Global Dining Holdings Limited
環球美食控股有限公司

(Formerly known as "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)

ANNUAL REPORT

2021/2022

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*This report, for which the directors (the "**Directors**") of Global Dining Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**" or "**We**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "**GEM Listing Rules**") 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 report 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 report misleading.*

CONTENTS

CORPORATE INFORMATION	2
FINANCIAL HIGHLIGHTS	4
CHAIRMAN'S STATEMENT	5
DIRECTORS AND SENIOR MANAGEMENT	6
MANAGEMENT DISCUSSION AND ANALYSIS	8
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT	17
CORPORATE GOVERNANCE REPORT	42
DIRECTORS' REPORT	51
INDEPENDENT AUDITORS' REPORT	60
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	65
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	66
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	68
CONSOLIDATED STATEMENT OF CASH FLOWS	69
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	71
FINANCIAL SUMMARY	128

CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. Goh Leong Heng Aris
(Chairman and Chief Operating Officer)
(resigned on 29 June 2022)
Ms. Anita Chia Hee Mei (Xie Ximei)
(Chief Executive Officer) (resigned on 29 June 2022)
Mr. John Lim Boon Kiat *(Chairman)*
(redesignated on 16 December 2021)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Kwok Kin Kwong Gary
Mr. Wong Wah
Mr. Kuan Hong Kin Daniel

AUDIT COMMITTEE

Mr. Wong Wah *(Chairman)*
Mr. John Lim Boon Kiat (resigned on 16 December 2021)
Mr. Kwok Kin Kwong Gary
Mr. Kuan Hong Kin Daniel
(appointed on 16 December 2021)

REMUNERATION COMMITTEE

Mr. Kwok Kin Kwong Gary *(Chairman)*
Ms. Anita Chia Hee Mei (Xie Ximei)
(resigned on 29 June 2022)
Mr. John Lim Boon Kiat
(resigned on 16 December 2021 and re-appointed on 29 June 2022)
Mr. Kuan Hong Kin Daniel
(appointed on 16 December 2021)

NOMINATION COMMITTEE

Mr. Goh Leong Heng Aris *(Chairman)*
(resigned on 29 June 2022)
Mr. John Lim Boon Kiat *(Chairman)*
(resigned on 16 December 2021 and re-appointed on 29 June 2022)
Mr. Kuan Hong Kin Daniel
Mr. Wong Wah (appointed on 16 December 2021)

COMPLIANCE OFFICER

Mr. Goh Leong Heng Aris (resigned on 29 June 2022)
Mr. John Lim Boon Kiat (appointed on 29 June 2022)

COMPLIANCE ADVISER

Kingsway Capital Limited
7/F, Tower One, Lippo Centre
89 Queensway
Hong Kong

AUTHORISED REPRESENTATIVES

Mr. Goh Leong Heng Aris (resigned on 29 June 2022)
Mr. John Lim Boon Kiat (appointed on 29 June 2022)
Mr. Yu Chun Kit

COMPANY SECRETARY

Mr. Yu Chun Kit

LEGAL ADVISERS

As to Hong Kong law:
David Fong & Co.
Unit A, 12/F
China Overseas Building
139 Hennessy Road
Wanchai
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As to Cayman Islands law:
Conyers Dill & Pearman
Cayman Islands attorneys-at-law
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

REGISTERED OFFICE IN THE CAYMAN ISLANDS

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit A, 12/F
China Overseas Building
139 Hennessy Road
Wanchai
Hong Kong

CORPORATE INFORMATION

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
2103B, 21/F, 148 Electric Road
North Point, Hong Kong

AUDITOR

HLB Hodgson Impey Cheng Limited
Registered Public Interest Entity Auditor
Certified Public Accountants
31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

PRINCIPAL BANKERS

DBS Bank Limited
12 Marina Boulevard
Marina Bay Financial Centre Tower 3
Singapore 018982

United Overseas Bank Limited
80 Raffles Place
UOB Plaza
Singapore 048624

COMPANY'S WEBSITE

www.proofer.com.sg

STOCK CODE

8496

FINANCIAL HIGHLIGHTS

KEY FINANCIAL FIGURES

	Year ended 30 June		
	2022	2021	% change
	S$	*S$*	*%*
Revenue	**11,961,710**	14,136,821	-15.4%
Loss before tax	**(1,581,965)**	(4,815,227)	-67.1%
Net loss attributable to equity holders of the Company	**(1,685,280)**	(4,883,965)	-65.5%
Total assets	**10,765,522**	17,195,016	-37.4%
Total liabilities	**10,146,974**	14,868,877	-31.8%
Net assets	**618,548**	2,326,139	-73.4%

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board of Directors (the "**Board**"), I am pleased to present the annual report of the Group for the year ended 30 June 2022 (the "**Year**").

FINANCIAL OVERVIEW

During the Year, the Group recognised revenue of approximately S$12.0 million (2021: S$14.1 million) and loss for the Year of approximately S$1.8 million (2021: S$4.9 million).

PROSPECT

The Year was a challenging year for the Group, the recurring waves of COVID-19 pandemic severely disrupted the local and international economics. Our bakeries and restaurants have taken a significant hit when the local governments have implemented different extent of movement restrictions in bid to curb the waves of infections during the Year, which result in plunge in domestic consumption. Although the global economies have rebounded strongly from this pandemic-induced woes and Singapore's economy has recorded a positive growth of 4.8% in the first half of 2022 and the Singapore's government has lifted most covid restrictions in April 2022, the global consumer sentiment dropped significantly from the pre-pandemic and the China's operation was significant hit by the zero-covid policy, there are still many uncertainties ahead.

Against the unpredictable future, the Directors will continue to adopt a cautious and prudent approach in adjusting its business strategy with the aim to minimise loss and improve the performance of the Group. While closely monitoring the market and customer developments, the Company has also implemented a series of reforms and adjustments on the composition of business segments, focusing on streamlining and concentration, product and service quality improvement, cost reduction and efficiency enhancement.

APPRECIATION

On behalf of the Board, let me take this opportunity to extend our heartfelt gratitude to our shareholders, business partners, customers, and employees for their continuous support and contribution to the Group. We are committed to delivering value and bringing good returns to all our stakeholders.

John Lim Boon Kiat
Chairman

DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTOR

Mr. John LIM Boon Kiat (林文杰) ("**Mr. Lim**"), aged 46, is an executive Director. Mr. Lim joined our Group in April, 2020. He is a chairman of Nomination Committee and member of Remuneration Committee. He is responsible for providing independent judgment on our strategy, performance, resources and standard of conduct.

Mr. Lim has over 20 years of experience in the fashion and design sector. Since April, 1999, Mr. Lim established and operated a clothing retail business in Singapore through Fashion . Lab and Fashion . Lab Pte. Ltd.. Mr. Lim was appointed to serve as an adjunct lecturer of Temasek Polytechnic in Singapore from October, 2018 to December, 2018 and from October, 2019 to December, 2019, respectively.

Mr. Lim attended a fashion design programme at Lasalle International Fashion School in Singapore from 1993 to 1995.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. KWOK Kin Kwong Gary (郭建江) ("**Mr. Kwok**"), aged 46, is an independent non-executive Director. Mr. Kwok joined our Group in April, 2020. He is the chairman of the Remuneration Committee and a member of the Audit Committee. He is responsible for providing independent judgment on our strategy, performance, resources and standard of conduct.

Mr. Kwok has over 20 years of experience in the financial service industry. From September, 1998 to August, 2000, Mr. Kwok worked at Deloitte Touche Tohmatsu as a staff accountant. From September, 2000 to January, 2004, Mr. Kwok worked at financial services providers including Ka Wah Capital Limited (currently known as CITIC Securities Corporate Finance (HK) Limited), BOCI Asia Limited and WAG Management Consultancy Limited as an analyst, an associate and a senior analyst (last position held), respectively. From January, 2004 to July, 2012, Mr. Kwok worked at CITIC International Assets Management Limited and its subsidiary and associated company as deputy general manager. Mr. Kwok worked at TTG Fintech Limited (currently known as Fintech Chain Limited) (stock code: FTC), shares of which are listed on the Australian Securities Exchange, as chief financial officer from July, 2012 to December, 2017, and executive director and company secretary from September, 2012 to December, 2017. Mr. Kwok has been appointed by Sichuan Energy Investment Development Co., Ltd. (stock code: 1713), the shares of which are listed on the Main Board of the Stock Exchange, as an independent non-executive director since May, 2017. From December, 2017 to September, 2018, Mr. Kwok worked at SBI BITS Hong Kong Limited as the chief financial officer. Mr. Kwok worked from September, 2018 to January, 2020, as the chief financial officer of Yinyi Holdings (Hong Kong) Limited, a subsidiary of Dafa Properties Group Limited (stock code: 6111), the shares of which are listed on the Main Board of the Stock Exchange, and as a joint company secretary of Dafa Properties Group Limited from May, 2019 to January, 2020. From January 2020 to December 2020, Mr. Kwok worked as the chief financial officer of Changyou Alliance Group Limited (formerly known as Fortunet e-Commerce Group Limited and Changfeng Axle (China) Company Limited, respectively) (stock code: 1039), the shares of which are listed on the Main Board of the Stock Exchange. Mr. Kwok has been working as chief financial officer of Well Capital Corporation Limited,a Hong Kong based apparel company, from December 2020 to November 2021.

Mr. Kwok obtained a degree in bachelor of business administration from the Chinese University of Hong Kong in December, 1998. He has been a member of HKICPA since February, 2005.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Wong Wah (黃華) ("**Mr. Wong**"), aged 38, is an independent non-executive director. He joined our Group in February 2021. He has over 15 years of auditing, accounting and company secretarial experience. Mr. Wong obtained a bachelor degree in accountancy from The Hong Kong Polytechnic University in December 2006. Mr. Wong worked in PricewaterhouseCoopers until January 2016. From January 2016 to June 2018, Mr. Wong was the group financial controller, company secretary and authorised representative of AV Promotion Holdings Limited, the shares of which are listed on the Stock Exchange (stock code: 8419). From June 2018 to September 2020. Mr. Wong was the chief financial officer and company secretary of a private company. Mr. Wong has been the company secretary and an authorised representative of K Group Holdings Limited, the shares of which are listed on the Stock Exchange (stock code: 8475), from October 2020 to October 2021. He has been an independent non-executive director of S&S Intervalue China Limited (formerly known as China Futex Holdings Limited) (Stock Code: 8506) from October 2021 to June 2022. Since September 2021, Mr Wong has been working at AB Builders Group Limited (Stock code: 1615), the shares of which are listed on Main Board of the Stock Exchnage, as the company secretary. Mr. Wong has been a member of the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") since January 2010.

Mr. Kuan Hong Kin Daniel (關匡建) ("**Mr. Kuan**"), aged 32, is an independent non-executive director. He joined our Group in February 2021. He has over eight years of experience in the legal industry. Mr. Kuan was admitted as a barrister in Hong Kong in April 2014. He obtained from The Chinese University of Hong Kong a bachelor's degree in law in November 2012 and the Postgraduate Certificate in Laws in July 2013. From August 2016 to May 2020, Mr. Kuan was a non-executive Director of Kingland Group Holdings Limited (previously known as Sing On Holdings Limited) (Stock Code: 1751; previous Stock Code: 8352).

COMPANY SECRETARY

Mr. YU Chun Kit (余俊傑) ("**Mr. Yu**"), aged 32, was appointed as company secretaries of our Group in September, 2019.

Mr. Yu has over 10 years of experience in auditing, accounting and financial management. From October, 2011 to July, 2014, Mr. Yu worked at BDO Limited with his last position as a senior associate. From July, 2014 to August, 2015, Mr. Yu worked at KPMG with his last position as an assistant manager. From February, 2016 to November, 2016, Mr. Yu worked at Bowker Asia Limited, which is a subsidiary of Win Hanverky Holdings Limited (stock code: 3322), the shares of which are listed on the Main Board of the Stock Exchange, with his last position as an assistant internal audit manager. From December, 2016 to December, 2017, Mr. Yu worked at a Kingston Corporate Finance Limited, which is a subsidiary of Kingston Financial Group Limited (stock code: 1031), the shares of which are listed on the Main Board of the Stock Exchange, as an assistant manager. Since August, 2018, Mr. Yu has been working at Boltek Holdings Limited (stock code: 8601), the shares of which are listed on GEM of the Stock Exchange, as the financial controller and company secretary. Mr. Yu has been an independent non-executive director of Huobi Technology Holdings Limited (stock code: 1611) the shares of which are listed on Main Board of the Stock Exchange since April 2022.

Mr. Yu obtained a degree bachelor of business administration in accounting and finance from the Hong Kong Polytechnic University in October, 2011. Mr. Yu has been a member of HKICPA since July, 2015.

COMPLIANCE OFFICER

Mr. John Lim Boon Kiat is the compliance officer of the Company. For his biographical information, please see "Executive Director" in this section.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

We are a fast-growing multi-brand Singapore-based F&B group that offers broad customer appeal. As at 30 June 2022, the Group has (i) 13 bakery outlets; (ii) 5 Japanese fast casual dining restaurants; (iii) 3 Chinese fast casual dining restaurant; and (iv) one Western fast casual dining restaurant all of which are in Singapore. In addition to this, the Group has one Western fast casual dining restaurant and one Chinese fast casual dining restaurant in Shanghai, the People's Republic of China (the "**PRC**").

For the Year, the Group recorded net loss attributable to the equity holders of the Company of approximately S$1.7 million (2021: S$4.9 million).

The Directors are of the view that the decrease in net loss attributable to the equity holders was due to (i) the decrease in impairment loss made on right-of use assets, which amounted approximately S$0.5 million for the Year, a decrease of approximately S$1.5 million, or 73.2%, from approximately S$2.0 million for the year ended 30 June 2021, and (ii) the decrease in depreciation of right-of-use assets, which amounted approximately S$3.3 million for the Year, a decrease of approximately S$1.7 million, or 33.5%, from approximately S$5.0 million for the year ended 30 June 2021.

OUTLOOK

The Group is constantly seeking ways to enhance our operational efficiency and the profitability of our business. The Group will also proactively explore opportunities to expand our customer base and our market share which will boost value to our shareholders.

In response to the impact of the pandemic, the Group has reorganised the affected restaurants, and conducted negotiations with the property lessors of PRC's restaurant for rent waiver or concession by leveraging its brand advantages. Meanwhile, the Company will analyse and estimate the impact of the pandemic on the property market, strengthen and make full use of its brand advantages to plan for the location selection for future business expansion.

With the gradual easing of the pandemic across many regions and ongoing implementation of various business reform initiatives by the Group, coupled with its robust and prudent financial management and abundant talent pool, the Group is confident in its future development.

EVENTS AFTER THE END OF REPORTING PERIOD

The Directors are not aware of any significant event requiring disclosure that has taken place subsequent to the 30 June 2022 and up to the date of this report.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

All of the Group's revenue was generated through our bakery outlets and restaurants. The number of outlets for the respective concepts as at the respective year-ends has been set out in the following table:

	Year ended 30 June	
	2022	2021
Bakery outlets	**13**	18
Fast casual dining restaurants		
— Japanese	**5**	5
— Western	**2**	1
— Chinese	**4**	3
Beverage shop	**–**	1
Total	**24**	28

During the Year, our Group derived revenue totalling to approximately S$12.0 million, a decrease of approximately S$2.2 million, or 15.4%, from approximately S$14.1 million for the year ended 30 June 2021. The decrease was principally due to (i) the decrease in customer traffic, as a result of the Singapore Government tightening the COVID-19 curbs from September 2021 to April 2022 that included but not limited to making working from home a default, limiting social interactions and dining out to two people; (ii) the suspension of food business operation of the central kitchen set out in the announcement issued by the Company on 28 October 2021 and (iii) decrease in number of bakery outlets. The table below sets forth a breakdown of the Group's revenue generated by each concept and the percentage of revenue contribution of each concept to the Group's total revenue in each financial year:

	Year ended 30 June			
	2022		2021	
	Total revenue	**% of total revenue**	Total revenue	% of total revenue
	S$	***%***	*S$*	*%*
Bakery outlets	**7,562,244**	**63.2**	10,340,669	73.2
Fast casual dining restaurants				
— Japanese	**1,729,685**	**14.5**	2,504,597	17.7
— Western	**538,754**	**4.5**	584,065	4.1
— Chinese	**2,119,328**	**17.7**	688,105	4.9
Beverage shop	**11,699**	**0.1**	19,385	0.1
Total revenue	**11,961,710**	**100.0**	14,136,821	100.0

MANAGEMENT DISCUSSION AND ANALYSIS

Bakery outlets

Our bakery outlets consist of outlets under the "*Proofer*" brand.

During the Year, our bakery outlets have generated total revenue of approximately S$7.6 million, a decrease of approximately, S$2.8 million, or 26.9%, from approximately S$10.3 million for the year ended 30 June 2021. This decrease was mainly due to the suspension of food business operation of the central kitchen set out in the announcement issued by the Company on 28 October 2021 and the decrease in number of bakery outlets.

Fast casual dining restaurants

Our Chinese fast casual dining restaurants, which are under "*Nana Curry*" brand, have generated revenue of approximately S$2.1 million, an increase of approximately S$1.4 million or 208.0% comparing to the financial year ended 30 June 2021. Our Japanese fast casual dining restaurants, which are under the "*Yuba*" brand, have generated revenue of approximately S$1.7 million, a decrease of approximately S$0.8 million or 30.9% comparing to the financial year ended 30 June 2021. Our Western fast casual dining restaurants, have generated revenue of approximately S$0.5 million, a decrease of 7.8% comparing to the financial year ended 30 June 2021.

The overall revenue of fast casual dining restaurants amounted to approximately S$4.4 million for the Year, there is an increase of approximately S$0.6 million, or 15.9%. The increase was mainly due to (i) the Chinese fast casual dining restaurants were opened in Q3 and Q4 for the financial year ended 30 June 2021, so only half year revenue was generated in the financial year ended 30 June 2021 and (ii) the Singapore government has lifted most covid restrictions in April 2022, which improved the customer traffic.

Other income

Other income mainly consists of government grant. There was an increase in other income of approximately S$0.3 million, or 34.7% from approximately S$0.8 million for the financial year ended 30 June 2021 to approximately S$1.1 million for the Year. This increase was mainly due to the extension of the Job Support Scheme introduced by the Singapore Government in February 2020 to provide relief and assistance to companies amidst the outbreak of Coronavirus, with the aim of helping businesses retain their local employees during this period of uncertainty.

Other gains/(losses), net

Other gains/(losses), net consist of (i) loss on disposal of plant and equipment, (ii) gain on lease modifications, (iii) loss on disposal of leases and (iv) over-provision of Listing expense.

During the Year, the other gains, net amount of approximately S$0.8 million was recorded, while for the year ended 30 June 2021 other losses, net amount of approximately S$ 0.7 million was recorded, which is mainly due to (i) decrease in the loss on disposals of plant and equipment, which decreased by approximately S$0.7 million, or 82.5%, from approximately S$0.8 million for the year ended 30 June 2021 to S$0.1 million for the Year and (ii) over-provision of Listing expenses in relation to the waiver of other payable to an independent third party for consultancy service which amounted S$930,000.

MANAGEMENT DISCUSSION AND ANALYSIS

Raw materials and consumables used

Raw materials and consumables mainly consist of (i) food ingredients and (ii) packaging materials.

There was a decrease in raw materials and consumables used by approximately S$0.6 million, or 15.6% from approximately S$3.7 million for the financial year ended 30 June 2021 to S$3.1 million for the Year. This decrease was due to decrease in number of bakery outlets and corresponding drop in revenue.

Employee benefit cost

Our employee benefit cost comprises (i) wages, salaries and allowances paid to our employees, including our Directors, managerial and operation staff; (ii) employer's contribution to defined contribution plans and (iii) levies on foreign workers and skills development imposed by the Singapore Government.

During the Year, the employee benefit cost amounted to approximately S$4.5 million, which remain stable comparing to the financial year ended 30 June 2021.

Cost of leasing for our operations

Our cost of leasing for operations represented rental-related costs for leasing our bakery outlets, restaurants, head office, central kitchen premises and motor vehicles as shown in the following table:

	Year ended 30 June	
	2022	2021
	S$	*S$*
Expenses under short-term lease and variable lease payments	**366,904**	298,813
Depreciation of right-of-use assets	**3,337,381**	5,015,175
Interest expense on lease liabilities	**467,170**	837,268
Rent concessions	**(201,177)**	(543,825)
Total	**3,970,278**	5,607,431

There was a decrease in our cost of leasing for our operations by approximately S$1.6 million, or 29.2%, from approximately S$5.6 million for the year ended 30 June 2021 to approximately S$4.0 million for the Year. This decrease in cost of leasing for our operations was due to an impairment charge of approximately S$2.0 million was made to the right-of-use assets for the year ended 30 June 2021, as a result of assessment on the Group's non-current assets performed by the management due to the negative impact on business performance by covid-19, which lead to the decrease in depreciation of right-of-use asset for the Year.

The total cash outflow for leases during the years ended 30 June 2022 and 2021 were S$4,801,829 and S$5,886,861 respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

Depreciation of plant and equipment

Depreciation expense arises from the systematic allocation of the costs, less respective residual value of our plant and equipment over their respective useful lives.

There was a decrease in depreciation expense of approximately S$0.1 million, or 14.6%, from S$0.8 million for the year ended 30 June 2021 to approximately S$0.6 million for the Year. This decrease was due to approximately S$0.8 million and S$0.2 million of plant and equipments were disposed and impaired respectively during the year ended 30 June 2021, which lead to the decrease in depreciation of plant and equipment for the Year.

Other expenses

Our other expenses consist of other operating expenses such as utilities, delivery agent service charges, legal and professional fees, and other miscellaneous administrative expenses.

During the Year, the other expenses amounted to approximately S$2.3 million, which remain stable comparing to the financial year ended 30 June 2021.

Net finance costs

Our net finance costs include interest expense on lease liabilities, bank borrowings, provision for reinstatement and effects of discounting of non-current deposits, offset by interest income on bank deposits earned during the financial year.

There was a decrease in net finance cost of approximately S$0.4 million or 44.1%. The decrease was mainly due to an impairment charge of approximately S$2 million was made to the right-of-use assets for the year ended 30 June 2021, as a result of assessment on the Group's non-current assets performed by the management and independent valuer due to the negative impact on business performance by covid-19.

DIVIDEND POLICY

In deciding whether to propose a dividend and in determining the dividend amount, the following will be taken into account, inter alia:

(i) the actual and expected financial performance of our Group;

(ii) retained earnings and distributable reserves of our Company and each of the other members of our Group;

(iii) economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of our Group;

(iv) business strategies of our Group, including future cash commitments and investment needs to sustain the long-term growth aspect of the business;

(v) the current and future operations, liquidity position and capital requirements of our Group;

(vi) statutory and regulatory restrictions; and

(vii) other factors that our Board deems appropriate.

The payment of the dividend by the Company is also subject to any restrictions under the Companies Law of the Cayman Islands and any other applicable laws, rule and regulations and amended and restated memorandum and articles of association (the "**Articles**") of the Company. The dividend policy of the Company will be reviewed by the Board from time to time and there can be no assurance that a dividend will be proposed or declared in any specific periods.

DIVIDEND

After taking into account the dividend policy of the Company summarised above, the Board does not recommend the payment of final dividend for the Year.

LIQUIDITY AND CAPITAL RESOURCES

The Group financed our operations primarily through cash generated from our operating activities and bank borrowings.

Cash and bank balances

As at 30 June 2022, the Group's cash and bank balances amounted to approximately S$2.3 million (2021: S$4.6 million).

Net current liabilities

As at 30 June 2022, the Group had net current liabilities of S$3.4 million (2021: S$2.4 million).

Total equity

The equity of the Group mainly comprises share capital, share premium and reserves. The Group's total equity attributable to owners of the Company amounted to S$0.6 million (2021: S$2.3 million).

Borrowings

Our borrowings decreased by approximately S$0.3 million or 37.7% from approximately S$0.9 million as at 30 June 2021 to approximately S$0.6 million as at 30 June 2022. The decrease was primarily due to repayments of loans during the financial year ended 30 June 2022.

The Group's bank borrowings repayable based on the scheduled repayment dates, are as follow:

	As at 30 June	
	2022	2021
	S$	*S$*
Within 1 year	**345,657**	346,692
Between 1 and 2 years	**228,128**	345,657
Between 2 and 5 years	**–**	228,128
	573,785	920,477

For the year ended 30 June 2022, bank borrowings are denominated in SGD and bear fixed interest rates between 6.25% to 7.0% per annum (2021: 6.25% to 7.0% per annum). The fair value of non-current borrowings approximates the carrying value of the non-current borrowings at the end of each reporting period as they bear interest at rates which approximate the current incremental borrowing rate for similar types of lending and borrowing arrangements.

MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 June 2022 and 2021, the Group's borrowings are secured by corporate guarantees provided by the Company.

CAPITAL STRUCTURE

There has been no change in the capital structure of the Group since the Listing Date and up to the date of this report.

TREASURY POLICY

The Group has adopted a conservative approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Year. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

CONTINGENT LIABILITIES

As at 30 June 2022, the Group did not have any contingent liabilities (2021: nil).

CHARGES ON ASSETS

As at 30 June 2022, the Group did not have any charges on assets (2021: nil).

Foreign exchange exposure

The headquarters and principal place of business of the Group is in Singapore with our revenue and cost of sales mainly denominated in Singapore dollars, which is the functional currency of all the Group's operating companies. And two of the Group's subsidiaries' place of business are in PRC with its revenue and cost of sales mainly demonated in Renminbi, considering the bank balances as at 30 June 2022, the Directors do not consider the PRC subsidiaries is exposed to any material foreign currency risk.

However, as the shares of the Company have been listed on GEM on the Stock Exchange on 18 May 2020, the Group retains portion of listing proceeds from share offer denominated in Hong Kong dollars amounting to approximately HK$1.8 million as at 30 June 2022 that are exposed to foreign currency risk. The Group will continue to monitor its foreign currency exposure and will consider hedging significant foreign currency exposure should the need arise.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2022, including our Directors, the Group had a total of 165 employees (2021: 169).

We recognise employees as valuable assets and our success is underpinned by our people. In line with our human resource policies, we are committed to providing attractive remuneration packages, and a fair and harmonious working environment to safeguard the legitimate rights and interests of our employees. The Group regularly reviews our human resource policies which outline the Group's compensation, working hours, rest periods and other benefits and welfare, to ensure compliance with laws and regulations. We always place emphasis on attracting qualified applicants by offering competitive remuneration packages. These packages are reviewed based on employees' performance and reference to prevailing market conditions, and are adjusted in a timely manner to keep them in line with market benchmarking.

SIGNIFICANT INVESTMENT, FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS, MATERIAL ACQUISITIONS OR DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Except on disclosed herein, the Group did not have any significant investments during the Year and did not have any future plans for material investments or capital assets, material acquisition and disposal of subsidiary, associates or joint ventures during the Year.

CAPITAL RISK MANAGEMENT AND FINANCIAL RISK MANAGEMENT

Capital management

Our Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The management of the Group reviews the capital structure from time to time. As a part of this review, the management considers the cost of capital and the risks associated with each class of capital.

Gearing ratio

Gearing ratio is calculated as total borrowings (including payables incurred not in our ordinary course of business) divided by the total equity as at the respective reporting dates.

As at 30 June 2022, the Group's gearing ratio was 6.18 (2021: 1.97).

USE OF PROCEEDS FROM THE LISTING AND COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

Up to 30 June 2022, we utilised the net proceeds raised from the Listing in accordance with the designated uses set out in the announcement issued by the Company on 23 June 2021 (the "**Announcement**"):

Description	Net proceeds raised	Approximate percentage of total net proceeds raised	Planned use of net proceeds from Listing Date to 30/06/2022	Actual use of net proceeds from Listing Date to 30/06/2022	Actual use as percentage of total net proceeds raised
	S$ 000	*%*	*S$ 000*	*S$ 000*	*%*
New artisanal bakery outlets and fast casual dining restaurants openings					
"Proofer" bakery outlets	457	17.2	457	457	100.0
"Yuba Hut" restaurants	370	13.9	370	370	100.0
"Nana" restaurants	1,287	48.5	1,287	1,287	100.0
Expansion of workforce	296	11.1	296	296	100.0
Enhancing marketing efforts	80	3.0	80	80	100.0
General working capital	166	6.3	166	166	100.0
Total	2,656	100.0	2,656	2,656	100.0

MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth the designated and actual implementation plan up to 30 June 2022:

Purpose	Proposed implementation date	Implementation Plan	Actual implementation activities
New artisanal bakery outlets and fast casual dining restaurants openings	June 2020-June 2022	• Open three artisanal bakery outlets under "Proofer" brand; • Open two Japanese fast casual dining restaurants under "Yuba Hut" brand; and • Open restaurant under "Nana" brand.	• The Group has opened three artisanal bakery outlets under "Proofer" brand; • The Group has opened two Japanese fast casual dining restaurants under "Yuba Hut" brand • The Group has opened four restaurants under "Nana" brand.
Expansion of workforce	July 2020-June 2022	• Recruit one operation manager to oversee our central kitchen's production and operation; • Recruit three bakers and three chefs for our existing operations and the new cake room; • Recruit one human resource executive to handle labour related matters and training for our employees; • Recruit one account executive to handle procurement and customers complaints; and • Recruit one marketing manager to plan and execute marketing and brands enhancement activities.	• The Group has hired one operation manager to oversee our central kitchen's production and operation; • The Group has hired three bakers and three chefs for our existing operations and the new cake room; • The Group has hired one human resource executive to handle labour related matters and training for our employees; • The Group has hired one account executive to handle procurement and customers complaints; and • The Group has hired one marketing manager to plan and execute marketing and brands enhancement activities.
Enhance marketing effort	June 2022	• Promoting the bakery outlets and restaurant brands through various social media platforms and other marketing channels	• The Group has engaged some marketing agencies to promote in social media.

The business objectives, future plans and planned use of proceeds as stated in the Announcement were based on the best estimation and assumption of future market conditions made by the Group at the time of preparing the Announcement while the proceeds were applied based on the actual development of the Group's business and the industry.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

BOARD STATEMENT

We are pleased to present our Environmental, Social and Governance ("**ESG**") report for the year that ended on 30 June 2022.

The Board of Directors (the "**Board**") is responsible for review of the relevant environmental, social and governance risks which are material to our business operations, which in turn enables us to devise the appropriate strategies to adequately address them.

Albeit the progressive recovery of the post-COVID-19 economy, the prevailing pandemic still imposes its constraints on the Food and Beverage ("**F&B**") industry as a whole. Nonetheless, we strive to remain resilient by adapting to the ever changing climates through the employment of dynamic management measures, which include leveraging on the contemporary digital market and being tactful with how we manage our physical operations.

Additionally, the ongoing pandemic continues to reinforce our prioritisation of our employees' health, as well as the safety of our food, as these are the underlying drivers of our company's success and sustainable development. In particular, the regular monitoring of our employees' health, and the implementation of stringent food safety controls over our products, have enabled the company to thrive in these difficult circumstances.

In the interest of public health, we are committed to taking necessary measures to improve the food safety practices and ensure that our premises are clean and well-maintained. We strive to continue to be vigilant and our workers are constantly trained on proper food safety management. There were no reported breaches of local laws and regulations relating to environmental discharges, employment and labour practices, occupational health and safety, and anti-corruption policies in Singapore.

To allow us to further our sustainability journey, we have developed a sustainability roadmap, which is founded upon our FY2022 ESG metrics and targets to address our material ESG topics. Moreover, as we seek to be bolder in sustainability, these metrics and targets will be closely monitored to ensure that the roadmap is well followed through, and more targets will be progressively added to achieve this end.

Yours faithfully,
For and on behalf of the Board

John Lim Boon Kiat
Chairman and Executive Director

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

Overview

This is the third ESG report of Global Dining Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**"). It aims to present a summary of the Group's environmental-, social- and governance-related impacts arising from its business operations in the F&B industry; and the measures taken by the Group to achieve the balance between profitability and sustainability.

Boundary and Scope

This report describes the sustainability activities and performance of the Company, as well as highlights the environmental, social, and governance aspects of the Group's operations. The disclosures on ESG-related aspects in this Report include all corporate entities as listed in our financial statements. This Report encompasses our business in the operation of bakeries, restaurants and café outlets in Singapore. The reporting period is the fiscal year that ran from 1 July 2021 to 30 June 2022.

Reporting Principles

The Report is prepared based on the principles of "materiality", "quantitative", and "consistency". The content of this Report is determined through a systematic materiality assessment process, which includes identifying the Group's ESG-related topics, assessing their materiality and impact, preparing and validating the information reported as well as addressing stakeholder feedback on the Group's ESG reporting. This Report covers key issues that are related to different stakeholders.

Reporting Framework

The ESG report has been prepared under the ESG Reporting Guide as set out in Appendix 20 of the GEM Listing Rules of The Stock Exchange of Hong Kong Limited ("**HKEX**"). This Report has complied with all mandatory disclosure requirements and "comply or explain" provisions outlined in the ESG Reporting Guide. For climate-related disclosure, we are in the process of applying the disclosure recommendations developed by the TCFD that provide guidance on how to disclose and address climate-related risks and opportunities. We will continue to enhance our disclosures to provide more details about our management approach on climate-related issues.

STAKEHOLDER ENGAGEMENT

We are cognisant of the importance of engaging our key stakeholders closely by understanding their expectations and concerns. Both internal and external stakeholders are crucial to us, and we engage them through various platforms and feedback mechanisms to make a positive and meaningful impact on our sustainable business goal.

The following table summarises our stakeholder groups, current platforms, frequency of engagement as well as the stakeholders' key concerns to sustainability.

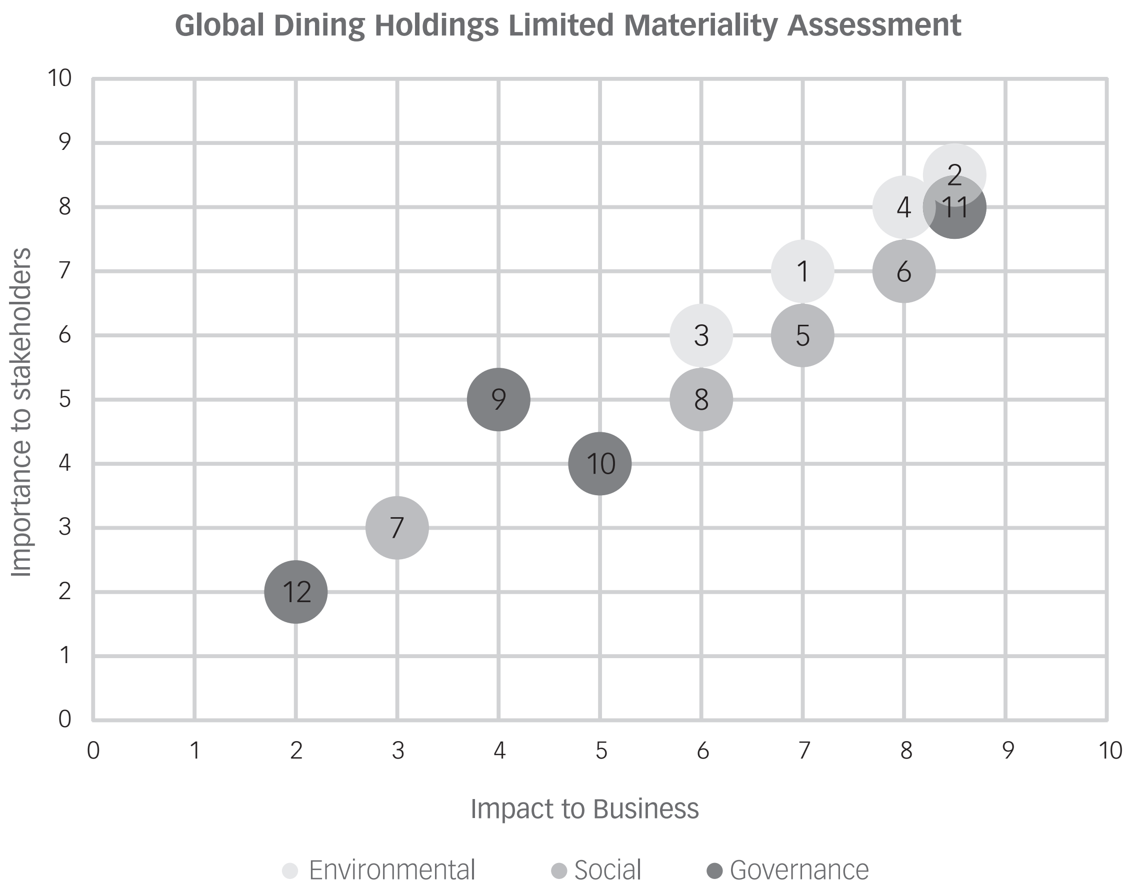
Stakeholder	Current Engagement Platforms	Frequency	Key Concerns
Employees	Performance reviews	Annual	• Remuneration and benefits • Employee safe and well-being • Training and development opportunities • Fair and competitive employment practices
	Training programmes and courses	Ad-hoc	
	Digital feedback and communication platforms	Ad-hoc	
	Regular meetings	Monthly	
Customers and End Customers	Customer service and feedback emails	Ad-hoc	• Food hygiene and safety • Food quality and price • Customer satisfaction and experience • Timely response to complaints
	Customer satisfaction surveys	Ad-hoc	
	Verbal communications	Perpetual	
Business Partners	Suppliers' and Service Providers' emails, phone calls and meetings	Ad-hoc	• Certifications and quality assurance • Supply chain management • Occupational health and safety practices • Strong and lasting cooperation
	Suppliers' and Service Providers' Code of Conduct	Annual	
	Annual performance evaluation	Annual	
Shareholders and Investors	Annual/Extraordinary General Meetings	Annual	• Financial stability and long-term growth plans • Sustainability efforts • Compliance with listing requirements • Timely and transparent reporting • Sound corporate governance
	Financial result announcements	Quarterly	
	HKEX announcements	Ad-hoc	
	Annual report and ESG Report	Annual	
Government and Regulatory Agencies	Site visits and inspections	Annual	• Safe working environment • Food safety and hygiene • Fair employment practices • Regular reporting • Compliance with laws and regulations
	Meetings, briefings and reporting	Ad-hoc	
	Correspondences through emails and letters	Ad-hoc	
Media and public	Social media platform	Ad-hoc	• Corporate social responsibility • Sustainable and responsible business practices
	Website	Perpetual	
Communities	Volunteering and participating in charitable events	Ad-hoc	• Corporate citizen • Contribution to society

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

MATERIALITY ASSESSMENT

The Board discusses and identifies the key environmental, social and governance issues faced by the Group annually. The ESG working group has performed a materiality assessment which involved the gathering of feedback from employees and key stakeholders to better understand which ESG topics are most relevant to them.

Subsequently, these topics were placed on a materiality matrix, as seen below, and their relative position is dependent on their impact on our Group's business and their impact on stakeholders. There are 12 key ESG material topics of varying degrees of importance to the Group and are disclosed in this Report.



Legend

Environmental	Social	Governance
1: Air Pollution and Greenhouse Gas Emissions	5: Employment Practices	9: Supplier Management
2: Hazardous Waste Pollution	6: Health and Safety	10: Food Safety and Quality
3: Water Consumption	7: Training and Development	11: Anti-corruption Practices
4: Food and Packaging Waste	8: Labour Standards	12: Donation to local communities

ENVIRONMENTAL ASPECTS

Despite the F&B industry being comparatively less pollutive than other sectors, our Group acknowledges that our operations nonetheless have a considerable impact on the environment, especially in the aspects of air pollution and waste generation.

Therefore, to mitigate climate change, our Group intends to grow in environmental stewardship by adopting and incorporating green practices into our business framework. Our business operations in FY2022 were guided by the following metrics and targets:

Environmental Metrics and Targets for FY2022

1. Only utilise motor vehicles that comply with the national standards for emissions of air pollutants and greenhouse gases (Material Topic 1);

2. Minimise wastage generation, including that of unsold products (Material Topics 2 and 4); and

3. Reduce consumption of electricity and water by 5% compared to the prior fiscal year (Material Topics 1 and 3).

ESG Material Topic 1: Air Pollution and Greenhouse Gas Emissions

Our Group contributes to air pollution through the following streams:

- Combustion of fossil fuels from the use of motor vehicles (Scope 1 Emissions);

- Consumption of gaseous fuels (Scope 1 Emissions); and

- Consumption of purchased energy (Scope 2 Emissions).

Each source emits a plethora of air pollutants into the atmosphere, which includes greenhouse gases ("**GHG**"), that directly promote the enhanced greenhouse effect and climate change. Conversely, non-greenhouse gases also result in deleterious environmental repercussions, such as the formation of acid rain, which destroys crops and corrodes metal structures.

For FY2022, in an attempt to improve the transparency of our disclosures, as well as the comprehensiveness of the Report, we have split up this section accordingly to reflect the type and amount of emissions each stream generates.

For clarity, our scope 1 emissions stem from the "direct emissions by equipment that are controlled by the Group", whilst our scope 2 emissions are derived solely from the "energy indirect emissions resulting from the generation of purchased electricity".

Motor vehicles (Scope 1 Emissions)

The burning of fossil fuels within motor vehicles gives rise to the emission of air pollutants. Key air pollutants include nitrogen oxides ("**NO_x**"), sulphur oxides ("**SO_x**") and particulate matter ("**PM**").

Accordingly, our Group decided to half our vehicle fleet, whilst striving to maintain the current level of operations. To ensure this was possible, our Group enhanced the operational efficiency of the sole vehicle by being strategic in the planning of the timing and quantity of deliveries of baking and marketing materials. Thus, through greater optimisation, our Group enjoyed cost and emission savings from the reduction of fuel used.

To further curtail our emissions, we ensured that the vehicle employed (a medium to heavy goods vehicle 5 to 15.5 tonnes), was fuel efficient and equipped with eco-friendly technology; comply with the Euro VI Emission standards, and performing regular maintenance to ensure optimal engine performance and fuel consumption.

Environmental performance from FY2020 to FY2022

Pollutant	NO_x	SO_x	PM	CO_2	CH_4	N_2O
Emission Factor[1]	3.1332	0.0161	0.3106	2.614	0.0000145	0.000072
Global Warming Potential (GWP)[2]	–	–	–	–	28	265

	FY2020	FY2021	FY2022
Fuel Used	Diesel	Diesel	Diesel
Fuel Consumed (l)	8,044	8,446	5,682
Distance Travelled (km)	96,528	101,352	68,184
NO_x Emissions (g)	302,441	317,556	213,644
SO_x Emissions (g)	130	135	91
PM Emissions (g)	29,982	31,479	21,178
CO_2 Emissions (tCO_2e)	21	22	15
CH_4 Emissions (tCO_2e)	0.0033	0.0034	0.0023
N_2O Emissions (tCO_2e)	0.15	0.16	0.11
GHG Emissions (tCO_2e)	21	22	15
Number of employees	157	162	165
GHG Intensity (tCO_2e/employee)	0.13	0.14	0.09

As seen from the table above, the decision to switch to 1 delivery vehicle paid dividends, as our overall GHG emissions fell by a third from 22 tCO_2e in FY2021 to 15 tCO_2e in FY2022.

[1] Values are based on Appendix 2: Reporting Guidance on Environmental KPIs of "How to prepare an ESG Report" by HKEX (last updated on 25 March 2022)

[2] Values are based on Appendix 2: Reporting Guidance on Environmental KPIs of "How to prepare an ESG Report" by HKEX (last updated on 25 March 2022)

Gaseous Fuel Consumption (Scope 1 Emissions)

Another source of scope 1 emissions is the burning of gaseous fuels, namely liquefied petroleum gas ("**LPG**"), in our kitchen operations.

To demonstrate our environmental consciousness and stewardship, we chose LPG as it does not emit any nitrogen oxide ("**N_2O**") when burnt and is considerably more environmentally friendly as compared to other fuels.

Environmental performance from FY2020 to FY2022

Pollutant	NO_x	SO_x	CO_2	CH_4
Emission Factor[3]	4	0.02	3.017	0.000002
Global Warming Potential (GWP)[4]	–	–	–	28

	FY2020	FY2021	FY2022
Fuel Used	LPG	LPG	LPG
Fuel Consumed (l)	–	–	17,644
Fuel Consumed (l)	–	–	8,998[5]
NO_x Emissions (kg)	–	–	50
SO_x Emissions (kg)	–	–	0.25
CO_2 Emissions (tCO_2e)	–	–	27
CH_4 Emissions (tCO_2e)	–	–	0.0023
GHG Emissions (tCO_2e)	–	–	27
Number of employees	157	162	165
GHG Intensity (tCO_2e/employee)	–	–	0.16

As this is the first year we reported on this source of emissions, we are unable to compare FY2022's environmental performance with other reporting years. Nonetheless, this is a step in the right direction in our ESG reporting as through this, we are disclosing a more representative figure of our actual emissions.

Moving forward, we will continue to collect data for this stream of emissions to allow for inter-comparisons between reporting periods, and strive to reduce our fuel consumption, and thereby GHG emissions, by 5% in FY2023 through more efficient use of our fuels.

3 Values are based on Appendix 2: Reporting Guidance on Environmental KPIs of "How to prepare an ESG Report" by HKEX (last updated on 25 March 2022)

4 Values are based on Appendix 2: Reporting Guidance on Environmental KPIs of "How to prepare an ESG Report" by HKEX (last updated on 25 March 2022)

5 1 litre of LPG = 0.51kg of LPG (Source: https://www.elgas.com.au/blog/389-lpg-conversions-kg-litres-mj-kwh-and-m3/)

Electricity Consumption (Scope 2 Emissions)

Lastly, our GHG emissions are derived from the consumption of purchased energy in the form of electricity, which is a by-product of the burning of fossil fuels. Electricity is an indispensable part of our business operations to run the various electrical appliances.

Despite its importance and necessity, our Group strives to minimise our electricity consumption by adopting the following green measures:

- Turning off all electrical appliances in the kitchen 30 minutes before the end of daily operations;
- Turning off any electrical appliance when not in use;
- Performing regular cleaning and maintenance of refrigerators to minimise the amount of refrigerant lost; and
- Purchasing only energy-efficient electrical appliances, such as LED lights and refrigerators with an NEA Tick Rating System of 4 and above, where 5 ticks represent the highest level of energy efficiency.

Environmental performance from FY2020 to FY2022

Pollutant	CO_2	CH_4
Emission Factor[6]	0.408	0.00212
Global Warming Potential (GWP)[7]	–	28

	FY2020	FY2021	FY2022
Electricity Consumed (kWh)	1,733,379	1,671,176	701,857
CO_2 Emissions (tCO_2e)	707	682	286
CH_4 Emissions (tCO_2e)	102	99	42
Total GHG Emissions (tCO_2e)	810	781	328
Number of Employees	157	162	165
GHG Intensity (tCO_2e/employee)	5.16	4.82	1.99

As seen in the table above, there has been an immense reduction in the amount of purchased energy over the past FY. In particular, the amount of electricity consumed fell by 58% from FY2021 to FY2022, as a result, GHG emissions decreased from 781 tCO_2e in FY2021 to 328 tCO_2e in FY2022.

[6] Values are based on https://www.ema.gov.sg/cmsmedia/Publications_and_Statistics/Statistics/18RSU.pdf

[7] Values are based on Appendix 2: Reporting Guidance on Environmental KPIs of "How to prepare an ESG Report" by HKEX (last updated on 25 March 2022)

Summary of environmental performance from FY2020 to FY2022

	FY2020	FY2021	FY2022
Total Scope 1 Emissions (tCO_2e)	21	22	42
Scope 1 Emissions Intensity (tCO_2e/employee)	0.13	0.14	0.25
Total Scope 2 Emissions (tCO_2e)	810	781	328
Scope 2 Emissions Intensity (tCO_2e/employee)	5.16	4.82	1.99

All in all, there have been improvements in our environmental performance regarding air pollutants and GHG emissions over the past 3 reporting years. To account for the increase in Scope 1 emissions and emissions intensities, as aforementioned, it is due to the additional reporting of emissions from gaseous fuel consumption in our operations.

Nonetheless, as we remain cognisant of the need to push for further reductions in emissions to enable the world to transit to a low-carbon economy, we will not be complacent, and instead, adopt the following target to demonstrate our resilience and ambitions.

ESG Material Topic 1 Target
The Group targets to reduce total emission of air pollutants and greenhouse gases by 5% in the next fiscal year, by using more energy-efficient technologies, and instilling environmental stewardship within our employees to minimise the Group’s GHG emissions and emissions intensity.

ESG Material Topic 2: Hazardous Waste Pollution
Hazardous waste pollution is deemed as a key ESG material topic in our assessment, as improper disposal and treatment of such wastes in our F&B operations significantly impact environmental health. For instance, dumping of hazardous waste in water bodies threatens the survivability of life underwater as it may poison them, and in turn, result in bioaccumulation and biomagnification up the food chain.

Therefore, as aspiring stewards of the environment, our Group upholds a zero-hazardous waste policy.

We are proud to report that in FY2022, our Group did not generate any wastes found in Annex VIII of the Basel Convention under Singapore’s Hazardous Waste Act, or possess any of the characteristics contained in Annex III of the Basel Convention.

ESG Material Topic 2 Target
The Group pledges to remain resilient in ensuring that our processes do not generate any hazardous waste, and if so, ensure that they are adequately treated before disposal.

ESG Material Topic 3: Water Consumption
Despite Singapore being relatively water secure through her 4 National Taps Programme, our Group does not take this notion for granted as water remains a finite and precious resource.

Reducing our water consumption not only promotes environmental sustainability but also allows the Group to enjoy cost savings in our utility bills. To this end, our Group promotes water-saving habits, such as turning off the tap when not in use, and washing items in bulk under a tub of water, rather than under a running tap.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Environmental performance from FY2020 to FY2022

	FY2020	FY2021	FY2022
Water Consumption (m^3)	6,314	6,108	5,025
Number of Employees	157	162	165
Water Intensity (m^3/employee)	40	37	30

As depicted in the table, our overall water consumption fell by 17.7% from 6,314 m^3 in FY2021 to 5,025 m^3 in FY2022 and water intensity fell by 18.9% from 37 m^3/employee to 30 m^3/employee.

To such, to grow in water conservativeness, our Group intends to undertake the following target:

ESG Material Topic 3 Target
The Group targets to reduce water consumption and intensity by 5% in the next fiscal year, by continuing to adopt more water conservation habits, and using more water-efficient technologies.

ESG Material Topic 4: Food and Packaging Waste
As our Group's operations do not follow a closed loop system (i.e. Circular Economy), some of the materials used would inevitably reach the end of their life cycle, and have to be disposed of or released into the environment. For our Group, our non-hazardous waste manifests as (i) food wastes and (ii) packaging wastes.

Despite not being hazardous, such wastes nonetheless have adverse implications and repercussions. Food waste, if left untouched, has the potential to be a public health hazard as it attracts many unwanted pests, and in turn, results in the spreading of diseases within the community. While packaging wastes, being single-use and possibly non-recyclable, would render them being sent to landfills at the end of their life cycle. Therefore, it is imperative for our Group to not create unnecessary stress on Singapore's public health system and land scarcity.

Food Waste
Any unused materials from the kitchen's operations, as well as any unsold product, at the end of each operating day, falls under this stream of waste. Beyond being a potential public health hazard as aforementioned, our Group also seeks to minimise operational costs, which entails reducing any unwanted consumption to promote environmental sustainability, by only using what we need for our operations.

To achieve this end, our Group employed the following measures, which are part of the waste management hierarchy, over the FY to ultimately reduce our food waste generation:

- Incinerating food wastes at waste-to-energy ("**WTE**") plants to reduce pressures on landfills and the possibility of a public health crisis;
- Using a "First In First Out" system in our kitchens to use older foods first;
- Accurate estimations of the amount of fresh and perishable ingredients to order to prevent overstocking;
- Ensuring that all food in the kitchen is kept refrigerated at the end of each operating day;
- Stocktaking the number of unsold products to better estimate the amount of food to produce to minimise food wastage; and
- Donating unsold products to non-profit organisations to prevent food wastage and alleviate local hunger.

Additionally, to bolster our environmental performance, our Group has developed the following target to enhance the transparency of our ESG reporting, and reduce the amount of food waste we produce.

ESG Material Topic 4 Target A
The Group targets to reduce the food wastage quantity by 5% in the next fiscal year by arranging for more outlets to donate unsold products to non-profit organizations. Additionally, in the near future, we intend to monitor the amount of food waste generated.

Packaging Wastes
Our Group's packaging wastes stem from the paper and plastic materials used by customers to take away the food that they bought. Plastic materials used include polybags and singlet bags; whilst paper materials entail pizza boxes.

Environmental performance from FY2020 to FY2022

	FY2020	FY2021	FY2022
Paper Purchased (tonnes)	22	24	9
Number of employees	157	162	165
Paper Intensity (tonnes/employee)	0.14	0.15	0.05
Plastic Purchased (tonnes)	20	22	9
Plastic Intensity (tonnes/employee)	0.13	0.14	0.05

As seen in the table, our intensities of such packaging materials have fallen by at least 50% for both paper and plastic packaging wastes, as we strive to alleviate landfill pressures.

Albeit FY2022's exemplary environmental performance, our Group aims to further reduce our usage of single-use disposals, we have trained our cashiers to check with customers if they require a plastic bag, and use as few polybags wherever possible when packing food. Moreover, to prevent over ordering, we only replenish such materials when stock is low. Through these, we believe that our target below is feasible and attainable.

ESG Material Topic 4 Target B
The Group targets to reduce the usage of packaging materials by 5% in the next fiscal year.

SOCIAL ASPECTS

The Group endeavours to deliver the best quality of food and service to our customers. We are also committed to maintaining a safe, unbiased, rewarding and nurturing working environment for our valued employees.

ESG Material Topic 5: Employment Practices

In Singapore, the Employment Act and the Employment of Foreign Manpower Act are the major labour laws and regulations enforced by the Ministry of Manpower ("**MOM**") to safeguard the rights and welfare of employees. In FY2022, the Group was not aware of any material non-compliance with the local labour laws and regulations.

There are various policies established by the Group to govern employment-related practices for all operating entities.

Policy Title	Main Content
Employee Code of Conduct	• General conduct, dress code, attendance and punctuality, confidentiality, conflict of interest, bribery, business gifts, disciplinary procedures and summary dismissal.
Standard Operating Procedures ("**SOP**") on Employee Benefits	• Employee benefits such as employee meals and staff discounts.
Human Resource ("**HR**") Policy	• Recruitment, appointment, resignation and termination of employees. • Employee appraisal and the salary review process for daily-rated and monthly-rated employees. • Medical leave, overtime, annual leave and unutilised leave entitlement. • Compensation, working hours, and rest days.

Moreover, we also abide by the Tripartite Guidelines on Fair Employment Practices to build a healthy and robust talent pool for the Group. The guidelines were established by the Tripartite Alliance Limited ("**TAL**"), which is a partnership between MOM, National Trade Union Congress and the Singapore National Employers Federation.

Recruitment and Promotion

To foster a positive corporate culture for our people, we adopt fair and merit-based recruitment and employment practices by assessing applicants based on their relevant skills, experience and qualifications. We are also firm believers that, regardless of nationality, gender, age, race, or ethnicity, all employees can make significant contributions to the Group and should be treated fairly with respect and dignity.

As of 30 June 2022, the Group had a total of 165 employees. In FY2022, there were no confirmed incidents of non-compliance or grievances concerning human rights and labour practices standards and regulations that would have a significant impact on the Group. The employees' profiles comparison is as follows:

Indicators	Unit	FY2021	FY2022
Total number of employees	no.	162	165
By Nationality			
Singapore	no. (%)	90 (55.6)	77 (46.7)
Singapore Permanent Resident	no. (%)	13 (8)	8 (4.8)
Malaysia	no. (%)	42 (25.9)	34 (20.6)
China	no. (%)	3 (1.9)	38 (23.0)
Vietnam	no. (%)	14 (8.6)	8 (4.9)
By Employment Type			
Full-time	no. (%)	95 (58.6)	112 (67.9)
Part-time	no. (%)	67 (41.4)	53 (32.1)

We periodically review our employees' compensation packages to ensure that it remains competitive and adequate for our employees. In addition, we also emphasise that overtime hours should be kept to a minimum unless for exceptional and emergency circumstances.

Furthermore, we aim to provide work environments that are free of harassment or discrimination based on gender, physical or mental state, race, nationality, religion, age, family status or sexual orientation; or any other attribute recognised by the Singapore laws. We will respond promptly to any complaints, grievances and concerns raised by our employees regarding any form of discrimination and/or harassment.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Compensation and Dismissal

The Group's employees are expected to adhere to the Employee Code of Conduct. Employees who engage in any misconduct or whose performance is unsatisfactory may be subject to disciplinary action and/or immediate dismissal. Nonetheless, we do not tolerate unfair or wrongful dismissal of employees under any circumstances. Employees are only terminated on the grounds of serious violations of the Company's Code of Conduct, dishonest actions or unethical conduct and/or criminal wrongdoings. In FY2022, there were zero cases of dismissal and retrenchment amid the economic impact of COVID-19.

In FY2022, the employee turnover headcount was 39, the detailed breakdown is as follows:

Indicators	Unit	FY2021	FY2022
Total new hires	No.	16	39
By Nationality			
Singapore	no. (%)	10 (62.5)	24 (61.5)
Singapore Permanent Resident	no. (%)	2 (12.4)	1 (2.6)
Malaysia	no. (%)	3 (18.8)	11 (28.2)
China	no. (%)	0 (0)	0 (0)
Vietnam	no. (%)	1 (6.3)	3 (7.7)
By Employment Type			
Full-time	no. (%)	11 (68.8)	22 (100)
Part-time	no. (%)	5 (31.2)	0 (0)
Total employment turnover	No.	–	6
By Nationality			
Singapore	no. (%)	–	1 (16.7)
Singapore Permanent Resident	no. (%)	–	0 (0)
Malaysia	no. (%)	–	4 (66.6)
China	no. (%)	–	0 (0)
Vietnam	no. (%)	–	1 (16.7)
By Employment Type			
Full-time	no. (%)	–	22 (56.4)
Part-time	no. (%)	–	17 (43.6)

ESG Material Topic 6: Health and Safety

The Group is committed to taking precautionary measures in ensuring that health and safety risks are reduced or eliminated where possible. The Group actively lookout for ways to improve our workplace safety and welcome any feedbacks or reports from our employees regarding any risks identified within our work premises. Specifically, we have established the "Standard Operating Procedures for Outlet Operations", which outlines the fundamental safe work procedures that employees are expected to follow and guidelines on how to safely perform their daily activities.

To further reinforce and instil a safety culture, posters regarding safety were affixed within our F&B outlets and work premises. The Group also strives to take care of our employees' work-life balance and mental well-being through implementing flexible working hours for some categories of employees.

In FY2022, there were no reported work-related fatalities that occurred in each of the past three years. Also, for the Reporting Period, to the best of our Board's knowledge, the Group was not aware of any material non-compliance with health and safety-related laws and regulations.

Navigating the post-COVID-19 Pandemic

In FY2022, the COVID-19 pandemic has adversely affected our business operations and we have placed a greater emphasis on ensuring a clean and hygienic environment for all employees at our head office and F&B outlets. Our initiatives to continue combating the COVID-19 pandemic are as follows:

Workplace Amenities and Protocol

Our F&B outlets and workplaces are equipped with hand sanitiser, disinfection tools and medical-grade face masks. We also perform more frequent cleaning and disinfection of touch surfaces at our offices and outlets to limit the spread of viruses. Moreover, we practise flexible working hours and places to promote work-life harmony for our employees. Employees returning to the workplace are encouraged to self-test when they feel unwell or had recent contact with an infected person. For employees who are physically onsite at the workplace, mask-wearing is required indoors.

Regular Communication

We actively communicate with our stakeholders through newsletters and social media platforms to relay the latest information on the COVID-19 pandemic and measures taken by the Group to safeguard the interest of our stakeholders.

Business Continuity Plan

The Group has a Business Continuity Plan ("**BCP**") in place to communicate and relay essential information such as hygiene standards and regulatory instructions from local authorities to employees. In addition, the Group has staggered the workforce into two different teams to improve traceability and encouraged employees to work from home to minimise the risk of contracting the pandemic.

ESG Material Topic 7: Training and Development

The Group believes in investing in the growth of our employees as our success is dependent on our employee's skills, expertise and working attitude. Employees are encouraged to constantly upgrade their skills to stay up-to-date with the ever-changing business environment.

Our Human Resource department is proactive in identifying suitable training courses for our employees. Food handlers in our F&B establishments are required to attend mandatory training programmes under the requirements of the Singapore Food Agency ("**SFA**"). All our new employees would receive on-boarding and on-the-job training at the workplace. Similarly, our office executives and management team are also encouraged to attend external courses to upgrade their skills and knowledge in their respective fields.

In FY2022, a total of 14 of our employees attended SFA's food hygiene training courses with an average of 8 training hours, the breakdown is as follows:

Employees Receiving Training	No. of headcount	Average training hours
By Gender		
Male	2	8
Female	12	8
By Employment Category		
Staff	14	8

ESG Material Topic 8: Labour Standards

In Singapore, the revised edition of Employment (Children and Young Persons) Regulations was published in 2000, where no child who is below the age of 13 years shall be employed in any occupation. Also, the Laws Governing Exploitative Child Labour was released in 2003 that applies to children under the age of 18, where all forms of slavery or practices similar to slavery, such as the sale or trafficking of children, and forced or compulsory labour, including forced or compulsory recruitment of children for use in armed conflict, should be prohibited.

The Group is committed to ensuring that we do not have any child and forced labour. In particular, we have formalised the minimum age requirement of 18 years old in our recruitment policies, and the Human Resource department is responsible for collecting as well as verifying the personal data and information provided by new hires. In addition, a legal-binding employment contract is signed with each employee, both permanent and temporary positions. Foreign workers are only hired after the work passes, which allows them to work legally in Singapore, are approved by the Ministry of Manpower.

Notably, the Group has established a formal procedure to eliminate illegal labour practices which include escalation, investigation, reporting to authorities, rectification actions, etc. In FY2022, the Group did not identify any operation or supplier as having a significant risk of child labour, young workers exposed to hazardous work or forced or compulsory labour. There was no breach of laws and regulations concerning child and forced labour across the Group.

GOVERNMENTAL ASPECTS

The Group is committed to upholding our branding and reputation to foster stakeholders' trust in our business operations as we believe that these factors are imperative to the Group's strong governance as well as sustainable development. Notably, our Board and Management are devoted to a high standard of corporate governance and have established strong internal controls in our Group.

ESG Material Topic 9: Supplier management

The procurement activities of the Group for F&B establishments are mainly food-related products and ingredients as well as packaging materials, cleaning chemicals and tools. We are committed to responsibly managing the impact of our F&B outlets and operations by continuously reviewing relevant operational procedures as well as adhering to our guidelines. To improve supply chain efficiency and ensure the quality of raw materials, we exhibit support for local suppliers and services via local sourcing in our procurement process.

Selection of Suppliers

We place great importance on vendor selection and evaluation processes, which are also formalised in the Group's Procurement and Payables Management Policy. Moreover, our ingredients are sourced from suppliers who are responsible and take necessary measures to ensure that their product is safe for consumption.

The assessment criteria of our vendor include food safety and product quality, delivery timeliness and attitude, price competitiveness, after-sales services as well as company branding and reputation. Annually, we will re-evaluate the suppliers to ensure that the Group's requirements are being met. The suppliers' accreditation is monitored closely to ensure that they have achieved the required standards in accordance with our operations manual.

Social and Environmental Considerations of suppliers

We have not yet included social and environmental specifications as an assessment criterion for our vendors. However, we will collaborate with suppliers who conduct their businesses with ethics and sustainability philosophy. Should there be media coverage on negative environmental and social impacts found, for instance, excessive pollution and discharges to the environment, unfair employment practices, as well as food safety incidents, we shall review and terminate the business relationship with them.

ESG Material Topic 10: Food Safety and Quality

The Singapore laws and legislations that observe the stringent food hygiene standards in F&B establishments are the Food Regulations (Chapter 283, Section 56(1)) of the Sale of Food Act. The SFA is the local authority that regulates the food retail industry to govern that food sold at retail outlets is safe for consumption. Also, SFA has developed "Food Hygiene Practices & Guidelines" in the form of educational materials and listed guidelines to assist food operators to upkeep their hygiene standards and ensure that the food served to the public is wholesome.

In FY2022, the Group had committed an offence against food safety requirements Regulation 13(1) of the Sales of Food (Non-Retail Food Business) Regulations and was liable on conviction to a fine of up to S$10,000. This reported case of offence was related to lapses in food safety practices and premises cleanliness during an inspection conducted by the SFA officer at the Group's central kitchen on 26 0ctober 2021.

Food Hygiene and Safety

All our F&B establishments are operating under the licenses issued by SFA. The validity period of the operating license is one year and has to be renewed yearly.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

We have a total of 56 food handlers and 1 food hygiene officer in our F&B outlets, all of them are registered with SFA and have undergone the following courses under SFA requirements:

Job Classification	Courses under SFA Requirements
Food Retail	
Food Handlers	• Singapore Workforce Skills Qualifications ("**WSQ**") F&B Safety and Hygiene Policies and Procedures Basic Food Hygiene Course ("**BFHC**") • BFHC Refresher Course
Food Hygiene Officers	• WSQ F&B Hygiene Audit Course • BFHC Refresher Course • WSQ Apply Food Safety Management System

Management of Customer Complaints

The Group is committed to providing quality service and value to customers by meeting regulatory requirements and delivering on customer service pledges. We welcome feedback from customers to improve the quality of our food offerings and services and strive to effectively respond to customer needs and preferences. Specifically, the Group has established a formal Public Relations Management Policy to handle customer complaints received via various channels, namely verbal representation, comment section on our official website, emails, social media platforms, etc. For any cases relating to food-borne illness or physical hazards found in food, the Group's management team must be informed immediately for follow-up actions, and the "Food Borne Illness Incident Report" and/or "Physical Hazard Incident Report" shall be filed with the SFA.

In FY2022, the customer complaints received were about the quality of service delivered and products sold at our F&B outlets. For feedback received from customers via the verbal channel, the outlet manager would communicate to the Group Management during the regular weekly meetings for follow-up actions. The written feedback received from emails, the official website and social media platforms are responded to by the Operations & Human Resource Director, who would provide cash vouchers worth S$10 to S$50 to the customer on a case-by-case basis to resolve the issues customers have raised.

Protection of Intellectual Property ("IP")

The logo and name of our brands of our Group have been registered as trademark. Should there be IP infringement by third parties, the Group will engage its legal counsel to take necessary action against them. In FY2022, there were zero cases of IP infringement encountered by the Group.

ESG Material Topic 11: Anti-corruption Practices

The primary law and legislation in Singapore relating to bribery, extortion, fraud and money laundering include the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act ("**CDSA**") governed by the Commercial Affairs Department and the Anti-Money Laundering and Countering the Financing of Terrorism ("**AML/CFT**") regime under the enforcement of the Monetary Authority of Singapore.

The Group is dedicated to maintaining a high standard of business conduct and is strongly against any form of corruption. Supported by fair and open communication platforms with our stakeholders, we can achieve our sustainability goals and metrics with ethical business conduct without compromising the maximisation of our economic returns.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In FY2022, there were zero concluded legal cases against the Group or its employees regarding corruption or money laundering practices.

Whistleblowing Policy

The Group has also established a whistleblowing policy to encourage our employees and related third parties to raise concerns about any real or perceived misconduct, financial malpractice or irregularity through a confidential reporting channel. Under this policy, employees or any other persons may report suspected matters of wrongdoing affecting the Group to the appointed whistleblowing officer who has ensured that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow-up action to be taken. All reports are confidential, and the identity of the employee or any other person that made the report will be protected to encourage employees or any other persons to report any suspicious activities without fear of reprisal.

Anti-corruption Training and Awareness

The Group has established the Code of Conduct for Employees and Directors, an Anti-Corruption policy, as well an Anti-Fraud and Anti-Money Laundering policy. These policies are communicated to all new employees and directors during their onboarding.

The Group's Code of Conduct provides the guiding principles for all employees to act with integrity and honesty and serves as a tool to guard against corruption within the Group. All employees of the Group, irrespective of their position and function, are expected to fully adhere to the principles contained in the Code. Moreover, we promote the Code of Conduct to employees by advising them of any updates or revisions regularly. Additionally, there are e-training programmes in place to further strengthen employee awareness of the Code of Conduct as well as the Group's anti-fraud and internal control measures.

ESG Material Topic 12: Donation to Local Community

The Group endeavours to help the less-privileged families in the local community. We volunteer and participate in charitable events conducted by non-profit organisations to contribute to society and enhance our presence as responsible corporate citizens. Additionally, we also donate unsold products to non-profit organisations to prevent food wastage and support the local community.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

CONTENT INDEX

The ESG Report is prepared under the ESG Reporting Guide as set out in Appendix 20 to the GEM Listing Rules.

Disclosure Reference	Description	Section/Declaration
Part B of Appendix 20: Mandatory Disclosure Requirements		
Governance Structure	• A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	• Board Statement • Stakeholder Engagement
Reporting Principles	• A description of, or an explanation of, the application of the following Reporting Principles in the preparation of the ESG Report: (i) Materiality (ii) Quantitative (iii) Consistency	• About the report • Materiality Assessment • Stakeholder Engagement
Reporting Boundary	• A narrative explaining the reporting boundaries of the ESG Report and describing the process used to identify which entities or operations are included in the ESG Report • If there is a change in the scope, the issuer should explain the difference and reason for the change.	• About the report • Materiality Assessment
"Comply or Explain" Provisions		
Aspect A1: Emissions	• General Disclosure • Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	• ESG Material Topic 1: Air Pollution and Greenhouse Gas Emissions
KPI A1.1	• Types of emissions • Respective emissions data	• ESG Material Topic 1: Air Pollution and Greenhouse Gas Emissions
KPI A1.2	• Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) • Intensity (e.g. per unit of production volume, per facility) where appropriate	• ESG Material Topic 1: Air Pollution and Greenhouse Gas Emissions

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Disclosure Reference	Description	Section/Declaration
KPI A1.3	• Total hazardous waste produced (in tonnes) • Intensity (e.g. per unit of production volume, per facility) where appropriate	• ESG Material Topic 2: Hazardous Waste Pollution
KPI A1.4	• Total non-hazardous waste produced (in tonnes) • Intensity (e.g. per unit of production volume, per facility)	• ESG Material Topic 4: Food and Packaging Wastes
KPI A1.5	• Description of emissions target(s) set • Steps were taken to achieve them	• ESG Material Topic 1: Air Pollutants and Greenhouse Gas Emissions
KPI A1.6	• Description of how hazardous and non-hazardous wastes are handled • Description of reduction target(s) set and steps are taken to achieve them	• ESG Material Topic 2: Hazardous Waste Pollution • ESG Material Topic 4: Food and Packaging Wastes
Aspect A2: Use of Resources	• General Disclosure • Policies on the efficient use of resources, including energy, water and other raw materials	• ESG Material Topic 1: Air Pollution and Greenhouse Gas Emissions • ESG Material Topic 3: Water Consumption
KPI A2.1	• Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) • Intensity (e.g. per unit of production volume, per facility)	• ESG Material Topic 1: Air Pollution and Greenhouse Gas Emissions
KPI A2.2	• Water consumption in total • Intensity (e.g. per unit of production volume, per facility)	• ESG Material Topic 3: Water Consumption
KPI A2.3	• Description of energy use efficiency target(s) set • Steps were taken to achieve them	• ESG Material Topic 3: Water Consumption
KPI A2.4	• Description of whether there is any issue in sourcing water that is fit for purpose, • Water efficiency target(s) set • Steps were taken to achieve them	• ESG Material Topic 3: Water Consumption
KPI A2.5	• The total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	• ESG Material Topic 4: Food and Packaging Waste

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Disclosure Reference	Description	Section/Declaration
Aspect A3: The Environment and Natural Resources	• General Disclosure • Policies on minimising the issuer's significant impacts on the environment and natural resources	• ESG Material Topic 1: Air Pollution and Greenhouse Gas Emissions • ESG Material Topic 4: Food and Packaging Waste
KPI A3.1	• Description of the significant impacts of activities on the environment and natural resources • Actions were taken to manage them	• ESG Material Topic 1: Air Pollution and Greenhouse Gas Emissions • ESG Material Topic 4: Food and Packaging Waste
Aspect A4: Climate Change	• General Disclosure • Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer	• ESG Material Topic 1: Air Pollution and Greenhouse Gas Emissions
KPI A4.1	• Description of the significant climate-related issues which have impacted • Actions were taken to manage them.	• ESG Material Topic 1: Air Pollution and Greenhouse Gas Emissions
Aspect B1: Employment	• General Disclosure • Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	• ESG Material Topic 5: Employment Practices
KPI B1.1	• Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region	• ESG Material Topic 5: Employment Practices
KPI B1.2	• Employee turnover rate by gender, age group and geographical region	• ESG Material Topic 5: Employment Practices

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Disclosure Reference	Description	Section/Declaration
Aspect B2: Health and Safety	• General Disclosure • Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	• ESG Material Topic 6: Health and Safety
KPI B2.1	• The number and rate of work-related fatalities occurred in each of the past three years including the reporting year	• ESG Material Topic 6: Health and Safety
KPI B2.2	• Lost days due to work injury	• ESG Material Topic 6: Health and Safety
KPI B2.3	• Description of occupational health and safety measures adopted • How they are implemented and monitored	• ESG Material Topic 6: Health and Safety
Aspect B3: Development and Training	• General Disclosure • Policies on improving employees' knowledge and skills for discharging duties at work. • Description of training activities	• ESG Material Topic 7: Training and Development
KPI B3.1	• The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	• ESG Material Topic 7: Training and Development
KPI B3.2	• The average training hours completed per employee by gender and employee category	• ESG Material Topic 7: Training and Development
Aspect B4: Labour Standards	• General Disclosure • Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	• ESG Material Topic 8: Labour Standard
KPI B4.1	• Description of measures to review employment practices to avoid the child and forced labour	• ESG Material Topic 8: Labour Standard
KPI B4.2	• Description of steps taken to eliminate such practices when discovered	• ESG Material Topic 8: Labour Standard

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Disclosure Reference	Description	Section/Declaration
Aspect B5: Supply Chain Management	• General Disclosure • Policies on managing environmental and social risks of the supply chain	• Not reported as the Group did not have policies on managing environmental and social risks of the supply chain.
KPI B5.1	• Number of suppliers by geographical region	• ESG Material Topic 9: Supplier Management
KPI B5.2	• Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored	• ESG Material Topic 9: Supplier Management
KPI B5.3	• Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	• ESG Material Topic 9: Supplier Management
KPI B5.4	• Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	• Not reported as the Group did not include environmental impact as one of the selection criteria for suppliers.
Aspect B6: Product Responsibility	• General Disclosure • Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	• ESG Material Topic 10: Food Safety and Quality
KPI B6.1	• Percentage of total products sold or shipped subject to recalls for safety and health reasons	• ESG Material Topic 10: Food Safety and Quality
KPI B6.2	• Number of products and service-related complaints received and how they are dealt with	• ESG Material Topic 10: Food Safety and Quality
KPI B6.3	• Description of practices relating to observing and protecting intellectual property rights.	• ESG Material Topic 10: Food Safety and Quality
KPI B6.4	• Description of quality assurance process and recall procedures	• ESG Material Topic 10: Food Safety and Quality
KPI B6.5	• Description of consumer data protection and privacy policies, and how they are implemented and monitored	• Not applicable as the Group did not collect any customer data in the reporting period.

Disclosure Reference	Description	Section/Declaration
Aspect B7: Anti-corruption	• General Disclosure • Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	• ESG Material Topic 11: Anti-Corruption Practices
KPI B7.1	• Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	• ESG Material Topic 11: Anti-Corruption Practices
KPI B7.2	• Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	• ESG Material Topic 11: Anti-Corruption Practices
KPI B7.3	• Description of anti-corruption training provided to directors and staff	• ESG Material Topic 11: Anti-Corruption Practices
Aspect B8: Community Investment	• General Disclosure • Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	• ESG Material Topic 12: Donation to local communities
KPI B8.1	• Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	• ESG Material Topic 12: Donation to local communities
KPI B8.2	• Resources contributed (e.g. money or time) to the focus area	• ESG Material Topic 12: Donation to local communities

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The Company recognises the importance of corporate transparency and accountability. The Company is committed to achieving and maintaining a high standard of corporate governance, as our Board believes that good and effective corporate governance practices are key to obtaining and maintaining the trust of the shareholders of the Company and other stakeholders, and are essential for encouraging accountability and transparency so as to sustain the success of the Group and to create long-term value for the shareholders of the Company.

The Company's corporate governance practices are based on the Corporate Governance Code (the "**CG Code**") contained in Appendix 15 of the GEM Listing Rules. To the best knowledge of the Board, the Company has complied with the CG Code from the Listing Date up to the date of this annual report.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding securities transactions by Directors in respect of the shares of the Company (the "**Code of Conduct**"). After specific enquires by the Company, all Directors have confirmed that they have fully complied with the required standard of dealings set out in the Code of Conduct during the Year.

BOARD OF DIRECTORS

The Company is headed by an effective Board which assumes responsibility for its leadership and control and is collectively responsible for promoting the Company's success by directing and supervising its affairs. Directors make decisions objectively in the best interests of the Company. The Board meets regularly and Board meetings are held four times a year at quarterly intervals.

CHAIRMAN AND CHIEF EXECUTIVE

The code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established. The chairman is responsible for the leadership and effective running of the Board. While the chief executive officer is responsible for managing and supervising the Group's business and operation.

To ensure a balance of power and authority, the position of chairman and chief executive officer of the Company are held by different individuals. Mr. John Lim Boon Kiat is the chairman and the chief executive officer is vacant.

BOARD COMPOSITION

The Company is committed to the view that the Board should include a balanced composition of executive and non-executive Directors (including independent non-executive Directors) so that there is an independent element on the Board, which can effectively exercise independent judgement, and that non-executive Directors should be of sufficient calibre and number for their views to carry weight.

As at the date of this report, the Board comprises the following four Directors:

Executive Directors

Mr. Goh Leong Heng Aris *(chairman of the Board and chief operating officer)* (resigned on 29 June 2022)
Ms. Anita Chia Hee Mei (Xie Ximei) *(chief executive officer)* (resigned on 29 June 2022)
Mr. John Lim Boon Kiat *(chairman)* (redesignated on 16 December 2021)

Independent non-executive Directors

Mr. Kwok Kin Kwong Gary (郭建江)
Mr. Wong Wah (黃華)
Mr. Kuan Hong Kin Daniel (關匡建)

Biographical details of each Director and relationship between Board members are set out on page 6 to page 7 of this annual report.

ATTENDANCE RECORD OF DIRECTORS AND COMMITTEE MEMBERS

	Number of meetings held during the Year Attended/Eligible to attend					
	Board Meeting	Audit Committee	Nomination Committee	Remuneration Committee	Annual General Meeting	Extraordinary General Meeting
Number of meetings held	10	5	3	3	1	1
Executive Directors						
Mr. Goh Leong Heng Aris (resigned on 29 June 2022)	8	N/A	2	N/A	1	1
Ms. Anita Chia Hee Mei (Xie Ximei) (resigned on 29 June 2022)	7	N/A	N/A	2	1	1
Mr. John Lim Boon Kiat (redesignated on 16 December 2021)	8	2	2	2	1	1
Independent non-executive Directors						
Mr. Kwok Kin Kwong Gary	10	5	N/A	3	1	1
Mr. Wong Wah	10	5	1	N/A	1	1
Mr. Kuan Hong Kin Daniel	10	3	3	1	1	1

During the Year, the Company held 10 Board meetings, 5 Audit Committee meetings, 3 Nomination Committee meeting and 3 Remuneration Committee meeting. All the minutes of the Board meetings and meetings of Board committees were recorded in sufficient details for the matters considered by the Board and the decisions reached.

The biographical details of each of the Directors are set out in the section headed "Directors and Senior Management" of this report.

In compliance with Rules 5.05(1), 5.05(2) and 5.05A of the GEM Listing Rules, the Company has appointed four independent non-executive Directors representing more than one-third of the Board and at least one of whom has appropriate professional qualifications, or accounting or related financial management expertise. The independent non-executive Directors have brought in a wide range of business and financial expertise, experiences and independent judgement to the Board. Through active participation in the Board meetings and serving on various Board committees, all independent non-executive Directors have made various contributions to the Company.

The Company has received from each independent non-executive Director an annual confirmation of his/her independence, and the Company considers such independent non-executive Director to be independent in accordance with the guidelines set out in Rule 5.09 of the GEM Listing Rules.

The Board members have no financial, business, family or other material/relevant relationships with each other.

APPOINTMENTS, RE-ELECTION AND REMOVAL

In accordance with the Articles, all the Directors are subject to retirement by rotation at least once every three years. Any new Director appointed by the Board (i) to fill a casual vacancy in the Board shall hold office only until the first general meeting of the Company following his/her appointment and shall be subject to re-election at such meeting; and (ii) as an addition to the Board shall hold office until the next following annual general meeting of the Company ("**AGM**") and shall then be eligible for re-election.

CORPORATE GOVERNANCE REPORT

ROLE AND RESPONSIBILITIES

The Board supervises the management of the business and affairs of the Company and ensures that it is managed in the best interests of the shareholders of the Company as a whole. The Board is primarily responsible for formulating the business strategy, reviewing and monitoring the business performance of the Company, approving the financial statements and annual budgets as well as directing and supervising the management of the Company. Execution of operational matters and the powers thereof are delegated to the management by the Board with clear directions. The Board is regularly provided with management update report to give a balanced and understandable assessment of the performance, position, development and prospects of the Company in sufficient detail.

The Board is also responsible for the corporate governance functions of the Group, which includes:

— To develop and review of the Group's policies and practices on corporate governance;

— To review and monitor the training and continuous professional development of directors and senior management;

— To review and monitor the Group's policies and practices on compliance with legal and regulatory requirements;

— To develop, review and monitor the code of conduct and compliance manual applicable to employees and directors; and

— To review the Group's compliance with the CG Code and disclosure in the corporate governance report.

During the Year, the Board had reviewed and discussed the corporate governance policy of the Group and was satisfied with the effectiveness of the corporate governance policy of the Group.

BOARD COMMITTEES

To facilitate the work of the Board, the Board has established three Board committees to oversee specific aspects of the Group's affairs, namely the Audit Committee, Remuneration Committee and Nomination Committee. Each Board committee has its own terms of reference relating to its authority and duties, which have been approved by the Board and are reviewed periodically. The terms of reference of each committee are available on the websites of the Company and the Stock Exchange.

Each Board committee has also been provided with sufficient resources to discharge its duties and, upon reasonable request, is able to seek independent profession advice in appropriate circumstances at the Group's expense.

Audit Committee

The Group established the Audit Committee on 24 April 2020 with written terms of reference in compliance with Rule 5.29 of the GEM Listing Rules and paragraph C.3.3 of the CG Code. The primary duties of our Audit Committee include, among others, (a) making recommendations to our Board on the appointment, re-appointment and removal of the external auditor and approving the remuneration and terms of engagement of the external auditor; (b) reviewing our financial statements, our periodic reports and accounts and significant financial reporting judgements contained therein; and (c) reviewing our financial controls, internal control and risk management systems. Our Audit Committee comprises three independent non-executive Directors, namely Mr. Wong Wah, Mr. Kuan Hong Kin Daniel and Mr. Kwok Kin Kwong Gary. Mr. Wong Wah is the chairman of our Audit Committee.

During the Year, the Audit Committee held 5 meetings, at which it has reviewed and discussed the Company's audited consolidated financial results for the year ended 30 June 2021 and the unaudited consolidated financial results for the quarterly period ended 30 September 2021 and 31 March 2022 and the interim period ended 31 December 2021 including the accounting principles and practice adopted by the Group, the Company's compliance with the CG Code and disclosure in the Corporate Governance Report, the effectiveness of the Group's risk management and internal control systems as well as the Group internal audit function. The Audit Committee has recommended to the Board to change the auditor and appoint HLB Hodgson Impey Cheng Limited ("**HLB**").

Nomination Committee

The Group established the Nomination Committee on 24 April 2020 with written terms of reference in compliance with paragraph A.5.2 of the CG Code. The primary duties of our Nomination Committee include, among others, (a) reviewing the structure, size and composition (including the skills, knowledge and experience) of our Board at least annually and making recommendations on any proposed changes to our Board to complement our corporate strategy; (b) identifying individuals suitably qualified to become members of our Board and selecting or making recommendations to our Board on the selection of individuals nominated for directorships; (c) assessing the independence of our independent non-executive Directors; and (d) making recommendations to our Board on the appointment and succession planning for our Directors. Our Nomination Committee comprises two independent non-executive Directors, namely Mr. Kuan Hong Kin Daniel and Mr. Wong Wah, and one executive Director, namely Mr. John Lim Boon Kiat. Mr. John Lim Boon Kiat is the chairman of our Nomination Committee.

The policy for the nomination of Directors, including the nomination procedure and process, are to invite nominations from Board members or Nomination Committee members. After undertaking adequate due diligence in respect of any such nominee, the Nomination Committee makes recommendations for the Board's consideration and approval. In the context of re-appointment of any existing member(s) of the Board, the Nomination Committee makes recommendations to the Board for its consideration and recommendation, for the proposed candidates to stand for re-election at a general meeting.

The Nomination Committee considers the following criteria in assessing the suitability of the proposed candidate:

(a) reputation for integrity;

(b) accomplishment, experience and reputation in the relevant industry and other relevant sectors;

(c) commitment in respect of sufficient time, interest and attention to the Company's business;

(d) diversity in all aspects, including but not limited to gender, age, cultural and educational background, experience (professional or otherwise), skills and knowledge;

(e) the ability to assist and support management and make significant contributions to the Company's success;

(f) compliance with the criteria of independence as prescribed under Rule 5.09 of the GEM Listing Rules for the appointment of an independent non-executive Director; and

(g) any other relevant factors as may be determined by the Nomination Committee or the Board from time to time.

During the Year, the Nomination Committee held 3 meetings, during which it reviewed the structure, size and composition of the Board, assessed the independence of the independent non-executive Directors and recommended to the Board for consideration the re-appointment of the retiring Directors at the AGM held on 9 December 2021. The Nomination Committee has also recommended to the Board to re-designate Mr. John Lim Boon Kiat as an executive Director and the chairman of the Board and appointed Mr. John Lim Boon Kiat as the chairman of the Nomination Committee and member of Remuneration Committee.

Board diversity policy

The Board has adopted a policy of the Board diversity (the "**Board Diversity Policy**") which sets out the approach to achieve diversity on the Board.

Under the Board Diversity Policy, the Company considers diversity of Board members to be achieved through consideration of a number of aspects, including but not limited to, gender, age, cultural and educational background, professional experience, skills and knowledge. All Board appointments are based on merit, and candidates are considered against objective criteria, having due regard for the benefits of diversity on the Board.

The Nomination Committee has reviewed the Board Diversity Policy to ensure its effectiveness and considered that the Group achieved the objectives of its Board Diversity Policy for the Year.

The Board currently consists of only male Director. In recognising the particular importance of gender diversity, the Company targets to appoint at least one female director by not later than 31 December 2024.

Remuneration Committee

The Group established the Remuneration Committee on 24 April 2020 with written terms of reference in compliance with Rule 5.35 of the GEM Listing Rules and paragraph B.1.2 of the CG Code. The primary duties of our Remuneration Committee, under the principle that no Director or any of his/her associates should be involved in deciding his/her own remuneration include, among others, making recommendations to our Board on (a) our remuneration policy and structure for all of our Directors and senior management; (b) the establishment of a formal and transparent procedure for developing remuneration policies; (c) the remuneration packages of our executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their offices or appointments; and (d) the remuneration of our non-executive Directors. Our Remuneration Committee comprises two independent non-executive Directors, namely Mr. Kwok Kin Kwong Gary and Mr. Kuan Hong Kin Daniel and one executive Director namely Mr. John Lim Boon Kiat. Mr. Kwok Kin Kwong Gary is the chairman of our Remuneration Committee.

During the Year, the Remuneration Committee held 3 meeting, at which the Remuneration Committee reviewed and considered the specific remuneration packages of the executive Directors, the remuneration package of newly appointed executive Directors and adjustment of the remuneration package of former executive Director Ms. Anita Chia Hee Mei.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Each of the independent non-executive Directors has entered into a letter of appointment with the Company for an initial term of three years and such letter of appointment may be terminated by either party giving at least one month's notice in writing. Also, the independent non-executive Directors are subject to re-election on retirement by rotation at the AGM in accordance with the Articles.

The Company has received written annual confirmation from each independent non-executive Director of their independence pursuant to the requirements of Rule 5.09 of the GEM Listing Rules. The Company considers all independent non-executive Directors namely Mr. Kwok Kin Kwong Gary, Mr. Wong Wah and Mr. Kuan Hong Kin Daniel to be independent in accordance with the independence guidelines set out in the GEM Listing Rules for the Year.

DIRECTORS' TRAINING AND CONTINUING PROFESSIONAL DEVELOPMENT

Each newly appointed Director receives a formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure that he/she has a proper understanding of the Company's operations and business and is fully aware of a director's responsibilities under applicable statues and common law, the GEM Listing Rules, legal and other regulatory requirements and the Company's business and governance policies. The Company will from time to time provide briefings to all Directors to develop and refresh their knowledge and skills relating to their duties and responsibilities.

All Directors are also encouraged to attend relevant training courses at the Company's expense and they are requested to provide the Company with their training records. According to the training records maintained by the Company, all Directors, namely Mr. John Lim Boon Kiat, Mr. Kwok Kin Kwong Gary, Mr. Wong Wah and Mr. Kuan Hong Kin Daniel had attended training sessions on obligations, duties and responsibilities of directors during the Year.

AUDITOR'S REMUNERATION

The Company engaged HLB Hodgson Impey Cheng Limited as its external auditor for the Year. Analysis of the remuneration in respect of audit services provided by the external auditor is included in note 10 to the financial statements in this annual report.

COMPANY SECRETARY

The company secretary of the Company (the "**Company Secretary**") assists the Board by ensuring the Board policy and procedures are followed. The Company Secretary is also responsible for advising the Board on corporate governance matters.

The Company has appointed Mr. Yu Chun Kit as the Company Secretary.

For the year ended 30 June 2022, Mr. Yu Chun Kit undertook no less than 15 hours of relevant professional training to update his skill and knowledge in accordance with Rule 5.15 of the GEM Listing Rules. The biographical details of Mr. Yu Chun Kit is set out in the section headed "Directors and Senior Management" of this annual report.

HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Company has established and maintained the procedures and internal controls for the handling and dissemination of inside information. The Company has adopted a code of conduct for dealing in securities of the Company by the Directors in accordance with Rules 5.46 to 5.67 of the GEM Listing Rules. Other employees of the Group who are likely to be in possession of inside information of the Company are also subject to dealing restrictions. The Group has strictly prohibited unauthorised use of confidential or inside information or any use of such information for the advantage of any individual. Inside information and other information which is required to be disclosed pursuant to the GEM Listing Rules will be announced on the respective websites of Stock Exchange and the Company in due course.

REMUNERATION OF SENIOR MANAGEMENT

During the Year, the remuneration bands of senior management is listed as follows:

Band of remuneration (HK$)	No. of person(s)
HK$0 to HK$1,000,000	1

Further details of the remuneration of the Directors and the 5 highest paid employees are set out in note 12 to the consolidated financial statements.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Group. The Directors also acknowledge their responsibility to ensure the financial statements are published in a timely manner. The Directors are not aware of any material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern.

The statement of the external independent auditor of the Company about their reporting responsibilities on the consolidated financial statements of the Group is set out in the Independent Auditors' Report as annexed to this report.

INDEPENDENT AUDITOR'S REMUNERATION

During the Year, the fee paid/payable to the external independent auditor of the Company and its affiliates is as follows:

Description	S$'000
Audit services — Annual audit	230,515
Non-audit services	–
Grand total	230,515

CORPORATE GOVERNANCE REPORT

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for the establishment, maintenance and review of the Group's risk management and internal control systems and review of their effectiveness. The Board must ensure that the Company establishes and maintains effective risk management and internal control systems to meet the objectives and safeguard the interests of the shareholders and the assets of the Company.

The Board oversees the Group's overall risk management and internal control systems on an annual basis. At the same time, the Group endeavours to identify risks, control impact of the identified risks and facilitate implementation of coordinated mitigating measures.

In the course of conducting the business, the Group is exposed to various types of risks. During the Year, the following principal risks of the Group were identified and classified into strategic risks, operational risks, financial risks and compliance risks.

Strategic Risks:
Sensitivity to government policies; keeping up with new technologies and customers' taste; market competition risk, reputation risk.

Operational Risks:
Insufficient labour supply; workplace injury; disruption of IT system

Financial Risks:
Liquidity risk; credit risk; interest rate risk; inflation risk

Compliance Risks:
Risk related to occupational safety and health; risk of non-compliance with ordinances related to employment; changes of the GEM Listing Rules and relevant company regulations and ordinances

The Group does not have an internal audit department but the Group has conducted an annual review on whether there is a need for such an internal audit department. Given the Group's relatively simple corporate and operation structure, the Board, as supported by the Audit Committee, is directly responsible for risk management and internal control systems of the Group including financial, operational and compliance controls and risk management functions and for reviewing its effectiveness.

The Group's risk management and internal control system features the following processes to identify, evaluate and manage significant risks, and review the effectiveness of the risk management and internal control systems, as well as resolve material internal control defects:

- Members of the Board and Audit Committee discuss with the external independent auditor key issues in relation to internal controls, audit findings and risk management;

- The Board and Audit Committee oversees the financial reporting system and internal control procedures; in this process, management is principally responsible for the preparation of Group financial statements including the selection of suitable accounting policies;

- The external independent auditor is responsible for auditing and attesting to Group financial statements and report to the management of the Company from time to time on any weakness in controls which come to their attention; the Board and Audit Committee oversees the respective work of management and external auditors to ensure the management has discharged its duty in respect of having an effective internal control procedures.

During the Year, the Board had conducted a review of the effectiveness of the internal control system which covered all material controls, including financial, operational and compliance controls and risk management functions of the Group. The Board considered the risk management and internal controls systems of the Group to be adequate and effective for the Year.

The Group's risk management and internal control systems are aimed to manage, rather than eliminating, the risk of failure to achieve business objectives and thus can only provide reasonable, but not absolute, assurance against material misstatement or loss. The Board has the overall responsibility to maintain the adequate resources, staff qualifications and experience, training programs and the budget accounting and financial reporting.

SHAREHOLDERS' RIGHTS

Procedures for Convening General Meetings by Shareholders

Pursuant to the Articles, and the applicable legislation and regulation, in particular the GEM Listing Rules (as amended from time to time), the Board may, whenever it thinks fit, convene an extraordinary general meeting ("**EGM**"). EGMs shall also be convened on the requisition of one or more shareholders holding, at the date of deposit of requisition, not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings. Such requisition shall be made in writing to the Board or the company secretary of the Company for the purpose requiring an EGM to be called by the Board for the transaction of any business specified in such requisition.

The written requisition must state the purposes of the meeting, signed by the requisitionist(s) and deposit it to the Board or the company secretary of the Company by mail at Unit A, 12/F, China Overseas Building, 139 Hennessy Road, Wanchai, Hong Kong to require an EGM to be called by the Board for the transaction of any business specified in such requisition. Such requisition should specify clearly the name of the eligible shareholder(s) concerned, his/her/their shareholding, the reason(s) to convene an EGM and the details of the business(es) proposed to be transacted in the EGM, and must be signed by the eligible shareholder(s) concerned together with a sum of money reasonably sufficient to meet the Company's expenses in serving the notice of the resolution and circulating the statement submitted by shareholders concerned in accordance with the statutory requirements to all the registered shareholders.

The requisition will be verified with Hong Kong branch share registrar and transfer office of the Company and upon their confirmation that the requisition is proper and in order, the Board will convene an EGM by serving sufficient notice in accordance with the requirements under the Articles to all the registered shareholders. On the contrary, if the requisition has been verified as not in order or the shareholders concerned have failed to deposit sufficient money to meet the Company's expenses for the said purposes, the eligible shareholder(s) concerned will be advised of this outcome and accordingly, the Board will not call for an EGM.

If, within 21 days of such deposit, the Board fails to proceed to convene such meeting, all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Procedures for Putting Forward Proposals at Shareholders' Meeting

Shareholders are requested to follow Article 58 of the Articles for including a resolution at an EGM. The requirements and procedures are set out above in the paragraph headed "Procedures for Convening General Meetings by Shareholders".

Procedures by which enquiries may be put to the Board

The Group values feedback from shareholders on its efforts to promote transparency and foster investor relationship. Shareholders are encouraged to send their enquiries to the Board by post to the principal place of business set out in the section headed "Corporate Information" in this report. Shareholders may also make enquires with the Board at the general meetings of the Company.

INVESTOR RELATIONS

The Board strives to maintain on-going dialogue with shareholders and the investment community. The Company has established a shareholders communication policy to set out the Company's procedures in providing the shareholders and investment community with ready, equal and timely access to balanced and understandable information about the Company.

Latest information on the Group including, but not limited to, annual, interim and quarterly reports, circulars, announcements, and notices of AGMs are update on the website of the Stock Exchange (www.hkexnews.hk) and on the website of the Company (www.proofer.com.sg).

In addition, the Company regards the AGM as an important event as it provides an opportunity for direct communication between the Board and its shareholders. Shareholders are encouraged to attend the AGM.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company has adopted shareholders communication policy with objective of ensuring that the shareholders and potential investors are provided with ready, equal and timely access to balanced and understandable information about the Company.

The Company has established several channels to communicate with the shareholders of the Company as follows:

(I) corporate communications such as annual reports, quarterly reports, interim reports and circulars are issued in printed form and are available on the Stock Exchange's website at "www.hkexnews.hk" and the Company's website at "www.proofer.com.sg";

(II) periodic announcements are made through the Stock Exchange and published on the respective websites of the Stock Exchange and the Company;

(III) corporate information is made available on the Company's website;

(IV) annual and special general meetings provide a forum for the shareholders to make comments and exchange views with the Directors and senior management; and

(V) the Hong Kong share registrar of the Company serves the shareholders in respect of share registration, dividend payment and related matters.

The Company keeps on promoting investor relations and enhancing communication with the existing shareholders and potential investors. It welcomes suggestions from investors, stakeholders and the public. Enquires to the Board or the Company may be sent by post to the Company's principal place of business in Hong Kong.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The ESG report are set out on page 17 to page 41 of this annual report.

CHANGES IN CONSTITUTIONAL DOCUMENTS

During the year ended 30 June 2022, there was no change in the constitutional documents of the Company. As disclosed in the announcement of the Company dated 30 September 2022 and the circular of the Company dated 30 September 2022, a special resolution will be proposed at the extraordinary general meeting of the Company to be convened and held on 11 November 2022 to approve, among others, the proposed amendments to the existing memorandum and articles of association of the Company, in order to, among others, conform to the amended Appendix 3 to the GEM Listing Rules which came into effect on 1 January 2022 and applicable laws of the Cayman Islands. For further details, please refer to the circular of the Company dated 30 September 2022.

DIRECTORS' REPORT

The Board is pleased to submit this annual report together with the audited consolidated financial statements of the Group for the Year.

PRINCIPAL ACTIVITIES

The principal business activity of the Company is investment holding. The principal activities and other particulars of the Company's principal subsidiaries are set out in note 1 to the consolidated financial statements.

REORGANISATION AND SHARE OFFER

The Company was incorporated as an exempted company in the Cayman Islands with limited liability on 16 May 2019. Its shares were listed on GEM of the Stock Exchange on 18 May 2020. Pursuant to the reorganisation of the Group in connection with the Listing (the "**Reorganisation**"), the Company became the holding company of the Group on 24 April 2020. Details of the Reorganisation are set out in the section headed "History, Reorganisation and Corporate Structure — Reorganisation" to the Prospectus.

DIRECTORS

The name of every person who was a Director at any point during the Year and up to date of this report is as follows:

Mr. Goh Leong Heng Aris *(Executive Director)* (resigned on 29 June 2022)
Ms. Anita Chia Hee Mei (Xie Ximei) *(Executive Director)* (resigned on 29 June 2022)
Mr. John Lim Boon Kiat *(Executive Director)* (redesignated on 16 December 2021)
Mr. Kwok Kin Kwong Gary *(Independent non-executive Director)*
Mr. Wong Wah *(Independent non-executive Director)*
Mr. Kuan Hong Kin Daniel *(Independent non-executive Director)*

In accordance with Article 84(1) of the Articles, Mr. John Lim Boon Kiat and Mr. Kwok Kin Kwong Gary will retire from the Board by rotation at the forthcoming AGM and, being eligible, offer themselves for re-election.

The biographical details of the Directors and the senior management of the Company are set out in the section headed "Directors and Senior Management" of this report.

RESULTS/BUSINESS REVIEW

The results of the Group for the Year are set out on page 60 to page 128 of this report. The business review of the Group for the Year, which includes the principal risks and uncertainties facing the Group, an analysis using financial key performance indicators of the Group's business, particulars of important events affecting the Group, an indication of likely future developments in the Group's business, and discussion on the Company's environmental policies and performance and the relationships with its stakeholders, can be found in the sections headed "Chairman's Statement", "Management Discussion and Analysis", "Corporate Governance Report", "Environmental, Social and Governance Report" and "Independent Auditors' Report" of this annual report. The review forms part of this directors' report.

DIRECTORS' REPORT

FINANCIAL SUMMARY

A summary of the published results and assets and liabilities of the Group for the past four financial years, as extracted from the audited consolidated financial statements, is set out on page 128 of this annual report. This summary does not form part of the audited financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Year are set out in note 16 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the Year are set out in note 22 to the consolidated financial statements.

RESERVES AND DISTRIBUTABLE RESERVES

As at 30 June 2022, the reserves available for distribution to the shareholders of the Company is approximately S$0.2 million.

DIVIDEND POLICY

In deciding whether to propose a dividend and in determining the dividend amount, the Board takes into account, inter alia:

(i) the actual and expected financial performance of our Group;

(ii) retained earnings and distributable reserves of our Company and each of the other members of our Group;

(iii) economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of our Group;

(iv) business strategies of our Group, including future cash commitments and investment needs to sustain the long-term growth aspect of the business;

(v) the current and future operations, liquidity position and capital requirements of our Group;

(vi) statutory and regulatory restrictions; and

(vii) other factors that our Board deems appropriate.

The payment of the dividend by the Company is also subject to any restrictions under the Companies Law of the Cayman Islands and any other applicable laws, rule and regulations and the Articles. The dividend policy of the Company will be reviewed by the Board from time to time and there can be no assurance that a dividend will be proposed or declared in any specific period.

FINAL DIVIDEND

The Board has resolved not to recommend the declaration of any final dividend for the Year.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S SECURITIES

The Board confirms that during the Year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles or the Laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

CLOSURE OF REGISTER OF MEMBERS

In order to determine entitlement to attend and vote at the forthcoming AGM, the register of members of the Company will be closed from Tuesday, 8 November 2022 to Friday, 11 November 2022, both days inclusive, during which no transfer of shares of the Company will be effected. In the case of shares of the Company, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar and transfer office, Boardroom Share Registrars (HK) Limited at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong no later than 4:30 p.m. on Monday, 7 November 2022.

SHARE OPTION SCHEME

The Company has adopted the Share Option Scheme on 24 April 2020 (the "**Adoption Date**"). The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules. The following is a summary of the principal terms of the Share Option Scheme:

(A) Purpose of Share Option Scheme

The purpose of the Share Option Scheme is to provide incentives or rewards to eligible persons for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group or any entity in which the Group holds any equity interest ("**Invested Entity**").

(B) Participants of the Share Option Scheme

(1) Any employee (whether full time or part time employee, including any executive Director) of our Company, any of its subsidiaries and any Invested Entity;

(2) Any non-executive Director (including independent non-executive Director) of our Company, any of its subsidiaries or any Invested Entity;

(3) Any supplier of goods or services to any member of our Group or any Invested Entity;

(4) Any customer of any member of our Group or any Invested Entity;

(5) Any person or entity that provides research, development or other technological support to any member of our Group or any Invested Entity;

(6) Any shareholder of any member of our Group or any Invested Entity or any holder of any securities issued by any member of our Group or any Invested Entity;

(7) Any adviser (professional or otherwise) or consultant to any area of business or business development of any member of our Group or any Invested Entity; and

(8) Any other group or classes of participants who have contributed or may contribute, by way of joint venture, business alliance, other business arrangement or otherwise, to the development and growth of our Group, and for the purposes of the Share Option Scheme, the option may be granted to any company wholly-owned by one or more persons belonging to any of the above classes of participants or any discretionary object of a participant which is a discretionary trust.

(C) Total number of shares available for Issue under the Share Option Scheme

Under the Share Option Scheme, the total number of shares which may be allotted and issued upon exercise of all share options to be granted under the Share Option Scheme and any other share option scheme of the Company must not in aggregate exceed 10% of the total number of shares in the Company in issue on the Listing Date, being 24,000,000 shares in the Company (representing 10% of the shares in issue of the Company as at the date of this report).

(D) Maximum Entitlement of Each Participant under the Share Option Scheme

The maximum entitlement of each participant under the Share Option Scheme in any 12-month period up to and including the date of grant of the options must not exceed 1% of the total number of shares in the Company in issue.

(E) Period within which the Shares must be taken up under an Option

The period during which an option may be exercised is determined by the Board at its discretion, save that such period shall not be longer than 10 years from the date of grant.

(F) Minimum period for which an Option must be held before it can be exercised

Unless otherwise determined by our Board and stated in the offer of the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.

(G) Amount payable on acceptance of an option and the Period within which payments shall be made

A consideration of HK$1 is payable on acceptance of the offer of grant of an option. An option may be offered for acceptance for a period of 21 days from the date on which the letter containing the offer is delivered to that participant.

(H) Basis of determining the Exercise Price

The exercise price in respect of any particular option shall, subject to any adjustment made pursuant to the terms of the Share Option Scheme, be such price as determined by our Board, but in any case shall not be less than the highest of (i) the closing price of the shares in the Company as stated in the Stock Exchange's daily quotations sheet on the date of the grant of the option, which must be a business day; (ii) the average closing price of the shares in the Company as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the grant of the option; and (iii) the nominal value of a share in the Company on the date of grant of the option.

(l) Remaining life of the Share Option Scheme

The Share Option Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date.

As of the report date, no share option has been granted, exercised, cancelled, or lapsed under the Share Option Scheme since the Adoption Date.

EQUITY-LINKED AGREEMENTS

Save for the Share Option Scheme, no equity-linked agreements were entered into by the Company during the Year or subsisted at the end of the Year.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief or exemption available to the shareholders by reason of their holding of the Company's securities.

MAJOR CUSTOMERS AND SUPPLIERS

The percentage of sales and purchases for the Year attributable to the Group's major customers and suppliers are as follows:

As a bakery outlet and restaurant chain, we have a large and diverse customer base. Our revenue deemed from our five largest customers accounted for less than 5% of our total revenue for the Year.

PURCHASES	%
— The largest supplier	19.6
— Five largest suppliers	60.3

None of the Directors, their associates or any shareholders (which to the best knowledge of the Directors owns more than 5% of the Company's share capital) had an interest in the major customers or suppliers noted above.

RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

During the Year, details of significant transactions with its related parties or transactions undertaken in the normal course of business are set out in note 33 to the consolidated financial statements. None of those transactions constitutes a disclosable connected transaction pursuant to Chapter 20 of the GEM Listing Rules.

DONATIONS

During the Year, the Group did not make any cash donation.

DIRECTORS' REPORT

DISCLOSURE OF INTERESTS AND OTHER INFORMATION

Directors' And Chief Executive's Interests And Short Positions In The Shares, The Underlying Shares Or Debentures Of The Company And Its Associated Corporations

As at 30 June 2022, none of the Directors nor the chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("**SFO**")) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO.

Substantial Shareholders' And Other Persons' Interests And Short Positions In The Shares, And Underlying Shares Of The Company

As at 30 June 2022, the following parties (other than the Directors or the chief executive of the Company) had interests of 5% or more in the shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of substantial shareholder	Nature of interest	Number of shares held/ interested	Long/Short Positions	Percentage of shareholding
AA Food Holdings ("**AA Food**") *(note 1)*	Beneficial interest	153,000,000	Long	63.75%
Mr. Goh Leong Heng Aris ("**Mr. Aris Goh**") *(note 1)*	Interest in a controlled corporation	153,000,000	Long	63.75%
Ms. Anita Chia Hee Mei ("**Ms. Anita Chia**") *(note 1)*	Interest in a controlled corporation	153,000,000	Long	63.75%
Dunman Capital Global Limited *(note 2)*	Beneficial interest	23,632,500	Long	9.85%
Mr. Yang Fan ("**Mr. Yang**") *(note 2)*	Interest in a controlled corporation	23,632,500	Long	9.85%
Ms. Zhong Hua *(note 3)*	Interest of spouse	23,632,500	Long	9.85%

Notes:

(1) AA Food is directly owned by Mr. Aris Goh and Ms. Anita Chia in equal share. Since (i) Mr. Aris Goh is the spouse of Ms. Anita Chia; and (ii) AA Food is owned by Mr. Aris Goh and Ms. Anita Chia in equal share, each of Mr. Aris Goh and Ms. Anita Chia is deemed to be interested in all the shares held by AA Food under the SFO.

(2) Dunman Capital Global Limited is wholly-owned by Mr. Yang. As such, Mr. Yang is deemed to be interested in all the shares held by Dunman Capital Global Limited under the SFO.

(3) Ms. Zhong Hua is the spouse of Mr. Yang. Accordingly, Ms. Zhong Hua is deemed or taken to be interested in all the shares which Mr. Yang is interested in under the SFO.

Save as disclosed above, as at 30 June 2022, the Company is not aware of any other person (other than the Directors or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO.

DIRECTORS' SERVICE CONTRACTS

All executive Directors currently in office have entered into service agreements with the Company for a term of three years commencing from the Listing Date and shall continue unless terminated by either party giving no less than three months' written notice served by either party on the other.

Each of the independent non-executive Directors has entered into an appointment letter with the Company for an initial term of three years commencing from the Listing Date, which may be terminated by either party giving no less than one month's written notice served by either party on the other.

The term of service of a Director is subject to retirement by rotation of Directors as set out in the Articles.

Save as disclosed above, none of the Directors who are proposed to be re-elected at the forthcoming AGM has entered into a service contract or an appointment letter with our Company or any of our subsidiaries (other than contracts or appointment letters expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

DIRECTORS' REMUNERATION

The Directors' emoluments are subject to the Company's shareholders' approval at general meetings and such emoluments shall be determined by the Board and the Remuneration Committee with reference to Directors' duties, responsibilities and performance and the results of the Group. Details of remuneration of the Directors are set out in note 35 to the consolidated financial statements.

EMOLUMENT POLICY

The Company has established the Remuneration Committee in compliance with the GEM Listing Rules. The primary duties of the Remuneration Committee include making recommendations to the Board on the Company's policy and structure for all Directors and senior management's remuneration, on the establishment of a formal and transparent procedure for developing remuneration policy, and on the remuneration packages of individual executive Directors and senior management, including benefits in kind, pension rights and compensation payments including any compensation payable for loss or termination of office or appointment.

Under the remuneration policy of the Company, the Remuneration Committee considers factors such as salaries paid by comparable companies, time commitment, responsibilities and employment conditions elsewhere in the Group.

Details of the Directors' remuneration and the five highest paid individuals are set out in notes 35 and 12 to the consolidated financial statements.

PERMITTED INDEMNITY PROVISION

The Articles provides that the Directors shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty; provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty by any of the Directors.

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Details of the continuing connected transactions and related party transactions are set out in the Corporate Governance Report and note 33 to the consolidated financial statements.

Notwithstanding the above, no transaction, arrangement or contract that is significant in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a person who at any time during the Year was a Director or his/her connected entity had, directly or indirectly, a material interest subsisted at any time during the Year.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Except for the Share Option Scheme, neither the Company nor any of its subsidiary undertakings was a party to any arrangements to enable Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate at any time during the Year.

MANAGEMENT CONTRACTS

No contract, other than employment contracts, concerning the management and administration of the whole or any substantial part of the Company's business was entered into or existed during the Year.

INTEREST IN COMPETING INTERESTS

None of the Directors, the controlling shareholders of the Company, or any of their respective close associates (as defined in the GEM Listing Rules) is interested in a business apart from the Group's business which competes or is likely to compete, directly or indirectly, with the Group's business during the Year, and is required to be disclosed pursuant to rule 11.04 of the GEM Listing Rules.

NON-COMPETITION UNDERTAKINGS

Each of controlling shareholders of the Company, Mr. Goh Leong Heng Aris, Ms. Anita Chia Hee Mei and AA Food has confirmed to the Company of their respective due compliance with the terms of the deed of non-competition (the "**Deed of Non-Competition**") since the Listing Date and up to the date of this report.

Our independent non-executive Directors have reviewed compliance of the Deed of Non-Competition and were satisfied that the terms of the Deed of Non-Competition had been duly complied with and enforced since the Listing Date and up to the date of this report.

During the Year, the Board had not received any written confirmation from any of our Directors in respect of interest in any business (other than our Group) which is or is likely to be directly or indirectly in competition with our business.

INTEREST OF THE COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed Kingsway Capital Limited ("**Kingsway**") as its new compliance adviser with effect from 16 February 2021. Except for the compliance adviser agreement entered into between the Company and Kingsway dated 16 February 2021, neither Kingsway nor its directors, employees or close associates (as defined under the GEM Listing Rules) had any interests in relation to the Company or in the share capital of any member of the Company which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules as at the date of this report.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this report, based on the information that is publicly available to the Company and within the best knowledge of the Directors, the Company maintained a sufficient amount of public float for its shares as required under the GEM Listing Rules.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group fully complies with all laws and regulations and regularly monitors and gathers information about changes in laws, rules and regulations relevant to the Group's businesses to ensure the Group's observance of those applicable laws, rules and regulations, especially those which may have material impact on the Group.

INDEPENDENT AUDITOR

The consolidated financial statements for the Year were audited by HLB Hodgson Impey Cheng Limited ("**HLB**"), who will retire at the forthcoming AGM, and being eligible, offer itself for re-appointment. A resolution for the re-appointment of HLB as the independent auditor of the Company will be proposed at the forthcoming AGM.

PricewaterhouseCoopers ("**PwC**") has resigned as the independent auditor of the Company with effect from 5 July 2021 and HLB has been appointed as the independent auditor of the Company on 9 July 2021 to fill the casual vacancy following the resignation of PwC. Save as disclosed herein, the Company has not changed its auditor in any of the preceding three years.

By Order of the Board
Global Dining Holdings Limited
John Lim Boon Kiat
Chairman and executive Director

Singapore, 30 September 2022

INDEPENDENT AUDITORS' REPORT

HLB 國衛會計師事務所有限公司
HODGSON IMPEY CHENG LIMITED

31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

TO THE SHAREHOLDERS OF
GLOBAL DINING HOLDINGS LIMITED (Formerly known as Singapore Food Holdings Limited)
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Global Dining Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 65 to 127, which comprise the consolidated statement of financial position as at 30 June 2022, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 3 to the consolidated financial statements, which indicates that the Group incurred a loss of S$1,750,691 during the year ended 30 June 2022 and, as of that date, the Group had net current liabilities of S$3,445,081. As stated in Note 3, these events or conditions, along with other matters as set forth in Note 3, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITORS' REPORT

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the "Material Uncertainty Related to Going Concern" section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of plant and equipment and right-of-use assets	
Refer to Notes 3, 4, 16 and 17 to the consolidated financial statements. The Group had plant and equipment and right-of-use assets for its bakery outlets and restaurants amounting to S$2,191,770 and S$4,145,736 respectively, which constituted a significant portion of total assets as at 30 June 2022. Plant and equipment and right-of-use assets are subject to impairment assessment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management reviews the financial performance of individual bakery outlets and restaurants at the end of each reporting period to identify if an impairment indicator exists. Where indicators of impairment are identified, management identifies the relevant cash-generating units ("CGU") to which these plant and equipment and right-of-use assets belong and estimates the recoverable amounts of these CGUs based on the fair value less costs of disposal and value in use calculation, whichever is higher. Based on the results of the assessments conducted, management determined that there were impairment on the Group's plant and equipment and right-of-use assets of S$250,771 and S$542,815 respectively during the year.	In testing management's impairment assessment of plant and equipment and right-of-use assets, we have performed the following procedures including but not limited to: • Tested management's assessments as to whether any indication of impairment exists; • For those bakery outlets and restaurants where there was an impairment indicator, assessed the appropriateness of the methodology used by management in determining the recoverable amount; • Compared the forecast operating results prepared in the prior year with the current year's performance of the relevant bakery outlets and restaurants to assess the accuracy of management's historical estimation; • Assessed the reasonableness of the annual revenue growth rate adopted by management in the discounted cash flow projections by comparing them with historical performance of individual bakery outlets and restaurants, external economic data and financial budget approved by management; • Assessed the reasonableness of the pre-tax discount rate used in determining the recoverable amount;

INDEPENDENT AUDITORS' REPORT

Key audit matter	How our audit addressed the key audit matter
We focused on this area due to the magnitude of the carrying amounts of plant and equipment and right-of-use assets and the significance of management's judgments adopted in the key assumptions used in the impairment assessment, such as annual revenue growth rate and discount rate.	• Evaluated the sensitivity analysis prepared by management on the key assumptions of the discounted cash flow projections to evaluate the extent of such changes to the recoverable amount; and • Considered the appropriateness of the relevant disclosures in the consolidated financial statements. Based on our procedures performed, we found the key assumptions used by management in the impairment assessment of plant and equipment and right-of-use assets were supportable by available evidence.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditors' report thereon ("Other Information").

Our opinion on the consolidated financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement director on the audit resulting in this independent auditors' report is Kwok Tsz Chun.

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Kwok Tsz Chun
Practising Certificate Number: P06901

Hong Kong, 30 September 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2022

	Note	2022 S$	2021 S$
Revenue	7	**11,961,710**	14,136,821
Other income	8	**1,055,528**	783,525
Other gains/(losses), net	9	**824,454**	(671,347)
Raw materials and consumables used		**(3,145,066)**	(3,724,682)
Employee benefit costs	12	**(4,525,112)**	(4,539,063)
Expenses under short-term lease and variable lease payments	17	**(366,904)**	(298,813)
Rent concessions		**201,177**	543,825
Depreciation of right-of-use assets	17	**(3,337,381)**	(5,015,175)
Depreciation of plant and equipment	16	**(649,437)**	(760,155)
Impairment loss on right-of-use assets	17	**(542,815)**	(2,026,353)
Impairment loss on plant and equipment	16	**(250,771)**	(238,736)
Other expenses	10	**(2,332,836)**	(2,130,900)
Finance income	11	**52,550**	67,973
Finance costs	11	**(527,062)**	(942,147)
Loss before income tax		**(1,581,965)**	(4,815,227)
Income tax expense	14	**(168,726)**	(68,738)
Loss for the year		**(1,750,691)**	(4,883,965)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**233**	452
Total comprehensive expense for the year		**(1,750,458)**	(4,883,513)
Loss attributable to:			
Owners of the Company		**(1,685,280)**	(4,883,965)
Non-controlling interests		**(65,411)**	–
		(1,750,691)	(4,883,965)
Total comprehensive expense attributable to:			
Owners of the Company		**(1,685,367)**	(4,883,513)
Non-controlling interests		**(65,091)**	–
		(1,750,458)	(4,883,513)
Loss per share			
— Basic and diluted *(S$ cents)*	15	**(0.70)**	(2.03)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At as 30 June 2022

	Note	2022 S$	2021 S$
ASSETS			
Non-current assets			
Plant and equipment	16	**2,191,770**	2,528,414
Right-of-use assets	17	**4,145,736**	7,779,434
Deferred income tax assets	28	**–**	127,151
Deposits	18	**1,026,211**	1,368,120
		7,363,717	11,803,119
Current assets			
Inventories	19	**126,716**	111,311
Trade and other receivables, deposits and prepayments	18	**1,004,796**	725,986
Cash and cash equivalents	21	**2,270,293**	4,554,600
		3,401,805	5,391,897
Total assets		**10,765,522**	17,195,016
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	22	**441,360**	441,360
Share premium	22	**7,100,029**	7,100,029
Other reserves	23	**1,780,379**	1,780,379
Exchange reserves	24	**365**	452
Accumulated losses		**(8,682,349)**	(6,997,069)
		639,784	2,325,151
Non-controlling interest		**(21,236)**	988
Total equity		**618,548**	2,326,139

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At as 30 June 2022

	Note	2022 S$	2021 S$
LIABILITIES			
Non-current liabilities			
Provision for reinstatement cost	25	**194,936**	318,420
Lease liabilities	26	**2,809,635**	6,121,660
Borrowings	27	**228,128**	573,785
Deferred tax liabilities	28	**67,389**	62,850
		3,300,088	7,076,715
Current liabilities			
Trade and other payables	29	**2,740,793**	3,105,418
Amount due to related parties	20	**130,549**	121,131
Current income tax liabilities		**33,186**	33,855
Lease liabilities	26	**3,515,343**	4,166,109
Provision for reinstatement cost	25	**81,358**	18,957
Borrowings	27	**345,657**	346,692
		6,846,886	7,792,162
Total liabilities		**10,146,974**	14,868,877
Net current liabilities		**3,445,081**	2,400,265
Total equity and liabilities		**10,765,522**	17,195,016

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

The consolidated financial statements on pages 65 to 127 were approved by the Board of Directors on 30 September 2022 and were signed on its behalf.

Mr. John Lim Boon Kiat
Director

Mr. Wong Wah
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2022

	Attributable to the equity holders of the Company							
	Share capital	Share premium	Other reserve	Exchange fluctuation reserve	Accumulated loss	Sub-total	Non-controlling interests	Total equity
	S$	S$	S$	S$	S$	S$	S$	S$
As at 1 July 2020	441,360	7,100,029	1,780,379	–	(2,113,104)	7,208,664	–	7,208,664
Loss for the year	–	–	–	–	(4,883,965)	(4,883,965)	–	(4,883,965)
Other comprehensive income for the year:								
Exchange differences on translation of foreign operation	–	–	–	452	–	452	–	452
Total comprehensive income/(expense) for the year	–	–	–	452	(4,883,965)	(4,883,513)	–	(4,883,513)
Capital contribution from non-controlling interests	–	–	–	–	–	–	988	988
As at 30 June 2021 and 1 July 2021	441,360	7,100,029	1,780,379	452	(6,997,069)	2,325,151	988	2,326,139
Loss for the year	**–**	**–**	**–**	**–**	**(1,685,280)**	**(1,685,280)**	**(65,411)**	**(1,750,691)**
Other comprehensive income for the year:								
Exchange differences on translation of foreign operation	**–**	**–**	**–**	**(87)**	**–**	**(87)**	**320**	**233**
Total comprehensive expense for the year	**–**	**–**	**–**	**(87)**	**(1,685,280)**	**(1,685,367)**	**(65,091)**	**(1,750,458)**
Capital contribution from non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**42,867**	**42,867**
As at 30 June 2022	**441,360**	**7,100,029**	**1,780,379**	**365**	**(8,682,349)**	**639,784**	**(21,236)**	**618,548**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2022

	Note	**2022** **S$**	2021 S$
Cash flow from operating activities			
Loss before income tax		**(1,581,965)**	(4,815,227)
Adjustments for:			
— Depreciation of plant and equipment	16	**649,437**	760,155
— Depreciation of right-of-use assets	17	**3,337,381**	5,015,175
— Impairment loss on plant and equipment	16	**250,771**	238,736
— Impairment loss on right-of-use asset	17	**542,815**	2,026,353
— Finance costs	11	**527,062**	942,147
— Finance income	11	**(52,550)**	(67,973)
— Gain on lease modifications	9	**(41,305)**	(269,040)
— Loss on derecognition of right-of-use assets		**1,490**	–
— Rent concessions		**(201,177)**	(543,825)
— Reversal of provision for reinstatement cost	25	**(73,098)**	(27,156)
— Foreign currency exchange difference	9	**–**	109,781
— Loss on disposals of plant and equipment	9	**145,361**	830,606
Operating profit before working capital changes		**3,504,222**	4,199,732
Changes in working capital:			
— Decrease in trade and other receivables, deposits and prepayments		**113,780**	154,163
— Increase in inventories		**(15,682)**	(10,482)
— (Decrease)/Increase in trade and other payables		**(357,589)**	1,245,875
Cash generated from operations		**3,244,731**	5,589,288
Income tax paid		**(37,705)**	(182,431)
Net cash generated from operating activities		**3,207,026**	5,406,857
Cash flows from investing activities			
Decrease in amount due from related parties		**–**	99,656
Proceeds from disposal of plant and equipment		**42,656**	–
Purchase of plant and equipment		**(755,796)**	(2,111,183)
Interest income received		**85**	28
Net cash used in investing activities		**(713,055)**	(2,011,499)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2022

	Note	2022 S$	2021 S$
Cash flows from financing activities			
Repayment of borrowings		**(346,692)**	(262,923)
Interest paid on borrowings		**(47,877)**	(85,635)
Interest repayment of lease liabilities		**(467,170)**	(837,268)
Principal repayment of lease liabilities		**(3,967,755)**	(4,750,780)
Increase in amount due to related parties		**9,418**	121,131
Capital contribution from non-controlling interests		**42,867**	988
Net cash used in financing activities		**(4,777,209)**	(5,814,487)
Net decrease in cash and cash equivalents		**(2,283,238)**	(2,419,129)
Cash and cash equivalents at beginning of the year		**4,554,600**	7,090,073
Effects of currency translation on cash and cash equivalents		**(1,069)**	(116,344)
Cash and cash equivalents at end of the year	21	**2,270,293**	4,554,600

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

1 GENERAL INFORMATION AND REORGANISATION

Global Dining Holdings Limited (formerly known as Singapore Food Holdings Limited) ("the Company") is a public limited company incorporated in the Cayman Islands and its shares are listed on GEM of The Stock Exchange of Hong Kong Limited. Its immediate and ultimate parent is AA Food Holdings Limited (incorporated in British Virgin Island). Its ultimate controlling parties are Goh Leong Heng Aris ("Mr. Goh") who was the former chairman of the Company and Anita Chia Hee Mei ("Mrs. Goh") who was the former chief executive officer of the Company. The address of the Company's registered office is at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together, the "Group") principally engage in the manufacturing and retailing of bakery products and operation of restaurants.

These consolidated financial statements are presented in Singapore dollars ("S$"), which is also the functional currency of the Company.

2 APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRSs issued by the International Accounting Standards Board (the "IASB") for the first time, which are mandatorily effective for the annual periods beginning on or after 1 July 2021 for the preparation of the consolidated financial statements:

Amendments to IFRS 16	Covid-19-Related Rent Concession beyond 30 June 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform- Phase 2

In addition, the Group applied the agenda decision of the IFRS Interpretations Committee (the "Committee") of the International Accounting Standard Board issued on June 2021 which clarified the costs an entity should include as "estimated costs necessary to make the sale" when determining the net realisable value of inventories. The application of the amendments to IFRSs in the current year had no material impact on the Group's financial performance and positions for the current and prior years and on the disclosures set out in these consolidated financial statements.

2 APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") *(Continued)*

New and amendments to IFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

IFRS 17	Insurance Contracts and the related Amendments[3]
Amendments to IFRS 3	Reference to Conceptual Framework[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IAS 1	Classification of Liabilities as Current or Non-current[3]
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies[3]
Amendments to IAS 8	Definition of Accounting Estimates[3]
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities Arising from a Single Transaction[3]
Amendments to IAS 16	Property, Plant and Equipment — Proceeds before Intended Use[2]
Amendments to IAS 37	Onerous Contracts — Costs of Fulfilling a Contract[2]
Amendments to IFRSs	Annual Improvements to IFRSs 2018-2020[2]

1 Effective for annual periods beginning on or after a date to be determined.

2 Effective for annual periods beginning on or after 1 January 2022.

3 Effective for annual periods beginning on or after 1 January 2023.

The directors of the Company anticipate that the application of all new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with IFRSs issued by the IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance.

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period as explained in the accounting policies set out below.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Basis of preparation of consolidated financial statements *(Continued)*

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 Share-based Payment, leasing transactions that are accounted for in accordance with IFRS 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

Going concern basis

During the year ended 30 June 2022, the Group recorded a consolidated net loss of S$1,750,691 and, as of that date, the Group had net current liabilities of S$3,445,081. Notwithstanding the above results, the consolidated financial statements have been prepared on a going concern basis, the validity of which is dependent upon the success of the Group's future operations, its ability to generate adequate cash flows in order to meet its obligations as and when fall due and its ability to refinance or restructure its borrowings such that the Group can meet its future working capital and financing requirements.

Also, the directors of the Company are of the opinion that the Group will be able to finance its future financing requirements and working capital based on the following considerations:

1. ***Financial support***

   A substantial shareholder of the Company has agreed to continuously provide financial support for the continuing operations of the Company so as to enable it to meet its liabilities when they fall due and carry on its business without a significant curtailment of operations in the twelve months from the date of approval of consolidated financial statement.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Going concern basis *(Continued)*

2. ***Alternate source of funding***

   The Group is actively considering to raise new capital by carrying out fund raising activities including but not limited to right issue, open offer and placing of new shares.

3. ***Operating plans***

   Management has been endeavoring to improve the Group's operating results and cash flows through various cost control measures and will focus on the existing business.

   In view of the above, the directors of the Company are of the opinion that there will be sufficient financial resources available to the Group to enable it to meet its liabilities as and when they fall due and to continue as a going concern. Accordingly, the directors of the Company have prepared the consolidated financial statements on a going concern basis.

   Should the Group be unable to continue as a going concern, it may be unable to realise its assets and discharge its liabilities in the normal course of business. Adjustments would have to be made to the consolidated financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains controls until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Basis of consolidation *(Continued)*

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionable share of net assets of the relevant subsidiaries upon liquidation.

Separate Financial Statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable. Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Acquisition of business are accounted for the acquisition of subsidiaries by the Group which qualifies as business combination, except for those acquisitions which qualify as a common control combination and are therefore accounted for using the merger accounting.

Under the acquisition of business, subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange and, all acquisition-related costs are expensed. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated statements of profit or loss and other comprehensive income.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

(a) Sales of bakery products

Revenue from sales of bakery products is recognised at a point in time when the products are delivered.

(b) Operations of restaurants

The Group operates chains of restaurants and provides catering services. Revenue is recognised when the related services have been rendered to customers.

Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application, or arising from business combinations the Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Leases *(Continued)*

As a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of office that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities other than adjustments to lease liabilities resulting from COVID-19-related rent concessions in which the Group applied the practical expedient.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Leases *(Continued)*

As a lessee *(Continued)*

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of rightof-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised by the Group; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

Variable lease payments that do not depend on an index or a rate are not included in the measurement of lease liabilities and right-of-use assets, and are recognised as expense in the period in which the event or condition that triggers the payment occurs.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review/ expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Leases *(Continued)*

As a lessee *(Continued)*

Lease modifications

Except for COVID-19-related rent concessions in which the Group applied the practical expedient, the Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Covid-19-related rent concessions

In relation to rent concessions that occurred as a direct consequence of the Covid-19 pandemic, the Group has elected to apply the practical expedient not to assess whether the change is a lease modification if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

- any reduction in lease payments affects only payments originally due on or before 30 June 2022; and

- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying IFRS16 if the changes are not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise. For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. Singapore dollars) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of Exchange fluctuation reserve (attributable to non-controlling interests as appropriate).

Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

Employee benefits

Retirement benefits costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Termination benefits

A liability for a termination benefit is recognised at the earlier of when the Group entity can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Employee benefits *(Continued)*

Short-term and other long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS requires or permits the inclusion of the benefit in the cost of an asset.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'loss before income tax' as reported in the consolidated statement of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Taxation *(Continued)*

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 Income Taxes requirements to the leasing transaction as a whole. Temporary differences relating to right-of-use assets and lease liabilities are assessed on a net basis. Excess of depreciation on right-of-use assets over the lease payments for the principal portion of lease liabilities resulting in net deductible temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss.

Plant and equipment

Plant and equipment held for use in the supply of services, or for administrative purposes are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of plant and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the Continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Impairment on plant and equipment and right-of-use assets

At the end of the reporting period, the Group reviews the carrying amounts of its plant and equipment and right-of-use assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of plant and equipment and right-of-use assets are estimated individually. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Impairment on plant and equipment and right-of-use assets *(Continued)*

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established or otherwise, they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Inventories

Inventories are stated at the lower of cost and the net realisable value. Costs of the inventories are determined on a first-in-first-out ("FIFO") method and comprises invoiced cost. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of past events, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligations, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Provisions for the costs to restore leased assets to their original condition, as required by the terms and conditions of the lease, are recognised at the date of inception of the lease at the directors' best estimate of the expenditure that would be required to restore the assets, estimates are regularly reviewed and adjusted as appropriate for new circumstances.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Financial instruments

Financial assets and financial liabilities are recognised when the group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivable arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets

Classification and measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or

- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Impairment of financial assets

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets which are subject to impairment assessment under IFRS 9 (including trade and other receivables and cash at banks). The amount of ECL is updated at each reporting period to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting period. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables without significant financing component.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

- an actual or expected significant deterioration in the operating results of the debtor;

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full.

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(e) the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;

- Nature, size and industry of debtors; and

- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and other receivables where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity instruments

Classification as financial liabilities or equity

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at amortised cost

Financial liabilities (including trade and other payables, lease liabilities, amount due to related parties and borrowings) are subsequently measured at amortised cost, using the effective interest method.

Financial guarantee contracts

A financial guarantee contracts is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contract liabilities are measured initially at their fair values.

It is subsequently measured at the higher of:

- the amount of the loss allowances determined in accordance with IFRS 9; and

- the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity instruments *(Continued)*

Derecognition/modification of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in the profit or loss.

Except for changes in the basis for determining the contractual cash flows as a result of interest rate benchmark reform in which the Group applies the practical expedient, when the contractual terms of a financial liability are modified, the Group assess whether the revised terms result in a substantial modification from original terms taking into account all relevant facts and circumstances including qualitative factors. If qualitative assessment is not conclusive, the Group considers that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. Accordingly, such modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. The exchange or modification is considered as non-substantial modification when such difference is less than 10 per cent.

For non-substantial modifications of financial liabilities that do not result in derecognition, the carrying amount of the relevant financial liabilities will be calculated at the present value of the modified contractual cash flows discounted at the financial liabilities' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial liabilities and are amortised over the remaining term. Any adjustment to the carrying amount of the financial liability is recognised in profit or loss at the date of modification.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Related parties transactions

A party is considered to be related to the Group if:

(a) A person or a close member of that person's family is related to the Group if that person:

  (i) has control or joint control of the Group;

  (ii) has significant influence over the Group; or

  (iii) is a member of the key management personnel of the Group or of a parent of the Group.

(b) an entity is related to the Group if any of the following conditions applies:

  (i) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

  (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

  (iii) both entities are joint ventures of the same third party;

  (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

  (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group;

  (vi) the entity is controlled or jointly controlled by a person identified in (a);

  (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or

  (viii) the entity or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that person in their dealing with the entity.

A transaction is considered to be a related party transaction when there is a transfer of resources, or obligations between the Group and a related party, regardless of whether a price is charged.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's chief operating decision maker for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or to provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the directors are required to make judgements, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Determination on lease term of contracts with renewal options

The Group applies judgements to determine the lease term for lease contracts in which it is a lessee that include renewal option, specifically, the leases relating to retails stores and office. The assessment of whether the Group is reasonably certain to exercise renewal options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised. Re-assessment is performed upon the occurrence of either a significant event or a significant change in circumstances that is within the control of lessee and that affects the assessment.

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Critical judgements in applying accounting policies *(Continued)*

Determination on lease term of contracts with renewal options *(Continued)*

When assessing reasonable certainty, the Group considers all relevant facts and circumstances including economic incentives/penalties for exercising or not exercising the options. Factors considered include:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).

- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).

During the year ended 30 June 2022, extension options for two leases (2021: eight) were not exercised upon the expiry of the guaranteed lease term. As disclosed in Note 9, gain on lease modifications amounting to S$41,305 (2021: S$269,040) was recognised in the consolidated statement of profit or loss and other comprehensive income, upon derecognition of the relevant lease liabilities and right-of-use assets.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period, that might have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Impairment assessment of right-of-use assets and plant and equipment

Right-of-use assets and plant and equipment are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgment and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the Continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the net present value used in the impairment test.

As at 30 June 2022, the carrying amounts of right-of-use assets and plant and equipment amounted to S$4,145,736 and S$2,191,770 (2021: S$7,779,434 and S$2,528,414) respectively. Impairment losses amounted to S$542,815 and S$250,771 (2021: S$2,026,353 and S$238,736) were recognised for right-of-use assets and plant and equipment respectively during the year ended 30 June 2022. Details of the right-of-use assets and property, plant and equipment are disclosed in Notes 17 and 16 respectively.

5 FINANCIAL INSTRUMENTS

5a. Categories of financial instruments

	2022 **S$**	2021 *S$*
Financial assets at amortised cost		
— cash and cash equivalents	**2,270,293**	4,554,600
— trade, other receivables and deposits	**1,802,914**	2,053,295
	4,073,207	6,607,895

	2022 **S$**	2021 *S$*
Financial liabilities measured at amortised cost		
— lease liabilities	**6,324,978**	10,287,769
— trade and other payables	**2,683,376**	3,070,726
— amount due to related parties	**130,549**	121,131
— borrowings	**573,785**	920,477
	9,712,688	14,400,103

5b. Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, deposit, cash and cash equivalents, trade and other payables, borrowings, amount due to related parties and lease liabilities. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The directors manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner.

The Group's activities expose it to market risk (including currency risk and interest risk), credit risk and liquidity risk. The Group's overall risk management strategy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. Because of the simplicity of the financial structure and the current operations of the Group, no hedging activities are undertaken by management.

5 FINANCIAL INSTRUMENTS *(Continued)*

5b. Financial risk management objectives and policies *(Continued)*

Market risk

Foreign exchange risk

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group currently does not have a foreign exchange hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arises.

As at 30 June 2022 and 2021, the Group has exposure to foreign exchange risk as a result of transactions that are denominated in currencies other than SGD. The foreign currency giving rise to this risk is mainly United States Dollar ("US$"), Hong Kong Dollar ("HK$") and Renminbi ("RMB").

The Group's currency exposure with respect to US$, HK$ and RMB is as follows:

	2022 ***S$***	2021 *S$*
Financial assets		
Cash and cash equivalents		
— US$	**31,554**	–
— HK$	**1,790,103**	2,533,841
— RMB	**5,816**	685,632
	1,827,473	3,219,473
Financial liabilities		
Other payables		
— US$	**–**	–
— HK$	**(231,140)**	(23,790)
— RMB	**(741,122)**	(34,657)
	(972,262)	(58,447)
Net financial assets subject to currency exposure		
— US$	**31,554**	–
— HK$	**1,558,963**	2,510,051
— RMB	**(735,306)**	650,975
	855,211	3,161,026

5 FINANCIAL INSTRUMENTS *(Continued)*

5b. Financial risk management objectives and policies *(Continued)*

Market risk *(Continued)*

Foreign exchange risk (Continued)

Had SGD be strengthened/weakened by 5% (2021: 5%) against US$ with all other variables held constant, the loss after income tax for the year ended 30 June 2022 would have been higher/lower by S$1,000 (2021: S$Nil).

Had SGD be strengthened/weakened by 5% (2021: 5%) against HK$ with all other variables held constant, the loss after income tax for the year ended 30 June 2022 would have been higher/lower by S$65,000 (2021: S$104,000).

Had SGD be strengthened/weakened by 5% (2021: 5%) against RMB with all other variables held constant, the loss after income tax for the year ended 30 June 2022 would have been lower/higher by S$31,000 (higher/lower for the year ended 30 June 2021: S$27,000).

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate borrowings and lease liabilities. The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movement based on interest rate level and outlook.

The Group also exposed to cash flow interest rate risk in relation to its bank balances. The Group considered interest rate risk on bank balances is insignificant and thus no sensitivity analysis is presented.

Credit risk

Credit risk arises from cash and cash equivalents, trade and other receivables and deposits.

Risk management

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties with investment grade credit rating are accepted.

The Group has policies in place to ensure that sales are made to customers through channels with appropriate credit histories and to limit the amount of credit exposure to credit card companies and delivery services agents.

Sales to customers are required to be settled in cash or using electronic payment means, mitigating credit risk. There are no significant concentrations of credit risk. The Group is not exposed to major credit risk with respect to its business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

5 FINANCIAL INSTRUMENTS *(Continued)*

5b. Financial risk management objectives and policies *(Continued)*

Credit risk *(Continued)*

Impairment of financial assets

Trade and other receivables, deposits and cash and cash equivalent of the Group are subject to the ECL model.

For trade receivables, the Group applies the IFRS 9 simplified approach to measure ECL, which uses a lifetime expected loss allowance. To measure the ECL, trade receivables has been grouped based on shared credit risk characteristics and the invoice date. The expected loss rates are based on the payment profiles of sales over a period of 12 months before end of reporting period and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. According to the above mentioned consideration, the Group does not expect any significant default possibility and the ECL rate is minimal during the year.

For deposits and other receivables, management assesses the credit quality of the counterparties, taking into account the historical risk of default and capacity to meet its contractual cash flow obligations in the near term. Loss allowance recognised, if any, was limited to 12m ECL as these financial assets at amortised cost are considered to be of low credit risk primarily because historically they had no history of default and the debtors had capacity to meet their contractual cash flow obligations in the near term. No impairment loss are provided for such financial assets as at 30 June 2022 and 2021. The ECL rate is minimal during the year.

For bank balances, the credit risk on bank balances are limited because the majority of the counterparties are reputable banks with high credit-ratings assigned by International credit-ratio agencies. The Group assessed 12m ECL for bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rate, the 12m ECL on bank balances is considered to be insignificant and therefore no loss allowance was recognised.

5 FINANCIAL INSTRUMENTS *(Continued)*

5b. Financial risk management objectives and policies *(Continued)*

Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the shorter and longer term. The Group maintains liquidity by a number of sources including orderly realisation of short-term financial assets that the Group considers appropriate and long term financing including long-term borrowings are also considered by the Group in its capital structuring. The Group aims to maintain flexibility in funding by keeping sufficient bank balances and available credit lines which enable the Group to continue its business in the foreseeable future.

The table below analyses the non-derivative financial liabilities of the Group into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table were the contractual undiscounted cash flows and the earliest date the Group can be required to pay. The amounts of the Group's borrowings in the table below included interest payments computed using contractual rate as follows:

	Weighted average interest rate	On demand and less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total undiscounted cash flow	Carrying amount
	%	S$	S$	S$	S$	S$	S$
As at 30 June 2022							
Trade and other payables	**–**	**2,740,793**	**–**	**–**	**–**	**2,740,793**	**2,740,793**
Borrowings	**6.57**	**372,228**	**251,746**	**–**	**–**	**623,974**	**573,785**
Amount due to related parties	**–**	**130,549**	**–**	**–**	**–**	**130,549**	**130,549**
Lease liabilities	**4.74**	**3,760,202**	**2,106,714**	**846,720**	**–**	**6,713,636**	**6,324,978**
As at 30 June 2021							
Trade and other payables	–	3,105,418	–	–	–	3,105,418	3,105,418
Borrowings	6.71	396,990	372,228	251,746	–	1,020,964	920,477
Amount due to related parties	–	121,131	–	–	–	121,131	121,131
Lease liabilities	5.43	4,606,725	3,832,128	2,628,895	–	11,067,748	10,287,769

Fair value estimation

The carrying amount of current financial assets and liabilities, carried at amortised cost, approximate their fair values.

6 CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings plus total lease liabilities less cash and cash equivalents. Total capital is calculated as "Equity" as shown in the consolidated statement of financial position plus net debt.

	As at 30 June	
	2022	2021
	S$	*S$*
Borrowings *(Note 27)*	**573,785**	920,477
Lease liabilities *(Note 26)*	**6,324,978**	10,287,769
Less: Cash and cash equivalents *(Note 21)*	**(2,270,293)**	(4,554,600)
Net debt	**4,628,470**	6,653,646
Total equity	**618,548**	2,326,139
Total capital	**5,247,018**	8,979,785
Gearing ratio	**88%**	74%

During the year, a subsidiary of the Group breached certain of the terms of the short-term bank loan of approximately S$119,607, which are primarily related to the net worth of the Company. On discovery of the breach, in the unlikelihood of events where lender demands immediate repayment, the Company has reserved and allocated sufficient funds to meet such demand. Up to the date of approval for issuance of the consolidated financial statements, the lender did not demand any immediate repayment.

7 REVENUE AND SEGMENT INFORMATION

The operating segments have been identified on the basis of internal management reports prepared in accordance with the Group's accounting policies set out in Note 3. The executive directors of the Company have been identified as the chief operating decision maker ("CODM"). The CODM monitors the operating results of its segments separately for the purpose of making decisions about resource allocation and performance assessment.

7 REVENUE AND SEGMENT INFORMATION *(Continued)*

The Group operates under two operating segments:

1. sale of bakery products — operation of retail bakery outlets; and

2. operation of restaurants — operation of fast casual dining restaurants.

The CODM considers the business from a product perspective. They reviewed the qualitative factors such as business activities, economic and legal characteristics and quantitative factors such as financial performance to assess the performance of the operating segments.

Segment result as presented below represents operating profit/loss before unallocated finance income, unallocated finance costs, listing expense and unallocated other expenses and other losses. The segment information provided to the CODM for the year is as follows:

For the year ended 30 June 2022	Sales of bakery products *S$*	Operation of restaurants *S$*	Total *S$*
Revenue from external customers recognised at a point in time	**7,562,243**	**4,399,467**	**11,961,710**
Raw materials and consumables used	**(1,919,959)**	**(1,225,107)**	**(3,145,066)**
Employee benefit cost	**(2,711,768)**	**(1,701,569)**	**(4,413,337)**
Expenses under short-term lease and variable lease payments	**(221,687)**	**(145,217)**	**(366,904)**
Rent concessions	**136,428**	**64,749**	**201,177**
Depreciation of right-of-use assets	**(1,642,094)**	**(1,695,287)**	**(3,337,381)**
Depreciation of plant and equipment	**(246,853)**	**(402,584)**	**(649,437)**
Delivery agent service charges	**(93,890)**	**(206,617)**	**(300,507)**
Impairment loss on right-of-use assets	**(492,111)**	**(50,704)**	**(542,815)**
Impairment loss on plant and equipment	**(189,007)**	**(61,764)**	**(250,771)**
Utilities and other expenses	**(622,869)**	**(430,102)**	**(1,052,971)**
Finance income	**37,754**	**14,711**	**52,465**
Finance costs	**(328,491)**	**(150,694)**	**(479,185)**
Other income	**660,199**	**395,329**	**1,055,528**
Other losses, net	**(98,154)**	**(7,392)**	**(105,546)**
Segment results	**(170,259)**	**(1,202,781)**	**(1,373,040)**
Finance income			**85**
Finance costs			**(47,877)**
Unallocated other gains			**930,000**
Unallocated other expenses and other losses			**(1,091,133)**
Loss before income tax			**(1,581,965)**

7 REVENUE AND SEGMENT INFORMATION *(Continued)*

For the year ended 30 June 2021	Sales of bakery products S$	Operation of restaurants S$	Total S$
Revenue from external customers recognised at a point in time	10,340,669	3,796,152	14,136,821
Raw materials and consumables used	(2,674,821)	(1,049,861)	(3,724,682)
Employee benefit cost	(2,928,199)	(1,315,036)	(4,243,235)
Expenses under short-term lease and variable lease payments	(222,626)	(11,791)	(234,417)
Rent concessions	401,168	142,657	543,825
Depreciation of right-of-use assets	(3,557,141)	(1,458,034)	(5,015,175)
Depreciation of plant and equipment	(483,530)	(276,625)	(760,155)
Delivery agent service charges	(167,292)	(152,510)	(319,802)
Impairment loss on right-of-use assets	(1,876,409)	(149,944)	(2,026,353)
Impairment loss on plant and equipment	(211,966)	(26,770)	(238,736)
Utilities and other expenses	(740,215)	(323,343)	(1,063,558)
Finance income	52,765	15,180	67,945
Finance costs	(604,325)	(252,187)	(856,512)
Other income	411,138	372,387	783,525
Other losses	(187,962)	(373,604)	(561,566)
Segment results	(2,448,746)	(1,063,329)	(3,512,075)
Finance income			28
Finance costs			(85,635)
Unallocated other expenses and other losses			(1,217,545)
Loss before income tax			(4,815,227)

Segment assets and liabilities

The CODM makes decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

Information about major customers

There is no single external customer which contributed to more than 10% of the Group's revenue during the years ended 30 June 2022 and 2021.

7 REVENUE AND SEGMENT INFORMATION *(Continued)*

Geographical information

The Group's operations are located in Singapore and the People's Republic of China ("PRC").

Information about the Group's revenue from external customers and non-current assets is presented based on the location of the operations.

	Year ended 30 June	
	2022	2021
	S$	*S$*
Revenue from external customers		
— Singapore	**11,422,956**	14,136,821
— PRC	**538,754**	–
	11,961,710	14,136,821

	As at 30 June	
	2022	2021
	S$	*S$*
Non-current assets		
— Singapore	**5,598,561**	11,675,968
— PRC	**1,765,156**	–
	7,363,717	11,675,968

Note: Non-current assets excluded deferred tax assets.

All revenue contracts are for one year or less, as permitted by practical expedient under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

8 OTHER INCOME

	Year ended 30 June	
	2022	2021
	S$	*S$*
Government grant *(Note (i))*	**1,042,924**	775,601
Others	**12,604**	7,924
	1,055,528	783,525

Note:

(i) Government grant mainly comprised Job Support Scheme ("JSS"), Special Employment Credit ("SEC"), Wage Credit Scheme ("WCS"), Job Growth Incentive ("JGI"), Enterprise Development Grant ("EDG"), Enabling Employment Credit ("EEC"), Small Business Recovery Grant ("SBRG"), Skill Future Enterprise Credit ("SFEC") and Rental Support Scheme ("RSS") granted to the Group by the Singapore authorities.

JSS

JSS was introduced by the Singapore Government in February 2020 to provide relief and assistance to companies amidst the outbreak of Coronavirus (COVID-19), with the aim of helping businesses retain their local employees during this period of uncertainty.

For the year ended 30 June 2022, the Group recognised JSS grant of S$97,160 (2021: S$683,695).

SEC

Under SEC, Singapore Government provides wage offsets to employers hiring Singaporean workers aged 55 and above and earning up to S$4,000 a month. For the year ended 30 June 2022, the Group recognised SEC grant of S$37,735 (2021: S$45,059).

WCS

Under WCS, Singapore Government would co-fund certain percentage of wage increases given to Singaporean employees earning a gross monthly wage of up to S$4,000. WCS grant amounting to S$54,863 was recognised by the Group during the year ended 30 June 2022 (2021: S$18,854).

JGI

The JGI supports employers to expand local hiring from September 2020 to September 2021 (inclusive), so as to create good and long-term jobs for locals. For the year ended 30 June 2022, the Group recognised JGI grant of S$58,996 (2021: S$27,993).

EEC

The EEC is a new wage offset scheme to support the employment of persons with disabilities. For the year ended 30 June 2022, the Group recognised EEC grant of S$1,346 (2021: S$Nil).

8 OTHER INCOME *(Continued)*

SBRG

Under SBRG, Singapore Government provides one-off cash support to small businesses which were most affected by COVID-19 Safe Management Measures in 2021. For the year ended 30 June 2022, the Group recognised SBRG grant of S$32,000 (2021: S$Nil).

SFEC

Under SFEC, Singapore government could encourage employers to invest in enterprise transformation and capabilities of their employees. For the year ended 30 June 2022, the Group recognised SFEC grant of S$51 (2021: S$Nil).

RSS

Under RSS, Singapore government provided rental support to Small and Medium Enterprises and eligible Non-Profit Organisations with an annual revenue not exceeding S$100 million, who are tenant-occupiers of qualifying commercial properties. For the year ended 30 June 2022, the Group recognised RSS grant of S$760,773 (2021: S$Nil).

9 OTHER GAINS/(LOSSES), NET

	Year ended 30 June	
	2022	2021
	S$	*S$*
Net foreign exchange loss	**–**	(109,781)
Loss on disposals of plant and equipment	**(145,361)**	(830,606)
Gain on lease modifications	**41,305**	269,040
Loss on derecognition of right-of-use assets	**(1,490)**	–
Over-provision of Listing expenses	**930,000**	–
	824,454	(671,347)

10 OTHER EXPENSES

	Year ended 30 June	
	2022	2021
	S$	*S$*
Utilities	**465,626**	426,729
Delivery agent service charges	**300,507**	319,802
Auditors' remuneration — audit service	**230,515**	287,140
Legal and professional fees	**874,656**	882,089
Others	**461,532**	215,140
	2,332,836	2,130,900

11 FINANCE INCOME/(COSTS)

	Year ended 30 June	
	2022	2021
	S$	*S$*
Interest income on:		
— bank deposits	**85**	28
— unwinding of discount on rental deposits	**52,465**	67,945
	52,550	67,973
Interest expense on:		
— lease liabilities	**(467,170)**	(837,268)
— bank borrowings	**(47,877)**	(85,635)
— provision for reinstatement cost	**(12,015)**	(19,244)
	(527,062)	(942,147)

12 EMPLOYEE BENEFIT COSTS — INCLUDING DIRECTORS' EMOLUMENTS

	Year ended 30 June	
	2022	2021
	S$	*S$*
Wages, salaries and allowances	**3,636,712**	3,666,930
Directors' fee	**111,775**	90,880
Employer's contribution to defined contribution plans	**300,708**	370,586
Others *(Note)*	**475,917**	410,667
	4,525,112	4,539,063

Note: Others were mainly from foreign worker levy in Singapore which contributed approximately S$460,343 and S$398,225 for the years ended 30 June 2022 and 2021 respectively.

(a) Five highest paid individuals

The five highest paid employees of the Group during the year included two (2021: two) directors, details of whose remuneration are set out in note 35(a). Details of the remuneration of the other three (2021: three) highest paid individuals for the years ended 30 June 2022 and 2021 are analysed below:

	2022	2021
	S$	*S$*
Wages, salaries and allowances	**156,450**	207,600
Employer's contribution to defined contribution plans	**26,405**	35,320
Others	**396**	506
	183,251	243,426

12 EMPLOYEE BENEFIT COSTS — INCLUDING DIRECTORS' EMOLUMENTS *(Continued)*

(a) Five highest paid individuals *(Continued)*

The emoluments of these individuals fell within the following bands:

	2022	2021
HK$1 — HK$1,000,000 (equivalent from S$1 to S$176,686)	**4**	5
HK$1,000,001 — HK$1,500,000 (equivalent from S$176,687 to S$265,029)	**1**	–
	5	5

(b) Emoluments of senior management

Other than the emoluments of the directors and the five highest paid individuals as disclosed in notes 35(a) and 12(a) respectively, the emoluments of the senior management fell within the following bands:

	2022	2021
HK$1 — HK$1,000,000 (equivalent from S$1 to S$176,686)	**–**	2

13 DIVIDEND

The Board of directors do not recommend a payment of any dividend for the year ended 30 June 2022 (2021: Nil).

14 INCOME TAX EXPENSE

Singapore income tax has been provided at the rate of 17% (2021: 17%) on the estimated assessable profit during the year.

Under the Law of the PRC on Enterprise Income Tax and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

The income tax expense charged to profit or loss represents:

	Year ended 30 June	
	2022	2021
	S$	*S$*
Tax expense attributable to loss:		
— Current income tax	**37,036**	–
— Deferred income tax *(Note 28)*	**131,690**	27,958
	168,726	27,958
Underprovision in respect of prior years:		
— Current income tax	**–**	40,780
Income tax expense	**168,726**	68,738

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

14 INCOME TAX EXPENSE *(Continued)*

The tax on the Group's loss before income tax differs from the theoretical amount as follows:

	Year ended 30 June	
	2022	2021
	S$	*S$*
Loss before income tax	**(1,581,965)**	(4,815,227)
Tax calculated at the rates applicable in different jurisdictions	**(360,453)**	(819,605)
Tax effect of:		
— Singapore stepped income exemption — (i)	**–**	(7,398)
— Expenses not deductible for tax purposes	**134,910**	799,805
— Income not subject to tax	**(335,397)**	(189,144)
— Underprovision in respect of prior years	**–**	40,780
— Tax losses not recognised	**602,515**	227,334
— Derecognition of deferred tax arising from leases	**127,151**	–
— Derecognition of deferred tax arising from tax losses	**–**	16,966
Income tax expense	**168,726**	68,738

(i) Singapore stepped income exemption comprises partial tax exemption scheme and also tax exemption scheme for new start-up companies. The tax exemption schemes for new start-up companies are introduced by the tax authorities under which new start-up companies are given tax exemption for the first three consecutive years of assessment upon meeting certain ownership criteria.

The Group qualifies for the partial tax exemption scheme for the financials year ended 30 June 2021. This is because the subsidiaries of the Group fail to meet the ownership criteria for the tax exemption scheme for new start-up companies which require new start-up companies to be held by at least one shareholder who is an individual holding at least 10% of the ordinary shares.

15 LOSS PER SHARE

	Year ended 30 June	
	2022	2021
	S$	*S$*
Loss:		
Loss attributable to owners of the Company for the purpose of calculating basic loss per share	**(1,685,280)**	(4,883,965)
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating for basic loss per share	**240,000,000**	240,000,000

The basic and diluted loss per share are the same as there were no potential ordinary shares in issue for the years ended 30 June 2022 and 2021.

16 PLANT AND EQUIPMENT

	Leasehold improvements	Machineries	Furniture and fixtures	Computer and IT equipment	Motor vehicle	Total
	S$	*S$*	*S$*	*S$*	*S$*	*S$*
Year ended 30 June 2021						
Opening net book amount	957,080	835,916	222,564	231,168	–	2,246,728
Additions	1,786,436	63,471	39,845	72,873	148,558	2,111,183
Depreciation	(517,723)	(140,340)	(31,286)	(70,806)	–	(760,155)
Impairment	(135,552)	(60,916)	(19,236)	(23,032)	–	(238,736)
Disposals	(381,202)	(299,288)	(72,827)	(77,289)	–	(830,606)
Closing net book amount	1,709,039	398,843	139,060	132,914	148,558	2,528,414
As at 30 June 2021						
Cost	2,711,402	736,864	226,226	235,391	148,558	4,058,441
Accumulated depreciation and impairment	(1,002,363)	(338,021)	(87,166)	(102,477)	–	(1,530,027)
Net book amount	1,709,039	398,843	139,060	132,914	148,558	2,528,414
Year ended 30 June 2022						
Opening net book amount	**1,709,039**	**398,843**	**139,060**	**132,914**	**148,558**	**2,528,414**
Additions	**543,797**	**141,492**	**31,695**	**3,253**	**35,559**	**755,796**
Depreciation	**(495,096)**	**(85,168)**	**(21,257)**	**(30,478)**	**(17,438)**	**(649,437)**
Impairment	**(153,885)**	**(63,951)**	**(15,661)**	**(17,274)**	**–**	**(250,771)**
Disposals	**(62,611)**	**(61,383)**	**(28,338)**	**(35,685)**	**–**	**(188,017)**
Exchange realignment	**(2,573)**	**(874)**	**(199)**	**(10)**	**(559)**	**(4,215)**
Closing net book amount	**1,538,671**	**328,959**	**105,300**	**52,720**	**166,120**	**2,191,770**
As at 30 June 2022						
Cost	**2,976,269**	**684,078**	**177,974**	**171,027**	**183,428**	**4,192,776**
Accumulated depreciation and impairment	**(1,437,598)**	**(355,119)**	**(72,674)**	**(118,307)**	**(17,308)**	**(2,001,006)**
Net book amount	**1,538,671**	**328,959**	**105,300**	**52,720**	**166,120**	**2,191,770**

Refer to Note 17 for impairment assessment of plant and equipment.

The plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Leasehold improvements	Shorter of lease term or 6 years
Machineries	10 years
Furniture and fixtures	10 years
Computers and IT equipment	5 years
Motor vehicle	10 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

17 RIGHT-OF-USE ASSETS

	Retail stores *S$*	Motor vehicles *S$*	Total *S$*
As at 30 June 2021			
Carrying amount	7,730,181	49,253	7,779,434
As at 30 June 2022			
Carrying amount	**4,118,038**	**27,698**	**4,145,736**
For the year ended 30 June 2021			
Depreciation charge	4,996,145	19,030	5,015,175
Impairment	2,026,353	–	2,026,353
For the year ended 30 June 2022			
Depreciation charge	**3,315,826**	**21,555**	**3,337,381**
Impairment	**542,815**	**–**	**542,815**

	Year ended 30 June	
	2022 ***S$***	2021 *S$*
Expenses relating to short-term leases and variable lease payment	**366,904**	298,813
Total cash outflows for leases *(Note a)*	**4,801,829**	5,886,861
Addition of right-of-use assets *(Note b)*	**1,569,075**	6,637,715

Notes:

(a) Amount includes payment of principal and interest portion of lease liabilities, variable lease payments and short-term leases. These amounts could be presented in operating or financing cash flows.

(b) Amount includes right-of-use assets resulting from new leases entered and lease modification.

For both years, the Group leases various retail stores and vehicles for its operation. Leases contracts are entered into for fixed term of 2 to 9 years (2021: 2 to 9 years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

Lease of bakery outlets and restaurants are either with only fixed lease payments or contain variable lease payment that are based on 0.5% to 1% (2021: 0.5% to 1%) sales and minimum annual lease payment that are fixed over the lease term.

17 RIGHT-OF-USE ASSETS *(Continued)*

Impairment assessment of plant and equipment and right-of-use assets

During the years ended 30 June 2022 and 2021, the Group's business performance has been negatively impacted by COVID-19. Management has performed an assessment on the Group's non-current assets, primarily comprising plant and equipment and right-of-use assets as at 30 June 2022 and 2021. In this connection, management reviewed the results of operation of each bakery outlet and restaurant, representing different cash-generating units ("CGUs") in determining whether any impairment indicator exists with each of the CGUs under review. For those outlets where an impairment indicator was noted, management assessed the recoverable amount of the CGU based on value-in-use calculation using projected cashflow over the lease term of each outlet.

In preparing the value-in-use calculation of the relevant CGU, management considered the unprecedented economic impact of COVID-19 on the Group's operation and the expected pace of recovery of the economy of Singapore. That calculation used cash flow projections based on financial budgets approved by management covering a 5-year period and adopted a revenue growth rate of 4.0% (2021: 5.2%) for the year ending 30 June 2022 and 1.5% (2021: 1.5%) for the following years. Other key assumption adopted in the impairment assessment is the pre-tax discount rate of 12.1% (2021: 10.9%), which was determined based on the market's weighted average cost of capital. The results of the assessment indicated that the impairment charge amounted to S$250,771 and S$542,815 (2021: S$2,026,353 and S$238,736) was made to right-of-use assets and plant and equipment respectively.

18 TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at 30 June	
	2022	2021
	S\$	*S\$*
Trade receivables from third parties	**335,044**	6,740
Rental deposits	**1,308,099**	1,650,773
Grant receivables	**–**	201,510
Other prepayments and deposits	**387,864**	235,083
	2,031,007	2,094,106
Less: non-current portion	**(1,026,211)**	(1,368,120)
	1,004,796	725,986

Trade receivables comprised, among others, receivables from credit card institutions for customers' payments settled by credit cards and receivables from delivery services agents. Such amounts are normally settled within 3 to 15 business days from transaction dates. Generally, there is no credit period granted to customers.

The Group's trade receivables and other receivables and deposits are denominated in SGD. The carrying amount of trade receivables approximate their fair values due to their short-term maturities.

The ageing analysis of the trade receivables based on invoice date is as follows:

	As at 30 June	
	2022	2021
	S\$	*S\$*
1-30 days	**335,044**	6,740

The maximum exposure to credit risk as at 30 June 2022 and 2021 is the carrying value of the financial assets mentioned above. The Group does not hold any collateral as security.

As at 30 June 2022 and 2021, no trade receivables were past due.

19 INVENTORIES

	As at 30 June	
	2022	2021
	S$	*S$*
Raw materials and packaging materials	**126,716**	111,311

20 AMOUNTS DUE TO RELATED PARTIES

Amounts due to related parties represents the amount due to Mr. and Mrs. Goh and are unsecured, interest-free, denominated in SGD and repayable on demand.

21 CASH AND CASH EQUIVALENTS

	As at 30 June	
	2022	2021
	S$	*S$*
Cash at banks	**2,091,265**	4,283,496
Cash on hand	**179,028**	271,104
	2,270,293	4,554,600

The Group's cash and cash equivalents are denominated in the following currencies:

	As at 30 June	
	2022	2021
	S$	*S$*
SGD	**442,820**	1,335,127
US$	**31,554**	–
HK$	**1,790,103**	2,533,841
RMB	**5,816**	685,632
	2,270,293	4,554,600

For the year ended 30 June 2022, the Group's bank deposits carried effective interest rate of 0.004% per annum (2021: 0.0006% per annum).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

22 SHARE CAPITAL AND SHARE PREMIUM

	Number of ordinary shares	Equivalent nominal value of ordinary share *S$*
Authorised:		
Ordinary shares of HK$0.01 each		
As at 1 July 2020, 30 June 2021, 1 July 2021 and 30 June 2022	600,000,000	1,099,752

	Number of ordinary shares	Share capital *S$*	Share premium *S$*	Total *S$*
Issued and fully paid:				
As at 1 July 2020, 30 June 2021, 1 July 2021 and 30 June 2022	240,000,000	441,360	7,100,029	7,541,389

23 OTHER RESERVES

As at 30 June 2022 and 2021, reserves of the Group represent the difference between value of the consideration paid by the Company to the then shareholders of the Group and the combined capital of the Operating Companies after completion of the Reorganisation on 24 April 2020.

24 EXCHANGE RESERVES

Exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency Singapore dollars are recognised directly in other comprehensive income and accumulated in exchange reserves. Exchange differences accumulated in the exchange reserves are reclassified to profit or loss on the disposal of the foreign operations.

25 PROVISION FOR REINSTATEMENT COST

	As at 30 June	
	2022	2021
	S$	*S$*
Beginning of year	**337,377**	345,289
Addition during the year	**–**	100,269
Utilisation during the year	**(73,098)**	(127,425)
Unwinding of discount *(Note 11)*	**12,015**	19,244
	276,294	337,377
Less: non-current portion	**(194,936)**	(318,420)
	81,358	18,957

26 LEASE LIABILITIES

The Group entered into lease arrangements with independent third parties in relation to certain retail stores and vehicles. The lease terms ranged from 2 to 9 years (2021: 2 to 9 years). The weighted average incremental borrowing rates applied to lease liabilities was ranged from 3.44% to 7.00% and ranged from 3.82% to 7.00% per annum as at 30 June 2022 and 2021, respectively.

	Minimum lease payments		Present value of minimum lease payments	
	2022	2021	**2022**	2021
	S$	*S$*	***S$***	*S$*
Within one year	**3,760,202**	4,606,725	**3,515,343**	4,166,109
Within a period of more than one year but not exceeding two years	**2,106,714**	3,832,128	**2,003,251**	3,588,342
Within a period of more than two years but not exceeding five years	**846,720**	2,628,895	**806,384**	2,533,318
	6,713,636	11,067,748	**6,324,978**	10,287,769
Less: Future finance charge	**(388,658)**	(779,979)		
Present value of lease obligation	**6,324,978**	10,287,769	**6,324,978**	10,287,769
Less: Amount due for settlement within twelve months shown under current liabilities			**(3,515,343)**	(4,166,109)
Amount due for settlement after twelve months shown under non-current liabilities			**2,809,635**	6,121,660

27 BORROWINGS

	As at 30 June	
	2022	2021
	S$	*S$*
Non-current		
Secured — bank borrowings	**228,128**	573,785
Current		
Secured — bank borrowings	**345,657**	346,692
	573,785	920,477

The Group's bank borrowings repayable based on the scheduled repayment dates, are as follow:

	As at 30 June	
	2022	2021
	S$	*S$*
Within 1 year	**345,657**	346,692
Between 1 and 2 years	**228,128**	345,657
Between 2 and 5 years	**–**	228,128
	573,785	920,477

For the year ended 30 June 2022, bank borrowings are denominated in SGD and bear fixed interest rates between 6.25% to 7.00% per annum (2021: 6.25% to 7.00% per annum). The fair value of non-current borrowings approximates the carrying value of the non-current borrowings at the end of each reporting period as they bear interest at rates which approximate the current incremental borrowing rate for similar types of lending and borrowing arrangements.

As at 30 June 2022 and 2021, the borrowings are secured by corporate guarantees provided by the Company.

28 DEFERRED INCOME TAX

	As at 30 June	
	2022	2021
	S$	*S$*
Deferred income tax assets		
To be recovered after more than 12 months	–	127,151
Deferred income tax liabilities		
To be settled after more than 12 months	**(67,389)**	(62,850)
	(67,389)	64,301

The movement in the deferred income tax assets of the Group during the year are as follows:

	Lease liabilities	Tax losses and unclaimed capital allowances	Total
	S$	*S$*	*S$*
Deferred income tax assets			
As at 1 July 2020	2,326,208	16,966	2,343,174
Charged to profit or loss *(Note 14)*	(577,287)	(16,966)	(594,253)
As at 30 June 2021 and 1 July 2021	**1,748,921**	–	**1,748,921**
Charged to profit or loss *(Note 14)*	**(1,748,921)**	–	**(1,748,921)**
As at 30 June 2022	–	–	–

28 DEFERRED INCOME TAX *(Continued)*

The movement in the deferred income tax liabilities of the Group during the year are as follows:

	Right-of-use assets S$	Accelerated tax depreciation S$	Total S$
Deferred income tax liabilities			
As at 1 July 2020	2,097,307	153,608	2,250,915
Credited to profit or loss *(Note 14)*	(475,537)	(90,758)	(566,295)
As at 30 June 2021 and 1 July 2021	**1,621,770**	**62,850**	**1,684,620**
(Credited)/charged to profit or loss *(Note 14)*	**(1,621,770)**	**4,539**	**(1,617,231)**
As at 30 June 2022	**–**	**67,389**	**67,389**

At the end of the reporting period, the Group has estimated unused tax losses of S$4,235,970 (2021: S$1,337,258) available for offset against future profits. As at 30 June 2022, no deferred tax asset has been recognised in respect of such losses due to the unpredictability of future profit streams. Included in the estimated unused tax losses, approximately S$1,143,988 will be expired on 30 June 2027.

29 TRADE AND OTHER PAYABLES

	As at 30 June 2022 S$	2021 S$
Trade payables	**1,383,774**	841,491
Other payables:		
— Goods and services tax payable	**57,417**	34,692
— Accruals for operating expenses	**636,168**	1,180,231
— Others *(Note)*	**663,434**	1,049,004
	2,740,793	3,105,418

Notes:

As at 30 June 2022, there were S$639,660 payable to the non-controlling interest of the PRC subsidiaries.

As at 30 June 2021, there were S$930,000 payable to an independent third party for consultancy service, the transaction was terminated during the year and the amount was credited to the other gains/(losses), net account.

29 TRADE AND OTHER PAYABLES *(Continued)*

The Group's trade and other payables are denominated in the following currencies:

	As at 30 June	
	2022	2021
	S$	*S$*
Trade payables:		
— SGD	**1,151,445**	841,491
— RMB	**232,329**	–
	1,383,774	841,491
Other payables:		
— SGD	**384,757**	2,205,480
— HK$	**231,140**	23,790
— RMB	**741,122**	34,657
	2,740,793	3,105,418

The carrying amount of trade and other payables approximate their fair values due to their short maturities.

The average credit period on trade payables is 30-90 days. The ageing analysis of the trade payables based on invoice date is as follows:

	As at 30 June	
	2022	2021
	S$	*S$*
0–30 days	**599,731**	279,530
31–60 days	**327,865**	257,121
61–90 days	**189,375**	217,181
91–120 days	**150,977**	87,659
Over 120 days	**115,826**	–
	1,383,774	841,491

30 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Borrowings *S$*	Lease liabilities *S$*	Total *S$*
As at 1 July 2020	1,183,400	13,683,577	14,866,977
— Finance cost	85,635	837,268	922,903
Cash flows			
— Interest paid	(85,635)	(837,268)	(922,903)
— Principal elements of payments	(262,923)	(4,750,780)	(5,013,703)
Non-cash changes			
— Additions to lease liabilities	–	6,540,838	6,540,838
— Rent concessions	–	(543,825)	(543,825)
— Derecognition of lease liabilities	–	(4,642,041)	(4,642,041)
As at 30 June 2021 and 1 July 2021	920,477	10,287,769	11,208,246
— Finance cost	**47,877**	**467,170**	**515,047**
Cash flows			
— Interest paid	**(47,877)**	**(467,170)**	**(515,047)**
— Principal elements of payments	**(346,692)**	**(3,967,755)**	**(4,314,447)**
Non-cash changes			
— Additions to lease liabilities	**–**	**1,569,075**	**1,569,075**
— Rent concessions	**–**	**(201,177)**	**(201,177)**
— Derecognition of lease liabilities	**–**	**(1,355,210)**	**(1,355,210)**
Exchange realignment	**–**	**(7,724)**	**(7,724)**
As at 30 June 2022	**573,785**	**6,324,978**	**6,898,763**

31 RETIREMENT BENEFITS PLANS

The Group operates a Central Provident Fund Scheme (the "CPF Scheme") under the Central Provident Fund Act (Chapter 36 of the Laws of Singapore) for employees employed under the jurisdiction of the Employment Act (Chapter 91 of the Laws of Singapore). The CPF Scheme is a defined contribution retirement plan administered by an independent trustee. Under the CPF Scheme, the employer and its employees are each required to make contributions to the CPF Scheme at generally 17% and 20% of the employees' relevant income, subject to a cap of monthly relevant income of generally SGD6,000. There are different CPF rates applied to the senior workers aged 55 and above. Contributions to the CPF Scheme vest immediately.

During the years ended 30 June 2022 and 2021, the Group had no forfeited contributions under the CPF and the retirement benefits scheme utilised to reduce the existing levels of contributions. As at 30 June 2022 and 2021, there was no forfeited contribution under the CPF and Retirement Benefit Scheme which may be used by the Group to reduce the contribution payable in the future years.

32 SUBSIDIARIES

As at 30 June 2022 and 2021, the Company has interests in the following subsidiaries:

Name of entity	Principal activities	Place and date of incorporation	Particulars of share capital	Effective interest held as at 30 June	
				2022	2021
				%	%
Anita Bakery Pte. Ltd.	Retailing of confectionary and bakery products	Singapore, 10 March 2014	S$100,000	**100**	100
Aris Gourmet Bakery Pte. Ltd.	Retailing of confectionary and bakery products	Singapore, 7 February 2014	S$200,000	**100**	100
Laura Baguette Pte. Ltd.	Operation of restaurants	Singapore, 31 May 2017	S$100,000	**100**	100
Laura Cafe Pte. Ltd.	Operation of restaurants	Singapore, 9 April 2019	S$100,000	**100**	100
Proofer Bakery Pte. Ltd.	Manufacturing and retailing of confectionery and bakery products, and operation of restaurant	Singapore, 2 July 2014	S$200,000	**100**	100
Proofer Boulangerie Pte. Ltd.	Retailing of confectionery and bakery products	Singapore, 17 January 2014	S$200,000	**100**	100
Proofer Pizzeria Pte. Ltd.	Retailing of confectionary and bakery products	Singapore, 28 September 2017	S$100,000	**100**	100
Proofer (Tanjong Pagar) Pte. Ltd.	Retailing of confectionary and bakery products	Singapore, 22 April 2015	S$100,000	**100**	100
Yuba Hut Pte. Ltd.	Operation of restaurants	Singapore, 24 February 2017	S$200,000	**100**	100
Yuba Hut (Hillion) Pte. Ltd.	Operation of restaurants	Singapore, 24 November 2016	S$100,000	**100**	100
Yuba Hut (Northpoint) Pte. Ltd.	Operation of restaurants	Singapore, 30 December 2016	S$100,000	**100**	100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

32 SUBSIDIARIES *(Continued)*

Name of entity	Principal activities	Place and date of incorporation	Particulars of share capital	Effective interest held as at 30 June 2022 %	2021 %
Yuba Hut (POIZ) Pte. Ltd.	Operation of restaurants	Singapore, 3 January 2018	S$170,000	**100**	100
300 BC Bakery Pte. Ltd.	Retailing of confectionary and bakery products	Singapore, 6 February 2018	S$110,000	**100**	100
Caracara Tea Pte. Ltd.	Retailing of snack bars and bubble tea	Singapore, 13 May 2020	S$100,000	**100**	100
Food Lab Pte Ltd.	Operation of restaurants	Singapore, 8 July 2020	S$100,000	**100**	100
上海超凱帆盛餐飲管理有限公司*	Operation of restaurants	People's Republic of China, 14 April 2021	US$3,000,000	**100**	100
戀食餐飲管理(上海)有限公司	Operation of restaurants	People's Republic of China, 9 June 2021	RMB500,000	**99**	99
上海超滿帆福餐飲管理有限公司#	Operation of restaurants	People's Republic of China, 13 January 2022	RMB500,000	**51**	N/A

The company is newly incorporated during the year.

* *The company is a wholly foreign owned enterprise established in PRC.*

The above table lists the major subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would in the opinion of the directors results in particulars of excessive length.

33 RELATED PARTY TRANSACTIONS

Parties are considered to be related to the Group if the party has the ability, directly or indirectly, to exercise significant influence over the Group in making financial and operating decisions. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals. Parties are also considered to be related if they are subject to common control.

The directors are of the view that the following parties were related parties that had material transactions or balances with the Group during the year.

Name	Relationship with the Group
Mr. Goh Leong Heng Aris	Controlling Shareholder
Ms. Anita Chia Hee Mei (Mrs. Goh)	Controlling Shareholder

Save as disclosed elsewhere in these financial statements, the Group has the following significant transactions carried out with related parties in the ordinary course of business during the year.

(a) Key management compensation

The aggregate remuneration of key personal management, including the Company's directors and certain highest paid employees, as disclosed in Notes 12 and 35, is as follows:

	Year ended 30 June	
	2022	2021
	S$	*S$*
Wages, salaries and allowances	**469,555**	410,503
Employer's contribution to defined contribution plans	**38,577**	54,526
Others	**545**	701
	508,677	465,730

(b) Balances with related parties

	As at 30 June	
	2022	2021
	S$	*S$*
Amount due to related parties	**130,549**	121,131

Terms and currency denomination of the balances with related parties are disclosed in Note 20. Such balances are non-trade in nature.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

34 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

Statement of financial position of the Company

		As at 30 June	
		2022	2021
	Note	***S$***	*S$*
ASSETS			
Non-current asset			
Investment in subsidiaries		**39,541,007**	39,541,007
Current assets			
Prepayments		**14,700**	14,700
Cash and cash equivalents		**469,393**	2,524,665
		484,093	2,539,365
Total assets		**40,025,100**	42,080,372
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital		**441,360**	441,360
Reserves	*(i)*	**46,822,704**	46,822,704
Accumulated losses	*(i)*	**(7,585,674)**	(7,169,949)
Total equity		**39,678,390**	40,094,115
LIABILITIES			
Current liabilities			
Other payables		**346,710**	1,184,930
Amounts due to subsidiaries		**–**	801,327
Total liabilities		**346,710**	1,986,257
Total equity and liabilities		**40,025,100**	42,080,372

The statement of financial position of the Company was approved by the Board of Directors on 30 September 2022 and was signed on its behalf.

Mr. John Lim Boon Kiat	**Mr. Wong Wah**
Director	*Director*

34 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY *(Continued)*

Statement of financial position of the Company *(Continued)*

Note (i): Reserve movement of the Company

	Note	Share premium S$	Other reserve S$	Accumulated losses S$	Total S$
As at 1 July 2020		7,100,029	39,722,675	(5,764,832)	41,057,872
Loss and total comprehensive expense for the year		–	–	(1,405,117)	(1,405,117)
As at 30 June 2021 and 1 July 2021		**7,100,029**	**39,722,675**	**(7,169,949)**	**39,652,755**
Loss and total comprehensive expense for the year		**–**	**–**	**(415,725)**	**(415,725)**
As at 30 June 2022		**7,100,029**	**39,722,675**	**(7,585,674)**	**39,237,030**

35 BENEFIT AND INTEREST OF DIRECTORS

(a) Directors' emoluments

The remuneration of every director for the years ended 30 June 2022 and 2021 was as follows:

Name	Fees S$	Salaries and allowances S$	Employer's contribution to defined contribution plans S$	Other benefits S$	Total S$
Year ended 30 June 2022					
Executive directors					
Mr. Goh *(Note i)*	**–**	**95,919**	**12,958**	**–**	**108,877**
Mrs. Goh *(Note i)*	**–**	**235,236**	**23,622**	**–**	**258,858**
Mr. John LIM Boon Kiat *(Note ii)*	**19,250**	**–**	**–**	**–**	**19,250**
Independent non-executive Directors					
Mr. Kwok Kin Kwong Gary	**36,606**	**–**	**–**	**–**	**36,606**
Mr. Wong Wah *(Note iii)*	**36,780**	**–**	**–**	**–**	**36,780**
Mr. Kuan Hong Kin Daniel *(Note iii)*	**34,539**	**–**	**–**	**–**	**34,539**
	127,175	**331,155**	**36,580**	**–**	**494,910**
Year ended 30 June 2021					
Executive directors					
Mr. Goh *(Note i)*	–	89,981	12,958	–	102,939
Mrs. Goh *(Note i)*	–	85,041	16,968	–	102,009
Independent non-executive Directors					
Ms. Lei Dan *(Note iv)*	15,044	–	–	–	15,044
Mr. John Lim Boon Kiat *(Note ii)*	25,790	–	–	–	25,790
Mr. Kwok Kin Kwong Gary	25,790	–	–	–	25,790
Mr. Wong Wah *(Note iii)*	12,128	–	–	–	12,128
Mr. Kuan Hong Kin Daniel *(Note iii)*	12,128	–	–	–	12,128
	90,880	175,022	29,926	–	295,828

35 BENEFIT AND INTEREST OF DIRECTORS *(Continued)*

(a) Directors' emoluments *(Continued)*

Note:

(i) Mr. and Mrs. Goh was resigned as Executive Director of the Group on 29 June 2022.

(ii) Mr. John LIM Boon Kiat has been redesignated as the chairman of the Board on 29 June 2022.

(iii) Mr. Wong Wah and Mr. Kuan Hong Kin Daniel were appointed as Independent Non-executive Directors of the Company on 9 February 2021.

(iv) Ms. Lei Dan was resigned as Independent Non-executive Directors of the Company on 6 February 2021.

The remuneration shown above represents remuneration received and receivable from the Group by these directors. No directors waived or agreed to waive any emolument, and there were no emoluments paid by the Group to any Directors as an inducement to join or upon joining the Group or as a compensation for loss of office during the years ended 30 June 2022 and 2021.

i. Directors' retirement benefits

No retirement benefits were paid to or receivable by any directors in respect of their other services in connection with the management of the affairs of the Company or its subsidiaries undertaking during the year.

ii. Directors' termination benefits

No payment was made to directors as compensation for the early termination of the appointment during the year.

iii. Consideration provided to third parties for making available directors' services

No payment was made to the former employer of directors for making available the services of them as a director of the Company during the year.

iv. Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

There are no loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors during the year, other than amounts due to related parties as presented on the consolidated statement of financial position.

v. Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

36 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year presentation.

37 AUTHORISATION FOR ISSUE OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements was approved and authorised for issued by the Board of Directors on 30 September 2022.

FINANCIAL SUMMARY

A summary of key financial figures of the Group for the last four financial years, extracted from audited financial statements in this annual report and the Prospectus of the Company dated 29 April 2020, is as follows.

KEY FINANCIAL FIGURES

	Year ended 30 June				
	2022	2021	2020	2019	2018
	S$	*S$*	*S$*	*S$*	*S$*
Revenue	**11,961,710**	14,136,821	14,739,159	16,319,367	9,591,303
(Loss)/profit before income tax and listing expenses	**(1,581,965)**	(4,815,227)	1,034,349	2,991,717	917,531
(Loss)/profit before income tax	**(1,581,965)**	(4,815,227)	(2,575,471)	1,712,050	917,531
Net (loss)/profit attributable to owners of the Company	**(1,685,280)**	(4,883,965)	(2,587,052)	1,451,338	861,174
Total assets	**10,765,522**	17,195,016	24,613,705	29,351,183	19,377,762
Total liabilities	**10,146,974**	14,868,877	17,405,041	24,197,235	15,775,152
Net assets	**618,548**	2,326,139	7,208,664	5,153,948	3,602,610