

UNAUDITED FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 JANUARY 2020

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR ANNOUNCEMENTS

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

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	The Group 3 months ended 31 January			The Group 6 months ended 31 January		
	2020	2019	Increase/ (Decrease)	2020	2019	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	1,104	1,515	(27%)	2,642	2,659	(1%)
Other operating income	3	11	(73%)	12	11	9%
Expenses						
- Inventories and consumables used	(340)	(336)	1%	(678)	(482)	41%
- Travel booking services costs	(58)	(402)	(86%)	(555)	(1,086)	(49%)
- Advertising, media and entertainment	(37)	(75)	(51%)	(89)	(131)	(32%)
- Employee benefits	(752)	(758)	(1%)	(1,417)	(1,502)	(6%)
- Amortisation and depreciation	(381)	(99)	>100%	(751)	(173)	>100%
- Finance cost	(47)	(1)	>100%	(94)	(1)	>100%
- Rental on operating leases	-	(182)	N.M.	-	(420)	N.M.
- Licence and permit	-	-	-	(4)	-	N.M.
- Transportation	(4)	(8)	(50%)	(17)	(11)	55%
- Legal and professional fees	(122)	(120)	2%	(196)	(283)	(31%)
- Other operating expenses	(187)	(188)	(1%)	(384)	(339)	13%
- Changes in inventories of finished goods	-	17	N.M.	4	19	(79%)
Total expenses	(1,928)	(2,152)	(10%)	(4,181)	(4,409)	(5%)
Loss before income tax	(821)	(626)	31%	(1,527)	(1,739)	(12%)
- Income tax expense	-	-	-	(1)	(2)	(50%)
Loss for the financial period	(821)	(626)	31%	(1,528)	(1,741)	(12%)
Attributable to:						
Owners of the Company	(680)	(599)	14%	(1,282)	(1,660)	(23%)
Non-controlling interest	(141)	(27)	>100%	(246)	(81)	>100%
	(821)	(626)	31%	(1,528)	(1,741)	(12%)

A statement of comprehensive income (for the group), together with a comprehensive statement for the corresponding period of the immediate preceding financial year.

	The Group 3 months ended 31 January			The Group 6 months ended 31 January		
	2020 S\$'000	2019 S\$'000	Increase/ (Decrease) %	2020 S\$'000	2019 S\$'000	Increase/ (Decrease) %
Loss for the financial period	(821)	(626)	31%	(1,528)	(1,741)	(12%)
Other comprehensive (loss)/income:						
Exchange differences on translating foreign operations	(33)	17	N.M.	(17)	3	N.M.
Total comprehensive loss for the financial period	(854)	(609)	40%	(1,545)	(1,738)	(11%)
Attributable to:						
Owners of the Company	(713)	(582)	23%	(1,299)	(1,657)	(22%)
Non-controlling interest	(141)	(27)	>100%	(246)	(81)	>100%
	(854)	(609)	40%	(1,545)	(1,738)	(11%)

1(a)(ii) The Group's loss for the financial period is arrived after charging/(crediting) the following:

	The Group			The Group		
	3 months ended 31 January		Increase/ (Decrease)	6 months ended 31 January		Increase/ (Decrease)
	2020 S\$'000	2019 S\$'000	%	2020 S\$'000	2019 S\$'000	%
Depreciation on plant and equipment	343	81	>100%	713	136	>100%
Amortisation of intangible asset	19	19	-	38	38	-
Government grant	(2)	(9)	(78%)	(8)	(9)	(11%)
Net foreign exchange gain	(1)	(2)	(50%)	(4)	(2)	100%

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.

STATEMENTS OF FINANCIAL POSITION

Assets	The Group		The Company	
	31/1/2020	31/7/2019	31/1/2020	31/7/2019
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Current assets</u>				
Cash and cash equivalents	80	320	40	73
Trade and other receivables	1,175	905	4,660	4,305
Inventories	29	25	-	-
	1,284	1,250	4,700	4,378
<u>Non-current assets</u>				
Plant and equipment	5,266	2,051	15	21
Goodwill	194	194	-	-
Intangible asset	51	89	-	-
Guarantee deposit	177	177	-	-
Investment in subsidiaries	-	-	100	100
	5,688	2,511	115	121
Total assets	6,972	3,761	4,815	4,499
<u>Current liabilities</u>				
Trade and other payables	4,337	3,122	2,565	1,819
Lease liabilities	490	-	-	-
Provision for reinstatement	216	216	-	-
Bank borrowings	32	9	-	-
	5,075	3,347	2,565	1,819
<u>Non-current liabilities</u>				
Lease liabilities	2,604	-	-	-
	2,604	-	-	-
Total liabilities	7,679	3,347	2,565	1,819
Equity				
Share capital	63,074	62,650	63,074	62,650
Foreign currency translation reserve	(254)	(237)	-	-
Accumulated losses	(63,623)	(62,341)	(60,824)	(59,970)
	(803)	72	2,250	2,680
Non-controlling interest	96	342	-	-
Total (deficit)/equity	(707)	414	2,250	2,680
Total equity and liabilities	6,972	3,761	4,815	4,499

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debts 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.

	The Group			
	As at 31/1/2020		As at 31/7/2019	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less or on demand	-	2,339	-	1,676
Amount repayable after one year	-	-	-	-

Note:

Total borrowings consist of bank borrowings of approximately S\$32,000 (as at 31 July 2019: approximately S\$9,000), advance of S\$200,000 (as at 31 July 2019: Nil) from substantial shareholder of the Company, Capital Square Co., Ltd. ("**Capital Square**") with interest, and interest-free advances of approximately S\$2,107,000 (as at 31 July 2019: S\$1,667,000) from the controlling shareholder and Executive Chairman and CEO of the Company, Mr Saito Hiroyuki.

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

	The Group	
	3 months ended 31 January	
	2020	2019
	S\$'000	S\$'000
Cash flows from operating activities		
Loss before income tax	(821)	(626)
<u>Adjustments for:</u>		
Depreciation of plant and equipment	343	81
Amortisation of intangible asset	19	19
Operating cash flows before changes in working capital	(459)	(526)
<u>Changes in working capital</u>		
Increase in trade and other receivables	(430)	(262)
Increase in inventories	-	(12)
Increase in trade and other payables	1,301	423
Net cash flows generated from/(used in) operating activities	412	(377)
Cash flows from investing activities		
Purchase of plant and equipment	(195)	(246)
Exchange realignment	(33)	17
Net cash flows used in investing activities	(228)	(229)
Cash flows from financing activities		
Proceeds from issuance of shares	450	560
Share issuance expenses	(26)	(161)
Lease liabilities	(658)	-
Bank borrowings	23	37
Repayment of bank borrowings	-	(9)
Net cash flows (used in)/generated from financing activities	(211)	427
Net change in cash and cash equivalents	(27)	(179)
Cash and cash equivalents at the beginning of the financial period	107	761
Cash and cash equivalents at end of the financial period	80	582

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.

(i) Consolidated statement of changes in equity for the period ended 31 January 2020 - Group

	Share Capital S\$'000	Foreign Currency Translation S\$'000	Accumulated Losses S\$'000	Non- Controlling Interest S\$'000	Total S\$'000
Balance at 1 November 2019	62,650	(221)	(62,943)	237	(277)
Issuance of shares	450	-	-	-	450
Share issuance expenses	(26)	-	-	-	(26)
Loss for the financial period	-	-	(680)	(141)	(821)
Other comprehensive income for the financial period	-	(33)	-	-	(33)
Balance at 31 January 2020	63,074	(254)	(63,623)	96	(707)
Balance at 1 November 2018	62,265	(63)	(60,308)	640	2,534
Issuance of shares	560	-	-	-	560
Shares issuance expenses	(161)	-	-	-	(161)
Loss for the financial period	-	-	(599)	(27)	(626)
Other comprehensive income for the financial period	-	17	-	-	17
Balance at 31 January 2019	62,664	(46)	(60,907)	613	2,324

(ii) Statement of changes in equity for the period ended 31 January 2020 - Company

	Share Capital S\$'000	Accumulated Losses S\$'000	Total S\$'000
Balance at 1 November 2019	62,650	(60,369)	2,281
Issuance of shares	450	-	450
Share issuance expenses	(26)	-	(26)
Loss for the financial period	-	(455)	(455)
Balance at 31 January 2020	63,074	(60,824)	2,250
Balance at 1 November 2018	62,265	(58,759)	3,506
Issuance of shares	560	-	560
Share issuance expenses	(161)	-	(161)
Loss for the financial period	-	(454)	(454)
Balance at 31 January 2019	62,664	(59,213)	3,451

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 period reported on. State also 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 the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

(A) Changes in share capital of the Company during the financial period

Financial period	Number of ordinary shares	Share capital
		(S\$'000)
As at 31 October 2019	536,670,246	62,260
As at 31 January 2020	611,670,246	63,074

On 17 January 2020, the Company entered into a subscription agreement with Capital Square. Capital Square has agreed to subscribe for an aggregate of 75,000,000 new ordinary shares in the share capital of the Company (the **"Subscription Shares"**) at an issue price of S\$0.006 for each Subscription Share amounting to an aggregate cash consideration of S\$450,000 (the **"Proposed Subscription"**). Pursuant to the completion of the Proposed Subscription, 75,000,000 new ordinary shares were allotted and issued on 31 January 2020.

(B) Warrants

Financial period	Number of ordinary shares that may be issued on conversion of all outstanding warrants	Exercise price
As at 31 January 2019	222,458,040	S\$0.035
As at 31 January 2020	-	-

All outstanding warrants of the Company has expired on 4 June 2019 and there were no warrants conversion since 31 January 2019 till then.

Save as disclosed above, there were no other outstanding convertibles, treasury shares and subsidiary holdings held or issued as at 31 January 2019 and 31 January 2020.

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

	Group	
	31/1/2020	31/07/2019
Total number of issued shares excluding treasury shares	611,670,246	536,670,246

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 were no sales, transfer, cancellation and/or use of treasury shares during and as at the end of the current financial period reported on.

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

There were no sales, transfer, cancellation and/or use of subsidiary holdings during and as at the end of the current financial period reported on.

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

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

3. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a 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. The Group's latest audited financial statements for the financial year ended 31 July 2019 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

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 in paragraph 5 below, there were no changes in accounting policies and methods of computation adopted in the financial statements of the Group for the current financial period ended 31 January 2020 compared to the most recently audited financial statements of the Group for the financial year ended 31 July 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.

Singapore listed companies are required to apply a new financial reporting framework - Singapore Financial Reporting Framework (International) ("**SFRS(I)**") that is identical to the International Financial Reporting Standards with effect from 1 January 2018. The Group has adopted SFRS(I) on 1 August 2018, including Interpretations of SFRS(I). In addition, the Group has adopted the applicable new / revised SFRS(I) and Interpretations of SFRS(I), including SFRS(I) 16. Save for the adoption of SFRS(I) 16, the adoption of these new / revised SFRS(I) and Interpretations of SFRS(I) did not result in significant change to the Group's accounting policies and did not have a material impact on the Group's results for the current financial period.

SFRS(I) 16 requires, with limited exceptions, the lessee to recognise, at initial recognition, lease liabilities, measured at the present value of lease payments that are not paid as of that date to reflect the present value of the future lease payments, and right-of-use assets at cost, comprising elements including the amount of the initial measurement of the lease liabilities, initial direct costs incurred by the lessee and estimates of other contracted costs to be incurred by the lessee, for its lease contracts. Leases of "low-value" assets and qualifying short-term leases entered into by lessees can be exempted from the new recognition criteria. The Group elected to use the exemption proposed by the standard on lease contracts for which the underlying asset is of low value and where the lease is short-term. The Group also elected not to recognise right-of-use assets and lease liabilities of leases for which the lease term ends within 12 months as of 1 August 2019. In the determination of the lease term as a lessee, the Group applied the practical expedient to use hindsight for contracts which contains options to extend or terminate the lease. The effects of adopting SFRS(I) 16 resulted in the recognition of right-of-use assets and corresponding lease liabilities on 31 January 2020 of S\$3.1 million for the Group.

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

	Group	
	3 months ended 31 January	
	2020	2019
Loss per share (" LPS ") for the financial period attributable to the owners of the Company:		
Weighted average number of ordinary shares	574,067,506	498,087,804
Based on the weighted average number of ordinary shares	(0.12)	(0.12)
- Basic & Diluted (cents)		

Diluted LPS is the same as basic LPS as the outstanding warrants have not been included in the calculation given that they are anti-dilutive.

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	
	31/1/2020	31/07/2019	31/1/2020	31/07/2019
Net (liabilities)/assets value (attributable to the owners of the Company) per ordinary share based on existing issued share capital (excluding treasury shares) as at the end of the period reported on (cents)	(0.13)	0.01	0.37	0.50

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.

Review of Income Statement

Revenue

The Group achieved a revenue of S\$1.1 million for the three months period ended 31 January 2020 ("Q2 FY2020"), a decrease of S\$0.4 million compared to the three months period ended 31 January 2019 ("Q2 FY2019").

Revenue	Q2 FY2020	Contribution	Group Q2 FY2019	Contribution	Increase / (Decrease)
	S\$'000	%	S\$'000	%	%
Food and beverage revenue	979	89%	1,057	70%	(7%)
Travel booking service revenue	125	11%	458	30%	(73%)
	1,104	100%	1,515	100%	(27%)

The decrease in revenue was mainly due to a decrease in food and beverage ("F&B") and travel booking service revenue of around S\$78,000 and S\$0.3 million respectively.

The decrease in F&B revenue was mainly due to a decrease in revenue contribution of S\$0.2 million from Hashida Sushi restaurant in Singapore and S\$0.1 million from Mulligans Pattaya in Thailand. The decrease was offset by S\$0.2 million revenue contribution from Sushi Nagai San Francisco. Our F&B division is facing with high competition and is affected by the slowdown of global economy and the COVID-19 outbreak. The Group will continuously roll out new marketing and promotion activities to attract customers.

The decrease in travel booking service revenue was mainly due to slowdown of the travel business industry and more competitive environment in Japan, coupled with the effect of the COVID-19 outbreak.

Cost & expenses

Inventories and consumables used expenses stood at S\$0.3 million due to an increase of sales activities of Sushi Nagai San Francisco, partially offset by a decrease in sales activities of Hashida Sushi restaurant in Singapore and Mulligans Pattaya in Thailand.

Travel booking services costs saw a decrease of S\$0.3 million, mainly due to lower sales in Q2 FY2020.

Advertising, media and entertainment expenses decreased by approximately S\$38,000 to approximately S\$37,000 mainly due to cost control measure.

The increase in amortisation and depreciation charges of S\$0.3 million was mainly due to the depreciation of additional fixed assets purchased for Hashida Sushi restaurant in Singapore and Sushi Nagai San Francisco as well as the depreciation of right-of use assets arising from the adoption of the new SFRS(I) 16 in Q2 FY2020.

Finance cost incurred in Q2 FY2020 was due to the adoption of the new SFRS(I) 16 on the lease.

There was no operating lease expense in Q2 FY2020 due to the reclassification of short-term rental payment of two subsidiaries, e-Holidays Co., Ltd. and Mulligan's Co., Ltd., arising from the adoption of the new SFRS(I) 16.

As a result of the factors mentioned above, the Group registered a loss of S\$0.8 million in Q2 FY2020 as compared to a loss of S\$0.6 million in Q2 FY2019.

Review of Statement of Financial Position

Current assets

The Group's current assets stood at S\$1.3 million, mainly due to a decrease in cash and cash equivalents of S\$0.2 million, offset by an increase of trade and other receivables of S\$0.2 million resulting from the increased advances paid to suppliers of travel business.

Non-current assets

The Group's non-current assets increased by S\$3.2 million, from S\$2.5 million as at 31 July 2019 to S\$5.7 million as at 31 January 2020. This was mainly due to the recognition of right-of-use asset of S\$3.5 million in Q2 FY2020 arising from the adoption of the new SFRS(I) 16, partially offset by the depreciation of plant and equipment of S\$0.3 million.

Current liabilities

The Group's total current liabilities increased by S\$1.8 million, from S\$3.3 million as at 31 July 2019 to S\$5.1 million as at 31 January 2020 mainly due to an increase in trade and other payables of S\$1.3 million as a result of the increased business activities from Sushi Nagai San Francisco. There was a recognition of lease liabilities of S\$0.5 million arising from the adoption of the new SFRS(I) 16. The existing bank borrowings amounted to approximately S\$32,000 is attributed to the travel business.

Non-current liabilities

The Group's non-current liabilities stood at S\$2.6 million as at 31 January 2020 due to recognition of lease liabilities arising from the adoption of the new SFRS(I) 16.

Equity

The Group's equity decreased by S\$1.1 million, from S\$0.4 million as at 31 July 2019 to a deficit position of S\$0.7 million as at 31 January 2020. The decrease was due to a net loss of S\$1.5 million recorded by the Group, partially offset by the fund raised from the Proposed Subscription amounting to S\$0.4 million.

Working capital and going concern statement

The Group is in a net current liabilities position of S\$3.8 million and a net liabilities position of S\$0.7 million as at 31 January 2020. Notwithstanding this, the Board believes that barring any unforeseen circumstances, the Group will be able to meet its short-term obligations as and when they fall due and continue as a going concern, after taking into consideration that the controlling shareholder of the Company, Bounty Blue Capital Ltd, has extended an interest free loan of S\$2.1 million to the Group for working capital purposes as at 31 January 2020, and has undertaken not to call for repayment until the Group has sufficient additional working capital. In addition, Bounty Blue has undertaken to provide further financial support if the need arises to enable the Group to continue operations for at least the next 12 months from 31 January 2020. Furthermore, the substantial shareholder, Capital Square, has extended a S\$0.2 million short-term loan with 5% interest per annum to the Group for working capital.

Review of Statement of Cash Flows

The Group's net cash flows generated from operating activities in Q2 FY2020 was S\$0.4 million, mainly due to net working capital inflow of S\$0.9 million, partially offset by negative operating cash flows before changes in working capital of S\$0.5 million.

The Group's net cash flows used in investing activities in Q2 FY2020 was S\$0.2 million, mainly due to the addition of plant and equipment of S\$0.2 million for the renovation of Sushi Nagai San Francisco.

The net cash flows used in financing activities in Q2 FY2020 was S\$0.2 million, due to the lease liabilities of S\$0.7 million in Q2 FY2020 arising from the adoption of the new SFRS(I) 16, partially offset by the net proceeds from the Proposed Subscription of S\$0.4 million.

As a result, cash and cash equivalents stood at approximately S\$80,000 as at 31 January 2020.

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

Not applicable.

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

The food and beverage ("**F&B**") industry is currently fraught with challenges brought about by the COVID-19 outbreak, which impacted the business in Singapore, San Francisco, Japan and Thailand. The Group continues to face challenges from decreasing average spending per customer. In addition, the Group expects to be impacted by the COVID-19 outbreak which may result in a decline in tourists and reduction in consumer spending from Q3 FY2020 onwards.

The Group continues to remain cautious about the outlook and condition of the overall business environment in the travel and F&B industries. The Board of Directors is mindful of the intense competition of these industries, tight labour supply and increasing costs.

The Group will continue to explore new business opportunities as well as controlling its costs to improve operational efficiency. On 27 November 2019, the Group obtained shareholders' approval to expand into new import and distribution businesses for raw foods, canned or processed foods and lifestyle, health and wellness products. The Group will update the shareholders as and when there are material developments on such businesses.

The Group will continue to seek opportunities to expand its presence by way of acquisitions and forming new joint-ventures with potential partners. The new high-end sushi restaurant in San Francisco, which we partnered with Capital Square via a joint venture agreement, namely Sushi Nagai San Francisco, had held its soft launch in May 2019 and its official grand opening event in December 2019. The number of COVID-19 cases has been increasing in the USA and people are encouraged to work at home and reduce the frequency of dining out. The Group will monitor the situation and remain vigilant.

On 21 February 2020, the Group's 100% owned subsidiary, LB F&B Pte. Ltd. ("**LB F&B**"), entered into a non-binding Memorandum of Understanding with Mr Koichiro Ara (the "**Vendor**", together with LB F&B, the "**Parties**") in relation to the proposed acquisition of 10,000 ordinary shares representing 100% of the entire issued and paid up share capital of and Beef by Koh Co., Ltd. (the "**Target Company**") from the Vendor for an indicative consideration of S\$200,000, which will be subject to the results of the due diligence to be carried out on the Target Company and the definitive agreement to be executed by the Parties. The Target Company is a company incorporated in Japan and is engaged in restaurant for serving beef cuisine, such as Yakiniiku (BBQ Beef), Korean cuisine and other creative cuisine in Tokyo, Japan with one outlet.

On 28 February 2020, LB F&B entered into an investment agreement (the "**Agreement**") with Mr Kaji Mitsuyoshi ("**Mr. Kaji**", together with LB F&B, the "**Investors**") in relation to a proposed investment into Kaji F&B Pte. Ltd. ("**Kaji F&B**") (the "**Investment**") to set up and operate a high-end Japanese restaurant which provides Kappo-style omakase in Singapore.

Despite the 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 put into effort to boost its travel business by focusing on inbound domestic tours in Japan, especially in light of the Tokyo Olympic Game. Cost reduction measurement has been in place since August 2019 for this business segment as well. On 11 March 2020¹, Tokyo Olympics organisers mentioned that neither the Tokyo 2020 organising committee nor the International Olympic Committee was considering postponing or cancelling the 2020 Games despite the COVID-19 outbreak. The Group will monitor the situation and remain vigilant.

The suspension of the fintech business shall continue.

On 31 January 2020, the Company proposed consolidation of every fifty (50) existing ordinary shares in the capital of the Company into one (1) ordinary share in the capital of the Company ("**Consolidation Share**") ("**Proposed Share Consolidation**"). The Company also proposed renounceable non-underwritten rights issue of up to 305,835,100 new ordinary shares in the capital of the Company ("**Rights Shares**") on the basis of twenty-five (25) Rights Shares for every one (1) Consolidated Share ("**Rights Issue**"). The Proposed Share Consolidation and the Rights Issue are currently on hold due to the uncertainty in the capital market, including the recent COVID-19 outbreak. Further announcements will be made by the Company in relation to the Proposed Share Consolidation and Rights Issue as and when appropriate.

The Company will continue to explore various sources of financing and fundraising exercises to strengthen its cash position for future business expansions.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None.

(c) Date payable

Not applicable.

(d) Record date

Not applicable.

¹ <https://www.channelnewsasia.com/news/sport/tokyo-olympics-organisers-say-no-plans-to-postpone-or-cancel-2020-games-12526598>

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

No dividend has been declared/recommended for the financial period under review in view of the negative earnings.

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

The Group does not have a general mandate for interested person transactions. There were no interested person transactions which amounted to more than S\$100,000 during Q2 FY2020.

14. Statement pursuant to Rule 705(5) of the Catalist Rules

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the above unaudited financial results for the Q2 FY2020 to be false or misleading in any material aspect.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers pursuant to Rule 720(1) of the Catalist Rules

The Company confirms that it has procured undertakings from all its Directors and Executive Officers, in the format as set out in Appendix 7H pursuant to Rule 720(1) of Catalist Rules.

ON BEHALF OF THE BOARD OF DIRECTORS

Saito Hiroyuki
Executive Chairman and Chief Executive Officer

12 March 2020

This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "Sponsor").

This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and 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.

The contact person for the Sponsor is Ms Lee Khai Yinn (Tel: (65) 6232 3210), at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.