



GOODWILL ENTERTAINMENT HOLDING LIMITED

(Incorporated in Republic of Singapore)
(Company Registration Number: 201633838K)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
for the six-month period and full year ended 31 December 2024

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PART (I) - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL-YEAR RESULTS

A. CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE INCOME

	Note	Group					Change %
		6 months ended 31.12.2024 S\$ (Unaudited)	6 months ended 31.12.2023 S\$ (Unaudited)	Change %	12 months ended 31.12.2024 S\$ (Unaudited)	12 months ended 31.12.2023 S\$ (Audited)	
Revenue	5	29,718,555	13,240,621	124.4	52,986,588	23,930,574	121.4
Other income	6	212,343	354,216	(40.1)	789,087	561,402	40.6
Purchases and related costs		(5,521,861)	(1,949,763)	183.2	(10,058,300)	(3,764,105)	167.2
Depreciation of plant and equipment		(2,016,201)	(1,013,762)	98.9	(3,793,076)	(1,714,160)	121.3
Depreciation of right-of-use assets		(3,169,095)	(2,384,268)	32.9	(6,107,809)	(3,741,745)	63.2
Staff costs	7	(8,090,907)	(3,626,847)	123.1	(14,204,423)	(6,340,081)	124.0
Operating lease expenses		(1,073,724)	(380,612)	182.1	(1,827,339)	(804,303)	127.2
Other operating expenses	8	(5,022,154)	(2,225,220)	125.7	(9,416,802)	(3,616,962)	160.4
Finance costs	9	(713,106)	(554,958)	28.5	(1,417,777)	(825,288)	71.8
Profit before taxation		4,323,850	1,459,407	196.3	6,950,149	3,685,332	88.6
Taxation	10	(1,278,826)	(359,905)	255.3	(1,391,618)	(446,101)	212.0
Profit for the period/year		3,045,024	1,099,502	176.9	5,558,531	3,239,231	71.6
Other comprehensive income:							
Items that may be reclassified subsequently to profit or loss							
Fair value loss on derivative financial instrument		(102,314)	-	N.M.	(102,314)	-	N.M.
Foreign currency translation differences on consolidation		3,771	7	N.M.	3,771	7	N.M.
Other comprehensive (loss)/income for the period/year, net of tax of nil		(98,543)	7	N.M.	(98,543)	7	N.M.
Total comprehensive income for the period/year		2,946,481	1,099,509	168.0	5,459,988	3,239,238	68.6
Profit attributable to:							
Owners of the Company		2,294,592	960,964	138.8	4,409,817	2,904,185	51.8
Non-controlling interests		750,432	138,538	441.7	1,148,714	335,046	242.9
		3,045,024	1,099,502	176.9	5,558,531	3,239,231	71.6
Total comprehensive income attributable to:							
Owners of the Company		2,196,049	960,971	128.5	4,311,274	2,904,192	48.5
Non-controlling interests		750,432	138,538	441.7	1,148,714	335,046	242.9
		2,946,481	1,099,509	168.0	5,459,988	3,239,238	68.6
Earnings per share attributable to owners of the Company (Singapore cents)							
- Basic and diluted	11	0.62	0.42	47.6	1.22	1.32	(7.6)

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

Note	Group		Company		
	31.12.2024 S\$ (Unaudited)	31.12.2023 S\$ (Audited)	31.12.2024 S\$ (Unaudited)	31.12.2023 S\$ (Unaudited)	
ASSETS					
Non-Current Assets					
Plant and equipment	14	16,071,459	13,515,777	77,692	24,795
Right-of-use assets	15	12,869,031	16,629,321	112,394	33,788
Intangible assets		2,874	4,517	2,874	4,517
Subsidiaries		-	-	10,141,777	4,981,780
Deferred tax assets		52,791	231,093	13,550	12,794
		28,996,155	30,380,708	10,348,287	5,057,674
Current Assets					
Inventories		1,486,380	430,727	742,735	177,658
Trade and other receivables	16	4,263,328	4,876,996	12,842,710	13,542,397
Prepayments		373,710	461,705	26,668	57,305
Cash and bank deposits		18,807,337	2,843,023	9,976,376	283,636
		24,930,755	8,612,451	23,588,489	14,060,996
Total assets		53,926,910	38,993,159	33,936,776	19,118,670
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	17	17,005,374	8,895,953	17,005,374	8,895,953
Other reserves		632,900	760,321	(102,314)	-
Accumulated profits/(losses)		2,465,263	(1,944,554)	2,038,515	(1,069,423)
Equity attributable to owners of the Company		20,103,537	7,711,720	18,941,575	7,826,530
Non-controlling interests		2,170,344	442,752	-	-
Total equity		22,273,881	8,154,472	18,941,575	7,826,530
Non-Current Liabilities					
Deferred tax liabilities		372,950	19,136	-	-
Lease liabilities	18	7,188,463	12,528,072	65,247	8,061
Borrowings	18	5,707,232	1,770,407	4,096,601	370,327
Provision for restoration costs		885,662	899,389	-	-
Derivative financial instrument	19	102,314	-	102,314	-
		14,256,621	15,217,004	4,264,162	378,388
Current Liabilities					
Lease liabilities	18	6,668,907	5,520,662	49,275	11,573
Borrowings	18	3,219,132	3,387,236	2,421,331	2,068,208
Provision for restoration costs		198,602	-	-	-
Trade and other payables	20	6,313,420	6,196,266	8,227,470	8,833,971
Current tax payable		996,347	517,519	32,963	-
		17,396,408	15,621,683	10,731,039	10,913,752
Total liabilities		31,653,029	30,838,687	14,995,201	11,292,140
Total equity and liabilities		53,926,910	38,993,159	33,936,776	19,118,670

C. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Group	
		12 months ended 31.12.2024 S\$ (Unaudited)	12 months ended 31.12.2023 S\$ (Audited)
Cash flows from operating activities			
Profit before taxation		6,950,149	3,685,332
Adjustments for:			
Amortisation of intangible assets	8	1,643	1,642
Bad debts written off	8	19,669	-
Depreciation of plant and equipment		3,793,076	1,714,160
Depreciation of right-of-use assets		6,107,809	3,741,745
Interest expense	9	1,417,777	825,288
Interest income		-	(163)
Plant and equipment written off	8	-	33,489
Operating profit before working capital changes		18,290,123	10,001,493
Changes in inventories		(1,055,653)	(224,650)
Changes in trade and other receivables		425,629	(3,338,677)
Changes in prepayments		88,239	(400,715)
Changes in trade and other payables		3,040,639	1,550,109
Changes in provision		139,685	410,300
Cash generated from operations		20,928,662	7,997,860
Income tax paid		(380,674)	(170,468)
Interest received		-	163
Net cash generated from operating activities		20,547,988	7,827,555
Cash Flows from Investing Activities			
Advances repaid from/(made to) related companies		168,958	(157,016)
Purchase of plant and equipment		(6,319,796)	(11,213,320)
Net cash used in investing activities		(6,150,838)	(11,370,336)

C. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

Note	Group	
	12 months ended 31.12.2024 S\$ (Unaudited)	12 months ended 31.12.2023 S\$ (Audited)
Cash Flows from Financing Activities		
Acquisition of non-controlling interests in subsidiaries without change in control	(200,000)	(400,000)
Advances (repaid to)/made from related parties	(2,196,445)	908,142
Capital contributions by non-controlling interests in subsidiaries	900,000	-
Changes in fixed deposit or restricted deposits	(450,000)	369,005
Dividend paid to a non-controlling interest	(1,070,000)	-
Incorporation of subsidiaries with non-controlling interests	-	196,001
Interest paid	(1,372,587)	(807,212)
Investment deposit received	-	900,000
Payment of lease liabilities	(6,567,846)	(2,592,353)
Proceeds from bank loans	7,384,000	6,520,000
Proceeds from issuance of shares	17 8,500,000	-
Repayment of bank loans	(3,269,743)	(848,212)
Share issuance costs	17 (540,579)	-
Net cash generated from financing activities	1,116,800	4,245,371
Net increase in cash and cash equivalents	15,513,950	702,590
Exchange differences on translation of cash and cash equivalents	364	-
Cash and cash equivalents at beginning of year	2,843,023	2,140,433
Cash and cash equivalents at end of year	18,357,337	2,843,023

Note 1: For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

Note	Group	
	12 months ended 31.12.2024 S\$ (Unaudited)	12 months ended 31.12.2023 S\$ (Audited)
Cash and bank deposits	18,807,337	2,843,023
Less: Restricted deposits	(450,000)	-
	18,357,337	2,843,023

D. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

Group	Share capital	Capital reserves	Foreign currency translation reserve	Hedging reserves	Accumulated profits/(losses)	Total Attributable to Equity Holders of the Company	Non-controlling interests	Total
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Balance at 1 January 2024	8,895,953	760,314	7	-	(1,944,554)	7,711,720	442,752	8,154,472
Profit for the year	-	-	-	-	4,409,817	4,409,817	1,148,714	5,558,531
Other comprehensive loss for the year	-	-	3,771	(102,314)	-	(98,543)	-	(98,543)
Total comprehensive income for the year	-	-	3,771	(102,314)	4,409,817	4,311,274	1,148,714	5,459,988
Contributions by and distributions to owners								
Issuance of ordinary shares (Note 17)	8,650,000	-	-	-	-	8,650,000	-	8,650,000
Share issue expenses (Note 17)	(540,579)	-	-	-	-	(540,579)	-	(540,579)
Changes in ownership interests in subsidiaries								
Acquisition of non-controlling interests without loss in control	-	(28,878)	-	-	-	(28,878)	(171,122)	(200,000)
Incorporation of business unit with non-controlling interests	-	-	-	-	-	-	1,800,000	1,800,000
Dividend by a subsidiary to a non-controlling interest	-	-	-	-	-	-	(1,050,000)	(1,050,000)
Transactions with owners in their capacity as owners	8,109,421	(28,878)	-	-	-	8,080,543	578,878	8,659,421
Balance at 31 December 2024	17,005,374	731,436	3,778	(102,314)	2,465,263	20,103,537	2,170,344	22,273,881

D. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)

Group	Share capital	Capital reserves	Foreign currency translation reserve	Hedging reserves	Accumulated losses	Total Attributable to Equity Holders of the Company	Non-controlling interests	Total equity
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Balance at 1 January 2023	5,820,000	1,253,129	-	-	(4,848,739)	2,224,390	1,124,843	3,349,233
Profit for the year	-	-	-	-	2,904,185	2,904,185	335,046	3,239,231
Other comprehensive income for the year	-	-	7	-	-	7	-	7
Total comprehensive income for the year	-	-	7	-	2,904,185	2,904,192	335,046	3,239,238
Contributions by and distributions to owners								
Issuance of ordinary shares (Note 17)	2,000,000	-	-	-	-	2,000,000	-	2,000,000
Changes in ownership interests in subsidiaries								
Acquisition of non-controlling interests in subsidiaries without change in control	1,075,953	(492,815)	-	-	-	583,138	(983,138)	(400,000)
Incorporation of subsidiaries with non-controlling interests	-	-	-	-	-	-	196,001	196,001
Dividend by a subsidiary to a non-controlling interest	-	-	-	-	-	-	(230,000)	(230,000)
Transactions with owners in their capacity as owners	3,075,953	(492,815)	-	-	-	2,583,138	(1,017,137)	1,566,001
Balance at 31 December 2023	8,895,953	760,314	7	-	(1,944,554)	7,711,720	442,752	8,154,472

D. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)

Company	Share capital S\$	Hedging reserves S\$	(Accumulated losses)/ Retained earnings S\$	Total equity S\$
Balance at 1 January 2024	8,895,953	-	(1,069,423)	7,826,530
Profit for the year	-	-	3,107,938	3,107,938
Other comprehensive income for the year	-	(102,314)	-	(102,314)
Total comprehensive income for the year	-	(102,314)	3,107,938	3,005,624
Contributions by and distributions to owners				
Issues of new shares	8,650,000	-	-	8,650,000
Share issue expenses	(540,579)	-	-	(540,579)
Transactions with owners in their capacity as owners	8,109,421	-	-	8,109,421
Balance at 31 December 2024	17,005,374	(102,314)	2,038,515	18,941,575
Balance at 1 January 2023	5,820,000	-	(2,081,171)	3,738,829
Profit for the year, representing total comprehensive income for the year	-	-	1,011,748	1,011,748
Contributions by and distributions to owners				
Issues of new shares	3,075,953	-	-	3,075,953
Transactions with owners in their capacity as owners	3,075,953	-	-	3,075,953
Balance at 31 December 2023	8,895,953	-	(1,069,423)	7,826,530

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. General Information

1.1. Corporate information

The Company was incorporated as a private company limited by shares and domiciled in the Republic of Singapore on 12 December 2016. On 25 October 2024, the Company was converted to a public limited company and the Company's name was changed from Goodwill Entertainment Holding Pte. Ltd. to Goodwill Entertainment Holding Limited. The Company was listed on the Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 15 November 2024.

The registered office and principal place of business of the Company is located at 33 Ubi Avenue 3, #05-16 Vertex, Singapore 408868.

The principal activities of the Company are those of investment holding and wholesale of liquor and beverages. The principal activities of the subsidiaries are those of (i) Cabarets, night clubs, discotheques and karaoke, (ii) F&B operations and (iii) Manufacturing operations.

2. Basis of preparation

The condensed interim financial statements for the six-month period ("2HY2024") and full year ("FY2024") ended 31 December 2024 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 *Interim Financial Reporting*.

The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included for events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last audited financial statements for the financial year ended 31 December 2023. The condensed interim financial statements should be read in conjunction with the accompanying explanatory notes attached to the condensed interim financial statements and the audited financial statements of the Group for the financial year ended 31 December 2023.

The condensed interim financial statements are presented in Singapore dollars, which is the Company's functional currency.

The accounting policies adopted are consistent with the most recent audited financial statements for the financial year ended 31 December 2023 which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

2.1. New and amended standards adopted by the Company

In the current financial year, the Group has adopted all the new and revised SFRS(I)s that are relevant to its operations and effective for the current financial year. The adoption of these new and revised SFRS(I)s did not have any material effect on the financial results or position of the Group.

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

2.2. Use of judgements and estimates (cont'd)

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the financial statements as at and for the year ended 31 December 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. Seasonal operations

The Group's business typically experience higher business volumes during the festive periods in Singapore such as Christmas and Lunar New Year periods as the demand for public entertainment venues increase when people are more inclined to celebrate and socialise in festive settings. During these times, our customers tend to hold more gatherings for families, friends, business associates and corporate events during such periods, often choosing to host or celebrate at our outlets. Save as described above, our Group's business is not subject to any significant seasonal fluctuations

4. Segment information

The Group has four reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services and are managed separately because they require different marketing strategies.

For each of the strategic business unit, the Company's Executive Chairman and Chief Executive Officer, who is the chief operating decision maker, monitors the operating results for the purpose of making decisions about resource allocation and performance assessment. The Company's Executive Chairman and Chief Executive Officer reviews internal management reports at least on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

- (i) Karaoke segment comprises the operation of karaoke lounges and multi-entertainment venues, which includes karaoke room and service charges and related sale of food and beverages.
- (ii) Live show segment comprises the operation of multi-entertainment concept of mega live performance venue.
- (iii) F&B operations business is primarily involved in the operations of a Japanese restaurant offering a unique Chinese twist to traditional Japanese-style grilled skewers as well as omakase experience.
- (iv) Manufacturing operations. The operations of the Group's karaoke outlets and F&B operations are supported by the central kitchen which procures, processes and prepares key ingredients and products for supply to the karaoke outlets operating under the Group's brands and certain third party food outlets.

There are no operating segments that have been aggregated to form the above reportable operating segments.

Other operations relate to general corporate activities and others.

4. Segment information (Cont'd)

	<u>Karaoke</u>		<u>Live show</u>		<u>F&B</u>		<u>Manufacturing</u>		<u>Others</u>		<u>Total</u>	
	6 months ended 31 Dec 2024 (Unaudited) S\$	6 months ended 31 Dec 2023 (Unaudited) S\$	6 months ended 31 Dec 2024 (Unaudited) S\$	6 months ended 31 Dec 2023 (Unaudited) S\$	6 months ended 31 Dec 2024 (Unaudited) S\$	6 months ended 31 Dec 2023 (Unaudited) S\$	6 months ended 31 Dec 2024 (Unaudited) S\$	6 months ended 31 Dec 2023 (Unaudited) S\$	6 months ended 31 Dec 2024 (Unaudited) S\$	6 months ended 31 Dec 2023 (Unaudited) S\$	6 months ended 31 Dec 2024 (Unaudited) S\$	6 months ended 31 Dec 2023 (Unaudited) S\$
Segment revenue												
External revenue	14,709,900	13,240,621	14,828,476	-	153,886	-	26,293	-	-	-	29,718,555	13,240,621
Results												
Segment results												
Finance costs	254,583	495,839	159,471	26,630	12,504	-	936	-	285,612	32,489	713,106	554,958
Profit before taxation	2,734,781	1,469,468	3,866,054	(125,339)	(203,862)	-	(267,188)	-	(1,805,935)	115,278	4,323,850	1,459,407
Taxation	(417,771)	(359,905)	(775,863)	-	(27,646)	-	(16,010)	-	(41,536)	-	(1,278,826)	(359,905)
Profit for the period	2,317,010	1,109,563	3,090,191	(125,339)	(231,508)	-	(283,198)	-	(1,847,471)	115,278	3,045,024	1,099,502
Amortisation of intangible assets	821	821	-	-	-	-	-	-	-	-	821	821
Depreciation of plant and equipment	1,501,525	1,013,762	484,012	-	9,955	-	20,709	-	-	-	2,016,201	1,013,762
Depreciation of right-of-use assets	2,733,946	2,384,268	302,584	-	74,744	-	57,821	-	-	-	3,169,095	2,384,268
Segment assets	29,166,796	33,803,988	11,865,158	4,958,078	1,712,184	-	1,126,937	-	10,055,835	231,093	53,926,910	38,993,159
Additions to non-current assets *	4,477,697	20,138,350	3,319,695	5,056,787	1,509,564	-	1,054,414	-	-	-	10,361,370	25,195,137
Segment liabilities	17,587,793	22,008,426	5,832,819	3,135,963	1,293,097	-	298,403	-	6,640,917	5,694,298	31,653,029	30,838,687

* Comprise plant and equipment and right-of-use assets, and exclude deferred tax assets and goodwill

4. Segment information (Cont'd)

	<u>Karaoke</u>		<u>Live show</u>		<u>F&B</u>		<u>Manufacturing</u>		<u>Others</u>		<u>Total</u>	
	12 months ended 31 Dec 2024 (Unaudited) S\$	12 months ended 31 Dec 2023 (Audited) S\$	12 months ended 31 Dec 2024 (Unaudited) S\$	12 months ended 31 Dec 2023 (Audited) S\$	12 months ended 31 Dec 2024 (Unaudited) S\$	12 months ended 31 Dec 2023 (Audited) S\$	12 months ended 31 Dec 2024 (Unaudited) S\$	12 months ended 31 Dec 2023 (Audited) S\$	12 months ended 31 Dec 2024 (Unaudited) S\$	12 months ended 31 Dec 2023 (Audited) S\$	12 months ended 31 Dec 2024 (Unaudited) S\$	12 months ended 31 Dec 2023 (Audited) S\$
Segment revenue												
External revenue	28,305,136	23,930,574	24,501,273	-	153,886	-	26,293	-	-	-	52,986,588	23,930,574
Results												
Segment results												
Finance costs	727,351	664,002	159,471	26,630	12,504	-	1,398	-	517,053	134,656	1,417,777	825,288
Profit before taxation	3,682,330	3,945,327	5,778,059	(125,339)	(203,864)	-	(269,000)	-	(2,037,376)	(134,656)	6,950,149	3,685,332
Taxation	(530,563)	(446,101)	(775,863)	-	(27,646)	-	(16,010)	-	(41,536)	-	(1,391,618)	(446,101)
Profit for the year	3,151,767	3,499,226	5,002,196	(125,339)	(231,510)	-	(285,010)	-	(2,078,912)	(134,656)	5,558,531	3,239,231
Amortisation of intangible assets	1,643	1,642	-	-	-	-	-	-	-	-	1,643	1,642
Depreciation of plant and equipment	2,890,420	1,714,160	871,992	-	9,955	-	20,709	-	-	-	3,793,076	1,714,160
Depreciation of right-of-use assets	5,370,075	3,643,036	605,168	98,709	74,745	-	57,821	-	-	-	6,107,809	3,741,745
Segment assets	29,166,796	33,803,988	11,865,158	4,958,078	1,712,184	-	1,126,937	-	10,055,835	231,093	53,926,910	38,993,159
Additions to non-current assets *	4,477,697	20,138,350	3,319,695	5,056,787	1,509,564	-	1,054,414	-	-	-	10,361,370	25,195,137
Segment liabilities	17,587,793	22,008,426	5,832,819	3,135,963	1,293,097	-	298,403	-	6,640,917	5,694,298	31,653,029	30,838,687

* Comprise plant and equipment and right-of-use assets, and exclude deferred tax assets and goodwill

4. Segment information (Cont'd)

Reconciliation of segment amounts to financial statements

	6 months ended 31 Dec 2024 (Unaudited) S\$	6 months ended 31 Dec 2023 (Unaudited) S\$	12 months ended 31 Dec 2024 (Unaudited) S\$	12 months ended 31 Dec 2023 (Audited) S\$
Revenue				
Total revenue for reportable segments	29,718,555	13,240,621	52,986,588	23,930,574
Consolidated revenue	29,718,555	13,240,621	52,986,588	23,930,574
Profit before taxation				
Total profit before taxation for reportable segments	6,129,785	1,344,129	8,987,525	3,819,988
Other corporate income/(expenses)	(1,805,935)	115,278	(2,037,376)	(134,656)
Consolidated profit before taxation	4,323,850	1,459,407	6,950,149	3,685,332
Assets				
Total assets for reportable segments	43,871,075	38,762,066	43,871,075	38,762,066
Other unallocated assets	10,055,835	231,093	10,055,835	231,093
Consolidated total assets	53,926,910	38,993,159	53,926,910	38,993,159
Liabilities				
Total liabilities for reportable segments	25,012,112	25,144,389	25,012,112	25,144,389
Unallocated borrowings	6,295,382	5,157,643	6,295,382	5,157,643
Other unallocated liabilities	345,535	536,655	345,535	536,655
Consolidated total liabilities	31,653,029	30,838,687	31,653,029	30,838,687

Geographical information

The Group's revenue arises from external customers located in Singapore. The Group carries out its operations primarily in Singapore and all of the Group's non-current assets are located in Singapore.

Major customers

Due to the diverse base of individual customers to which the Group sells products and renders services in each reporting period, the Group is not reliant on any customer for its revenue and no single customer has accounted for ten percent or more of the Group's total revenue for each reporting period.

5. Revenue

	6 months ended 31 Dec 2024 (Unaudited) S\$	6 months ended 31 Dec 2023 (Unaudited) S\$	12 months ended 31 Dec 2024 (Unaudited) S\$	12 months ended 31 Dec 2023 (Audited) S\$
The Group				
Revenue from customers				
- Sale of food and beverages	18,326,759	7,036,453	33,045,148	13,124,486
- Karaoke room charges	5,359,163	5,002,078	10,294,041	8,632,283
- Service charges	2,359,584	1,202,090	4,315,047	2,173,805
- Rendering of live performance services	3,673,049	-	5,332,352	-
	29,718,555	13,240,621	52,986,588	23,930,574
Timing of transfer of goods and services in respect of revenue from contracts with customers				
At a point in time	29,718,555	13,240,621	52,986,588	23,930,574

6. Other income

	6 months ended 31 Dec 2024 (Unaudited) S\$	6 months ended 31 Dec 2023 (Unaudited) S\$	12 months ended 31 Dec 2024 (Unaudited) S\$	12 months ended 31 Dec 2023 (Audited) S\$
The Group				
Government grants	94,442	33,105	311,346	230,095
Insurance claims received	-	143,553	3,416	143,553
Interest income on fixed deposits	-	-	-	163
Liquidated damages	-	169,252	-	169,252
Liquor marketing incentive	117,901	-	335,989	-
Miscellaneous income	-	8,306	138,336	18,339
	212,343	354,216	789,087	561,402

7. Staff costs

	6 months ended 31 Dec 2024 (Unaudited) S\$	6 months ended 31 Dec 2023 (Unaudited) S\$	12 months ended 31 Dec 2024 (Unaudited) S\$	12 months ended 31 Dec 2023 (Audited) S\$
The Group				
Directors of the Company:				
Directors' fees	37,500	-	37,500	-
Directors' remuneration other than fees				
- Salaries and other related costs	300,000	342,954	532,500	507,954
- Contributions to defined contribution plan	6,936	9,146	17,340	18,292
	306,936	352,100	549,840	526,246
Key management personnel (other than directors)				
- Salaries and other related costs	187,191	107,665	362,884	116,065
- Contributions to defined contribution plan	15,808	12,388	29,952	13,816
	202,999	120,053	392,836	129,881
Total key management personnel compensation	547,435	472,153	980,176	656,127
Other than key management personnel				
- Salaries and other related costs	7,129,239	2,879,665	12,458,005	5,185,182
- Contributions to defined contribution plan	414,233	275,029	766,242	498,772
	7,543,472	3,154,694	13,224,247	5,683,954
Total staff costs and Directors' remuneration	8,090,907	3,626,847	14,204,423	6,340,081

8. Other operating expenses

	6 months ended 31 Dec 2024 (Unaudited) S\$	6 months ended 31 Dec 2023 (Unaudited) S\$	12 months ended 31 Dec 2024 (Unaudited) S\$	12 months ended 31 Dec 2023 (Audited) S\$
The Group				
Amortisation of intangible assets	821	821	1,643	1,642
Bad debts	18,667	-	19,669	-
Credit card and payment service fees	619,637	255,549	1,104,732	478,255
General expenses	12,708	15,985	37,183	15,985
IPO and related listing expenses	892,228	310,105	1,146,161	310,105
Internet and networking charges	26,678	30,808	71,658	42,144
Legal and professional fees	192,999	429,265	242,588	444,143
Licensing fees	55,199	81,805	505,689	210,253
Marketing expenses	1,357,545	156,242	2,170,971	285,079
Plant and equipment written off	-	33,489	-	33,489
Repairs and maintenance expenses	219,327	311,622	640,257	576,126
Travel expenses	28,896	153,790	35,777	262,570
Utilities	791,267	404,898	1,487,943	607,336

9. Finance costs

	6 months ended 31 Dec 2024 (Unaudited) S\$	6 months ended 31 Dec 2023 (Unaudited) S\$	12 months ended 31 Dec 2024 (Unaudited) S\$	12 months ended 31 Dec 2023 (Audited) S\$
The Group				
Interest expense on:				
- lease liabilities	403,183	420,833	855,534	657,725
- bank loans	285,612	115,278	517,053	138,564
- loans from shareholders	-	4,167	-	4,167
- loans from third parties	-	2,694	-	6,756
	688,795	542,972	1,372,587	807,212
Unwinding of discount on provision for restoration costs	24,311	11,986	45,190	18,076
	713,106	554,958	1,417,777	825,288

10. Taxation

The Group calculates the period income tax (credit)/expense using the tax rate that would be applicable to the expected total losses before tax. The major components of income tax (credit)/expense in the financial statements for the financial years ended 31 December 2024 and 31 December 2023 are as follows:

	6 months ended 31 Dec 2024 (Unaudited) S\$	6 months ended 31 Dec 2023 (Unaudited) S\$	12 months ended 31 Dec 2024 (Unaudited) S\$	12 months ended 31 Dec 2023 (Audited) S\$
The Group				
Current taxation	821,579	382,225	859,502	468,421
Deferred taxation	457,247	(22,320)	532,116	(22,320)
	1,278,826	359,905	1,391,618	446,101

11. Earnings per share

The calculation of basic and diluted earnings per share is based on the profit or loss attributable to ordinary shareholders, as follows:

	6 months ended 31 Dec 2024 (Unaudited) S\$	6 months ended 31 Dec 2023 (Unaudited) S\$	12 months ended 31 Dec 2024 (Unaudited) S\$	12 months ended 31 Dec 2023 (Audited) S\$
Profit attributable to equity holders of the company	2,294,592	960,964	4,409,817	2,904,185

Weighted average number of ordinary shares (basic and diluted)

The weighted average number of ordinary shares outstanding during the financial years ended 31 December 2024 and 31 December 2023 was adjusted for the effect of the sub-division of ordinary shares, as disclosed in Note 12.

	6 months ended 31 Dec 2024 (Unaudited) S\$	6 months ended 31 Dec 2023 (Unaudited) S\$	12 months ended 31 Dec 2024 (Unaudited) S\$	12 months ended 31 Dec 2023 (Audited) S\$
Profit attributable to equity holders of the company (S\$) - basic	2,294,592	960,964	4,409,817	2,904,185
Weighted average number of ordinary shares issued – basic and diluted				
Issued ordinary shares at beginning of year	356,750,000	214,050,076	356,750,000	214,050,076
Effect of ordinary shares issued during the year	10,871,585	12,476,496	5,435,792	6,255,339
Weighted average number of ordinary shares	367,621,585	226,526,572	362,185,792	220,305,415

The diluted earnings per share is the same as the basic earnings per share as the Group does not have dilutive potential ordinary shares during the financial years ended 31 December 2024 and 31 December 2023.

12. Net asset value

	The Group		The Company	
	31 Dec 2024 S\$	31 Dec 2023 S\$	31 Dec 2024 S\$	31 Dec 2023 S\$
Net assets per ordinary share (Cents)	5.03	2.16	4.74	2.19

Net assets per ordinary share is calculated based on the number of issued 400,000,000 shares (excluding treasury shares) as at 31 December 2024 (2023: pre-placement number of ordinary of ordinary shares of 356,750,000 (excluding treasury shares)).

13. Financial assets and financial liabilities

The following information set out below is an overview of the financial assets and financial liabilities as at 31 December 2024 and 2023 respectively.

The Group	Amortised cost S\$	Other financial liabilities at amortised cost S\$	Cash flow hedging instrument S\$	Total S\$
31 December 2024				
<u>Financial assets</u>				
Trade and other receivables *	4,229,988	-	-	4,229,988
Cash and bank deposits	18,807,337	-	-	18,807,337
	23,037,325	-	-	23,037,325
<u>Financial liabilities</u>				
Lease liabilities	-	13,857,370	-	13,857,370
Borrowings	-	8,926,364	-	8,926,364
Derivative financial instrument	-	-	102,314	102,314
Trade and other payables #	-	5,379,292	-	5,379,292
	-	28,163,026	102,314	28,265,340
31 December 2023				
<u>Financial assets</u>				
Trade and other receivables *	4,114,587	-	-	4,114,587
Cash and bank deposits	2,843,023	-	-	2,843,023
	6,957,610	-	-	6,957,610
<u>Financial liabilities</u>				
Lease liabilities	-	18,048,734	-	18,048,734
Borrowings	-	5,157,643	-	5,157,643
Trade and other payables #	-	5,949,487	-	5,949,487
	-	29,155,864	-	29,155,864

* Excluding net input taxes

Excluding advances from customers and net output taxes

14. Plant and equipment ("PE")

During the financial year ended 31 December 2024, the Group acquired PE amounted to S\$6,319,796 (2023: S\$11,213,320). There was no disposal of plant and equipment during the financial year.

15. Trade and other receivables

	The Group		The Company	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
	S\$	S\$	S\$	S\$
Trade receivables from third parties	611,056	751,693	14,250	-
Amounts due from subsidiaries (non-trade)	-	-	12,073,034	12,859,463
Less: Allowance for impairment losses	-	-	-	(134,543)
	-	-	12,073,034	12,724,920
Amounts due from related companies (non-trade)	-	168,958	-	-
Deposits	3,257,872	3,127,095	16,966	18,317
Dividend receivable	-	-	490,000	770,000
Other receivables	361,060	66,841	248,460	29,160
Financial assets at amortised cost	4,229,988	4,114,587	12,842,710	13,542,397
Net input taxes	33,340	762,409	-	-
Total trade and other receivables	4,263,328	4,876,996	12,842,710	13,542,397

The non-trade amounts due from subsidiaries and related companies, which represent advances to and payments on behalf of the subsidiaries and related companies, are unsecured, interest-free and repayable on demand.

Deposits mainly relate to rental deposits for outlets.

16. Share Capital

	The Group and The Company			
	31 Dec 2024		31 Dec 2023	
Issued and fully paid	No. of shares	S\$	No. of shares	S\$
Beginning of financial year	942,628	8,895,953	565,577	5,820,000
Share split	355,807,372	-	-	-
Issuance of shares (net of share issue expense)	43,250,000	8,109,421	377,051	3,075,953
End of financial year	400,000,000	17,005,374	942,628	8,895,953

On 15 December 2023, the Company issued 177,051 new ordinary shares for the acquisition of shares held by non-controlling interests in its subsidiaries for a total consideration of S\$1,075,953. On 15 December 2023, the Company also issued 200,000 new ordinary shares for a total consideration of S\$2,000,000 which was satisfied through the offsetting of a loan from a shareholder.

On 25 October 2024, the Company conducted a share split. Under the share split, 942,628 ordinary shares in the capital of the Company were sub-divided into 356,750,000 ordinary shares. Pursuant to the share split, the issued and paid-up share capital of the Group remained at S\$8,895,953, comprising 356,750,000 ordinary shares.

On 15 November 2024, the Company issued 43,250,000 ordinary shares at S\$0.20 per share through the Company's initial public offering. The total consideration for the shares was S\$8,500,000, comprising 42,500,000 ordinary shares. Additional 750,000 ordinary shares were issued to the Company's sponsor and joint placement agent as commission shares, amounting to S\$150,000. Share issuance costs amounted to S\$540,579.

17. Loans and borrowings consist of bank loans and lease liabilities

	The Group	
	31 Dec 2024	31 Dec 2023
	S\$	S\$
<u>Secured bank loan</u>		
Amount repayable in one year or less, or on demand	3,219,132	1,380,158
Amount repayable after one year	5,707,232	1,770,407
	8,926,364	3,150,565
<u>Unsecured borrowings</u>		
Amount repayable in one year or less, or on demand	-	2,007,078
Amount repayable after one year	-	-
	-	2,007,078

Details of any collateral:

As at the end of the financial year, the bank loans are secured by corporate guarantees from the Company and personal guarantees from the Executive Director and Chief Executive Officer of the Company.

	The Group	
	31 Dec 2024	31 Dec 2023
	S\$	S\$
<u>Secured lease liabilities</u>		
Amount repayable in one year or less, or on demand	6,668,907	5,520,662
Amount repayable after one year	7,188,463	12,528,072
	13,857,370	18,048,734

Details of any collateral:

As at the end of the financial year, the lease liabilities relate to the Group's and the Company's outlets and motor vehicle, which are secured by the lessors' title to the leased assets.

18. Derivative financial instrument

	The Group	
	31 Dec 2024	31 Dec 2023
	S\$	S\$
At beginning of year	-	-
Fair value loss recognised in other comprehensive income	102,314	-
At end of year	102,314	-
Represented by:		
- Non-current	102,314	-

The interest rate swap is designated as a cash flow hedge in respect of the Group's bank loan

19. Trade and other payables

	The Group		The Company	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
	S\$	S\$	S\$	S\$
Trade payables to third parties	1,748,519	981,388	218,789	181,360
Amount due to a director (non-trade)	47,954	146,419	-	100,000
Amounts due to non-controlling interests (non-trade)	-	297,581	-	-
Amounts due to subsidiaries (non-trade)	-	-	7,336,194	7,985,316
Amounts due to related companies (non-trade)	-	1,752,445	-	-
Amounts due to non-controlling interests (non-trade)	320,122	-	-	-
Accrued expenses	2,161,435	1,423,377	283,133	370,290
Deposits received	28,874	901,508	-	-
Dividend payable to a non-controlling interest	210,000	230,000	-	-
Other payables	862,388	216,769	109,058	175,242
Financial liabilities at amortised cost	5,379,292	5,949,487	7,947,174	8,812,208
Advances from customers	298,759	46,940	226,246	5,028
Net output taxes	635,369	199,839	54,050	16,735
Total trade and other payables	6,313,420	6,196,266	8,227,470	8,833,971

Trade and other payables are non-interest bearing.

The non-trade amounts due to a director, non-controlling interests, subsidiaries and related companies, which represent advances from and payments on behalf by the director, non-controlling interests, subsidiaries and related companies, are unsecured, interest-free and repayable on demand.

20. Significant related party transactions

	12 months ended 31 Dec 2024 (Unaudited) S\$	12 months ended 31 Dec 2023 (Audited) S\$
Sale of goods and services to related companies	19,520	3,360
Purchase of goods and services from related companies	(19,358)	(85,482)
Liquidated damages claimed from a related company	-	169,252
Purchase cost of factory building paid to a related company	(412,500)	-
Rental expenses paid/payable to a related company	(54,000)	(51,600)
Telephone expense paid to a related company	(2,415)	-
Stamp duty paid to a related company	(673)	-
Utilities paid to a related company	(5,195)	-

F. OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES

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

The condensed interim statements of financial position of Goodwill Entertainment Holding Limited and its subsidiaries as at 31 December 2024 and the related condensed interim consolidated statements of comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows for the six-month period and full year ended 31 December 2024 and certain explanatory notes have not been audited or reviewed.

1A. If the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion, to include:

- (a) Updates on the efforts taken to resolve each outstanding audit issue
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

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

Not applicable.

1B. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 1C.

1C. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has applied various new accounting standards and interpretations of accounting standards for the first time for the financial year beginning on 1 January 2024. The application of these standards and interpretations did not have a material effect on the condensed interim financial statements.

F. OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES (CONT'D)

2. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

2.(a) REVIEW OF TURNOVER, COSTS AND EARNINGS

Continuing operations

Revenue

Revenue for both 2HY2024 and FY2024 was higher than the previous corresponding periods by S\$16.48 million (124.4%) for 2HY2024 and S\$29.06 million (121.4%) for FY2024. The increase was primarily driven by the following factors:

1. New Business Segments:

The introduction of three new business segments - Live show, F&B, and Manufacturing which contributed significantly to the Group revenue.

- Live show generated S\$14.83 million in 2HY2024 and S\$24.50 million in FY2024.
- F&B commenced in 2HY2024 and contributed S\$0.15 million for both 2HY2024 and FY2024.
- Manufacturing commenced in 2HY2024 and contributed S\$0.03 million for both 2HY2024 and FY2024.

2. Karaoke Segment Growth:

- Revenue from the Karaoke segment increased by S\$1.47 million in 2HY2024 and S\$4.37 million in FY2024.
- The growth was mainly due to the full-year operation of all existing karaoke outlets in FY2024, compared to FY2023, when some outlets operated for less than 12 months.
- Additionally, a new karaoke outlet was established and became operational in 2HY2024, further boosting revenue.

Other income

Other income for 2HY2024 decreased by S\$0.14 million, primarily due to lower insurance claims (S\$0.14 million) and a reduction in liquidated damages received (S\$0.17 million) compared to 2HY2023. However, this decrease was partially offset by additional government grants, liquor marketing incentives received in 2HY2024, amounting to S\$0.06 million, and S\$0.12 million, respectively.

Other income for FY2024 increased by S\$0.23 million, mainly driven by higher government grants (S\$0.08 million), liquor marketing incentives (S\$0.34 million), and miscellaneous income of S\$0.14 million. This increase was partially offset by a reduction in insurance claims (S\$0.14 million) and liquidated damages (S\$0.17 million) received in FY2023.

Purchases and related costs

In line with the revenue growth as a result of our newly introduction of new business segment and expansion, the Purchases and related costs increased by S\$3.57 million (183.2%) and S\$6.29 million (167.2%) for both 2HY2024 and FY2024 respectively.

Depreciation of plant and equipment

Depreciation of plant and equipment increased by S\$1.00 million (98.9%) in 2HY2024 and S\$2.08 million (121.3%) in FY2024. This increase was in line with the establishment of new business segments during the corresponding period under review.

F. OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES (CONT'D)

Depreciation of right-of-use assets

Depreciation of right-of-use assets increased by S\$0.78 million (32.9%) in 2HY2024 and S\$2.37 million (63.2%) in FY2024. This was primarily due to the acquisition of new leasehold properties for a newly opened outlet and business establishment that became operational in FY2024, as well as the renewal of existing lease agreements that expired during the period.

Staff costs

Staff costs for both 2HY2024 and FY2024 were higher than the previous corresponding periods by S\$4.46 million (123.1%) for 2HY2024 and S\$7.86 million (124.0%) for FY2024. The increase in Staff costs was primarily driven by the headcount demand for new establishment of 1 Karaoke outlet and 3 other new business ventures, namely Live show, F&B and Manufacturing.

Operating lease expenses

Operating lease expenses for both 2HY2024 and FY2024 were higher than the previous corresponding periods by S\$0.69 million (182.1%) for 2HY2024 and S\$1.02 million (127.2%) for FY2024. The increase in operating lease expenses was in line with the increase in revenue growth as part of the revenue sharing terms in the lease agreement.

Other operating expenses

Other operating expenses for both 2HY2024 and FY2024 increased significantly compared to the previous corresponding periods, rising by S\$2.80 million (125.7%) in 2HY2024 and S\$5.8 million (160.4%) in FY2024. The increase was primarily driven by the following factors:

- Credit card and payment service fees increased by S\$0.36 million in 2HY2024 and S\$0.63 million in FY2024.
- Marketing expenses rose by S\$1.20 million in 2HY2024 and S\$1.89 million in FY2024.
- IPO and related expenses increased by S\$0.58 million in 2HY2024 and S\$0.84 million in FY2024.
- Utilities costs grew by S\$0.39 million in 2HY2024 and S\$0.88 million in FY2024.
- Licensing fees decreased by S\$0.03 million in 2HY2024 but increased by S\$0.30 million in FY2024.
- Legal and professional fees declined by S\$0.24 million in 2HY2024 and S\$0.20 million in FY2024.

Finance costs

Finance costs for both 2HY2024 and FY2024 were higher than the previous corresponding periods by S\$0.16 million (28.5%) for 2HY2024 and S\$0.59 million (71.8%) for FY2024. The increase in finance costs is primarily due to increase in interest on bank borrowings and lease liabilities where new banking facilities were drawn down during the period and more leasehold assets taken up as the business expanded.

Taxation

Income tax expense increased by US\$0.92 million (255.3%) in 2HY2024 and US\$0.95 million (212.0%) in FY2024. The increase was primarily driven by:

1. Higher chargeable income resulting from expanded business activities and increased profitability during the period.
2. An increase in the provision for deferred tax liabilities, arising from timing differences between the tax and accounting bases of asset and liability recognition due to finalisation of capital allowance claims.

F. OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES (CONT'D)

Profit for the financial period/year

During the period under review, the Group registered a net profit of S\$3.05 million and S\$5.56 million for 2HY2024 and FY2024, compared to S\$1.10 million and S\$3.24 million in 2HY2023 and FY2023, due mainly to new business establishment, improved business activities from the various segments and a one-time IPO and related listing expenses of S\$1.14 million.

The net profit of the Group for FY2024 amounted to S\$5.56m took into account the one-time IPO and related listing expenses of S\$1.14 million.

2.(b).(i) REVIEW OF WORKING CAPITAL, ASSETS AND LIABILITIES

Current assets

The Group's current assets increased substantially from S\$8.61 million in FY2023 to S\$24.93 million in FY2024, mainly due to the following:-

Cash and Bank Deposits increased from S\$2.84 million in FY2023 to S\$18.81 million in FY2024, mainly due to net cash inflow from operating activities of S\$20.55 million, driven by improved revenue performance across all business segments, proceeds from the initial public offering (IPO) amounting to S\$8.50 million.

Inventories increased from S\$0.43 million to S\$1.49 million in FY2024, reflecting the expansion into new business segments such as Live show, F&B and Manufacturing that have the need for higher stock levels to support growing demand and business scale-up.

Trade and Other Receivables declined slightly from S\$4.88 million in FY2023 to S\$4.26 million in FY2024, indicating improved credit collection efforts.

Prepayments declined from S\$0.46 million in FY2023 to S\$0.37 million in FY2024, as a result of reduction in prepaid expenses related to rental deposits and supplier agreements.

Non-current assets

The Group's non-current assets declined slightly from S\$30.38 million in FY2023 to S\$29.00 million in FY2024, primarily due to depreciation and amortization. The key components of non-current assets are:

Plant, and Equipment (PE), which increased from S\$13.52 million in FY2023 to S\$16.07 million in FY2024, reflecting capital investments in new Karaoke outlet, the Live show segment as well as F&B and Manufacturing operations.

Right-of-Use (ROU) Assets declined from S\$16.63 million in FY2023 to S\$12.87 million in FY2024, due to (a) depreciation of existing leasehold properties and (b) new leases taken up for the new business outlets.

Deferred tax assets declined from S\$0.23 million in FY2023 to S\$0.05 million in FY2024, as prior year tax benefits were utilised.

F. OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES (CONT'D)

Non-current liabilities

The Group's non-current liabilities decreased slightly from S\$15.22 million in FY2023 to S\$14.26 million in FY2024, with key changes in:

Lease Liabilities (long term) which declined from S\$12.53 million in FY2023 to S\$7.19 million as a result of (a) Repayments of lease commitments and (b) New leases taken up for business expansion.

Bank borrowings (long term) increased from S\$1.77 million to S\$5.71 million, as the Group secured additional financing to support its expansion and working capital needs.

Deferred tax liabilities increased from S\$0.02 million to S\$0.37 million, arising from temporary differences between accounting and tax depreciation claims on newly acquired assets.

Derivative Financial Instruments where the Group recorded a S\$0.10 million liability related to an interest rate swap used as a hedging mechanism against bank loans.

Current liabilities

The Group's current liabilities increased from S\$15.62 million in FY2023 to S\$17.40 million in FY2024, mainly due to higher operating expenses and tax liabilities, primarily due to the following:

Lease Liabilities (short term) increased from S\$5.52 million in FY2023 to S\$6.67 million in FY2024, reflecting new lease agreements for expanded operations.

Trade and other payables increased slightly from S\$6.20 million in FY2023 to S\$6.31 million in FY2024, mainly due to higher business activities leading to increased supplier payments as well as accrued expenses related to marketing, IPO costs, and professional fees

Current Tax Payable nearly doubled from S\$0.52 million to S\$1.00 million, in line with the increase in chargeable income due to higher profitability.

Borrowings (short-term) decreased slightly from S\$3.39 million in FY2023 to S\$3.22 million in FY2024, as debt repayments outpaced new financing.

2.(b).(ii) REVIEW OF CASH FLOW STATEMENT

Net cash generated from operating activities

The Group generated a strong positive cash flow of S\$20.55 million from operating activities in FY2024, compared to S\$7.83 million in FY2023. This significant increase was mainly attributed to:

- (a) Strong operating profit before working capital changes of S\$18.29 million due mainly to profit before tax that increased from S\$3.69 million in FY2023 to S\$6.95 million in FY2024;
- (b) Positive net working capital changes that contributed S\$2.64 million as a result of:-
 - Inventories increased by S\$1.06 million, mainly due to stock buildup for the new F&B and Manufacturing segments.
 - Trade and other receivables improved by S\$0.43 million, indicating better credit control and cash collection; and
 - Trade and other payables increased by S\$3.04 million, reflecting higher operational expenses and accrued liabilities.

F. OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES (CONT'D)

Net cash generated used in investing activities

The Group had a net cash outflow of S\$6.15 million from investing activities in FY2024, compared to a higher outflow of S\$11.37 million in FY2023. The key investment activities are mainly Capital Expenditure (CAPEX) amounted to S\$6.32 million in new plant and equipment, primarily to support business expansion, offset by S\$0.17 million from advances repaid by related companies.

Net cash generated from financing activities

The Group generated a net cash inflow of S\$1.17 million from financing activities in FY2024, compared to S\$4.25 million in FY2023. The key financing activities include:

- (a) Proceeds from IPO and Share Issuance amounted to S\$8.50 million through its IPO in November 2024, offset with Share issuance costs of S\$0.54 million, resulting in net proceeds of S\$7.96 million
- (b) New bank loans totaling S\$7.38 million, offset with loan repayments amounted to S\$3.27 million, resulting in a net increase in borrowings of S\$4.11 million.
- (c) Lease Liability Payments amounted to S\$6.57 million towards lease liabilities;
- (d) Interest Payments on Borrowings and Leases amounted to S\$1.37 million;
- (e) Dividend Payments to non-controlling interests in subsidiaries of S\$1.07 million;
- (f) Acquisition of additional non-controlling interests in a subsidiary for S\$0.20 million;
- (g) Repayment of advances from Related Parties of S\$2.20 million; and
- (h) Offset by Capital contributions from non-controlling interests in subsidiary amounting to S\$0.90 million.

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

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

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

The Singapore nightlife entertainment industry, including family KTV, Live shows, and F&B, continues to evolve amid shifting consumer preferences, economic conditions, and regulatory changes. While the industry has shown resilience post-pandemic, several challenges and opportunities will shape the competitive landscape in the coming months.

1. Changing Consumer Behavior

There has been a decline in weekday nightlife participation, partly due to the rise of remote work and higher transportation costs. Consumers are increasingly prioritizing experience-driven entertainment, with demand for immersive live shows and premium KTV experiences gaining traction.

2. Challenges in the F&B and Entertainment Sectors

The F&B sector continues to face rising rental costs, labor shortages, and intense competition, leading to a high rate of business closures. The live entertainment and KTV industry face challenges in attracting and retaining talent, especially in a competitive labor market with increased wages and employment restrictions for foreign workers.

F. OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES (CONT'D)

3. Regulatory and Cost Pressures

Licensing requirements for entertainment venues remain strict, impacting operating hours and the ability to introduce new offerings. The industry is also experiencing higher operational costs, particularly for utilities, lease renewals, staff costs and compliance with safety and entertainment regulations.

Going forward, the Group will continue to optimise operational efficiency to mitigate rising costs, including strategic lease negotiations, workforce optimization, and technology adoption to enhance customer experience. As consumers seek more personalised and high-quality entertainment experiences, the Group may focus on premium KTV services, exclusive live show performances, and elevated F&B offerings to differentiate itself in the market.

The Group had on 17 February 2025 entered into a Subscription and shareholders' agreement with a group of JV partners to expand into Malaysia to establish its first overseas outlet. The Malaysian nightlife and F&B market presents growth opportunities, but factors such as local licensing requirements, competition, and consumer behavior differences will need to be carefully assessed.

While the Singapore nightlife entertainment industry continue to face challenges, the Group is well-positioned to navigate these factors through operational efficiency, service differentiation, and potential market expansion into regional markets. Adapting to industry trends and leveraging strategic growth opportunities will be key to the Group to maintaining a competitive edge in the coming year.

5. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Name of Dividend: Final Dividend
Type: Cash
Amount per share: 0.75 cents

(b) Corresponding Period of the Immediately Preceding Financial Year

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

No

(c) Whether the dividend is before tax, net of tax or tax-exempt?

Tax exempt.

(d) Date payable

9 May 2025 (if approved at the Annual General Meeting to be held).

(e) Books closure date

5 May 2025 (if approved at the Annual General Meeting to be held)

6. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

F. OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES (CONT'D)

7. **If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

Not applicable. The Company has not obtained a general mandate from shareholders for Interested Person Transaction ("IPT").

Apart from the information disclosed in the Offer Document, there are no other IPTs exceeding S\$100,000 and above during Y2024.

8. **Confirmation that the issuer has procured undertakings from all its Directors and executive officers (in the format set out in Appendix 7H under Rule 720(1) of the Listing Manual).**

The Company confirmed that it has procured undertakings from all of its directors and executive officers in the format set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

9. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement**

Pursuant to Rule 704(10) of the Listing Manual Section B: Rules of Catalist of SGX-ST, the Company confirms that there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a Director, Chief Executive Officer or substantial shareholder of the Company.

F. OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES (CONT'D)

10. Status of the use of IPO funds raised

The Group raised net proceeds of S\$8.5 million. As of the date of announcement, the net proceeds have been utilised as follows and the balance as follows:

Use of proceeds	Estimated Amount in aggregate (\$)	Amount utilised from 15 Nov 2024 to the date of this announcement (\$)	Balance as at the date of this announcement (\$)
Expansion of our business regionally and globally	1,612,940	-	1,612,940
Broadening our existing business verticals	1,612,940	813,555	799,385
Acquisitions, joint ventures and/or strategic partnerships	1,290,350	439,661	850,689
Investment into entertainment technologies	645,170	-	645,170
General working capital requirements	1,290,350	1,290,350	-
Listing expenses	2,048,250	1,958,268	89,982
Gross proceeds from the Placement	8,500,000	4,501,834	3,998,166

BY ORDER OF THE BOARD

LU MANG
Executive Chairman and CEO
27 February 2025

This announcement has been reviewed by the Company's Sponsor, Evolve Capital Advisory Private Limited. This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Mr. Jerry Chua (Tel: (65) 6241 6626), at 160 Robinson Road, #20-01/02, SBF Center, Singapore 068914.