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**Third Quarter Financial Statements and Dividend Announcement for the Period Ended 30 June 2020**

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

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

The Company has announced the findings of the independent review on 29 April 2020. Based on the proposed adjustments stated in the report, all adjustments have been taken up in the results previously announced on SGXNET on 1 February 2019, 10 May 2019 and 6 August 2019. Accordingly, there are no material variance which may affect the 3Q2020 results.

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

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

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

	GROUP					
	Third Quarter ended 30 June		Increase (Decrease)	9 months ended 30 June		Increase (Decrease)
	2020	2019		2020	2019	
	\$	\$	%	\$	\$	%
	(restated)					
<b>Revenue</b>	1,145,603	5,917,499	(80.6)	11,278,885	18,328,412	(38.5)
Other income	706,809	57,433	N.M.	929,818	254,952	264.7
Raw materials and consumables used	(479,473)	(2,233,567)	(78.5)	(4,005,820)	(6,369,703)	(37.1)
Changes in inventories	(42,843)	57,152	(175.0)	70,471	73,727	(4.4)
Employee benefits expense	(1,958,729)	(2,615,985)	(25.1)	(6,947,758)	(7,403,182)	(6.2)
Operating lease expense	(48,376)	(933,913)	(94.8)	(207,038)	(2,691,635)	(92.3)
Depreciation and amortisation expense	(399,798)	(406,684)	(1.7)	(3,185,155)	(807,683)	N.M.
Other operating expenses	(835,713)	(1,292,778)	(35.4)	(3,128,117)	(3,706,652)	(15.6)
Impairment of other assets	-	-	N.M.	(130,420)	-	N.M.
Finance costs	(85,896)	(8,765)	N.M.	(270,161)	(32,008)	N.M.
<b>Loss before income tax</b>	(1,998,416)	(1,459,608)	36.9	(5,595,295)	(2,353,772)	137.7
Income tax	-	16,991	N.M.	(21,154)	-	N.M.
<b>Loss for the period</b>	(1,998,416)	(1,442,617)	38.5	(5,616,449)	(2,353,772)	138.6
<b>Items that may be reclassified subsequently to profit or loss</b>						
Exchange differences on translation of foreign operations	(7,142)	-	N.M.	(896)	(124)	N.M.
<b>Total comprehensive loss for the period</b>	(2,005,558)	(1,442,617)	39.0	(5,617,345)	(2,353,896)	138.6
<b>Loss attributable to:</b>						
Owners of the Company	(1,998,416)	(1,442,617)	38.5	(5,616,449)	(2,353,772)	138.6
Non-controlling interests	-	-	N.M.	-	-	N.M.
	(1,998,416)	(1,442,617)	38.5	(5,616,449)	(2,353,772)	138.6
<b>Total comprehensive loss attributable to:</b>						
Owners of the Company	(2,005,558)	(1,442,617)	39.0	(5,617,345)	(2,353,896)	138.6
Non-controlling interests	-	-	N.M.	-	-	N.M.
	(2,005,558)	(1,442,617)	39.0	(5,617,345)	(2,353,896)	138.6
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					
	Third Quarter ended 30 June		Increase (Decrease)	9 months ended 30 June		Increase (Decrease)
	2020	2019		2020	2019	
	\$	\$	%	\$	\$	%
Franchise fee income	(36,000)	(36,000)	-	(108,000)	(108,000)	-
JSS grant	456,231	-	N.M.	456,231	-	N.M.
Depreciation and amortisation expenses	399,798	406,684	1.7	3,185,155	807,683	N.M.
Interest income	(6,861)	(21,852)	(79.7)	(57,125)	(81,020)	(29.5)
Interest expense	85,896	8,765	N.M.	270,161	32,008	744.0
Foreign exchange loss (gain)	5,803	898	N.M.	(14,051)	9,093	(254.5)
Income tax expense						
- Current tax credit	-	(16,991)	N.M.	-	-	N.M.
- Underprovision in respect to prior years	-	-	N.M.	21,154	-	N.M.
Note:						
N.M.: Not meaningful						

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

	GROUP		COMPANY	
	30/06/2020	30/09/2019	30/06/2020	30/09/2019
	\$	\$	\$	\$
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and bank balances	13,818,942	15,792,071	13,051,521	15,231,736
Trade and other receivables	1,329,250	1,584,079	167,171	387,166
Amount due from subsidiaries	-	-	6,006,164	3,912,153
Amount due from related parties	5,552	-	-	-
Inventories	494,726	516,640	69,577	69,650
Grant receivables	517,880	-	281,562	-
Other assets	224,843	482,027	-	-
<b>Total current assets</b>	<b>16,391,193</b>	<b>18,374,817</b>	<b>19,575,995</b>	<b>19,600,705</b>
<b>Non-current assets</b>				
Other receivables	679,296	1,065,163	489,040	489,040
Intangible asset	582,091	633,451	-	-
Plant and equipment	3,699,135	2,535,334	1,193,219	541,294
Right-of-use assets	7,168,147	-	2,421,173	-
Other assets	662	44,171	-	-
Investment in subsidiaries	-	-	100,105	100,105
<b>Total non-current assets</b>	<b>12,129,331</b>	<b>4,278,119</b>	<b>4,203,537</b>	<b>1,130,439</b>
<b>Total assets</b>	<b>28,520,524</b>	<b>22,652,936</b>	<b>23,779,532</b>	<b>20,731,144</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Trade and other payables	4,135,815	4,603,257	1,921,100	3,001,685
Lease liabilities	3,941,659	-	2,011,543	-
Contract liabilities	355,265	626,733	-	-
Amount due to holding company	72,927	44,021	72,927	44,021
Short term loans	440,277	-	440,277	-
Deferred grant income	630,951	-	408,727	-
Provisions	170,223	170,223	133,274	133,274
Income tax payable	17,093	17,093	-	-
<b>Total current liabilities</b>	<b>9,764,210</b>	<b>5,461,327</b>	<b>4,987,848</b>	<b>3,178,980</b>
<b>Non-current liabilities</b>				
Provisions	297,927	271,403	161,327	161,327
Lease liabilities	3,547,600	-	549,787	-
Long term borrowings	3,880,553	-	3,880,553	-
<b>Total non-current liabilities</b>	<b>7,726,080</b>	<b>271,403</b>	<b>4,591,667</b>	<b>161,327</b>
<b>Capital, reserves and non-controlling interest</b>				
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	(13,438,511)	(7,549,435)	(13,044,739)	(9,853,919)
Translation reserve	(16,322)	(15,426)	-	-
Equity attributable to owner of the company	11,030,234	16,920,206	14,200,017	17,390,837
Non-controlling interests	-	-	-	-
<b>Total equity</b>	<b>11,030,234</b>	<b>16,920,206</b>	<b>14,200,017</b>	<b>17,390,837</b>
<b>Total liabilities and equity</b>	<b>28,520,524</b>	<b>22,652,936</b>	<b>23,779,532</b>	<b>20,731,144</b>

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

Amount payable in one year or less or on demand

As at 30/06/2020		As at 30/09/2019	
Secured	Unsecured	Secured	Unsecured
\$	\$	\$	\$
-	440,277	-	-

Amount repayable after one year

As at 30/06/2020		As at 30/09/2019	
Secured	Unsecured	Secured	Unsecured
\$	\$	\$	\$
-	3,880,553	-	-

**Details of any collaterals.**

Not applicable.

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

	GROUP			
	Third Quarter ended 30 June		9 months ended 30 June	
	2020	2019	2020	2019
	\$	\$	\$	\$
<b>Operating activities</b>				
Loss before income tax	(1,998,416)	(1,459,608)	(5,595,295)	(2,353,772)
Adjustments for:				
Depreciation and amortisation expenses	399,798	406,684	3,185,155	807,683
Impairment of other assets	-	-	130,420	-
Gain on disposal of plant and equipment	13,687	-	5,815	-
Foreign exchange	(15,494)	1,937	(1,383)	1,813
Interest income	(6,861)	(21,852)	(57,125)	(81,020)
Interest expense	85,896	8,765	270,161	32,008
Operating cash flows before movements in working capital	(1,521,390)	(1,064,074)	(2,062,252)	(1,593,288)
Trade receivables and other receivables	(453,312)	(1,145,641)	(263,128)	(436,383)
Inventories	65,358	(47,170)	21,914	(236,734)
Other assets	59,639	4,427	170,274	211,796
Trade payables and other payables	713,384	(238,901)	(28,608)	(61,737)
Contract liabilities	(298,221)	-	(222,981)	-
Amount due to holding company	23,354	(168,798)	23,354	(59,420)
Provisions	-	45,195	26,524	(84,842)
Cash used in from operations	(1,411,188)	(2,614,962)	(2,334,903)	(2,260,608)
Income tax paid	-	(208,961)	(21,154)	(510,616)
Net cash used in operating activities	(1,411,188)	(2,823,923)	(2,356,057)	(2,771,224)
<b>Investing activities</b>				
Purchase of plant and equipment	(18,026)	(599,030)	(1,694,417)	(2,631,320)
Deposits for purchase of plant and equipment	(12,780)	-	(12,780)	-
Proceeds from disposal of plant and equipment	(12,065)	-	(8,438)	-
Payment of franchise fees	-	-	-	(684,813)
acquisition of non-controlling interest in prior year	-	-	-	(240,000)
Interest received	6,861	21,852	57,125	81,020
Net cash used in investing activities	(36,010)	(577,178)	(1,658,510)	(3,475,113)
<b>Financing activities</b>				
Proceeds from long-term loans	3,000,000	-	4,320,830	-
Repayment of short-term loans	-	(1,000,000)	-	(2,054,046)
Rebate (payment) of lease liabilities	14,822	-	(2,009,230)	-
Interest portion of lease liabilities	(77,901)	-	(256,790)	-
Interest paid on bank borrowings	(7,995)	(9,377)	(13,372)	(32,008)
Net cash from (used in) financing activities	2,928,926	(1,009,377)	2,041,438	(2,086,054)
Net increase (decrease) in cash and cash equivalents	1,481,728	(4,410,478)	(1,973,129)	(8,332,391)
Cash and cash equivalents at beginning of period	12,337,214	19,737,785	15,792,071	23,659,698
Cash and cash equivalents at end of period	13,818,942	15,327,307	13,818,942	15,327,307

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

	GROUP				
	Share capital	Capital reserve	Translation reserve	Accumulated profits (losses)	Total
	\$			\$	\$
<b>Balance as at 1 October 2018</b>	25,181,005	(695,938)	124	(2,697,926)	21,787,265
Total comprehensive income for the period					
Loss for the period	-	-	-	(573,643)	(573,643)
Other comprehensive income	-	-	(124)	-	(124)
<b>Total</b>	-	-	(124)	(573,643)	(573,767)
<b>Balance as at 31 December 2018</b>	25,181,005	(695,938)	-	(3,271,569)	21,213,498
Total comprehensive income for the period					
Loss for the period	-	-	-	(337,512)	(337,512)
Other comprehensive income	-	-	-	-	-
<b>Total</b>	-	-	-	(337,512)	(337,512)
<b>Balance at 31 March 2019</b>	25,181,005	(695,938)	-	(3,609,081)	20,875,986
Total comprehensive income for the period					
Loss for the period	-	-	-	(1,442,617)	(1,442,617)
Other comprehensive income	-	-	1,937	-	1,937
<b>Total</b>	-	-	1,937	(1,442,617)	(1,440,680)
<b>Balance at 30 June 2019</b>	25,181,005	(695,938)	1,937	(5,051,698)	19,435,306
<b>Balance as at 1 October 2019</b>	25,181,005	(695,938)	(15,426)	(7,549,435)	16,920,206
Effects of adopting SFRS (I) 16	-	-	-	(272,627)	(272,627)
<b>Balance as at 1 October 2019 (restated)</b>	25,181,005	(695,938)	(15,426)	(7,822,062)	16,647,579
Total comprehensive income for the period					
Loss for the period	-	-	-	(1,209,768)	(1,209,768)
Other comprehensive income	-	-	(4,065)	-	(4,065)
<b>Total</b>	-	-	(4,065)	(1,209,768)	(1,213,833)
<b>Balance at 31 December 2019</b>	25,181,005	(695,938)	(19,491)	(9,031,830)	15,433,746
Total comprehensive income for the period:					
Loss for the period	-	-	-	(2,408,264)	(2,408,264)
Other comprehensive income	-	-	10,311	-	10,311
<b>Total</b>	-	-	10,311	(2,408,264)	(2,397,953)
<b>Balance at 31 March 2020</b>	25,181,005	(695,938)	(9,180)	(11,440,095)	13,035,792
Total comprehensive income for the period					
Loss for the period	-	-	-	(1,998,416)	(1,998,416)
Other comprehensive income	-	-	(7,142)	-	(7,142)
<b>Total</b>	-	-	(7,142)	(1,998,416)	(2,005,558)
<b>Balance as at 30 June 2020</b>	25,181,005	(695,938)	(16,322)	(13,438,511)	11,030,234

	COMPANY			
	Share capital	Capital reserve	Accumulated (losses) profits	Total
	\$	\$	\$	\$
<b>Balance as at 1 October 2018</b>	25,181,005	2,063,751	4,726	27,249,482
Profit for the period, representing total comprehensive income for the period	-	-	587,286	587,286
<b>Balance as at 31 December 2018</b>	25,181,005	2,063,751	592,012	27,836,768
Profit for the prior, representing total comprehensive income for the period	-	-	501,639	501,639
<b>Balance at 31 March 2019</b>	25,181,005	2,063,751	1,093,651	28,338,407
Loss for the period, representing total comprehensive income for the period	-	-	(359,014)	(359,014)
<b>Balance at 30 June 2019</b>	25,181,005	2,063,751	734,637	27,979,393
<b>Balance as at 1 October 2019</b>	25,181,005	2,063,751	(9,853,919)	17,390,837
Effects of adopting SFRS(I) 16	-	-	(145,091)	(145,091)
<b>Balance as at 1 October 2019 (restated)</b>	25,181,005	2,063,751	(9,999,010)	17,245,746
Loss for the period, representing total comprehensive income for the period	-	-	(1,089,572)	(1,089,572)
<b>Balance at 31 December 2019</b>	25,181,005	2,063,751	(11,088,582)	16,156,174
Loss for the period, representing total comprehensive income for the period	-	-	(690,069)	(690,069)
<b>Balance at 31 March 2020</b>	25,181,005	2,063,751	(11,778,651)	15,466,105
Loss for the period, representing total comprehensive income for the period	-	-	(1,266,088)	(1,266,088)
<b>Balance as at 30 June 2020</b>	25,181,005	2,063,751	(13,044,739)	14,200,017

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

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

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

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

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

	<b>30/06/2020</b>	<b>30/9/2019</b>
Number of shares held as treasury shares	-	-
Total no. of issued shares (excluding treasury shares)	462,392,475	462,392,475

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

There are no treasury shares held by the Company.

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

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

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

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

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

Not applicable.

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

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

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

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

Not applicable.



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

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

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

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

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

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

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

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

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

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

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

	GROUP			
	Third Quarter ended 30 June		9 months ended 30 June	
	2020	2019	2020	2018
Earnings per ordinary share:-				
(a) Based on the weighted average number of ordinary shares in issue; and	-0.43 cents	-0.31 cents	-1.21 cents	-0.51 cents
(b) On a fully diluted basis	-0.43 cents	-0.31 cents	-1.21 cents	-0.51 cents

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

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

	GROUP		COMPANY	
	30/6/2020	30/9/2019	30/6/2020	30/9/2019
Net asset value per ordinary share based on existing issued share capital (cents)	2.39	3.66	3.07	3.76
No. of shares	462,392,475	462,392,475	462,392,475	462,392,475

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

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

**STATEMENT OF COMPREHENSIVE INCOME**

Revenue

The Group's revenue of \$1.1 million for the period ended 30 June 2020 ("3Q2020") was lower by 80.6% as compared to \$5.9 million in the previous corresponding period. The seafood restaurants sales accounted for 38% of total revenue for 3Q2020 as compared to 68% in previous corresponding period. Seafood restaurants and hotpot restaurants have been impacted by the impact of the COVID-19 pandemic, which has resulted in a significant quarter on quarter drop in revenue of approximately 92% and 79% respectively, which was contributed largely by lower footfalls at most of the outlets due to travel entry restrictions imposed on visitors into Singapore that resulted in the substantial decrease in the number of tourist coming to Singapore combined with our restaurant and outlets that remained open being only limited to takeaways and online sales, without dine-in sales due to the closure of all non-essential workplaces from 7<sup>th</sup> April 2020 to 18<sup>th</sup> June 2020 (circuit breaker period and Phase 1 of the three-phased approach implemented by the Singapore Government on 2 June 2020 to progressively resume activities safely).

Hotpot sales contributed 14% of total revenue for 3Q2020 mainly following the closure of the 2<sup>nd</sup> hotpot outlet located at Orchardgateway during the circuit breaker period. Quick-serve restaurants contributed 48% of total revenue in 3Q2020. Beer business has been significantly impacted in Q32020 as most of its outlets have been closed during the circuit breaker period.

For the nine months ended 30 June 2020 ("9M2020"), overall revenue was lower by 38.5% as compared to prior comparative period mainly due to the impact of the COVID-19 pandemic and the loss of revenue from the temporary closure of our seafood restaurant outlet at Esplanade for approximately 2 months to carry out major renovation works in 1Q2020.

#### Raw materials and consumables used and changes in inventories

Total raw materials and consumables used and changes in inventories reduced by 78.5% in 3Q2020 and 37.1% in 9M2020 respectively as compared to prior comparative periods due to a corresponding decrease in revenue.

#### Employee related expense, Operating lease expense and Other operating expenses

Employee related and other operating expenses in 3Q2020 reduced by 25.1% and 35.4% respectively, which is proportionately less than the reduction in revenue due to fixed costs. For 9M2020, overall employee related and other operating expenses decreased by 6.2% and 15.6% respectively due to increase in expenses in 1Q2020 arising from an expansion of business in 1Q2020 which has offset the reduction in expenses in 2Q2020 and 3Q2020.

The decrease in operating lease expenses in 9M2020 is due to the adoption of SFRS(I) 16 where operating leases were accounted for as a "ROU asset" and depreciated accordingly, with the expenses recognised as "Depreciation expense".

For comparison purpose, without consideration of SFRS(I) 16, operating lease expense would have decreased from \$2.69 million in 9M2019 to \$2.32 million in 9M2020 due to the one-off rental concessions given from the landlords as a result of the COVID-19 pandemic.

#### Depreciation and amortisation expenses

Depreciation for 9M2020 increased by \$2.38 million mainly was due to adoption of SFRS(I) 16, where operating leases were accounted for as a "ROU asset" and depreciated accordingly, with the expenses recognised as "Depreciation expense".

For comparison purpose, without consideration of SFRS(I) 16, depreciation expense would have increased from \$0.81 million in 9M2019 to \$1.18 million in 9M2020 due to the additional capital expenditure spent on equipment and renovation on the outlets.

#### Loss before income tax and loss for the year

The Group has reported a net loss before income tax of \$5.6 million in 9M2020 due to loss of revenue from the temporary closure of seafood restaurant outlet at Esplanade and lower revenue from the beer business, coupled with an increased in expenses incurred in 1Q2020 and the impact of COVID-19 in 2Q2020 and 3Q2020 which has resulted in revenue reduction and the corresponding impact on net profit.

## **BALANCE SHEET**

### **The Group**

#### Current assets

Current assets declined by 10.8% from \$18.4 million as at 30 September 2019 ("FY2019") to \$16.4 million as at 30 June 2020 ("FY2020"), mainly due to the decrease in cash and bank balances, which has been utilised for the renovation of the seafood restaurant at Esplanade, setup of the second hotpot restaurant and the first seafood restaurant in Shanghai, and working capital purpose.

#### Non-current assets

There is an increase in non-current assets from \$4.3 million as at FY2019 to \$12.1 million as at FY2020. This was mainly due to an increase in the ROU assets of \$7.2 million and additions to plant and equipment resulting from the expansion and renovation in restaurant segment.

#### Current liabilities

Current liabilities increased from \$5.5 million as at FY2019 to \$9.8 million as at FY2020 mainly due to increase in lease liabilities arising from the adoption of SFRS(I) 16.

#### Non-current liabilities

The increase in non-current liabilities from \$0.3 million as at FY2019 to \$7.7 million as at FY2020 was mainly due to the increase in non-current lease liabilities arising from the adoption of SFRS(I) 16 and a long-term bank borrowing of \$3.9 million.

#### **The Company**

The Company's total current assets as of FY2020 is \$19.6 million. The decrease in cash and bank balances, is due to the funding of the Group's business expansions, including the launch of new outlets and the renovation of seafood restaurant outlet at Esplanade and working capital usage. Total non-current assets increased to \$4.2 million as at FY2020, mainly due to an increase in the ROU assets of \$2.4 million on leases for the 3 seafood restaurants in Singapore by the Company, arising from the adoption of SFRS(I) 16.

Total liabilities increased to \$9.5 million as at FY2020 mainly due to an increase in lease liabilities of \$2.5 million arising from the adoption of SFRS(I) 16 and bank borrowings of \$4.3 million.

#### **CASH FLOW STATEMENT**

The Group's net cash flows used in operating activities in 9M2020 amounting to \$2.4 million is mainly attributable to working capital usage for restaurant and beer business, and expansion in hotpot and seafood restaurants.

The Group's net cash used in investing activities amounted to \$1.7 million in 9M2020, mainly for the purchase of plant and equipment.

The Group's net cash from financing activities amounted to \$2.0 million in 9M2020, mainly due to the payment of lease liabilities which is offset by an increase in bank borrowings.

As at 30 June 2020, the Group's cash and cash equivalents stood at \$13.8 million.

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

There was no forecast made.

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

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

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

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

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

At the same time, the Group has been conscientiously managing its costs and is taking measured steps on various cost-cutting and cost control measures as there is uncertainty on the severity and duration when the global business climate will recover from the effects of COVID-19. As the COVID-19 situation continues to evolve, the consumer-restaurant dynamic is progressively being redefined resulting from changes in consumer dining habits and including but not limited to the changing policies instilled by government bodies which have a bearing on ascertaining its related impact on our future operations and performance. As of the end of the reporting period, Singapore is in the midst of going through the early stages of Phase 2. The impact of the 3 phase reopening on tourists arrival and restaurant patronage, which are key to our business viability, remains unclear. Further, on the costs side, we continue to engage our landlords to moderate the mode of calculation of our lease payment and/or terminating certain leases without significant financial penalties, the outcome of which will significantly influence our financial modelling. It would be premature for the Company to quantify and make reasonable judgements and estimates on its assets valuation for the purposes of the financial results reporting. Due to the volatility and uncertainty of these variables, we are still in the process of assessing the extent of COVID-19's impact on our asset values and we expect the full impact to be reflected in the Group's financial statements for the financial year ending 30 September 2020. The Group will continue to operate cautiously, ensure it has sufficient resources, keep operating costs low and the business viable whilst expecting a full year loss.

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

Despite the above challenges, the Group will continue to explore suitable opportunities to strengthen its competitive edge in its existing business and expand its F&B business both in Singapore and overseas. The Group will be opening its 4<sup>th</sup> Mom's Touch outlet @ Eastwood in mid-August 2020.

**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 30 June 2020 as there are no distributable profits for the period.

**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 nine months ended 30 June 2020 is as follows:

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders’ mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
GuGong Pte. Ltd.	\$117,600 <sup>(1)</sup>	Not applicable

Note:

<sup>(1)</sup> During the period, the Company has:

- (i) a payable of \$117,600 as rental expense to GuGong Pte. Ltd. (“GuGong”) for the lease of its corporate office and kitchen.

**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:

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

**15. Confirmation 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 third quarter and nine months ended 30 June 2020 presented in this announcement, to be false or misleading in any material aspect, having considered that, including but not limited to, all material information has been assessed to ensure the reliability of the financial results, and the financial statements provide a fair and balanced view of any material factors that have affected the Company’s business conditions and financial position, including the impact of COVID-19 except for the constraints as disclosed in para 10 above.

**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

14 August 2020