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## **Singapore Food Holdings Limited**

### **新加坡美食控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock code: 8496)**

## **INSIDE INFORMATION BUSINESS UPDATE IN RELATION TO THE OUTBREAK OF NOVEL CORONAVIRUS**

This announcement is made by Singapore Food Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10(2) of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

In light of the recent development of the outbreak of novel coronavirus (the “**Outbreak**”), the Singapore government announced on 14 May 2021 that Phase 2 (Heightened Alerts) measures (“**Phase 2 (Heightened Alerts) Measures**”) would take effect from 16 May to 13 June 2021. During this period, dining in at food and beverage outlets is prohibited. Besides, work-from-home will be the default mode of work such that employers must ensure that employees who are able to work from home shall do so.

To help food and beverage businesses reduce costs of food delivery and sales, the Singapore government has re-introduced the Food Delivery Booster Package, with effect from 16 May to 15 June 2021, which consists of the following:

- (i) reduction of five percentage points of the commission cost charged by certain online food delivery platforms; and
- (ii) funding of 20% of food delivery logistic cost per trip for those that are fulfilling food delivery orders through certain third-party logistics partners.

The Singapore government had also announced an increase in the Jobs Support Scheme support rate available to food and beverages business owners from 10% to 50% of the first S\$4,600 of gross monthly wages paid to each local employee for the period from 16 May to 6 June 2021 (both dates inclusive). The directors (the “**Directors**”) of the Company confirmed that the Group is eligible to receive the aforesaid subsidies and supports provided by the Singapore government.

The Group is a food and beverage group which operates various bakery outlets and restaurants in Singapore. Since the Outbreak, the Group has implemented safe management measures at its head office, including, among others, the installation of SafeEntry, a national digital check-in system, to support contact tracing. The Group has split its staff into teams to minimise cross-deployment between them.

As at the date of this announcement, the bakery outlets and restaurants of the Group have remained open for takeaway and delivery services but ceased all dining-in services. In response to the Phase 2 (Heightened Alerts) Measures, the Group has adopted some sales stimulating measures including but not limited to expanding the takeaway and delivery services to mitigate the impact of the Phase 2 (Heightened Alerts) Measures.

Having monitored and assessed the current impact of the Outbreak on the Group's business operations and changes in market conditions, the Board is contemplating to adjust the business strategies of the Group as follows:

- (i) *Adjusting the locations of new restaurants to minimise reliance on customer flow in downtown areas and central business districts*

As disclosed in the Prospectus, the Group intended to open nine bakery outlets under "Proofer" brand and four restaurants under "Yuba Hut" brand. As at the date of this announcement, two bakery outlets under "Proofer" brand and two restaurants under "Yuba Hut" brand were opened. The site selection policy of the Group has been to focus on high-traffic retail areas and convenient locations such as shopping malls and MRT stations.

In light of the reduced customer traffic in downtown areas and central business districts, the Group is considering to shift the locations of new restaurants to residential areas as the customer traffic in such areas are less likely to be affected by the work-from-home policy and the leased premises generally entail lower rents. As part of its efforts to diversify its restaurant portfolio, the Group is considering to plan its new restaurants under the "Nana" brand which mainly serve comfort food to customer.

The Board is of the view that this proposed change in its site selection will enable the Group to minimise its reliance on the customer flow in downtown areas and central business districts and broaden its earning base for the long-term development of the Group.

- (ii) *Adopting a more prudent financial management policy in order to cope with the expected decrease in sales from dining-in customers*

The Outbreak and the Phase 2 (Heightened Alerts) Measures implemented by the Singapore government have resulted in a reduction in the number of customers of the Group's outlets, which in turn adversely affected its financial performance. There is no

assurance on when the Outbreak will fade and/or the Phase 2 (Heightened Alerts) Measures will be lifted in the foreseeable future. Further, other than the Food Delivery Booster Package and Jobs Support Scheme as mentioned above, there is no official announcement yet on whether the Singapore government would re-introduce some of the support measures to Singapore enterprises as it did during the previous outbreak in 2020. In light of the current situation, the Group is considering to reserve more of its financial resources to support the liquidity needs of its existing restaurants and outlets, including wages and salaries, shops rentals, payments for raw materials and other overhead costs.

The Board will continue to monitor the market situation and evaluate the impact of the Outbreak on its business operations. The Company will make further announcement(s) once it has reached a final decision on the change of its business strategies.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

**The Company will make further announcement if and when there is any material development on the matter or otherwise as required by the GEM Listing Rules.**

By order of the Board  
**Singapore Food Holdings Limited**  
**Goh Leong Heng Aris**  
*Chairman and executive Director*

Singapore, 28 May 2021

*As at the date of this announcement, the executive Directors are Mr. Goh Leong Heng Aris, Ms. Anita Chia Hee Mei (Xie Ximei); and the independent non-executive Directors are, Mr. John Lim Boon Kiat, Mr. Kwok Kin Kwong Gary, Mr. Wong Wah and Mr. Kuan Hong Kin Daniel.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website at <http://www.hkgem.com> for at least seven days from the date of its posting and on the Company’s website at [www.proofer.com.sg](http://www.proofer.com.sg).*