,482)	(50,264)	(95.1)
Interest expense	84,217	100,042	(15.8)	172,122	184,265	(6.6)
Income tax expense						
- Underprovision in respect to prior years	-	21,154	N.M.	-	21,154	(100.0)
Note:						
N.M.: Not meaningful						

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

	GROUP		COMPANY	
	31/03/2021	30/09/2020	31/03/2021	30/09/2020
	\$	\$	\$	\$
ASSETS				
Current assets				
Cash and bank balances	10,107,626	12,921,780	9,113,482	11,658,583
Trade and other receivables	1,438,598	1,153,213	758,561	718,325
Amount due from subsidiaries	-	-	3,460,765	2,778,865
Inventories	437,544	479,518	53,800	60,617
Grant receivables	208,020	380,086	124,573	283,218
Other assets	57,841	136,642	-	-
Total current assets	12,249,629	15,071,239	13,511,181	15,499,608
Non-current assets				
Other receivables	254,490	193,857	-	-
Intangible asset	530,730	564,971	-	-
Plant and equipment	2,696,741	3,063,455	1,114,224	1,188,392
Right-of-use assets	3,813,946	4,756,005	776,606	1,425,503
Deferred tax assets	6,049	-	-	-
Investment in subsidiaries	-	-	100,105	100,105
Total non-current assets	7,301,956	8,578,288	1,990,935	2,714,000
Total assets	19,551,585	23,649,527	15,502,116	18,213,608
LIABILITIES AND EQUITY				
Current liabilities				
Trade and other payables	4,496,169	5,216,427	2,105,822	2,527,257
Lease liabilities	2,528,741	3,264,757	732,304	1,523,439
Contract liabilities	265,974	271,153	-	-
Amount due to holding company	90,005	10,047	20,455	5,264
Loan and borrowings – current portion	3,131,133	1,465,528	3,131,133	1,465,528
Deferred grant Income	287,521	556,181	207,622	388,628
Provisions	351,818	265,341	203,591	223,897
Income tax payable	17,093	17,093	-	-
Total current liabilities	11,168,454	11,066,527	6,400,927	6,134,013
Non-current liabilities				
Provisions	70,000	150,808	-	38,808
Lease liabilities	2,195,910	2,811,945	87,806	302,156
Loan and borrowings	2,437,500	2,812,500	2,437,500	2,812,500
Total non-current liabilities	4,703,410	5,775,253	2,525,306	3,153,464
Capital, reserves and non-controlling interest				
Share capital	25,181,005	25,181,005	25,181,005	25,181,005
Capital reserve	(695,938)	(695,938)	2,063,751	2,063,751
Accumulated losses	(20,768,899)	(17,661,580)	(20,668,873)	(18,318,625)
Translation reserve	(36,447)	(15,740)	-	-
Equity attributable to owner of the company	3,679,721	6,807,747	6,575,883	8,926,131
Non-controlling interests	-	-	-	-
Total equity	3,679,721	6,807,747	6,575,883	8,926,131
Total liabilities and equity	19,551,585	23,649,527	15,502,116	18,213,608

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

Amount payable in one year or less or on demand

As at 31/03/2021		As at 30/09/2020	
Secured	Unsecured	Secured	Unsecured
\$	\$	\$	\$
-	3,131,133	-	1,465,528

Amount repayable after one year

As at 31/03/2021		As at 30/09/2020	
Secured	Unsecured	Secured	Unsecured
\$	\$	\$	\$
-	2,437,500	-	2,812,500

Details of any collaterals.

Excluded from the borrowings above are lease liabilities of \$4.72 million under SFRS(I) 16 arising from lease contracts for restaurant premises and office equipment used in its operations.

During the financial period ended 31 March 2021, a portion of the Group's cash and cash equivalents of the Group amounting to \$3.0 million has been earmarked by a bank in respect of loan facilities drawn down.

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

	GROUP			
	Second Quarter ended 31 March		Half year ended 31 March	
	2021	2020	2021	2020
	\$	\$	\$	\$
Operating activities				
Loss before income tax	(1,430,793)	(2,387,110)	(3,107,319)	(3,596,879)
Adjustments for:				
Depreciation and amortisation expense	900,098	1,504,275	2,073,134	2,785,357
Impairment of other assets	-	130,420	-	130,420
Gain on disposal of plant and equipment	(1,833)	(1,872)	(2,300)	(7,872)
Write-off of inventories	25	-	44,390	-
Gain on lease modification	(192,400)	-	(192,400)	-
Foreign exchange	(9,963)	16,659	(20,666)	14,111
Interest income	(1,102)	(23,920)	(2,482)	(50,264)
Interest expense	84,217	100,042	172,122	184,265
Operating cash flows before movements in working capital	(651,751)	(661,506)	(1,035,521)	(540,862)
Trade receivables and other receivables	(90,007)	368,733	(173,953)	190,184
Inventories	(83,184)	(26,085)	(2,416)	(43,444)
Other assets	39,400	84,913	78,801	110,635
Trade payables and other payables	(601,734)	222,925	(1,051,447)	(741,993)
Contract liabilities	-	207,105	(5,179)	75,239
Amount due to holding company	53,883	(53,928)	79,958	-
Provisions	5,669	40,000	5,669	26,524
Cash (used in) generated from operations	(1,327,724)	182,157	(2,104,088)	(923,717)
Income tax paid	(6,049)	(21,154)	(6,049)	(21,154)
Net cash (used in) from operating activities	(1,333,773)	161,003	(2,110,137)	(944,871)
Investing activities				
Purchase of plant and equipment	(67,849)	(724,620)	(93,569)	(1,676,391)
Deposits for purchase of plant and equipment	(43,100)	-	(43,100)	-
Proceeds from disposal of plant and equipment	2,300	328	2,300	3,627
Interest received	1,102	28,778	2,482	50,264
Net cash used in investing activities	(107,547)	(695,514)	(131,887)	(1,622,500)
Financing activities				
Proceeds from short-term loans	-	1,320,830	2,000,000	1,320,830
Repayment of short-term loans	(280,205)	-	(709,395)	-
Repayment of lease liabilities	(939,265)	(1,122,757)	(1,690,613)	(2,024,052)
Interest portion of lease liabilities	(49,848)	(94,665)	(110,185)	(178,888)
Interest paid on bank borrowings	(34,369)	(5,377)	(61,937)	(5,377)
Net cash (used in) from financing activities	(1,303,687)	98,031	(572,130)	(887,487)
Net decrease in cash and cash equivalents	(2,745,007)	(436,480)	(2,814,154)	(3,454,858)
Cash and cash equivalents at beginning of period	12,852,633	12,773,693	12,921,780	15,792,071
Cash and cash equivalents at end of period	10,107,626	12,337,213	10,107,626	12,337,213

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 period.

	GROUP				
	Share capital	Capital reserve	Translation reserve	Accumulated losses	Total
	\$			\$	\$
Balance at 1 October 2019	25,181,005	(695,938)	(15,426)	(7,549,435)	16,920,206
Effects of adopting SFRS (I) 16	-	-	-	(272,627)	(272,627)
Balance at 1 October 2019 (restated)	25,181,005	(695,938)	(15,426)	(7,822,062)	16,647,579
Total comprehensive loss for the period					
Loss for the period	-	-	-	(1,209,768)	(1,209,768)
Other comprehensive income	-	-	(4,065)	-	(4,065)
Total	-	-	(4,065)	(1,209,768)	(1,213,833)
Balance at 31 December 2019	25,181,005	(695,938)	(19,491)	(9,031,830)	15,433,746
Total comprehensive loss for the period					
Loss for the period	-	-	-	(2,408,264)	(2,408,264)
Other comprehensive income	-	-	10,311	-	10,311
Total	-	-	10,311	(2,408,264)	(2,397,953)
Balance at 31 March 2020	25,181,005	(695,938)	(9,180)	(11,440,094)	13,035,793
Balance at 1 October 2020	25,181,005	(695,938)	(15,740)	(17,661,580)	6,807,747
Total comprehensive loss for the period					
Loss for the period	-	-	-	(1,676,526)	(1,676,526)
Other comprehensive loss	-	-	(10,685)	-	(10,685)
Total	-	-	(10,685)	(1,676,526)	(1,687,211)
Balance at 31 December 2020	25,181,005	(695,938)	(26,425)	(19,338,106)	5,120,536
Total comprehensive loss for the period					
Loss for the period	-	-	-	(1,430,793)	(1,430,793)
Other comprehensive loss	-	-	(10,022)	-	(10,022)
Total	-	-	(10,022)	(1,430,793)	(1,440,815)
Balance at 31 March 2021	25,181,005	(695,938)	(36,447)	(20,768,899)	3,679,721

	COMPANY			
	Share capital	Capital reserve	Accumulated losses	Total
	\$	\$	\$	\$
Balance at 1 October 2019	25,181,005	2,063,751	(9,853,919)	17,390,837
Effects of adopting SFRS(I) 16	-	-	(145,091)	(145,091)
Balance at 1 October 2019 (restated)	25,181,005	2,063,751	(9,999,010)	17,245,746
Loss for the period, representing total comprehensive loss for the period	-	-	(1,089,572)	(1,089,572)
Balance at 31 December 2019	25,181,005	2,063,751	(11,088,582)	16,156,174
Loss for the period, representing total comprehensive loss for the period	-	-	(690,069)	(690,069)
Balance at 31 March 2020	25,181,005	2,063,751	(11,778,651)	15,466,105
Balance at 1 October 2020	25,181,005	2,063,751	(18,318,625)	8,926,131
Loss for the period, representing total comprehensive loss for the period	-	-	(1,410,887)	(1,410,887)
Balance at 31 December 2020	25,181,005	2,063,751	(19,729,512)	7,515,244
Loss for the period, representing total comprehensive loss for the period	-	-	(939,361)	(939,361)
Balance at 31 March 2021	25,181,005	2,063,751	(20,668,873)	6,575,883

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

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

As at 31 March 2021 and 30 September 2020, the Company's issued and paid-up capital was \$25,181,005.

There are no outstanding convertibles, shares held as treasury shares and subsidiary holdings as at 31 March 2021 and 30 September 2020.

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

	31/03/2021	30/9/2020
Number of shares held as treasury shares	-	-
Total no. of issued shares (excluding treasury shares)	462,392,475	462,392,475

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

There are no treasury shares held by the Company.

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

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

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

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

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

Not applicable.

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

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

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

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the annual financial statements for the financial year ended 30 September 2020 as well as applicable new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") which became effective for financial year beginning on or after 1 January 2020. The adoption of these new and revised SFRS(I)s has no material effect on the financial statements for the current period.

- 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.**

Pls refer to item 4 above.

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

	GROUP			
	Second Quarter ended 31 March		6 months ended 31 March	
	2021	2020	2021	2020
Earnings per ordinary share:-				
(a) Based on the weighted average number of ordinary shares in issue; and	-0.31 cents	-0.52 cents	-0.67 cents	-0.78 cents
(b) On a fully diluted basis	-0.31 cents	-0.52 cents	-0.67 cents	-0.78 cents

- 7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**

- (a) current financial period reported on; and
(b) immediately preceding financial year.

	GROUP		COMPANY	
	31/03/2021	30/9/2020	31/03/2021	30/9/2020
Net asset value per ordinary share based on existing issued share capital (cents)	0.80	1.47	1.42	1.93
No. of shares	462,392,475	462,392,475	462,392,475	462,392,475

- 8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

STATEMENT OF COMPREHENSIVE INCOME

Revenue

The Group's revenue of \$2.2 million for the 3 months period ended 31 March 2021 ("2Q2021") was lower by 47.1% as compared to \$4.1 million in the previous corresponding period ("2Q2020"). The seafood restaurants sales accounted for 38% of total revenue for 2Q2021 as compared to 61% in 2Q2020. Hotpot sales contributed to 36% of total revenue for 2Q2021 as compared to 17% in 2Q2020. Quick-serve restaurants contributed 21% of total revenue in for 2Q2021 as compared to 9% in 2Q2020. Beer business was significantly impacted in 2Q2021 as most of the outlets where its beer is distributed have been closed during the circuit breaker period and remained closed as of 31 March 2021.

For the first half year ended 31 March 2021 ("1H2021"), overall revenue of \$4.7 million was 54% lower as compared to \$10.1 million in the previous comparative period. Since February 2020 in 2Q2020, the topline has been impacted by the decline in number of customers when Singapore implemented travel entry restrictions on short term visitors into Singapore. Till the end of 1H2021, the Group's revenue continues to be impacted by the travel restrictions and safe distancing regulations implemented due to the COVID-19 pandemic as the outlets are not able to operate on the same level as prior to the onset of COVID-19 and the ongoing travel restrictions have significantly reduced the tourist footfall at our seafood outlets.

Other Income

Other income increased in 2Q2021 and 1H2021 due to the job support scheme ("JSS") grant funded by the Singapore Government amounting to \$251K in 2Q2021 and \$615K in 1H2021 and the recognition of a gain on lease modification of \$192K in 2Q2021 relating to modification / termination of right-of-use assets.

Raw materials and consumables used and changes in inventories

Total raw materials and consumables used and changes in inventories reduced by 46.9% in 2Q2021 and 51.9% in 1H2021 as compared to previous comparative periods due to a corresponding decrease in revenue.

Employee benefits expense, rental expense, and Other operating expenses

Employee benefits reduced by 28.4% in 2Q2021 and 30.1% in 1H2021, which is proportionately less than the reduction in revenue due to fixed staff costs.

Other operating expenses reduced by 26.7% in 2Q2021 and 36.1% in 1H2021, which is proportionately less than the reduction in revenue. The reduction of variable expenses was offset by an increase in expenses incurred for take-away foods packaging, purchase of cleaning and disinfectant materials, and purchase of protective equipment.

For comparison purpose, without considering the effects of SFRS(I) 16, rental expense would have decreased to \$867K in 2Q2021 (2Q2020: \$993K) and \$1.63 million in 1H2021 (1H2020: \$1.98 million) due to additional one-off rental concessions given from the landlords as a result of the COVID-19 pandemic and impact of the termination/expiry of leases during the periods.

Depreciation and amortisation expenses

The decrease in depreciation and amortisation expense to \$900K in 2Q2021 (2Q2020: \$1.5 million) and \$2.1 million in 1H2021 (1H2020: \$2.8 million) was mainly due to termination/expiry of leases and plant and equipment and rights-of-use assets that have been fully written down/impaired as at the end of the previous financial year.

Finance costs

Finance costs comprise of interest portion of lease liabilities which has decreased to \$50K in 2Q2021 (2Q2020: \$95K) and \$110K in 1H2021 (1H2020: \$179K). This was offset by an increase in interest on bank borrowing to \$34K in 2Q2021 (2Q2020: \$5K) and \$62K in 1H2021 (1H2020: \$5K) due to bank borrowings drawn down.

Loss before income tax and loss for the period

The Group has reported a loss before income tax of \$1.4 million in 2Q2021 (1H2021: \$3.1 million) due to the loss of revenue arising from the effects of the COVID-19 pandemic on the Group's various business segments.

BALANCE SHEET

The Group

Current assets

Current assets declined from \$15.1 million as at 30 September 2020 ("FY2020") to \$12.2 million as at 31 March 2021 ("FY2021"), mainly due to the decrease in cash and bank balances, which has been utilized to support the Group's operations.

Non-current assets

There is a decrease in non-current assets from \$8.6 million as at FY2020 to \$7.3 million as at FY2021. This was mainly due to a decrease in Right-of-use ("ROU") assets of \$0.9 million.

Current liabilities

Current liabilities increased from \$11.1 million as at FY2020 to \$11.2 million as at FY2021 mainly due to increase in short-term bank borrowing of \$1.7 million which is offset by decrease in current lease liabilities of \$0.7 million and trade and other payables of \$0.7 million.

Non-current liabilities

The decrease in non-current liabilities from \$5.8 million as at FY2020 to \$4.7 million as at FY2021 was mainly due to the decrease in non-current lease liabilities of \$0.6 million and bank borrowing of \$0.4 million.

The Company

There is a decrease in total assets from \$18.2 million as at FY2020 to \$15.5 million as at FY2021. This was mainly due to decrease in cash and bank balances of \$2.5 million and ROU assets of \$0.6 million.

Total liabilities decrease from \$9.3 million as at FY2020 to \$8.9 million as at FY2021 mainly due to decrease in trade and other payables of \$0.4 million, due to lower revenue.

CASH FLOW STATEMENT

The Group's net cash used in operating activities in 1H2021 amounting to \$2.1 million is mainly attributable to working capital usage for restaurant and beer business.

The Group's net cash used in investing activities amounted to \$0.1 million in 1H2021, mainly due to purchase of plant and equipment.

The Group's net cash used in financing activities amounted to \$0.6 million in 1H2021, mainly due to the payment of short-term loans and lease liabilities which is offset by an increase in bank borrowings.

As at 31 March 2021, the Group's cash and cash equivalents stood at \$10.1 million.

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

There was no forecast made.

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

While Singapore commenced Phase 3 re-opening from 28 December 2020, there has been setbacks managing the COVID-19 situations across countries, including Singapore, due to the sudden emergence in variants of the virus across local communities. As such, international travel bubbles would be re-visited by respective governments, combined with the revision of tightened existing safe management measures to contain the spread of the virus until effective vaccines are found. The new Covid-19 measures announced on 14th May 2021, taking effect from 16th May to 13th June 2021 whereby dine-in activities will be suspended, is expected to further adversely affect the Group's revenue.

Given that the situation is fluid and rapidly evolving as government policies change in tandem, the Group expects the operating environment of the local food and beverage industry to remain challenging in the next 12 months, due to uncertain economic outlook aggravated by respective travel restrictions imposed globally that dampened consumers' demand and spending.

Since the onset of the COVID-19 pandemic, the Company has also intensified its social media and digital platform presence to attract different target customer types in accustoming to the local consumer dining choices and spending habits resulting from the implications of COVID-19. Our business in the short term, would not be able to operate on the same level as prior to the onset of COVID-19 given such efforts may not reap immediate returns combined with the prolonged impact of the low tourist arrival numbers and the impact of tightened existing safe distancing measures in our outlets.

As there is no certainty on the severity and the duration relating to the recovery of the global business climate from the unprecedented effects of COVID-19, the Group has been conscientiously managing its costs and is taking measured steps on reviewing and implementing various cost-cutting and cost control measures. The Group's current priority is to preserve cash to support working capital requirements, continue to keep operating costs low and to ensure that the Group has sufficient resources to tide through this period.

Upon further review to manage its cost structure in the new normal, the Group has decided to permanently close its seafood restaurant at Shanghai K11 mall from June 2021 onwards, in its efforts to control costs and improve operational efficiency. The Group has accrued \$25k for the costs associated with the termination of its Shanghai business and does not expect significant write offs relating to the closure.

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

Despite the above challenges, the Group will continue to explore suitable opportunities to strengthen its competitive edge in its existing business and expand its F&B business both in Singapore and overseas. The Group opened another Mom's Touch outlet at The Centrepoint in April 2021.

11. Dividend
(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No

(b) Corresponding Period of the Immediately Preceding Financial Year

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

No

(c) Date payable

N.A.

(d) Record date

N.A.

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

The Company has reviewed its dividends payment and no dividend has been declared or recommended by the board of directors ("Board" or "Directors") for the financial period ended 31 March 2021 as there are no distributable profits.

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

The Company has not obtained a general mandate from shareholders for Interested Person Transactions ("IPTs").

The aggregate value of interested person transactions entered into during the six months ended 31 March 2021 is as follows:

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
GuGong Pte. Ltd.	\$100,800 ⁽¹⁾	Not applicable

Note:

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

- (i) a payable of \$100,800 as rental expense to GuGong Pte. Ltd. ("GuGong") for the lease of its corporate office and outlet.

14. Use of IPO proceeds

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

<u>Purpose</u>	Allocation of Net Proceeds	Net Proceeds utilised as at the date of this announcement	Balance of Net Proceeds as at the date of this announcement
	\$'000	\$'000	\$'000
Development for the Beer Business	2,267	(2,267)	-
Establishing new chains of restaurants	7,000	(7,000)	-
Development of Ready Meal Business	-	-	-
General working purposes	10,033	(2,857)	7,176
	<u>19,300</u>	<u>(12,124)</u>	<u>7,176</u>

15. Confirmation Pursuant to Rule 705(5) of SGX-ST Listing Manual Section B: Rule of Catalyst

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited financial results of the Company for the second quarter and six months ended 31 March 2021 presented in this announcement, to be false or misleading in any material aspect.

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

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

BY ORDER OF THE BOARD

Lim Yong Sim (Lin Rongsen)
CEO and Executive Chairman

Lim Lay Hoon
COO and Executive Director

15 May 2021