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**Third Quarter Financial Statements and Dividend Announcement for the Period Ended 30 June 2019**

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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 announcement has been prepared by the Company using Merger Accounting Principles. Actual Group Accounting Principles which were applied to the Group’s unaudited quarterly financial results announced on 14 February 2018, 15 May 2018 and 11 August 2018 on the basis that the Company had obtained control over its subsidiaries on 31 October 2017, being the legal completion date of the Restructuring Exercise.

During the audit of the Group for the financial year ended 30 September 2018, the auditors and the Board were of the view that the re-application of the Merger Accounting Principles adopted prior to the completion of the Restructuring Exercise would be more appropriate to better reflect the Group’s financial performance vis-a-vis the prior financial year, to enable a more meaningful comparison between the consolidated financial statements for the financial year ended 30 September 2018 and that for the financial year ended 30 September 2017.

Accordingly, the comparatives for third quarter ended 30 June 2018 (“3Q2018”) and 9 months period ended 30 June 2018 (“9M 2018”) have been restated using Merger Accounting Principles.

*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. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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**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)
	2019	2018		2019	2018	
		(restated)		(restated)		
\$	\$	%	\$	\$	%	
<b>Revenue</b>	5,917,499	6,968,630	(15.1)	18,328,412	20,494,301	(10.6)
Other income	57,433	112,016	(48.7)	254,952	257,250	(0.9)
Raw materials and consumables used	(2,233,567)	(2,436,959)	(8.3)	(6,369,703)	(6,797,237)	(6.3)
Changes in inventories	57,152	742	N.M.	73,727	(575)	N.M.
Employee benefits expense	(2,615,985)	(1,833,476)	42.7	(7,403,182)	(6,045,318)	22.5
Operating lease expense	(933,913)	(729,661)	28.0	(2,691,635)	(2,175,863)	23.7
Depreciation and amortisation expense	(406,684)	(73,995)	449.6	(807,683)	(322,319)	150.6
Other operating expenses	(1,292,778)	(1,089,741)	18.6	(3,706,652)	(3,017,171)	22.9
IPO expense	-	-	N.M.	-	(1,120,396)	N.M.
Finance costs	(8,765)	(16,163)	(45.8)	(32,008)	(49,971)	(35.9)
<b>(Loss) Profit before income tax</b>	<b>(1,459,608)</b>	<b>901,393</b>	<b>N.M.</b>	<b>(2,353,772)</b>	<b>1,222,701</b>	<b>N.M.</b>
Income tax	16,991	(142,395)	(111.9)	-	(498,405)	(100.0)
<b>(Loss) Profit for the period</b>	<b>(1,442,617)</b>	<b>758,998</b>	<b>N.M.</b>	<b>(2,353,772)</b>	<b>724,296</b>	<b>N.M.</b>
<b>Items that may be reclassified subsequently to profit or loss</b>						
Exchange differences on translation of foreign operations	1,937	(126)	(1,637.3)	1,813	(511)	(454.8)
<b>Total comprehensive (loss) income for the period</b>	<b>(1,440,680)</b>	<b>758,872</b>	<b>N.M.</b>	<b>(2,351,959)</b>	<b>723,785</b>	<b>N.M.</b>
<b>(Loss) Profit attributable to:</b>						
Owners of the Company	(1,442,617)	761,142	N.M.	(2,353,772)	818,857	N.M.
Non-controlling interests	-	(2,144)	N.M.	-	(94,561)	N.M.
	<b>(1,442,617)</b>	<b>758,998</b>	<b>N.M.</b>	<b>(2,353,772)</b>	<b>724,296</b>	<b>N.M.</b>
<b>Total comprehensive (loss) income attributable to:</b>						
Owners of the Company	(1,440,680)	761,016	N.M.	(2,351,959)	818,346	N.M.
Non-controlling interests	-	(2,144)	N.M.	-	(94,561)	N.M.
	<b>(1,440,680)</b>	<b>758,872</b>	<b>N.M.</b>	<b>(2,351,959)</b>	<b>723,785</b>	<b>N.M.</b>

N.M.: Not meaningful

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

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

	GROUP					
	Third Quarter ended 30		Increase (Decrease)	9 months ended 30 June		Increase (Decrease)
	2019	2018		2019	2018	
		(restated)		(restated)		
\$	\$	%	\$	\$	%	
Franchise fee income	(36,000)	(36,000)	-	(108,000)	(96,000)	12.5
Depreciation	382,024	73,995	416.3	743,819	322,319	130.8
Amortisation of franchise fee	24,660	-	N.M.	63,864	-	N.M.
Amortisation of upfront sponsorship	99,065	228,405	(56.6)	393,114	714,592	(45.0)
Interest income	(21,852)	-	N.M.	(81,020)	-	N.M.
Interest expense	8,765	16,163	(45.8)	32,008	49,971	(35.9)
Foreign exchange loss (gain)	898	-	N.M.	9,093	(14,756)	N.M.
Income tax expense						
- Current tax (credit) expense	(16,991)	142,395	(111.9)	-	453,206	(100.0)
- Underprovision in respect to prior years	-	-	N.M.	-	45,199	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 period.**

	GROUP		COMPANY	
	30-06-19	30-09-18	30-06-19	30-09-18
	\$	\$	\$	\$
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and bank balances	15,327,307	23,659,698	14,589,270	22,901,982
Trade receivables	1,102,087	1,059,593	379,738	302,666
Other receivables	1,675,101	1,274,354	870,354	735,408
Amount due from subsidiaries	-	-	11,677,628	3,826,093
Inventories	458,193	221,459	88,666	110,764
Other assets	211,075	410,483	-	-
<b>Total current assets</b>	<b>18,773,763</b>	<b>26,625,587</b>	<b>27,605,656</b>	<b>27,876,913</b>
<b>Non-current assets</b>				
Plant and equipment	2,915,177	1,008,233	605,953	374,274
Intangible asset	920,225	299,275	-	-
Investment in subsidiaries	-	-	1,780,106	1,780,104
Other long-term deposit	1,008,365	1,015,223	356,908	786,907
Other assets	77,309	89,697	-	-
<b>Total non-current assets</b>	<b>4,921,076</b>	<b>2,412,428</b>	<b>2,742,967</b>	<b>2,941,285</b>
<b>Total assets</b>	<b>23,694,839</b>	<b>29,038,015</b>	<b>30,348,623</b>	<b>30,818,198</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Short term loans	-	2,054,046	-	600,000
Trade payables	1,318,190	1,280,962	1,123,412	965,007
Other payables	1,640,443	1,959,964	778,644	966,499
Amount due to holding company	42,994	102,414	42,994	102,414
Provisions	673,730	867,583	262,853	262,853
Income tax payable	28,279	538,895	-	510,616
<b>Total current liabilities</b>	<b>3,703,636</b>	<b>6,803,864</b>	<b>2,207,903</b>	<b>3,407,389</b>
<b>Non-current liabilities</b>				
Provisions	270,338	161,327	161,327	161,327
<b>Total non-current liabilities</b>	<b>270,338</b>	<b>161,327</b>	<b>161,327</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) profits	(4,766,139)	(2,412,367)	734,637	4,726
Translation reserve	1,937	124	-	-
<b>Total equity</b>	<b>19,720,865</b>	<b>22,072,824</b>	<b>27,979,393</b>	<b>27,249,482</b>
<b>Total liabilities and equity</b>	<b>23,694,839</b>	<b>29,038,015</b>	<b>30,348,623</b>	<b>30,818,198</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 period:-**

Amount payable in one year or less or on demand

As at 30/06/2019		As at 30/09/2018	
Secured	Unsecured	Secured	Unsecured
\$	\$	\$	\$
-	-	-	2,054,046

Amount repayable after one year

As at 30/06/2019		As at 30/09/2018	
Secured	Unsecured	Secured	Unsecured
\$	\$	\$	\$
-	-	-	-

**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 period.**

	GROUP			
	Third Quarter ended 30 June		9 months ended 30 June	
	2019	2018 (restated)	2019	2018 (restated)
	\$	\$	\$	\$
<b>Operating activities</b>				
(Loss) Profit before income tax	(1,459,608)	901,393	(2,353,772)	1,222,701
Adjustments for:				
Depreciation	382,024	73,995	743,819	322,319
Amortisation of franchise fees	24,660	-	63,864	-
IPO expense	-	-	-	1,120,396
Foreign exchange	1,937	-	1,813	(522)
Interest income	(21,852)	-	(81,020)	-
Interest expense	8,765	16,163	32,008	49,971
Operating cash flows before movements in working capital	(1,064,074)	991,551	(1,593,288)	2,714,865
Trade receivables	(533,695)	4,064	(42,494)	146,312
Other receivables	(611,946)	(524,323)	(393,889)	(395,114)
Inventories	(47,170)	26,283	(236,734)	14,408
Other assets	4,427	(84,723)	211,796	172,682
Trade payables	(272,100)	(15,464)	17,784	1,573,229
Other payables	33,199	54,317	(79,521)	(845,621)
Amount due to holding company	(168,798)	10,994	(59,420)	521,959
Provisions	45,195	-	(84,842)	55,974
Cash (used in) generated from operations	(2,614,962)	462,699	(2,260,608)	3,958,694
Income tax paid	(208,961)	-	(510,616)	(45,199)
Net cash (used in) from operating activities	(2,823,923)	462,699	(2,771,224)	3,913,495
<b>Investing activities</b>				
Purchase of plant and equipment	(599,030)	(33,017)	(2,631,320)	(680,689)
Payment of franchise fees	-	-	(684,813)	-
Acquisition of non-controlling interest in a subsidiary	-	(40,000)	-	(40,000)
Amount due to a former director of subsidiary for the acquisition of non-controlling interest in prior year	-	-	(240,000)	-
Interest received	21,852	-	81,020	-
Net cash used in investing activities	(577,178)	(73,017)	(3,475,113)	(720,689)
<b>Financing activities</b>				
Repayment of finance leases	-	-	-	(110,135)
Proceeds from short-term loans	-	648,661	-	1,786,967
Repayment of short-term loans	(1,000,000)	-	(2,054,046)	-
Proceeds from shares issuance of shares	-	-	-	23,850,000
IPO expenses paid	-	-	-	(1,672,439)
Dividend paid	-	-	-	(1,433,417)
Interest paid	(9,377)	(16,163)	(32,008)	(49,971)
Net cash (used in) from financing activities	(1,009,377)	632,498	(2,086,054)	22,371,005
Net (decrease) increase in cash and cash equivalents	(4,410,478)	1,022,180	(8,332,391)	25,563,811
Cash and cash equivalents at beginning of period	19,737,785	24,835,065	23,659,698	293,434
Cash and cash equivalents at end of period	15,327,307	25,857,245	15,327,307	25,857,245

**Note:**

The cash and cash equivalents as at 30 June 2018 previously announced was \$28 million, which included a receivable from holding company of \$2.2 million, hence the cash and cash equivalent balance is \$25.8 million. This amount from the holding company has been settled in the financial year ended 30 September 2018.

**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	Accumulated profits (losses)	Translation reserve	Equity attributable to owners of the Company	Non-controlling interest	Total
	\$		\$	\$	\$	\$	\$
<b>Balance at 1 October 2017</b>	2	-	16,855,532	208	16,855,742	(178,237)	16,677,505
Total comprehensive loss for the period							
Loss for the period	-	-	(416,366)	-	(416,366)	1,639	(414,727)
Other comprehensive loss	-	-	-	(522)	(522)	-	(522)
	-	-	(416,366)	(522)	(416,888)	1,639	(415,249)
Transactions with owners, recognised directly in equity							
Issue of shares	26,165,231	-	-	-	26,165,231	-	26,165,231
Share issue expenses	(984,228)	-	-	-	(984,228)	-	(984,228)
Movement in reserve resulting from Restructuring Exercise	-	-	(14,325,796)	-	(14,325,796)	(2,166)	(14,327,962)
	25,181,003	-	(14,325,796)	-	10,855,207	(2,166)	10,853,041
<b>Balance at 31 December 2017 (Restated)</b>	25,181,005	-	2,113,370	(314)	27,294,061	(178,764)	27,115,297
Total comprehensive income for the period							
Profit for the period	-	-	474,081	-	474,081	(94,056)	380,025
Other comprehensive income	-	-	-	137	137	-	137
	-	-	474,081	137	474,218	(94,056)	380,162
Transactions with owners, recognised directly in equity							
Dividends	-	-	(1,433,417)	-	(1,433,417)	-	(1,433,417)
	-	-	(1,433,417)	-	(1,433,417)	-	(1,433,417)
<b>Balance at 31 March 2018 (Restated)</b>	25,181,005	-	1,154,034	(177)	26,334,862	(272,820)	26,062,042
Total comprehensive income for the period							
Profit for the period	-	-	761,142	-	761,142	(2,144)	758,998
Other comprehensive loss	-	-	-	(126)	(126)	-	(126)
	-	-	761,142	(126)	761,016	(2,144)	758,872
Transactions with owners, recognised directly in equity							
Effect of acquiring part of non-controlling interest in subsidiary	-	(674,964)	-	-	(674,964)	274,964	(400,000)
	-	(674,964)	-	-	(674,964)	274,964	(400,000)
<b>Balance at 30 June 2018 (Restated)</b>	25,181,005	(674,964)	1,915,176	(303)	26,420,914	-	26,420,914
<b>Balance at 1 October 2018</b>	25,181,005	(695,938)	(2,412,367)	124	22,072,824	-	22,072,824
Total comprehensive loss for the period							
Loss for the period	-	-	(573,643)	-	(573,643)	-	(573,643)
Other comprehensive loss	-	-	-	(124)	(124)	-	(124)
	-	-	(573,643)	(124)	(573,767)	-	(573,767)
<b>Balance at 31 December 2018</b>	25,181,005	(695,938)	(2,986,010)	-	21,499,057	-	21,499,057
Total comprehensive loss for the period							
Loss for the period	-	-	(337,512)	-	(337,512)	-	(337,512)
Other comprehensive income	-	-	-	-	-	-	-
	-	-	(337,512)	-	(337,512)	-	(337,512)
<b>Balance at 31 March 2019</b>	25,181,005	(695,938)	(3,323,522)	-	21,161,545	-	21,161,545
Total comprehensive loss for the period							
Loss for the period	-	-	(1,442,617)	-	(1,442,617)	-	(1,442,617)
Other comprehensive income	-	-	-	1,937	1,937	-	1,937
	-	-	(1,442,617)	1,937	(1,440,680)	-	(1,440,680)
<b>Balance at 30 June 2019</b>	25,181,005	(695,938)	(4,766,139)	1,937	19,720,865	-	19,720,865

	COMPANY			
	Share capital	Capital reserve	Accumulated (losses) profits	Total
	\$	\$	\$	\$
Issue of shares at date of incorporation on 1 June 2017 and balance as at 30 September 2017	2	-	-	2
Loss for the period, representing total comprehensive loss (restated)	-	-	(281,206)	(281,206)
Transactions with owners, recognised directly in equity				
Issue of shares	26,165,231	-	-	26,165,231
Share issue expenses	(984,228)	-	-	(984,228)
Deemed contribution from holding company	-	2,063,751	-	2,063,751
	<u>25,181,003</u>	<u>2,063,751</u>	<u>-</u>	<u>27,244,754</u>
<b>Balance at 31 December 2017 (Restated)</b>	25,181,005	2,063,751	(281,206)	26,963,550
Profit for the period, representing total comprehensive income	-	-	865,935	865,935
Transactions with owners, recognised directly in equity				
Dividends	-	-	(1,433,417)	(1,433,417)
	<u>25,181,005</u>	<u>2,063,751</u>	<u>(848,688)</u>	<u>26,396,068</u>
<b>Balance at 31 March 2018 (Restated)</b>	25,181,005	2,063,751	(848,688)	26,396,068
Profit for the period, representing total comprehensive income	-	-	664,898	664,898
	<u>25,181,005</u>	<u>2,063,751</u>	<u>(183,790)</u>	<u>27,060,966</u>
<b>Balance at 30 June 2018 (Restated)</b>	25,181,005	2,063,751	(183,790)	27,060,966
<b>Balance at 1 October 2018</b>	25,181,005	2,063,751	4,726	27,249,482
Profit for the period, representing total comprehensive income	-	-	587,286	587,286
	<u>25,181,005</u>	<u>2,063,751</u>	<u>592,012</u>	<u>27,836,768</u>
<b>Balance at 31 December 2018</b>	25,181,005	2,063,751	592,012	27,836,768
Profit for the period, representing total comprehensive income	-	-	501,639	501,639
	<u>25,181,005</u>	<u>2,063,751</u>	<u>1,093,651</u>	<u>28,338,407</u>
<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 loss	-	-	(359,014)	(359,014)
	<u>25,181,005</u>	<u>2,063,751</u>	<u>734,637</u>	<u>27,979,393</u>
<b>Balance at 30 June 2019</b>	25,181,005	2,063,751	734,637	27,979,393



**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 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 30 June 2019 and 30 September 2018, 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 2019 and 30 June 2018.

**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>30/6/2019</b>	<b>30/9/2018</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.**

During the financial period, there were no transaction pertaining to 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.

**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 disclosed under paragraph 5 below, the Group and Company have applied the same accounting policies and methods of computation in the financial statements for the current period with those in the most recently audited financial statements for the financial year ended 30 September 2018 ("FY2018").

**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 Accounting Standards Council announced on 29 May 2014 that Singapore incorporated companies listed on the Singapore Exchange are required to apply a new financial reporting framework, identical to the International Financial Reporting Standards known as Singapore Financial Reporting Standards (International) ("SFRS(I)") for annual periods beginning on or after 1 January 2018.

The Group has adopted SFRS(I) on 1 October 2018 and will prepare its first set of financial information under SFRS(I) for the financial year ending 30 September 2019.

The Group has assessed that the adoption of the new financial reporting framework, new SFRS(I)s, amendments and interpretation of SFRS have no material impact on the financial performance and the financial position of the Group.

**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	
	2019	2018	2019	2018
Earnings per ordinary share:-				
(a) Based on the weighted average number of ordinary shares in issue; and	-0.31 cents	0.16 cents	-0.51 cents	0.18 cents
(b) On a fully diluted basis	-0.31 cents	0.16 cents	-0.51 cents	0.18 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 period.**

	GROUP		COMPANY	
	30/6/19	30/9/18	30/6/19	30/9/18
Net asset value per ordinary share based on existing issued share capital (cents)	4.26	4.77	6.05	5.89
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 \$5.9 million and \$18.3 million for third quarter of FY2019 ("3Q2019"), and nine months period ended 30 June 2019 ("9M2019"), was lower by 15.1% and 10.6% respectively, as compared to previous corresponding periods. The seafood restaurants sales accounted for 67% and 68% of total revenue for 3Q2019 and 9M2019 respectively. Hotpot and quick-serve restaurants which commenced operations in the first quarter of FY2019 ("1Q2019"), contributing approximately \$1 million in revenue in 3Q2019.

Revenue from seafood restaurants was weak in 3Q2019 due to a reduction in average spending per customer by approximately 10% year-on-year. Revenue from beer segment declined significantly in 3Q2019 due to increased competition in the industry.

Accordingly, the Group's revenue for nine months period ended 30 June 2019 ("9M2019") is lower by 10.6% as compared to prior period due to loss of revenue from the temporary closure of a seafood restaurant outlet for a month to carry out major repair works and termination of non-performing sales contracts for the beer business in 1Q2019.

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

Total raw materials and consumables used and changes in inventories slightly declined of 10.7% in 3Q2019. This is due to the lower revenue from the seafood restaurants while the food costs consumption for the hotpot and quick-serve restaurants are higher as compared to the seafood restaurants.

Lower raw materials and consumables in 9M2019 is in line with the lower revenue for the same period.

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

The expansion in restaurant segment in first quarter 2019 led to the overall increase in employee benefits, operating lease and other operating expenses including higher professional fees incurred in 3Q2019 compared to that of 3Q2018.

Coupled with the pre-operating costs incurred in 1Q2019, this resulted in higher expenses incurred in 9M2019 as compared to 9M2018.

### Depreciation and amortisation expenses

An increase of \$0.3 million relating to depreciation for 3Q2019 was due to additional capex spent on equipment and renovation of the new outlets. Amortisation expenses increased to \$0.06 million in 9M2019 as a result of additional franchise fee for hotpot and quick-serve restaurants.

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

The Group saw an increase in other operating expenses from S\$1.1 million to S\$1.3 million as a result of running expenses for the new outlets. The Group suffered a net loss before income tax of S\$1.5 million for 3Q2019 as a result of higher operating expenses incurred for the hotpot and quick-serve restaurants coupled with decrease in revenue. The decrease in revenue was due to the loss of revenue from the temporary closure of seafood restaurant outlet, lower average spending per customer and termination of non-performing sales contracts for the beer business in 1Q2019.

Accordingly, the Group has reported a net loss before income tax of \$1.5 million in 3Q2019 and \$2.4 million for the 9 months period ended 30 June 2019.

## **BALANCE SHEET**

### **The Group**

#### Current assets

Current assets declined by 29% from \$26.6 million as at 30 September 2018 (“FY2018”) to \$18.8 million as at 30 June 2019, mainly due to the decrease in cash and bank balances, which has been utilised for the expansion in restaurant and beer segments.

#### Non-current assets

Non-current assets comprising security deposits for outlets rental, plant and equipment and franchise fee paid increased by 104% from \$2.4 million as at FY2018 to \$4.9 million as at 30 June 2019, resulting from the expansion in restaurant segment.

#### Current liabilities

Current liabilities dropped from \$6.8 million as at FY2018 to \$3.7 million as at 30 June 2019 following the repayment of short-term loan.

#### Non-current liabilities

The increase in non-current liabilities from \$0.16 million as at FY2018 to \$0.27 million as at 30 June 2019 was due to the provision for reinstatement costs made for the newly opened restaurants during the period.

### **The Company**

Total assets decreased by 2% from \$30.8 million as at FY2018 to \$30.3 million as at 30 June 2019, as the Company continued to fund the Group’s business expansions, including the setup and launch of hotpot and quick-serve restaurants.

The repayment of short-term loan led to a 34% drop in total liabilities from \$3.6 million as at FY2018 to \$2.4 million as at 30 June 2019.

## **CASH FLOW STATEMENT**

The Group’s net cash flows used in operating activities during 3Q2019 amounted to \$2.8 million, mainly attributable to losses, working capital usage, and expansion in hotpot and quick-serve restaurants.

The Group’s net cash used in investing activities amounted to \$0.6 million in 3Q2019 and \$3.5 million in 9M2019. The net cash outflows in investing activities in 9M2019 were due to an increased in plant and equipment of \$2.6 million and franchise fees of \$0.7 million.

The Group’s net cash used in financing activities amounted to \$2.1 million in 9M2019 mainly due to the repayment of a short-term loan.

As at 30 June 2019, the Group’s cash and cash equivalents stood at \$15.3 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.**

With the slow down in the Singapore economy, resulting in decreasing average spend per customer and along with the increase in competition, there has been an impact on the Group's seafood restaurant and beer businesses. The Group intends to leverage on its No Signboard brand and look for growth outside of Singapore, with the opening of the first seafood restaurant in Shanghai, China by end December 2019.

The Group has previously acquired master franchises for Mom's Touch and Little Sheep with the objective of diversifying its food offerings across different price ranges. Little Sheep has opened its first outlet in December 2018 and expects to open its second outlet in November 2019. The Group will be opening the first Mom's Touch outlet in Singapore in September 2019. The Group is in the process of re-conceptualizing its Hawker QSR brand.

The Group will continue to explore suitable opportunities to strengthen its competitive edge in its existing business and diversify its F&B business. The Group will be looking at cost rationalization and as part of this, the Group will be closing its Hawker QSR outlets. As part of the renewal of the tenancy of its Esplanade outlet, the Group is required to renovate its premises in Q1 of the next financial year and this is expected to have negative impact on its financial results for that quarter.

**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?**

	As at 30/06/2018
Name of dividend	Interim
Dividend type	Cash
Dividend amount per share (in cents)	0.26 cents per share
Tax rate	Tax exempt one-tier

**(c) Date payable**

N.A.

**(d) Books closure 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") in respect of 9M2019, after considering of its financial performance.

- 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"). There were no IPTs more than S\$100,000 during the period.

- 14. Use of IPO proceeds**

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

	Allocation of Net Proceeds (as disclosed in the Offer Document)	Net Proceeds utilised as at the date of this announcement	Balance of Net Proceeds as at the date of this announcement
	\$'000	\$'000	\$'000
<b>Purpose</b>			
Development for the Beer Business	10,000	(1,374)	8,626
Establishing new chains of restaurants	5,000	(4,305)	695
Development of Ready Meal Business	2,000	-	2,000
General working purposes	2,300	(2,300)	-
	<u>19,300</u>	<u>(7,979)</u>	<u>11,321</u>

- 15. Negative 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 2019 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

6 August 2019